
MERC Commission Meeting

February 4, 2015
12:30 pm

Oregon Zoo
4001 SW Canyon Road
Vista Room



600 NE Grand Ave.
Portland, OR 97232
503-797-1780

www.oregonmetro.gov

Metro | *Exposition Recreation Commission*

Agenda

Meeting: Metro Exposition Recreation Commission Meeting
Date: Wednesday, Feb. 4, 2015
Time: 12:30-2:30 p.m.
Place: Oregon Zoo, Vista Room

CALL TO ORDER

- | | | | |
|--------------|------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| 12:30 | 1. | QUORUM CONFIRMED | |
| 12:35 | 2. | OPPORTUNITY FOR PUBLIC COMMENT ON NON-AGENDA ITEMS | |
| 12:40 | 3. | COMMISSION/COUNCIL LIAISON COMMUNICATIONS | |
| 12:45 | 4. | METRO DEPUTY COO COMMUNICATIONS | Scott Robinson |
| 12:50 | 5. | FINANCIAL REPORT, pages 5-18 | Ben Rowe |
| 12:55 | 6. | FY 2013-14 FINANCIAL AUDIT, pages 20-34 | Tim Collier
Brian Evans, Metro Auditor
Brad Smith, Moss Adams LLC |
| 1:15 | 7. | ARAMARK SECOND QUARTER REVIEW, pages 36-53 | Ed Strong |
| 1:35 | 8. | VENUE BUSINESS REPORTS | Robyn Williams
Matthew P. Rotchford
Scott Cruickshank |
| 1:55 | 9. | CONSENT AGENDA
December 2, 2014 Record of MERC Actions, pages 56-57
January 13, 2015 Record of MERC Actions, pages 58-59 | |
| 2:00 | 10. | VENUE STRATEGY GUIDANCE | Scott Robinson |
| | | ADJOURN | |

MERC Commission Meeting

February 4, 2015
12:30 pm

5.0 Financial Report

DECEMBER 2014

FINANCIAL INFORMATION

For Management Purposes only



Date: February 4, 2015

To: Commissioner Terry Goldman, Chair
 Commissioner Cynthia Haruyama, Vice Chair
 Commissioner Judie Hammerstad, Secretary-Treasurer
 Commissioner Karis Stoudamire-Phillips
 Commissioner Chris Erickson
 Commissioner Elisa Dozono
 Commissioner Ray Leary

From: Ben Rowe – MERC Finance Manager

Re: MERC Financial Information December Fiscal Year 2014-15

MERC Venues Events & Attendance

Total MERC venue December hosted events meet the three-year historical December average and attendance is 4% (-6,918) below the three-year historical December average. Total MERC venue hosted events and attendance year to date are 6% (41), and 4% (30,952) respectively above the three-year historical average.

	2013		2014		Change from Prior Year	
	Events	Attendance	Events	Attendance	Events	Attendance
Total MERC Venues						
1st Quarter	225	189,996	269	280,679	44, 20%	90,683, 48%
2nd Quarter	435	491,670	458	464,780	23, 5%	(26,890), (-5%)
October	148	164,164	162	142,683	14, 9%	(21,481), -13%
November	144	152,229	155	156,479	11, 8%	4,250, 3%
December	143	175,277	141	165,618	(2), (-1%)	(9,659), (-6%)
Year to Date	660	681,666	727	745,459	67, 10%	63,793, 9%

MERC Venues Revenues & Expense

All three venues experienced a record first half of the fiscal year. MERC venue event related (rent and food and beverage) year to date (YTD) revenues are \$2.6 million (16.5%) above the three-year historical average, however only 0.5% above budget. These dramatic increases in revenues are due to the much improved economy, higher than average number of events hosted as well as higher profit margin type events hosted the first two quarters. Total venue expenses are 7.5% above the prior year, 8% above the three-year historical average, and 3.4% below budget projections.

Food & Beverage

The total MERC Venue food and beverage margin for December is 17.9%, 5.7% above December 2013. The year to date food & beverage margin is 22.3%, 9% higher than the prior year to date, and 6% higher than the three-year historical YTD average.

Net Operations

Total MERC YTD net operations is \$1.7 million (160%) greater than 2013 and 200% (\$2.2 million) greater than the three-year historical YTD average.

Historical Actual Comparison FY 2012-2014 to FY 2015

	Fiscal Year:	2012	2013	2014	2015	2012-14	% Diff.	% Diff.
Revenues		YTD	YTD	YTD	YTD	Average	Average	2014
Food & Beverage		7,205,345	6,922,501	6,891,971	7,857,496	7,006,606	12%	14%
Charges for Services		8,566,858	8,961,614	8,620,063	10,463,474	8,716,178	20%	21%
Lodging Tax		4,022,417	4,191,273	4,946,295	5,816,432	4,386,662	33%	18%
Other		248,313	111,643	515,085	274,191	291,680	-6%	-47%
Total Revenue		20,042,934	20,187,031	20,973,414	24,411,593	20,401,126	20%	16.39%
Expenses								
Food & Beverage		5,872,457	5,788,920	5,971,187	6,107,782	5,877,521	4%	2%
Personnel Services		8,603,306	8,238,654	8,168,190	8,615,020	8,336,717	3%	5%
Materials & Services		4,807,361	5,081,093	5,147,300	5,865,552	5,011,918	17%	14%
Other		2,617,119	2,755,178	2,794,552	3,158,053	2,722,283	16%	13%
Total Expense		21,900,243	21,863,846	22,081,229	23,746,406	21,948,439	8%	8%
Net Operations		(1,857,310)	(1,676,815)	(1,107,815)	665,187	(1,547,313)	-143%	-160%
Food & Beverage Margin		18.50%	16.38%	13.36%	22.27%	16.11%	6%	9%

Oregon Convention Center

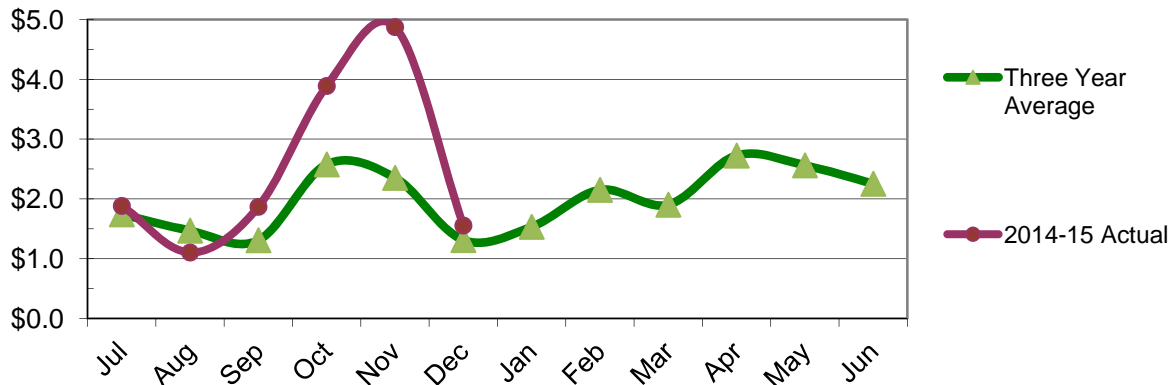
OCC set record gross revenues in September, October, and November 2014 compared to the past 4 years however, December was slightly below the prior year. There were 9 more events at OCC in December 2014 than 2013, and 7,900 (21%) more attendees than the prior year. December revenues are 29% (\$639,000) less than the prior year, however still 5.5% above the three-year historical December average. This is primarily due to timing of revenue transfers in the prior year and a slight dip in both charges for services and TLT receipts from December 2013. TLT receipts year to date are still 14% (\$627,000) above the prior year. Year to date revenues are 2.8% below budget projections. Expenses are 5.7% more than the prior year, 18% above the three-year historical December average, and 6% under budget. OCC YTD food and beverage margin is 22.8%.

Highest Grossing Events

Event	Gross Revenue	% of December Event Revenue
Festival of Trees	\$208,596	20%
Marquis & Consonus Employee Holiday Party	138,870	13%
Coordinated Care Model Summit	122,037	12%
Maxim Integrated Holiday Party	90,521	9%
All other Events	475,009	46%
Total	\$1,035,006	100%

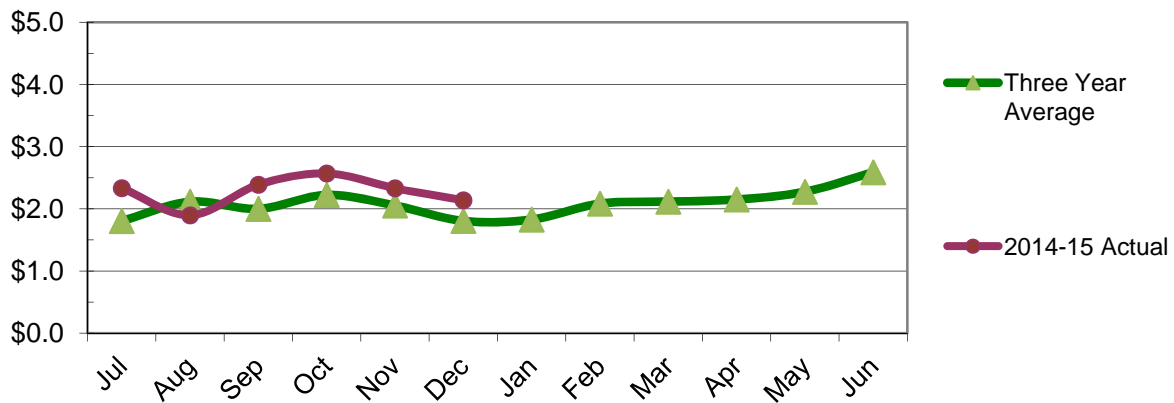
OCC Program Revenues by Month

Shown in Millions



OCC Program Expense by Month

Shown in Millions



Portland'5 Centers for the Arts

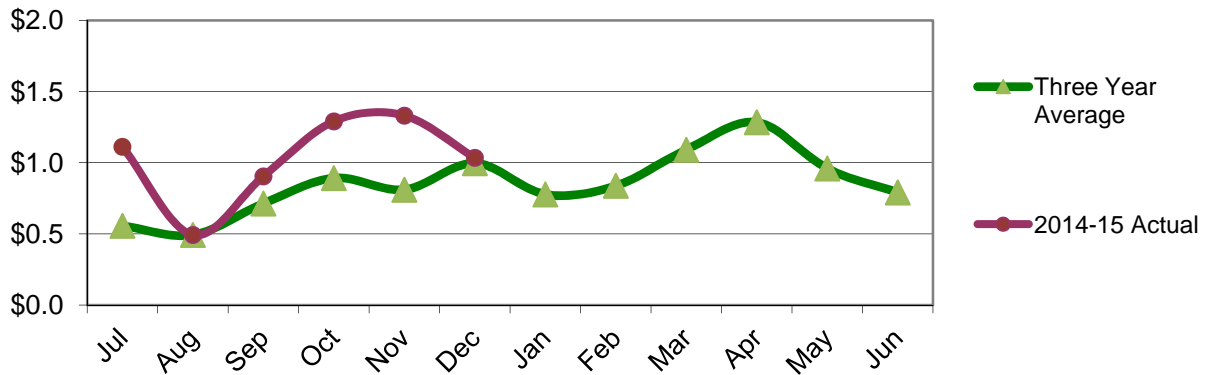
Portland'5 set record gross revenues in July, September, October, and November 2014 compared to the past 4 years however slipped slightly below the prior year in December. There were 12 (12%) less events, and 18,300 (-18%) less attendees, at the Portland'5 Centers for the Arts in December compared to the prior year. Portland'5 December events and attendance are 12% and 19% respectively below the three-year historical monthly average. Portland'5 December revenues are 9% below the prior year however still 4% above the three-year historical December average. Year to date revenues are over 26% (\$1.25 million) above the prior year thanks in large part to *The Book of Mormon* production and TLT receipts. Year to date revenues are 1% above budget projections. December expenses are 2% below the prior year and 15% above the three-year historical December average. Year to date expenses are 9% above the prior year and at budget. Portland'5 YTD food and beverage margin is 30%.

Highest Grossing Events

Event	Gross Revenue	% of December Event Revenue
The Nutcracker	\$334,271	35%
Special – Gospel Christmas	47,027	5%
The Mystery of Irma Vep	45,861	5%
Classical #6 – Andre Watts	43,640	5%
All other Events	497,408	51%
Total	\$968,208	100%

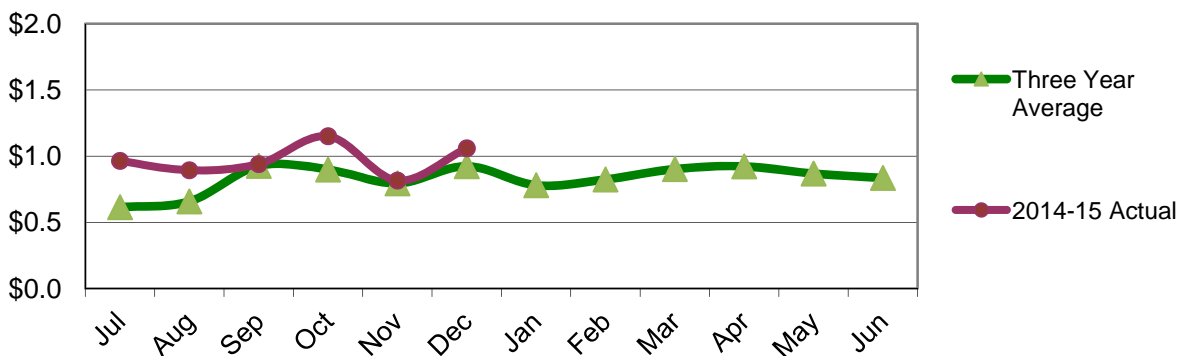
P5CA Program Revenue by Month

Shown in Millions



P5CA Program Expense by Month

Shown in Millions



Portland Expo Center

Expo set gross revenue records in July, August, and November 2014 compared to the past 4 years however dipped slightly below average in December. There was 1 (17%) more event and 750 (2%) more attendees at Expo in December than the prior year. Events and attendance in December were 17% and 2% above the three-year historical December average respectively. December revenues are 21% below the prior year and 11% below the three-year historical December average. Expo's YTD revenues are 8% above the prior year and 12% below budget. Expo's YTD expenses are 8% above the prior year and 2% above budget projections. Specific projects funded by MTOCA like the new awnings installed over several event Hall entryways were associated with these increased expenses. Expo's December food & beverage margin is -9.6%, however, its year to date food & beverage margin is 2%. The annual Christmas Bazaar event at Expo traditionally spans both November and December and is one of Expo's largest events of the year.

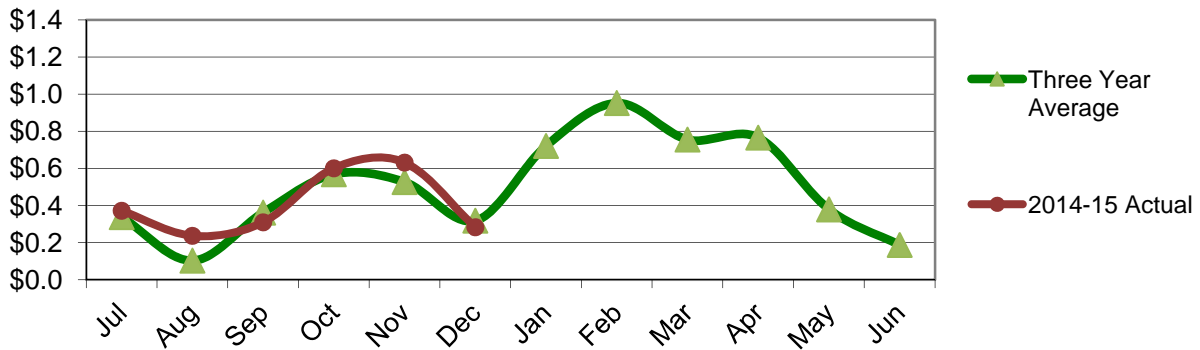
Highest Grossing Events

Event	Gross Revenue	% of December Event Revenue
America's Largest Christmas Bazaar*	\$164,386	58%
Collector's West Gun and Knife Show	51,370	18%
All Things Cheer	29,745	10%
Rose City Gun and Knife Show	6,297	2%
All other Events	32,336	11%
Total	\$284,134	100%

*The monthly Financial Report represents gross event revenues within the calendar month only, which does not always capture the entire event. The total Christmas Bazaar event grossed \$330,500 in 2014, 3.3% above 2013.

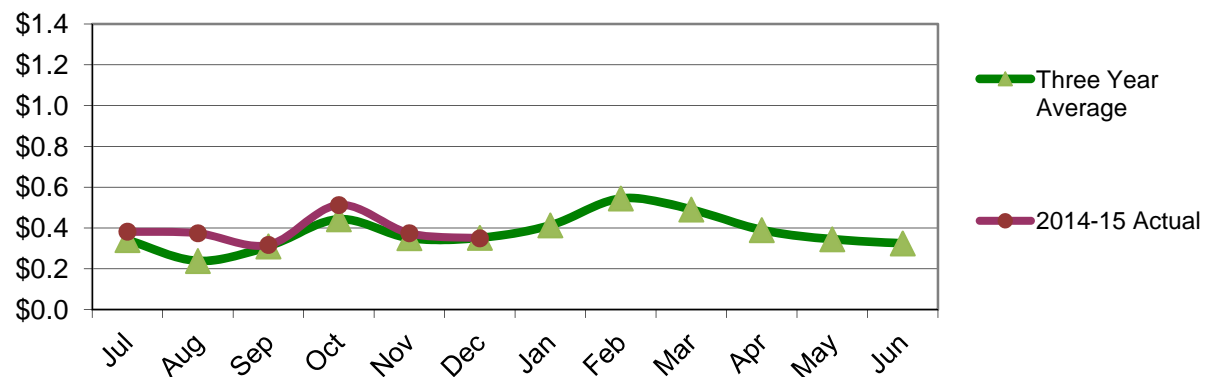
Expo Program Revenue by Month

Shown in Millions



Expo Program Expense by Month

Shown in Millions



MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

All Departments

December 2014

	Current Month Actual	Prior Year Month Actual	Current Year to Date Actual	Prior Year to Date Actual	Current Year Budget	% of Prior Year	% of Annual Budget
Operations							
Charges for Services	1,273,504	1,571,828	10,463,474	8,620,063	21,098,321	121.39%	49.59%
Contributions from Governments	-	-	-	-	831,905	0.00%	0.00%
Enhanced Marketing VDF	-	-	-	-	463,702	0.00%	0.00%
Food and Beverage Revenue	1,034,585	1,102,873	7,857,496	6,891,971	15,202,929	114.01%	51.68%
Interest Earnings	10,801	10,205	103,039	61,430	57,750	167.73%	178.42%
Interfund Loans	-	-	-	-	-	0.00%	0.00%
Lodging Tax	633,849	680,526	5,816,432	4,946,295	11,131,163	117.59%	52.25%
Miscellaneous Revenue	8,291	3,230	62,523	35,022	84,542	178.53%	73.95%
Transfers-R	18,105	418,633	108,630	418,633	1,137,263	25.95%	9.55%
Visitor Development Fund Alloc	-	-	-	-	1,931,633	0.00%	0.00%
Total Revenues	2,979,135	3,787,295	24,411,593	20,973,414	51,939,208	116.39%	47.00%
Capital Outlay	20	-	20	-	25,000	0.00%	0.08%
Food & Beverage Services	849,092	967,572	6,107,782	5,971,187	12,871,802	102.29%	47.45%
Materials and Services	1,048,902	772,488	5,865,552	5,147,300	13,425,476	113.95%	43.69%
Personnel Services	1,431,197	1,494,350	8,615,020	8,168,190	18,432,052	105.47%	46.74%
Transfers-E	294,300	240,495	3,158,033	2,794,552	5,680,018	113.01%	55.60%
Visitor Development Marketing	-	-	-	-	463,702	0.00%	0.00%
Total Expenditures	3,623,511	3,474,904	23,746,406	22,081,229	50,898,050	107.54%	46.65%
Net Operations	(644,376)	312,391	665,187	(1,107,815)	1,041,158		
Capital							
Contributions from Private Sources	100,000	-	100,000	-	-	0.00%	0.00%
Grants	-	-	156,486	-	70,000	0.00%	223.55%
Miscellaneous Revenue	-	-	14,633	-	-	0.00%	0.00%
Transfers-R	-	-	-	-	-	0.00%	0.00%
Total Revenues	100,000	-	271,119	-	70,000	0.00%	387.31%
Capital Outlay	35,735	190,333	2,850,288	1,763,442	7,219,300	161.63%	39.48%
Total Expenditures	35,735	190,333	2,850,288	1,763,442	7,219,300	161.63%	39.48%
Net Capital	64,265	(190,333)	(2,579,169)	(1,763,442)	(7,149,300)		
12 Month Fund Balance Increase	(580,111)	122,058	(1,913,982)	(2,871,256)	(6,108,142)		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Convention Center Operating Fund

December 2014

	Current Month Actual	Prior Year Month Actual	Current Year to Date Actuals	Prior Year to Date Actual	Current Year Budget	% of Prior Year to Date	% of Annual Budget
Operations							
Charges for Services	353,098	488,128	4,612,680	3,418,074	9,446,977	134.9%	48.8%
Enhanced Marketing VDF	-	-	-	-	463,702	0.0%	0.0%
Food and Beverage Revenue	684,050	718,395	5,671,471	5,222,439	11,002,827	108.6%	51.5%
Interest Earnings	3,968	5,216	35,072	23,853	14,500	147.0%	241.9%
Interfund Loans	-	-	-	-	-	0.0%	0.0%
Lodging Tax	557,112	617,101	5,112,624	4,485,305	9,803,384	114.0%	52.2%
Miscellaneous Revenue	2,528	(311)	17,173	7,107	11,000	241.6%	156.1%
Transfers-R	(45,604)	365,128	(273,623)	97,600	93,756	-280.3%	-291.8%
Visitor Development Fund Alloc	-	-	-	-	1,281,250	0.0%	0.0%
Total Revenues	1,555,152	2,193,657	15,175,398	13,254,378	32,117,396	114.5%	47.2%
Food & Beverage Services	575,500	652,897	4,381,070	4,459,506	9,363,294	98.2%	46.8%
Materials and Services	651,329	432,783	3,459,237	3,139,463	8,527,570	110.2%	40.6%
Personnel Services	729,500	715,838	4,477,628	4,261,152	9,969,814	105.1%	44.9%
Transfers-E	181,007	140,879	1,335,597	1,055,121	2,698,655	126.6%	49.5%
Visitor Development Marketing	-	-	-	-	463,702	0.0%	0.0%
Total Expenditures	2,137,336	1,942,397	13,653,532	12,915,243	31,023,035	105.7%	44.0%
Net Operations	(582,184)	251,260	1,521,866	339,136	1,094,361		
Capital							
Contributions from Private Sources	62,500	-	62,500	-	-	0.0%	0.0%
Grants	-	-	-	-	60,000	0.0%	0.0%
Miscellaneous Revenue	-	-	14,633	-	-	0.0%	0.0%
Transfers-R	-	-	360,000	615,000	360,000	58.5%	100.0%
Total Revenues	62,500	-	437,133	615,000	420,000	71.1%	104.1%
Capital Outlay	4,643	144,196	1,565,089	1,109,909	4,258,000	141.0%	36.8%
Total Expenditures	4,643	144,196	1,565,089	1,109,909	4,258,000	141.0%	36.8%
Net Capital	57,857	(144,196)	(1,127,956)	(494,909)	(3,838,000)		
12 Month Fund Balance Increase	(524,327)	107,063	393,909	(155,773)	(2,743,639)		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Portland's Centers for the Arts Fund

December 2014

	Current Month Actual	Prior Year Month Actual	Current Year to Date Actuals	Prior Year to Date Actual	Current Year Budget	% of Prior Year to Date	% of Annual Budget
Operations							
Charges for Services	718,229	816,917	4,127,763	3,561,989	7,454,065	115.9%	55.4%
Contributions from Governments	-	-	-	-	831,905	0.0%	0.0%
Food and Beverage Revenue	267,095	287,586	1,460,925	1,031,278	2,225,102	141.7%	65.7%
Interest Earnings	4,445	3,726	50,566	26,488	31,000	190.9%	163.1%
Lodging Tax	76,737	63,424	703,808	460,991	1,327,779	152.7%	53.0%
Miscellaneous Revenue	3,582	2,208	33,592	21,021	51,302	159.8%	65.5%
Transfers-R	(35,701)	(32,384)	(214,206)	(194,301)	(428,413)	110.2%	50.0%
Visitor Development Fund Alloc	-	-	-	-	650,383	0.0%	0.0%
Total Revenues	1,034,388	1,141,477	6,162,447	4,907,465	12,143,123	125.6%	50.7%
Food & Beverage Services							
	182,125	199,451	1,015,918	861,714	1,857,227	117.9%	54.7%
Materials and Services							
	292,763	237,552	1,616,584	1,319,751	2,948,738	122.5%	54.8%
Personnel Services							
	512,917	567,272	2,914,511	2,783,694	5,996,451	104.7%	48.6%
Transfers-E							
	71,871	77,365	545,633	610,780	1,318,646	89.3%	41.4%
Total Expenditures	1,059,677	1,081,640	6,092,646	5,575,939	12,121,062	109.3%	50.3%
Net Operations							
	(25,289)	59,837	69,802	(668,474)	22,061		
Capital							
Contributions from Private Sources	22,500	-	22,500	-	-	0.0%	0.0%
Grants	-	-	42,986	-	-	0.0%	0.0%
Total Revenues	22,500	-	65,486	-	-	0.0%	0.0%
Capital Outlay	30,672	41,194	916,377	277,840	1,938,000	329.8%	47.3%
Total Expenditures	30,672	41,194	916,377	277,840	1,938,000	329.8%	47.3%
Net Capital							
	(8,172)	(41,194)	(850,891)	(277,840)	(1,938,000)		
12 Month Fund Balance Increase							
	(33,461)	18,643	(781,089)	(946,315)	(1,915,939)		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Expo Fund

December 2014

	Current Month Actual	Prior Year Month Actual	Current Year to Date Actuals	Prior Year to Date Actual	Current Year Budget	% of Prior Year to Date	% of Annual Budget
Operations							
Charges for Services	202,176	266,783	1,723,009	1,639,975	4,197,279	105.1%	41.1%
Food and Beverage Revenue	83,440	96,892	725,100	638,254	1,975,000	113.6%	36.7%
Interest Earnings	1,008	1,080	8,666	8,763	8,500	98.9%	102.0%
Miscellaneous Revenue	2,181	1,334	11,757	6,738	22,240	174.5%	52.9%
Transfers-R	(5,556)	(9,323)	(33,336)	(55,938)	212,330	59.6%	-15.7%
Total Revenues	283,249	356,765	2,435,196	2,237,793	6,415,349	108.8%	38.0%
Capital Outlay							
Capital Outlay	20	-	20	-	25,000	0.0%	0.1%
Food & Beverage Services	91,467	115,224	710,793	649,967	1,651,281	109.4%	43.0%
Materials and Services	94,821	98,294	545,385	557,690	1,459,762	97.8%	37.4%
Personnel Services	122,172	146,765	824,450	763,987	1,721,145	107.9%	47.9%
Transfers-E	41,422	22,251	1,264,803	1,128,651	1,639,717	112.1%	77.1%
Total Expenditures	349,902	382,534	3,345,450	3,100,295	6,496,905	107.9%	51.5%
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Net Operations	(66,652)	(25,769)	(910,254)	(862,502)	(81,556)		
Capital							
Contributions from Private Sources	15,000	-	15,000	-	-	0.0%	0.0%
Grants	-	-	113,500	-	10,000	0.0%	1135.0%
Transfers-R	-	-	360,000	165,000	360,000	218.2%	100.0%
Total Revenues	15,000	-	488,500	165,000	370,000	296.1%	132.0%
Capital Outlay	420	4,943	368,822	375,693	930,500	98.2%	39.6%
Total Expenditures	420	4,943	368,822	375,693	930,500	98.2%	39.6%
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Net Capital	14,580	(4,943)	119,678	(210,693)	(560,500)		
<hr/>							
12 Month Fund Balance Increase	(52,072)	(30,711)	(790,576)	(1,073,194)	(642,056)		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

MERC Admin Sub Fund

December 2014

	Current Month Actual	Prior Year Month Actual	Current Year to Date Actuals	Prior Year to Date Actual	Current Year Budget	% of Prior Year to Date	% of Annual Budget
Operations							
Charges for Services	-	-	22	25	-	87.0%	0.0%
Interest Earnings	1,380	184	8,735	2,326	3,750	375.5%	232.9%
Miscellaneous Revenue	-	-	-	155	-	0.0%	0.0%
Transfers-R	104,966	95,212	629,795	571,272	1,259,590	110.2%	50.0%
Total Revenues	106,346	95,396	638,552	573,778	1,263,340	111.3%	50.5%
Materials and Services							
Personnel Services	9,990	3,858	244,346	130,395	489,406	187.4%	49.9%
Transfers-E	66,607	64,474	398,432	359,357	744,642	110.9%	53.5%
Total Expenditures	76,597	68,333	654,778	489,752	1,257,048	133.7%	52.1%
Net Operations	29,749	27,063	(16,227)	84,026	6,292		
Capital							
Transfers-R	-	-	(720,000)	(780,000)	(720,000)	92.3%	100.0%
Total Revenues	-	-	(720,000)	(780,000)	(720,000)	92.3%	100.0%
Capital Outlay	-	-	-	-	92,800	0.0%	0.0%
Total Expenditures	-	-	-	-	92,800	0.0%	0.0%
Net Capital	-	-	(720,000)	(780,000)	(812,800)		
12 Month Fund Balance Increase	29,749	27,063	(736,227)	(695,974)	(806,508)		

MERC Visitor Venues
Events-Performances-Attendance
FY 2013-14

OCC	December 2013		December 2014		Net Change from Prior Year		December 2014	
	Events	Attendance	Events	Attendance	Events	Attendance	Revenue	% of Rev.
Tradeshows/Conventions	4	3,275	3	2,109	(1)	(1,166)	114,316	11%
Consumer Public Shows	3	24,766	6	32,819	3	8,053	319,163	31%
Miscellaneous					-	-		0%
Miscellaneous -In-House	11	303	14	349	3	46	113,637	11%
Meetings	9	3,016	14	5,193	5	2,177	220,901	21%
Catering	13	6,464	12	5,241	(1)	(1,223)	266,988	26%
Totals	40	37,824	49	45,711	9	7,887	1,035,005	100%

Expo Center	December 2013		December 2014		Net Change from Prior Year		December 2014	
	Events	Attendance	Events	Attendance	Events	Attendance	Revenue	% of Rev.
Consumer Public Shows	2	33,224	2	34,144	-	920	229,513	81%
<i>Cirque Du Soleil</i>	-	-	-	-	-	-		0%
Miscellaneous	2	2,149	4	2,000	2	(149)	53,058	19%
Meetings	2	46	1	24	(1)	(22)	1,098	0%
Catering	-	-	-	-	-	-		0%
Tradeshows/Conventions	-	-	-	-	-	-	465	0%
Totals	6	35,419	7	36,168	1	749	284,134	100%
Totals w/Cirque du Soleil	6	35,419	7	36,168	1	749	284,134	100%

Portland '5	December 2013		December 2014		Net Change from Prior Year		December 2014	
	Performances	Attendance	Performances	Attendance	Performances	Attendance	Revenue	% of Rev.
Commercial (Non-Broadway)	18	13,964	3	3,672	(15)	(10,292)	212,121	22%
Broadway	-	-	-	-	-	-		0%
Resident Company	30	59,484	31	66,356	1	6,872	5,298	1%
Non-Profit	48	28,484	50	13,613	2	(14,871)	712,954	74%
Promoted/Co-Promoted	1	102	1	98	-	(4)	2,579	0%
Student	-	-	-	-	-	-		0%
Miscellaneous	-	-	-	-	-	-	35,256	4%
Totals	97	102,034	85	83,739	(12)	(18,295)	968,208	100%

MERC Visitor Venues
Events-Performances-Attendance
FY 2013-14

	2nd quarter 13-14		2nd quarter 14-15		Net Change from Prior Year	
OCC	Events	Attendance	Events	Attendance	Events	Attendance
Tradeshows/Conventions	15	16,432	23	36,297	8	19,865
Consumer Public Shows	16	78,623	16	60,658	-	(17,965)
Miscellaneous	-	-	-	-	-	-
Miscellaneous -In-House	33	571	35	778	2	207
Meetings	47	15,753	52	19,105	5	3,352
Catering	31	18,806	31	15,315	-	(3,491)
Totals	142	130,185	157	132,153	15	1,968

	2nd quarter 13-14		2nd quarter 14-15		Net Change from Prior Year	
Expo Center	Events	Attendance	Events	Attendance	Events	Attendance
Consumer Public Shows	13	97,558	13	93,378	-	(4,180)
<i>Cirque Du Soleil</i>	-	-	-	-	-	-
Miscellaneous	6	7,283	8	2,210	2	(5,073)
Meetings	3	72	2	64	(1)	(8)
Catering	-	-	-	-	-	-
Tradeshows/Conventions	3	4,238	4	5,966	1	1,728
Totals	25	109,151	27	101,618	2	(7,533)
Totals w/Cirque du Soleil	25	109,151	27	101,618	2	(7,533)

	2nd quarter 13-14		2nd quarter 14-15		Net Change from Prior Year	
PCPA	Performances	Attendance	Performances	Attendance	Performances	Attendance
Commercial (Non-Broadway)	42	46,118	26	33,322	(16)	(12,796)
Broadway	15	26,434	16	32,816	1	6,382
Resident Company	75	110,335	81	123,598	6	13,263
Non-Profit	107	53,682	89	21,230	(18)	(32,452)
Promoted/Co-Promoted	4	347	4	326	-	(21)
Student	23	15,144	56	19,435	33	4,291
Miscellaneous	2	274	2	282	-	8
Totals	268	252,334	274	231,009	6	(21,325)

MERC Food and Beverage Margins

December 2015

	Current Month Actual	Prior Year Month Actual	Current Year to Date Actual	Prior Year to Date Actual	Annual Budget
Convention Center Operating Fund					
Food and Beverage Revenue	684,050	718,395	5,671,471	5,222,439	11,002,827
Food & Beverage Services	575,500	652,897	4,381,070	4,459,506	9,363,294
Food and Beverage Gross Margin	108,550	65,498	1,290,400	762,933	1,639,533
Food and Beverage Gross Margin %	15.87%	9.12%	22.75%	14.61%	14.90%
Portland'5 Centers for the Arts Fund					
Food and Beverage Revenue	267,095	287,586	1,460,925	1,031,278	2,225,102
Food & Beverage Services	182,125	199,451	1,015,918	861,714	1,857,227
Food and Beverage Gross Margin	84,970	88,134	445,007	169,564	367,875
Food and Beverage Gross Margin %	31.81%	30.65%	30.46%	16.44%	16.53%
Expo Fund					
Food and Beverage Revenue	83,440	96,892	725,100	638,254	1,975,000
Food & Beverage Services	91,467	115,224	710,793	649,967	1,651,281
Food and Beverage Gross Margin	(8,027)	(18,332)	14,308	(11,713)	323,719
Food and Beverage Gross Margin %	-9.62%	-18.92%	1.97%	-1.84%	16.39%
MERC Fund Total					
Food and Beverage Revenue	1,034,585	1,102,873	7,857,496	6,891,971	15,202,929
Food & Beverage Services	849,092	967,572	6,107,782	5,971,187	12,871,802
Food and Beverage Gross Margin	185,493	135,301	1,749,715	920,784	2,331,127
Food and Beverage Gross Margin %	17.93%	12.27%	22.27%	13.36%	15.33%

MERC Statement of Fund Balances and Reserves

December 2014

	FY 2015 Through Decmeber	FY 2014 Through Decmeber	FY 2014 Through June	FY 2015 Annual Budget
<u>Oregon Convention Center</u>				
Beginning Fund Balance	14,769,675	14,415,732	14,415,732	16,655,732
Fund Balance Inc (Dec)	393,909	(155,773)	353,943	(2,743,639)
Ending Fund Balance	15,163,584	14,259,959	14,769,675	13,912,093
<i>Contingency - Operating</i>				1,630,000
<i>Contingency - New Capital-Business Strategy</i>				1,099,078
<i>Contingency - Renewal & Replacement</i>				11,183,015
<i>Ending Fund Balance</i>				13,912,093
<u>Portland'5 Centers for the Arts</u>				
Beginning Fund Balance	9,837,693	9,020,155	9,020,155	10,226,656
Fund Balance Inc (Dec)	(781,089)	(946,315)	817,538	(1,915,939)
Ending Fund Balance	9,056,604	8,073,840	9,837,693	8,310,717
<i>Contingency - Operating</i>				600,000
<i>Contingency - New Capital-Business Strategy</i>				1,857,050
<i>Contingency - Renewal & Replacement</i>				5,853,667
<i>Ending Fund Balance</i>				8,310,717
<u>Expo</u>				
Beginning Fund Balance	3,367,235	3,935,352	3,935,352	4,399,853
Fund Balance Inc (Dec)	(790,576)	(1,073,194)	(568,117)	(642,056)
Ending Fund Balance	2,576,659	2,862,158	3,367,235	3,757,797
<i>Contingency - Operating</i>				350,000
<i>Contingency - New Capital-Business Strategy</i>				2,596,016
<i>Contingency - Renewal & Replacement</i>				811,781
<i>Ending Fund Balance</i>				3,757,797
<u>MERC Administration</u>				
Beginning Fund Balance	4,085,354	3,043,123	3,043,123	3,043,124
Fund Balance Inc (Dec)	(736,227)	(695,974)	1,042,231	(806,508)
Ending Fund Balance	3,349,127	2,347,149	4,085,354	2,236,616
<i>Contingency - Operating</i>				65,000
<i>Contingency - Renewal & Replacement</i>				2,171,616
<i>Ending Fund Balance</i>				2,236,616
<u>MERC Fund</u>				
Beginning Fund Balance	32,059,957	30,414,362	30,414,362	34,325,365
Fund Balance Inc (Dec)	(1,913,983)	(2,871,256)	1,645,594	(6,108,142)
Ending Fund Balance	30,145,974	27,543,106	32,059,956	28,217,223

MERC Commission Meeting

February 4, 2015
12:30 pm

6.0 Financial Audit
FY2013-2014

REPORT OF INDEPENDENT AUDITORS

Metro Council and Metro Auditor
Portland, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Oregon Zoo Foundation, a discretely presented component unit, which represents 100% of the assets, net position, and revenues of the discretely presented component unit of Metro. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Oregon Zoo Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of The Oregon Zoo Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 35; the schedules of revenues, expenditures and changes in fund balance – budget and actual and related notes (the “budgetary schedules”); and the schedule of funding progress for the other postemployment benefits on pages 87 through 90, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis and the schedule of funding progress for the other postemployment benefits described in the preceding paragraph in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Metro's basic financial statements. The budgetary schedules described above are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Metro's basic financial statements. The other supplementary information and other financial schedules, and the schedule of expenditures of federal awards which is required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; each as listed in the table of contents (collectively, the supplementary information), are

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presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, other financial schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Metro's basic financial statements. The introductory section and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2014, on our consideration of Metro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Metro's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 18, 2014, on our consideration of Metro's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Moss Adams LLP
Eugene, Oregon
November 18, 2014

MAKING A GREAT PLACE



www.oregonmetro.gov

600 NE Grand Ave.
Portland, Oregon

877-337-2736

Cover only - entire report may be downloaded from Metro's website (192 pages)



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2014

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE AND ON INTERNAL CONTROL OVER
 FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
 ACCORDANCE WITH OREGON MINIMUM AUDIT STANDARDS**

Metro Council and Metro Auditor
 Portland, Oregon

We have audited the basic financial statements of Metro as of and for the year ended June 30, 2014 and have issued our report thereon dated November 18, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether Metro's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

OAR	Section	Instances of Non-Compliance Identified?
162-010-0000	Preface	None Noted
162-010-0010	Definitions	None Noted
162-010-0020	Introduction	None Noted
162-010-0030	General Requirements	None Noted
162-010-0050	Financial Statements	None Noted
162-010-0115	Required Supplementary Information (RSI)	None Noted
162-010-0120	Other Supplementary Information	None Noted
162-010-0130	Schedule of Revenues, Expenditures / Expenses, and Changes in Fund Balances, / Net Position, Budget and Actual (Each Fund)	None Noted
162-010-0140	Schedule of Accountability for Independently Elected Officials	Not applicable
162-010-0150	Schedule of Property Tax Transactions or Acreage Assessments	None Noted
162-010-0160	Schedule of Bonded or Long-Term Debt Transactions	None Noted
162-010-0170	Schedule of Future Requirements for Retirement of Bonded or Long-Term Debt	None Noted
162-010-0190	Other Financial or Statistical Information	None Noted
162-010-0200	Required Disclosures and Independent Auditors Comments	None Noted
162-010-0230	Accounting Records and Internal Control	None Noted
162-010-0240	Public Fund Deposits	None Noted
162-010-0250	Indebtedness	None Noted
162-010-0260	Budget	None Noted
162-010-0270	Insurance and Fidelity Bonds	None Noted
162-010-0280	Programs Funded from Outside Sources	None Noted
162-010-0295	Highway Funds	Not applicable
162-010-0300	Investments	None Noted
162-010-0310	Public Contracts and Purchasing	None Noted
162-010-0315	State School Fund	Not applicable
162-010-0316	Public Charter Schools	Not applicable
162-010-0320	Other Comments and Disclosures	None Noted
162-010-0330	Extensions of Time to Deliver Audit Reports	Not applicable

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However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Minimum Standards for Audits of Municipal Corporations.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Metro's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control. Accordingly, we do not express an opinion on the effectiveness of Metro's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Moss Adams LLP
Eugene, Oregon
November 18, 2014

**REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Metro Council and Metro Auditor
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 18, 2014. Our report includes a reference to other auditors who audited the financial statements of the Oregon Zoo Foundation, as described in our report on Metro's financial statements. The financial statements of the Oregon Zoo Foundation were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Oregon Zoo Foundation.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Metro's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control. Accordingly, we do not express an opinion on the effectiveness of Metro's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

MOSS ADAMS_{LLP}**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Metro's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Eugene, Oregon
November 18, 2014

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Metro Council and Metro Auditor
Portland, Oregon

Report on Compliance for the Major Federal Program

We have audited Metro's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Metro's major federal program for the year ended June 30, 2014. Metro's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Metro's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Metro's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Metro's compliance.

Opinion on the Major Federal Program

In our opinion, Metro complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2014.



Report on Internal Control Over Compliance

Management of Metro is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Metro's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Metro's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Moss Adams, LLP

Eugene, Oregon
November 18, 2014

METRO

Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2014

<u>Grantor and Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant/Pass Through Number</u>	<u>Federal Expenditures</u>
U. S. DEPARTMENT OF AGRICULTURE			
Forest Service-			
Direct Programs:			
UNO Program	10.XXX	09-CS-11062200-010 Mod #5	\$ 10,500
Total U. S. Department of Agriculture			10,500
U.S. DEPARTMENT OF DEFENSE			
Department of the Army, Office of the Chief of Engineers			
Passed through Washington Department of Fish & Wildlife:			
Planning Assistance to States - Water Resources Development Act	12.110	WDFW #13-1708	57,000
Total U.S. Department of Defense			57,000
U. S. DEPARTMENT OF THE INTERIOR			
Bureau of Land Management-			
Direct Program:			
Fish, Wildlife and Plant Conservation Resource Management; Federal Land Policy and Management Act (FLPMA)	15.231	L07AC20271 Task order-HAF079Q05	40,000
Fish and Wildlife Service-			
Passed through Oregon Department of Parks and Recreation:			
Cooperative Endangered Species Conservation Fund	15.615	FY13-E28TW5 OZ	20,528
Passed through Ducks Unlimited:			
North American Wetlands Conservation Fund	15.623	OR-208-1-SSA	63,200
North American Wetlands Conservation Fund	15.623	US-OR-191-1	300,000
Subtotal North American Wetlands Conservation Fund			363,200
Passed through Washington Department of Fish & Wildlife:			
State Wildlife Grants	15.634	WA-S-2013-002-0	8,598
Endangered Species Conservation-Recovery Implementation Funds	15.657	F13AP00612	25,000
Total U. S. Department of the Interior			457,326

METRO

**Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2014**

U. S. DEPARTMENT OF TRANSPORTATION

Federal Highway Administration-

Highway Planning and Construction Cluster-

Passed through Oregon Department of Transportation:

Chimney Pier Park pedestrian/bike bridge	20.205	ODOT # 26482	1,091
Westside Trail Master Plan	20.205	ODOT # 27275	(2,547)
Blue Lake Trail - 40 Mile Loop	20.205	ODOT # 25858	842,564
2014 Planning Fund	20.205	ODOT # 29435-01	1,401,586
2012 Planning Fund Carryover funds	20.205	ODOT # 29435-01	118,990
2014 STP funds	20.205	ODOT # 29435-01	662,170
2012 STP Carryover funds	20.205	ODOT # 29435-01	104,665
2014 Powell Division STP funds	20.205	ODOT # 29435-01	133,307
2014 TSMO STP funds	20.205	ODOT # 29435-01	7,712
2014 Technical Studies (Sec 5303)	20.205	ODOT # 29435-01	359,233
Loaned Planner Assignment - D.Kaempff	20.205	ODOT # 28383	8,845
Drive Less Connect - Spanish Language Outreach	20.205	ODOT # 28609	42,055
RCTO - Multimodal Arterial Performance Mgmt	20.205	ODOT # 28088	2,546
Total Highway Planning and Construction Cluster			3,682,217

Federal Transit Administration-

Capital Investment Grants-

Passed through Tri-County Metropolitan Transportation District of Oregon (TriMet)

Milwaukie Light Rail Final Design	20.500	GH120250TL	8,937
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Metropolitan Transportation Planning Grants-

Passed through Oregon Department of Transportation :

2013 Technical Studies (Sec 5303)	20.505	ODOT # 28815	166,500
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Federal Transit - Formula Grants (Federal Transit Cluster)-

Direct Programs:

Congestion Mitigation & Air Quality Improvement Program (CMAQ)			
Regional Travel Options	20.507	OR-95-X037	116,816
Surface Transportation Funds			
Regional Travel Options	20.507	OR-95-X051	1,145,805
Subtotal Regional Travel Options Grants			1,262,621

Alternative Analysis-

Direct Programs:

Streetcar/Eastside/LO-PDX (Sec 5339)	20.522	OR-39-0002	119,665
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Total U.S. Department of Transportation			5,239,940
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Total Expenditures of Federal Awards **\$ 5,764,766**

The accompanying notes are an integral part of this schedule.

METRO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes all federal grant activity of Metro, under programs of the federal government for the year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because this Schedule presents only a selected portion of the operations of Metro, it is not intended to and does not present the financial position, changes in net position or cash flows of Metro.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in note II.C to Metro's basic financial statements. Such expenditures are recognized following the cost principals contained in OMB Circular A-87, *Cost Principals for State, Local and Indian Tribal Governments*, wherein certain types of expenses are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – SUBRECIPIENTS

Included within the federal expenditures presented on the Schedule are federal awards subrecipients as follows:

SUBRECIPIENT	FEDERAL CFDA #	FEDERAL GRANT #	TOTAL EXPENDITURES
Bicycle Transportation Alliance (BTA)	20.507	FTA OR95-X051	\$ 43,569
City of Portland - # 931970	20.507	FTA OR95-X051	63,000
City of Portland - # 931983	20.507	FTA OR95-X051	50,063
City of Tigard	20.507	FTA OR95-X051	204
Clackamas County	20.507	FTA OR95-X051	2,594
Community Cycling Center	20.507	FTA OR95-X051	39,688
Drive Oregon	20.507	FTA OR95-X037	51,534
EnviroMedia	20.507	FTA OR95-X051	25,283
Gresham Area Chamber of Commerce	20.507	FTA OR95-X051	52,306
Home Forward	20.507	FTA OR95-X051	28,195
Lloyd District TMA	20.507	FTA OR95-X051	28,648
OPAL Environmental Justice Oregon	20.507	FTA OR95-X051	(11,751)
Ride Connection Inc	20.507	FTA OR95-X051	33,755
Swan Island Business Association	20.507	FTA OR95-X051	42,968
Tri Met	20.507	FTA OR95-X051	14,082
Verde	20.507	FTA OR95-X051	56,187
Westside Transportation Alliance Inc	20.507	FTA OR95-X051	66,985
Total Subrecipient Federal Expenditures			\$ 587,310

**METRO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported
- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes No

Identification of Major Federal Programs

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued For Major Federal Programs</i>
20.205	Highway Planning and Construction Cluster	<i>Unmodified</i>

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

Finding 2013-001 - Procurement, Suspension and Debarment

Federal Agency: U.S. Department of the Interior, Fish and Wildlife Service; Passed through Oregon Department of Fish & Wildlife

Federal Programs: 15.605 Sport Fish Restoration Program

Condition/Context: During our testing of the procurement, suspension and debarment, we noted one contract tested did not comply with the competition requirement that procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition.

Recommendation: Moss Adams recommends that Metro enforce their procurement policies and procedures and monitor compliance.

Current Status: In July, 2014, Metro Procurement completed Phase 1 of a project to clarify and strengthen purchasing policies and procedures. Metro believes that these changes will help to prevent this type of non-compliance in the future. Additionally, this specific grant closed in the previous fiscal year and there were no additional expenditures during the current year.

MERC Commission Meeting

February 4, 2015
12:30 pm

7.0 Aramark Second Quarter
Review

2nd Quarter Review - 2015

Oregon Convention Center
Portland's 5 Centers for the Arts
Portland Expo Center

February 4, 2015

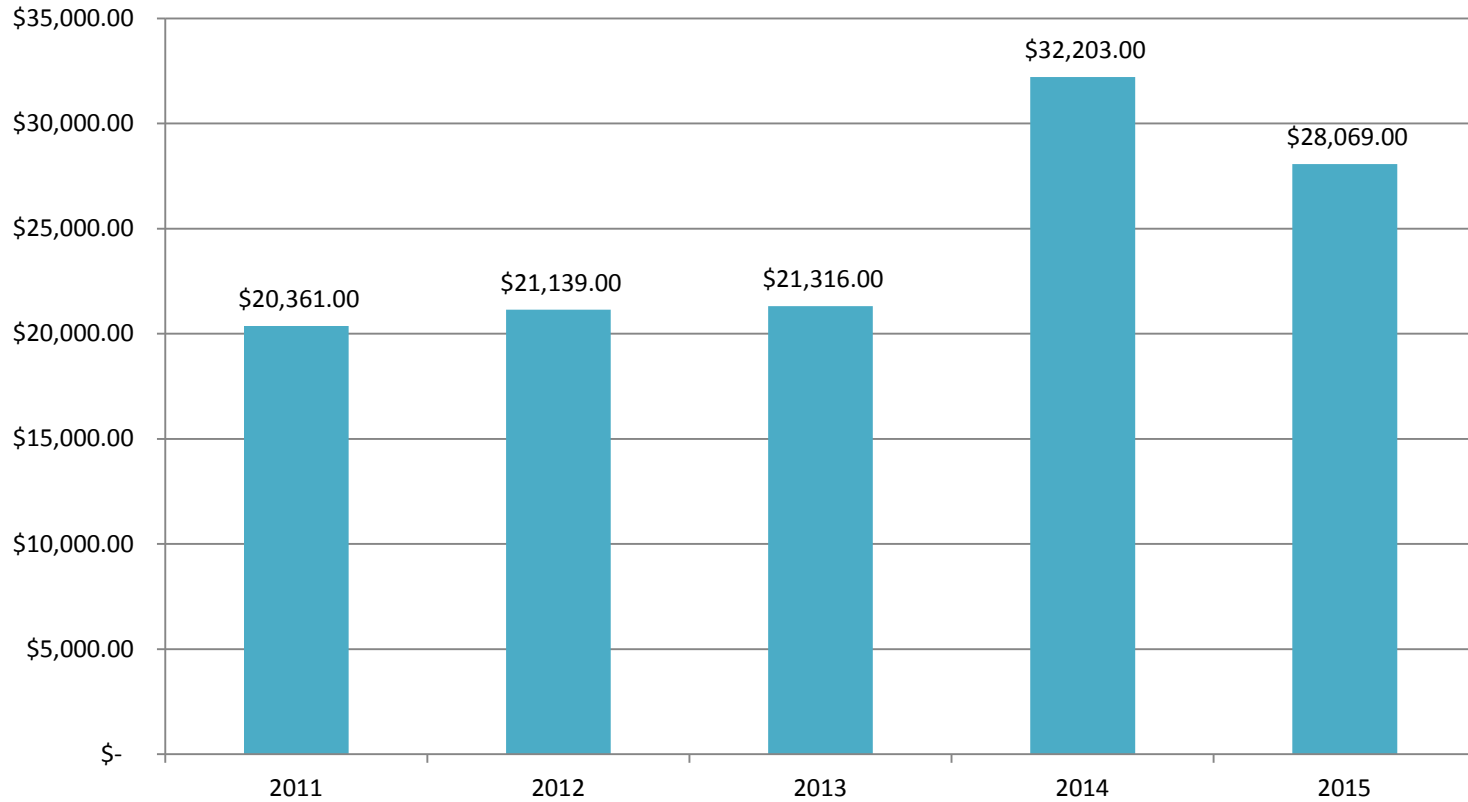
Agenda

- Financials
- 2nd Quarter Highlights
- Hiring
- Capital Investment
- ARAMARK

Oregon Convention Center

	2015 – thru 2 nd Qtr		2014 – thru 2 nd Qtr		2015 Budget				
Net Gross Receipts	\$	5,671,471.00	\$	5,222,439.00	\$	11,002,827.00			
Cost of Sales	\$	1,057,771.00	22.3%	\$	1,133,899.00	26.2%	\$	2,309,164.00	25.4%
Labor	\$	2,586,664.00	45.6%	\$	2,582,861.00	49.5%	\$	5,343,781.00	48.6%
Margin	\$	1,290,400.00	22.75%	\$	762,933.00	14.61%	\$	1,639,533.00	14.9%

Stir Bistro – thru 2nd Quarter 2015



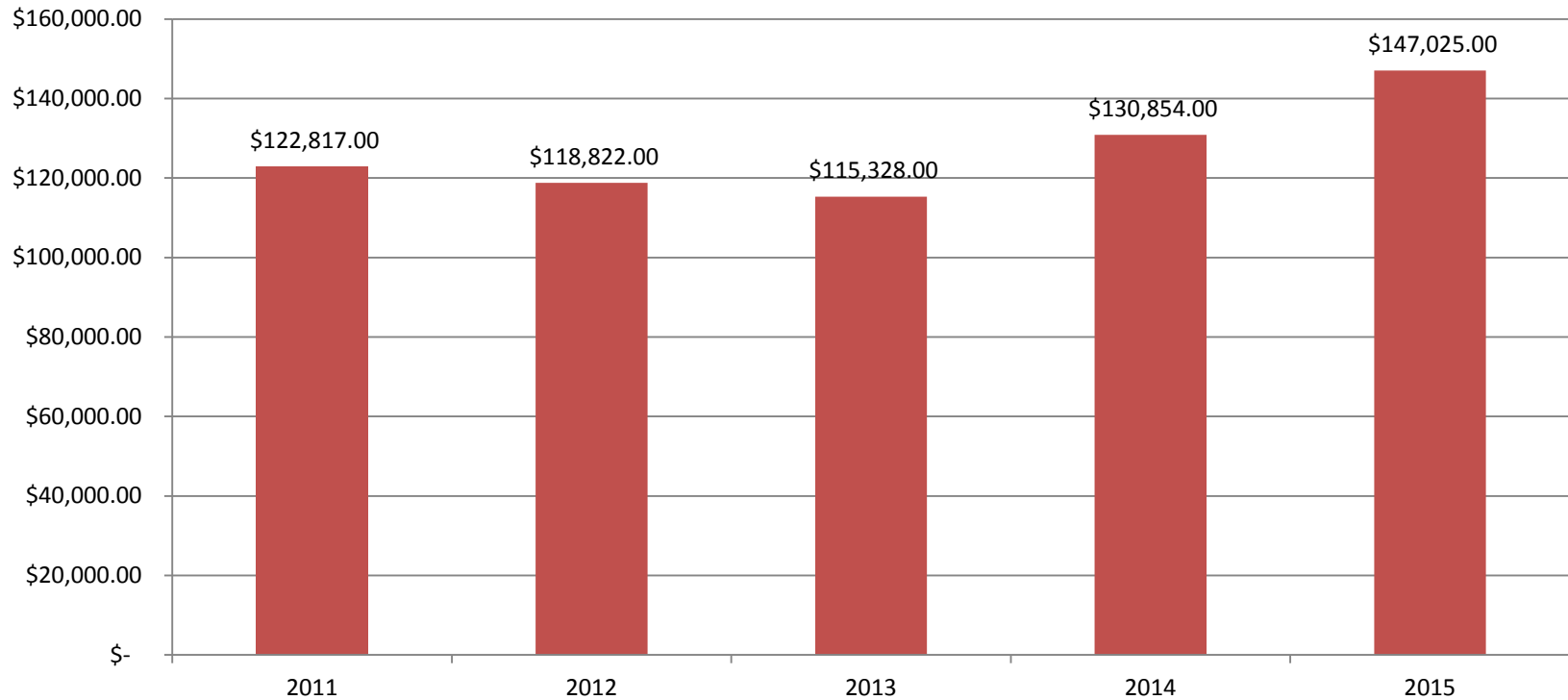
2015 OCC 2nd Quarter Highlights

- Top 5 Events
 - AASHE \$290K
 - Marquis \$120K
 - Entomological \$117K
 - NWP Shareholders \$103K
 - Festival of Trees \$101K
- Supported University of Washington
 - November 22, vs. Oregon State
 - December 5, UW Football & UW Women's Soccer

Portland'5 Centers for the Arts

	2015 – thru 2 nd Qtr			2014 – thru 2 nd Qtr			2015 Budget		
Net Gross Receipts	\$	1,460,925.00		\$	1,031,278.00		\$	2,225,102.00	
Cost of Sales	\$	251,819.00	18.3%	\$	207,054	21.5%	\$	445,850.00	20.8%
Labor	\$	509,057	34.8%	\$	487,236.00	47.2%	\$	1,023,331.00	46.0%
Margin	\$	445,007.00	30.46%	\$	169,564	16.44%	\$	367,875.00	16.5%

ArtBar Bistro – thru 2nd Quarter 2015



ArtBar
& BISTRO

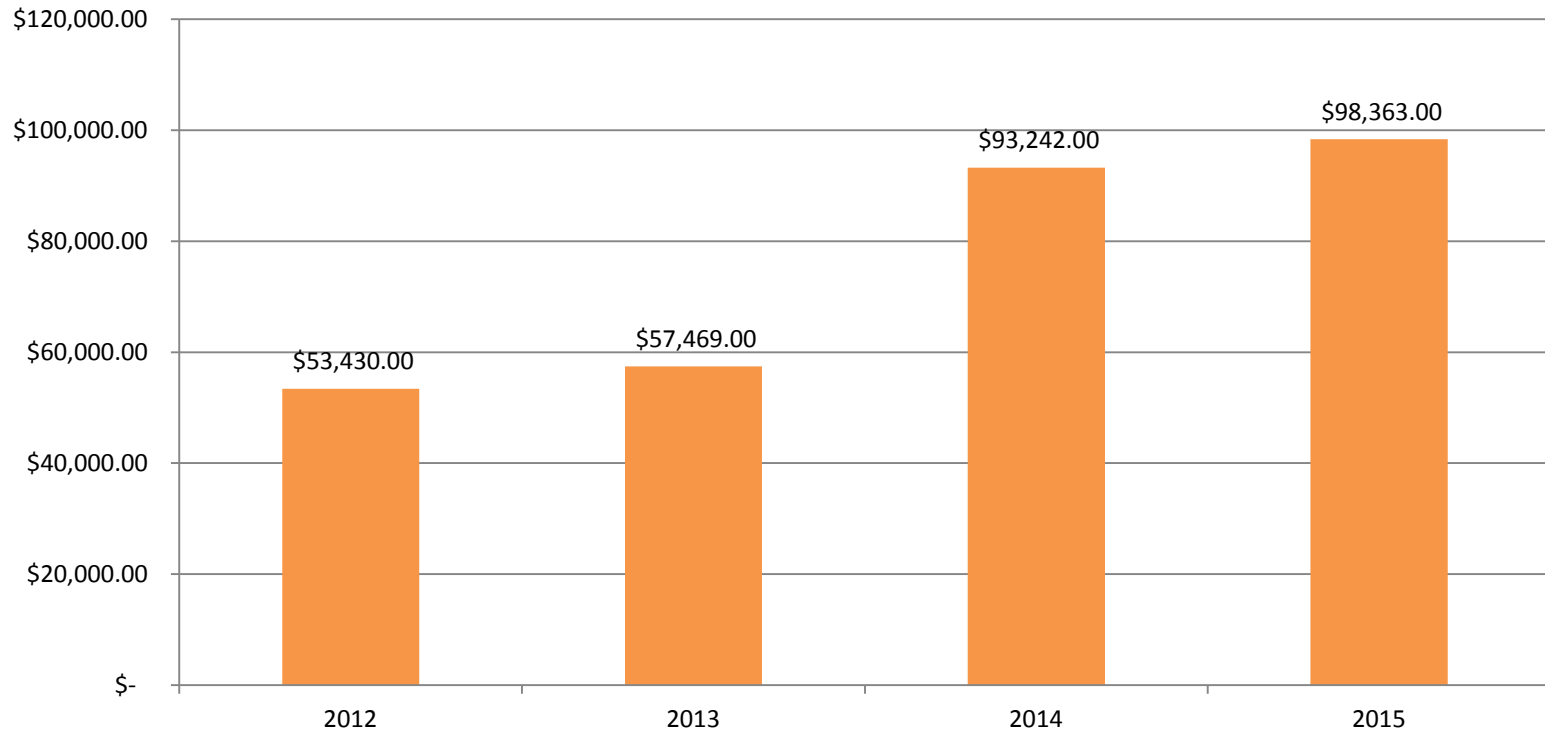
2015 P5 2nd Quarter Highlights

- Nutcracker vs. Prior Year:
 - 21% increase in attendance
 - 6.4% increase in per capita spending
- Broadway:
 - Kinky Boots \$79.2k, per cap \$4.11 (Avg B'way per cap FY14 \$3.26)
 - Mamma Mia \$55.7k, per cap \$4.12
- Top commercial shows of the quarter
 - World Beard & Mustache Championship \$21.5k, per cap \$10.54
 - John Oliver (2 shows) \$21.2k, per cap \$3.74
 - Ryan Adams \$18.4k, per cap \$7.27
- New uniforms

Portland Expo Center

	2015 – thru 2 nd Qtr		2014 – thru 2 nd Qtr		2015 Budget				
Net Gross Receipts	\$	725,100.00	\$	638,254.00	\$	1,975,000.00			
Cost of Sales	\$	177,176.00	29.4%	\$	167,175.00	31.5%	\$	394,803.00	24.1%
Labor	\$	324,079.00	44.7%	\$	345,402.00	54.1%	\$	750,672.00	38.0%
Margin	\$	14,308.00	1.97%	\$	-11,713.00	-1.84%	\$	288,719.00	14.7%

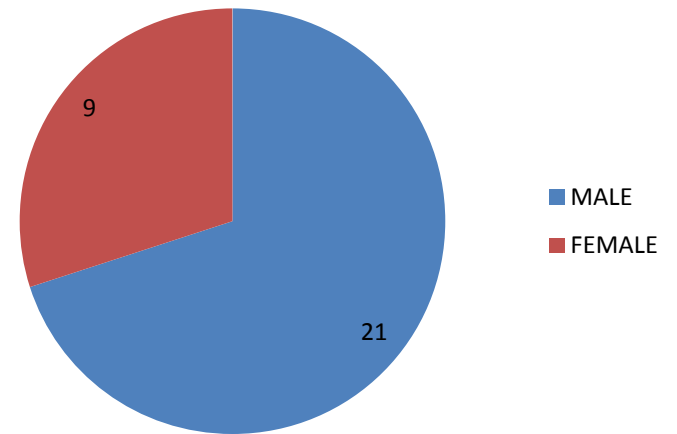
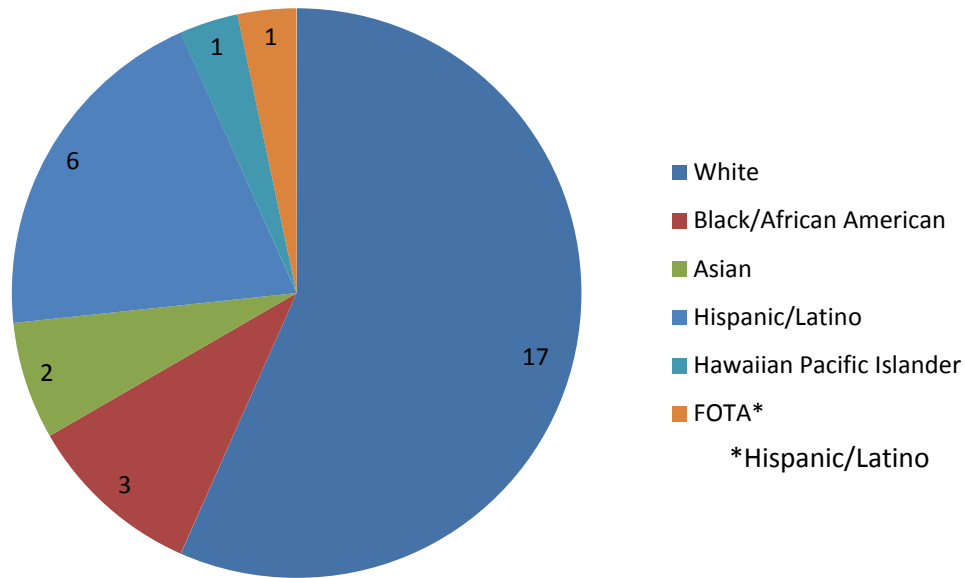
West Delta Bar & Grill – thru 2nd Quarter 2015



2015 Expo 2nd Quarter Highlights

- Top 5 Events
 - Christmas Bazaar \$131K
 - Antique Show \$54K
 - Timber Processing \$47K
 - 42% Increase vs. 2012
 - Molly's Fund \$41K
 - Tattoo Expo \$27K
- October Catering Sales = \$102K

30 PT Employees Hired – 2nd Quarter



Job Fair – January 9, 2015

aramark/Giacometti

- Community Outreach
 - Observer
 - Oregon Historical Society
 - Skanner
 - Project Clean Slate
 - PCC Cascade Campus
 - Goodwill Industries
 - Central City Concern
 - New City Initiatives
 - Craigslist.com
 - Poached.com

53 Job Offers

1-Rehire

1-Internal Transfer

1-Goodwill Industries

2-Giacometti Partners

4-Central City Concern

4-New City Initiatives

20-Craigslist.com/Poached.com

20-Employee Referrals

Capital Investment

Portables



The stand designs can be the same but they have interchangeable features that allow for flexible programing of different concepts.





ARAMARK

- New District Manager
 - Melinda Altamirano
- RFD Audit – December 9/10, 2014
- Expo/P5 – Union Contracts Expired December 18, 2014
 - Negotiations started December 11, 2014
- New Team Members - OCC
 - Chef de Cuisine – Brent Palmer
 - Banquet Manager – Delane Duvall
 - Bar Supervisor – Kevin Wayland
 - Retail Food Supervisor – Brendan Jones
- Open Positions
 - Catering Sales Manager – OCC
 - Catering Sales Manager – P5

MERC Commission Meeting

February 4, 2015
12:30 pm

9.0 Consent Agenda

**Metropolitan Exposition Recreation Commission
Record of MERC Commission Actions**

December 2, 2014
Oregon Convention Center, C121-122

Present:	Judie Hammerstad, Chris Erickson, Ray Leary, Elisa Dozono
Absent:	Terry Goldman, Karis Stoudamire-Phillips, Cynthia Haruyama (all excused)
	A regular meeting of the Metropolitan Exposition Recreation Commission was called to order by Commissioner Judie Hammerstad at 12:43 p.m. at the Oregon Convention Center.
1.0	QUORUM CONFIRMED A quorum of Commissioners was present.
2.0	OPPORTUNITY FOR PUBLIC COMMENT ON NON-AGENDA ITEMS <ul style="list-style-type: none"> • None
3.0	COMMISSIONER , COUNCIL LIAISON COMMUNICATIONS <ul style="list-style-type: none"> • Council Liaison, Sam Chase, updated the Commission on policies being considered by Metro Council. He also offered appreciation for Commissioner Erickson’s years of service to the Commission. Erickson will be reappointed to the Commission for another 4-year term on December 11, 2014. • Commissioner Dozono offered thanks to the FOTA project team for their work on the program.
4.0	METRO DEPUTY COO COMMUNICATIONS Metro Deputy COO, Scott Robinson provided updates to the Commission including: <ul style="list-style-type: none"> • Expo Project next steps. • Columbia River Levee project with respect to reaccrediting the levee system for Peninsulas 1 and 2. • Convention Center hotel project: Metro prevailed in the two recent legal proceedings. • Commissioner Hammerstad requested that the Commission be updated as the appeal process continues.
5.0	FINANCIAL REPORT <ul style="list-style-type: none"> • MERC Finance Director, Benjamin Rowe presented the financial report for October, 2014.
6.0	VENUE BUSINESS REPORTS <ul style="list-style-type: none"> • Lori Leyba Kramer, Matthew P. Rotchford and Scott Cruickshank provided updates to the Commission.
7.0	TRAVEL PORTLAND FIRST QUARTER REPORT <ul style="list-style-type: none"> • Jeff Miller, Travel Portland CEO, reported to the Commission.
8.0	OREGON CONVENTION CENTER LANDSCAPE PROJECT <ul style="list-style-type: none"> • Scott Cruickshank updated the Commission on the plans to re-landscape the plaza at the northeast end of the Convention Center in order to direct convention attendees staying at the Convention Center Hotel to the OCC main entrance. • Commissioner Hammerstad inquired about the timing of the start of the project. Cruickshank responded that it should happen at approximately the same time as the start of construction of the hotel. • Commissioner Hammerstad requested a walk-through of the project in summer of 2015.
9.0	CONSENT AGENDA
9.1	<ul style="list-style-type: none"> • October 1, 2014 MERC Record of Actions A motion was made by Commissioner Dozono and seconded by Commissioner Leary to approve the

9.2	<p>October 1, 2014 MERC Record of Actions. VOTING: Aye: 4 (Hammerstad, Dozono, Leary, Erickson) Nay: 0 Motion Passed</p> <ul style="list-style-type: none"> November 5, 2014 MERC Record of Actions A motion was made by Commissioner Dozono and seconded by Commissioner Leary to approve the November 5, 2014, MERC Record of Actions. VOTING: Aye: 4 (Hammerstad, Dozono, Leary, Erickson) Nay: 0 Motion Passed
10.0 10.1	<p>ACTION AGENDA</p> <p>Resolution 14-29 For the purpose of amending the Metropolitan Exposition Recreation Commission Contracting and Purchasing Rules.</p> <ul style="list-style-type: none"> Tim Collier presented the resolution to the Commission. Commissioner Leary inquired regarding the Intermediate Procurement process how the proposed rules would affect efforts to increase engagement with the FOTA community. Collier responded that, as Metro looks at the tactics with regard to new FOTA policy, more detail would be considered. Robinson added that these proposals are threshold changes only. The Procurement Enhancement Policy (PEP) 2 which is yet to be finalized will be guided by the Commission's policy recommendations relative to FOTA. A motion was made by Commissioner Leary and seconded by Commissioner Dozono to approve Resolution 14-29 as presented. <p>VOTING: Aye: 4 (Hammerstad, Leary, Erickson, Dozono) Nay: 0 Motion passed</p>
	<p>Commissioner Leary offered the Commission's gratitude for the leadership Commissioner Erickson has provided over the years and for his continued work on the Commission as he is reappointed to another 4-year term.</p>
	<p>As there was no further business to come before the Commission, the meeting adjourned at 1:45 p.m.</p>

**Metropolitan Exposition Recreation Commission
Record of MERC Commission Actions**

January 13, 2015
Oregon Convention Center, C121-C122

Present:	Terry Goldman, Judie Hammerstad, Chris Erickson, Ray Leary, Karis Stoudamire-Phillips, Elisa Dozono
Absent:	Cynthia Haruyama (excused); Sam Chase, Metro Council Liaison (excused)
	A regular meeting of the Metropolitan Exposition Recreation Commission was called to order by Chair Terry Goldman at 2:35 p.m. at the Oregon Convention Center.
1.0	QUORUM CONFIRMED A quorum of Commissioners was present.
2.0	OPPORTUNITY FOR PUBLIC COMMENT ON NON-AGENDA ITEMS <ul style="list-style-type: none"> • None
3.0	COMMISSIONER , COUNCIL LIAISON COMMUNICATIONS <ul style="list-style-type: none"> • Chair Goldman announced that the Embassy Suites Hotel in Hillsboro, of which he is General Manager, is now open for business.
4.0	METRO DEPUTY COO COMMUNICATIONS Metro Deputy COO, Scott Robinson updated the Commission on the following: <ul style="list-style-type: none"> • The venues continue to be active in sustainability efforts as will be reported later in the meeting by Molly Chidsey from Metro • The MERC Budget Committee has reviewed venues’ capital plans. At its next meeting on Jan. 21, operating budgets will be reviewed. • Pacific Power has been notified that maintenance issues caused the electrical outage that occurred during the load-out of the Book of Mormon show, resulting in damage to the utility vault at the Keller Auditorium.
5.0	FINANCIAL REPORT <ul style="list-style-type: none"> • MERC Finance Director, Benjamin Rowe provided an update to the Commission
6.0	VENUE BUSINESS REPORTS MERC Venue Directors, Robyn Williams, Matthew P. Rotchford and Scott Cruickshank updated the Commission on venue business. <ul style="list-style-type: none"> • Commissioner Hammerstad inquired about ticket sale procedures at the venues since there had been issues in the past. • Scott Cruickshank, Matthew P. Rotchford and Robyn Williams replied that the ticket sales procedures with Tickets West are going well. • Hammerstad inquired of Williams how the Portland Opera is currently reacting to the ticket sales since they expressed concerns early on in the process. • Williams replied that all parties are satisfied.
7.0	METRO SUSTAINABILITY REPORT Molly Chidsey, Metro Sustainability Center Coordinator, reported on the FY2013-14 Metro Sustainability achievements, focusing on MERC venue accomplishments. (Commissioner Stoudamire-Phillips departed the meeting at 3:05 p.m.)
8.0	PORTLAND’S CENTERS FOR THE ARTS PROJECT UPDATE David Fortney outlined the beginning strategies for the P’5 Project which will begin in 2015. <ul style="list-style-type: none"> • Commissioner Hammerstad requested clarification of the goals of the project. • Robyn Williams replied that the project is a result of past budget discussions since P’5 includes old buildings with large capital needs – needs that go beyond the capital budget. She also noted that the

	project is in the beginning stages and will be better defined soon. The early goal is to define for the stakeholders in the P'5 buildings what, if any, help might be needed from them. (Commissioner Dozono departed the meeting at 3:25)
	Chair Goldman offered the Commission's thanks to FOTA Liaisons and project participants for the Joint MERC/Metro FOTA Work Session held just prior to the MERC meeting.
	As there was no further business to come before the Commission, the meeting adjourned at 1:45 p.m.