

REPORT OF THE
STATE AUDITOR of MINNESOTA

FINANCIAL TRENDS
METROPOLITAN COUNCIL AND METROPOLITAN AGENCIES

OFFICE OF THE STATE AUDITOR

LOCAL AND URBAN AFFAIRS COMMITTEE

MARCH 5, 1985



ARNE H. CARLSON

State Auditor
St. Paul, Minnesota



STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR

SAINT PAUL 55103

March 5, 1985

296-2551

ARNE H. CARLSON
STATE AUDITOR

The Honorable Don Valento, Chairman
Local and Urban Affairs Committee
State Office Building
St. Paul, Minnesota 55155

Dear Chairman Valento:

The attached report represents an effort on the part of the Office of the State Auditor to do a stress analysis of expenditures, revenues and employee patterns of Metropolitan agencies comparable to the type of study that we do for local governments throughout Minnesota.

If there is any message that is abundantly clear, it is the fact that accountability is inadequate. As a State, we provide closer scrutiny of small counties than we do of large metropolitan agencies. You will note that in the area of debt, metropolitan agencies significantly outpace counties, cities and townships combined.

I am very grateful to you and your committee for reviewing this sensitive area and look forward to working with you in order to bring about a more cost-effective and accountable metropolitan system.

Sincerely,

A handwritten signature in dark ink, appearing to read "Arne H. Carlson".

Arne H. Carlson
State Auditor

AHC:mgt

Attachment

Metropolitan Council and Metropolitan Agencies

Observations and Policy Questions

1. The financial activities of the agencies of metropolitan system dwarf those of all but the largest cities and counties in the Twin Cities area. In the aggregate, expenditures of the six metropolitan system agencies equal 21% of the expenditures of the 194 cities, counties and townships in the Twin Cities area.

When so much financial activity is concentrated in a few hands, questions of accountability inevitably arise. What mechanisms provide an effective check or balance on activities in the metropolitan system? Do citizens or even the Legislature regularly examine information which would enhance accountability of the metropolitan system or its components?

2. The debt of the metropolitan system is almost twice that of the combined debt of cities, counties and townships in the Twin Cities (seven county) area. One obvious reason is that, as the result of debates and policy decisions during the 1960's, we have decided to provide sewer interceptors and treatment facilities--one of the more debt-intensive services--largely through a metropolitan agency (although communities also bear local sewer debt).

Almost all debt of the metropolitan system agencies is issued with a property-tax back-up, principally to obtain more favorable interest rates. As a practical matter, only two of the agencies at present use property tax levies for debt; the Metropolitan Transit Commission, where about 9 percent of the levy in the transit taxing district in 1983 was for debt; and the Metropolitan Council, where debt is partially supported by levies (comprising \$1,048,927 of the Council's total \$7,673,927 levy in 1983, or 14 percent).

However, in the aggregate, significant publically-authorized funds--whether they are property taxes, state grants, or the revenues from authorized fees and service charges--must finance this debt. And it is notable that the metropolitan system debt is seldom viewed in the aggregate.

Some policy issues are these: Is the volume of regional debt consistent with its economic base? Are capital outlays consistent with public policy? If new debt is added for sewer separation, convention center, light rail transit or any other purposes, how will it be repaid?

3. While some expenditures and debt in the metropolitan system are principally revenue-backed (e.g., in the Metropolitan Airports Commission and the Metropolitan Waste Control Commission), these revenues result from state-granted taxing or fee-charging authority. Because these systems have the ability to repay debt from their own revenues, there is less incentive to restrain debt issuance than in a property tax-dependent city. For example, in 1981, MAC was authorized to issue an additional \$92 million in bonds, despite its rather healthy cash position.

Is debt authorization adequately scrutinized?

4. When additions to capital plant are authorized, it is prudent to consider additional costs of operating and maintaining the capital plant. For example, the planned expansion of the metro sewage treatment plan into secondary treatment is principally responsible, we were told, for the 54% increase in payroll.

What "O and M" costs are implicit in capital and debt requests or authorizations?

5. The revenues from statutorily-set property tax levies are increasing, as noted by the Legislative Auditor's report on the Metropolitan Council. This is also true for the Metropolitan Mosquito Control District, and the Metropolitan Transit Commission/Regional Transit Board levies.

Is the increase in property tax revenues for regional purposes consistent with other policy objectives for these agencies? Does the "feathering" law on transit tax levies require review? (It appears to reduce levies even in the full service area to 1.5 mills maximum.)

6. Fee and service charge revenues in the metropolitan system are growing much more rapidly than property tax revenues. In the aggregate, fee and service charge revenues over the past four years grew 49%, while property tax revenues (including state aids and credits) grew 18%.

4-Year Growth of Fees and Service Charge Revenues

MTC	18%
MWCC	30%
MAC	60%
MSFC	287%

Fee and service charge revenue growth out-distanced property tax revenue growth for all the fee agencies except the MTC, which also received property taxes.

What incentives exist or should exist to control fees and service charges?

7. Certain state-funded components of the system are not identified in the financial reports of the entities. For example, state-paid aids and credits are about 21% of property tax collections of the Council, MTC and Mosquito District. Additionally, state-paid liability for MERF members of MAC and the Waste Control Commission are not identified.
8. The financial reports of the metropolitan system agencies fall far short of giving policymakers and the public understandable and readily accessible information on their financial activities.

Should the State be more aggressive in requiring information in an accessible format?

9. The further decline of federal grants, which appear inevitable, will increase reliance on local funding mechanisms--property taxes, fees and service charges--of the components of the metropolitan system. The same is true of any further decline of state grants.

From 1980 to 1983, in the aggregate, federal revenues declined 27% while state revenues declined 65%. While the nature and timing of individual projects accounts for elements of the decline, the over-all trend is rather clear.

Will expenditures be moderated, or will locally-generated revenues inexorably rise? What are the controls in the system?

Metropolitan Council

1. Revenue Sources

The noticeable increase in property tax revenue from 1982 to 1983 is principally due to the additional levy of up to 5/100 of one mill (effective pay '83) for highway projects. Levies for the highway projects were \$1,030,000 in 1983. These revenues also increased the year-end fund balance (see indicator 6).

Increases in assessed values, as the Legislative Auditor's report noted, also increased the productivity of the Council's general purpose 8/30 of a mill levy.

In 1983, the property tax revenues include state-paid aids and credits of \$1.63 million--22 percent of the revenues.

Other own source revenues includes reimbursement from other regional commissions (metro agencies) and grants from private and non-profit entities.

2. Expenditures

Expenditures grew less than the change in prices over the four years (price deflator = 23.5% change). The change in capital expenditures in 1981 reflects capital grants for regional recreational open space.

3. Pass-Through Grants

These are composed of regional recreational open space grants (capital projects) and operating grants to governmental units, private organizations and individuals for purposes ranging from aging nutrition to solid waste planning.

The pass-through grants are divided as follows:

(in thousands of dollars)

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Special Revenue (operating & planning)	\$ 9,956	\$13,534	\$13,370	\$12,410
Capital Projects	<u>11,002</u>	<u>21,985</u>	<u>7,163</u>	<u>9,292</u>

6. Fund Balance

The unreserved, undesignated fund balance in the general and special revenue funds has increased significantly. Through 1982, the Council issued tax anticipation certificates for cash flow purposes; the last certificates were redeemed in February, 1983. The 1983 balance increased by \$992,000 because of the new levy for highway projects, according to Council staff.

7. Employee Complement

The end-of-year complement (set in the Council budget) decreased from 1980 to 1981 with the demise of Social Framework planning and reductions in health, criminal justice and emergency medical services planning. However, payroll expenditures have increased despite complement reductions. Council payroll divided by complement was \$19,357 in 1980; \$26,479 in 1983. The average increase of 37% is greater than the total payroll increase of 22%.

Metropolitan Mosquito Control District

1. Revenue Sources

Hennepin County taxes provided most of the increase in property tax revenues from 1982 to 1983, pursuant to a new law which allowed any county to tax itself up to 0.6 mills for mosquito control. Taxes from Hennepin County were \$1.3 million in 1982 and \$3.2 million in 1983. Also in 1983, an eastern part of Carver county paid district taxes for the first time (total of \$33,000). Because of the new mill levy method in 1983, Anoka paid slightly (\$6,000) less than in 1982; all other counties paid slightly more. However, the value of the 0.6 mill levy will increase as property values increase.

In 1983, state-paid aids and credits were 21 percent (\$1,013,968) of the district's property tax revenues.

The fee and service charge revenues of \$110,834 in 1983 were from the Minnesota Department of Health for support services in dealing with mosquitos carrying encephalitis.

2. Expenditures

The increase of \$1.7 million in costs from 1982 to 1983 reflects expenditures for control.

3. Management Practices

The average salary in the district appears modest because 138 of 181 employees are seasonal. We do not have data on average salary of full-time employees.

Metropolitan Waste Control Commission

1. Operating Statement

Operating revenues are net of excess or (deficit) funds from sewer service charges as follows:

(in thousands of dollars)

<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
(\$3,423)	1.352	1.611	4.719

In 1980, sewer service charge revenues were \$3.423 million less than attributable expenses. From 1981 through 1983, revenues exceeded expenses in the amounts shown; these excess revenues are credited to communities in the second following year.

Operating revenues include net sewer service charge revenues and SAC revenues. A history of SAC revenues and reserves indicates the SAC balance in 1983 was almost three times the debt service in 1983. Debt service is charged to service charges or SAC charges based upon the percent of system capacity utilized, with capacity utilized charged to sewer service charges and capacity not utilized charged to SAC charges. In 1983, the proportion was 77.7572 utilized, 22.2428 not utilized or reserve capacity.

The Commission believe it is prudent to maintain a reserve balance in the SAC fund in the event building would cease in the Twin Cities area. According to a Commission study, "a 2-year reserve is prudent which, based upon the 1985 reserve capacity debt requirement, would total \$16.4 million. Based on this, there is an excess of \$6.5 million in the SAC fund." A Commission task force is expected to consider in March a recommendation for an outside study of sewer service charges and SAC charges.

Operating ratio appears satisfactory. A low operating ratio (below 1) is considered a warning because the enterprise, unless it can reduce operating expenses, must rely on non-operating revenues, which tend to be unpredictable, to shore up operating revenue shortfalls.

2. Coverage ratio is low, principally due to continued expansion of the metro plant. However, since the economic health of the metro area virtually guarantees a continuing revenue stream, the bond ratings are high.

3. Revenue Sources

The 4-year change in fees and service charges at 30.46% exceeds the change in prices (23.5%). Both federal and state grants declined sharply from 1981 to 1982 with a change in type of projects at the metro plant--from grant-eligible projects (sludge processing) to those using principally local funds.

State grants do not include state payments for the unfunded liability of Commission employees covered by MERF; the liability was \$5.8 million in 1983. (Commission employees are also covered by PERA and MSRS).

6. Management Practices

The 15.48% increase in employees is attributed to hiring for the metro plant, principally in more labor-intensive secondary treatment processes where repair work requires more maintenance people, according to Commission staff.

Payroll increased 54%, with the average salary increasing from \$20,653 in 1980 to \$27,559 in 1983, a 33% increase.

Metropolitan Airports Commission

1. Operating Statement

Net income has increased 69 percent over the past four years. Financially, the Airports Commission is very healthy. At the end of 1983, the Commission had \$91 million in liquid assets (i.e., "Restricted Cash and Investments and Surplus Appropriated..."--see attached exhibit of "Working Capital").

2. Debt

Recent issues include \$15.3 million in 1980 and \$24.5 million in 1981.

All MAC debt has a GO backup which is not used.

3. Revenue Sources

The property taxes are levied on "taxable properties" in the detached (airport) area for police, fire, streets and parking. Plans are to discontinue the levy in 1985, according to Commission staff.

No state aids and credits are paid for airport property, but the state revenues include only construction grants and do not include state-paid MERF obligations. (MAC employees are covered by MERF or PERA.)

4. Expenditures

Capital projects appear to be principally at Wold-Chamberlain Field; we do not have a breakdown by airport.

5. Management Practices

Although the number of employees was virtually stable, average pay increased from \$23,516 in 1980 to 29,971 in 1983--a 27% increase.

Metropolitan Airports Commission
Working Capital

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Increase or (Decrease)	\$ 4,328,264	\$(16,246,377)	\$(268,411)	\$(148,909)
Beginning of Year	<u>12,559,047</u>	<u>16,887,311</u>	<u>640,934</u>	<u>372,523</u>
End of Year	\$16,887,311	\$ 640,934(1)	\$ 372,523	\$ 223,614

(1) The decrease in working capital is principally accounted for by a decision to segregate amounts from operations and designate these as restricted in the special construction fund for airport projects.

(Source: Statements of Changes in Financial Position, Audited Financial Statements)

Restricted Cash and Investments and Surplus Appropriated for Principal and Interest Payments and Future Construction

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Debt Service Funds	\$19,835,243	\$ 24,140,219	\$22,546,028	\$21,890,706
Construction Fund	14,057,163	17,188,336	12,914,965	8,745,559
Special Construction Fund	<u>16,703,881</u>	<u>37,713,192</u>	<u>50,898,255</u>	<u>64,416,177</u>
<u>Total Restricted</u>				
<u>Cash & Investments</u>	\$50,596,287	\$ 79,041,747	\$86,359,248	\$95,052,442
Portion Segregated for				
Current Liabilities	<u>5,359,890</u>	<u>5,321,700</u>	<u>4,290,300</u>	<u>4,009,930</u>
Net Total	\$45,236,397	\$ 73,720,047	\$82,068,948	\$90,952,512

(Source: Notes to Audited Financial Statements)

Metropolitan Transit Commission

(The Regional Transit Board succeeds the MTC as the principal budgetary and levying agency)

1. Operating Statement

After two years when surplus funds were used for operating purposes, the MTC virtually broke even in 1983. Operating revenues include:

(in thousands of dollars)

	<u>1983</u>	<u>1982</u>
Fares	\$32,351.	\$32,407.
State special fare assistance	4,574.	4,943.
Contract fares	1,068.	1,676.
Charter	133.	148.
Advertising	499.	485.
	<u>\$38,625.</u>	<u>\$39,659.</u>

2. Debt

Outstanding debt increased \$8.9 million in 1982, issued mainly for the construction of an office and operating facility. The negative coverage ratio indicates the MTC must cover its debt through non-operating revenues. MTC debt is backed by an unlimited levy in the transit taxing district. About 9% of the district levy is used to retire debt. The MTC issued \$11 million more debt in April, 1984.

3. Revenue Sources

With the change from a 1.72 mill levy in pay '79 to a 2.0 mill levy in pay '80, property tax revenues increased markedly. In 1983, state-paid aids and credits of \$8.9 million comprised 21% of property tax revenue. The new "feathering" law is designed to decrease property taxes or at least minimize the increases but there is a language problem in the law which will decrease taxes more than may have been intended.

4. Management Practices

Fringe benefits, at 46 percent of payroll, exceed those of any other commission. The number of employees has decreased 12% since 1980.

Metropolitan Sports Facilities Commission

1. Operating Statement

Operating revenues include stadium rents, parking fees, concession revenue, expenses reimbursed by tenants, unrestricted interest income and admissions tax. Operating expenses are those for operations, maintenance, utilities and supplies, plus depreciation and interest (excluding interest on domed stadium bonds). Non-operating revenues and expenses relate to revenues from the liquor and hotel/motel tax and the payment of stadium bonds.

For 1980 and 1981, the operating revenues largely come from the old stadium in Bloomington; operating expenses are principally from the old stadium; however, following inflation of the Dome in October, 1981, utility costs were charged to operations and some on-going personal and contractual services charged to operations are associated with Dome planning and management. Non-operating revenues in 1980 and 1981 include \$6 million plus each year of restricted interest income from the Sports Facilities Revenue Bonds issued October 15, 1979.

2. Debt

Debt in 1983 includes \$53.6 million in Sports Facilities Revenue Bonds and \$3.1 million in Series D Bonds. Debt service is paid from local sales tax revenues, and/or admission taxes and other commission revenues.

3. Revenue Sources

"Other taxes" includes the 10% admissions tax (\$1.79 million in 1983) and the City taxes (\$3.23 million in 1983). In 1980 and 1981, the local intergovernmental revenues are collections of delinquent taxes from the areawide 2% drink tax which was repealed in 1979.

4. Expenditures

Capital expenditures for the four years total \$69.7 million.

5. Management Practices

Since most operating functions are contracted out, the number of Commission employees remained stable for the four years.

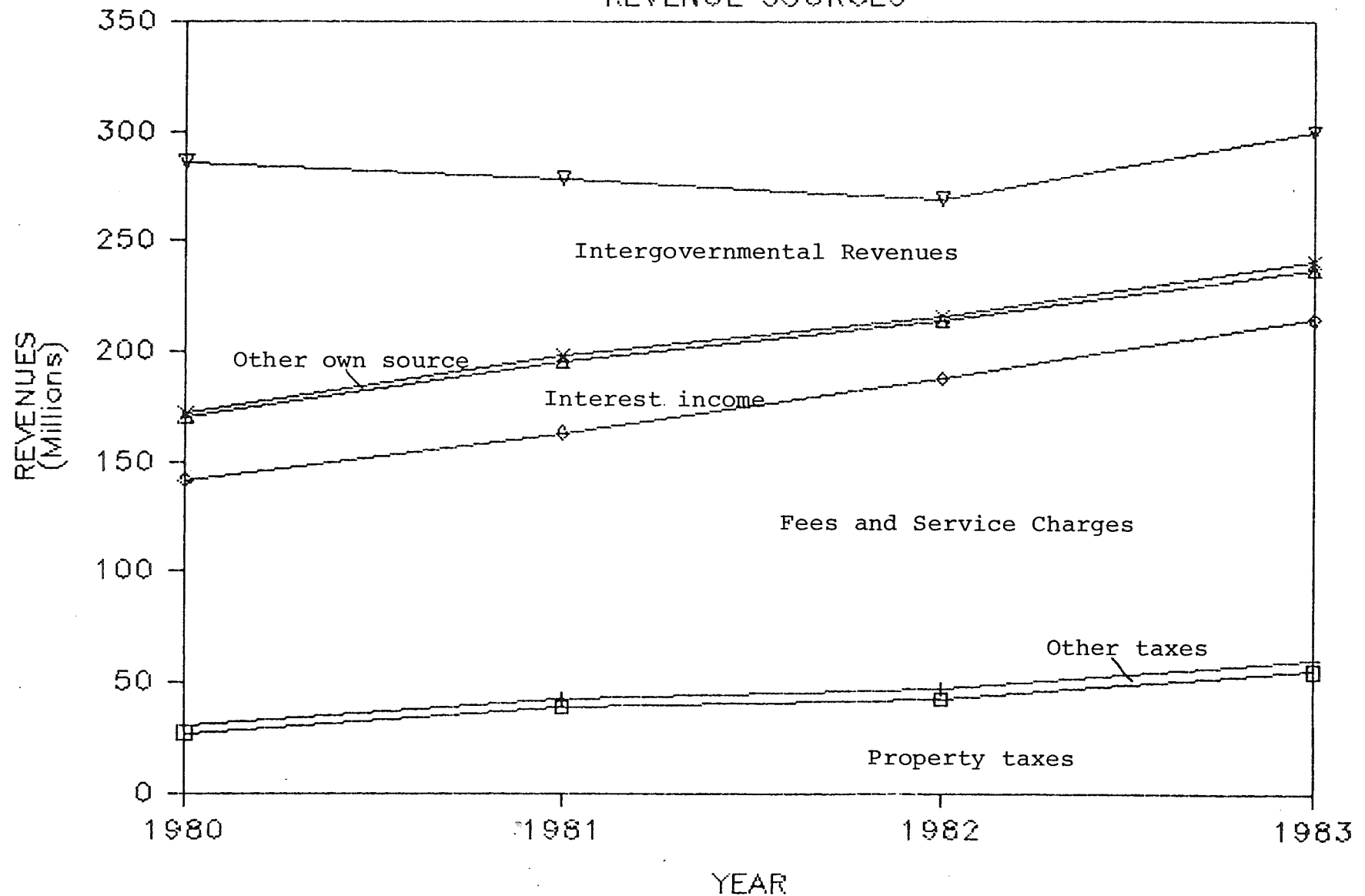
METRO CITIES, TOWNS AND COUNTIES vs METROPOLITAN AGENCIES
FISCAL YEAR 1983

28-Feb-85

	CITIES	TOWNS	COUNTIES	TOTAL OF CITIES, TOWNS & COUNTIES	TOTAL OF METROPOLITAN AGENCIES	METRO AGENCIES AS % OF CITIES TOWNS & COUNTIES
NUMBER	137	50	7	194	6	
TOTAL REVENUES	995,418,250	9,280,080	789,243,661	1,793,941,991	315,110,403	17.57
CURRENT EXPENDITURES	700,615,099	6,259,444	707,660,990	1,414,535,533	254,376,300	17.98
CAPITAL OUTLAY	253,582,076	1,740,004	38,325,194	293,647,274	79,359,774	27.03
TOTAL EXPENDITURES	954,197,175	7,999,448	745,986,184	1,708,182,807	354,087,074	20.73
OUTSTANDING BONDED DEBT	157,442,539	13,863,054	91,700,000	263,005,593	463,789,451	176.34

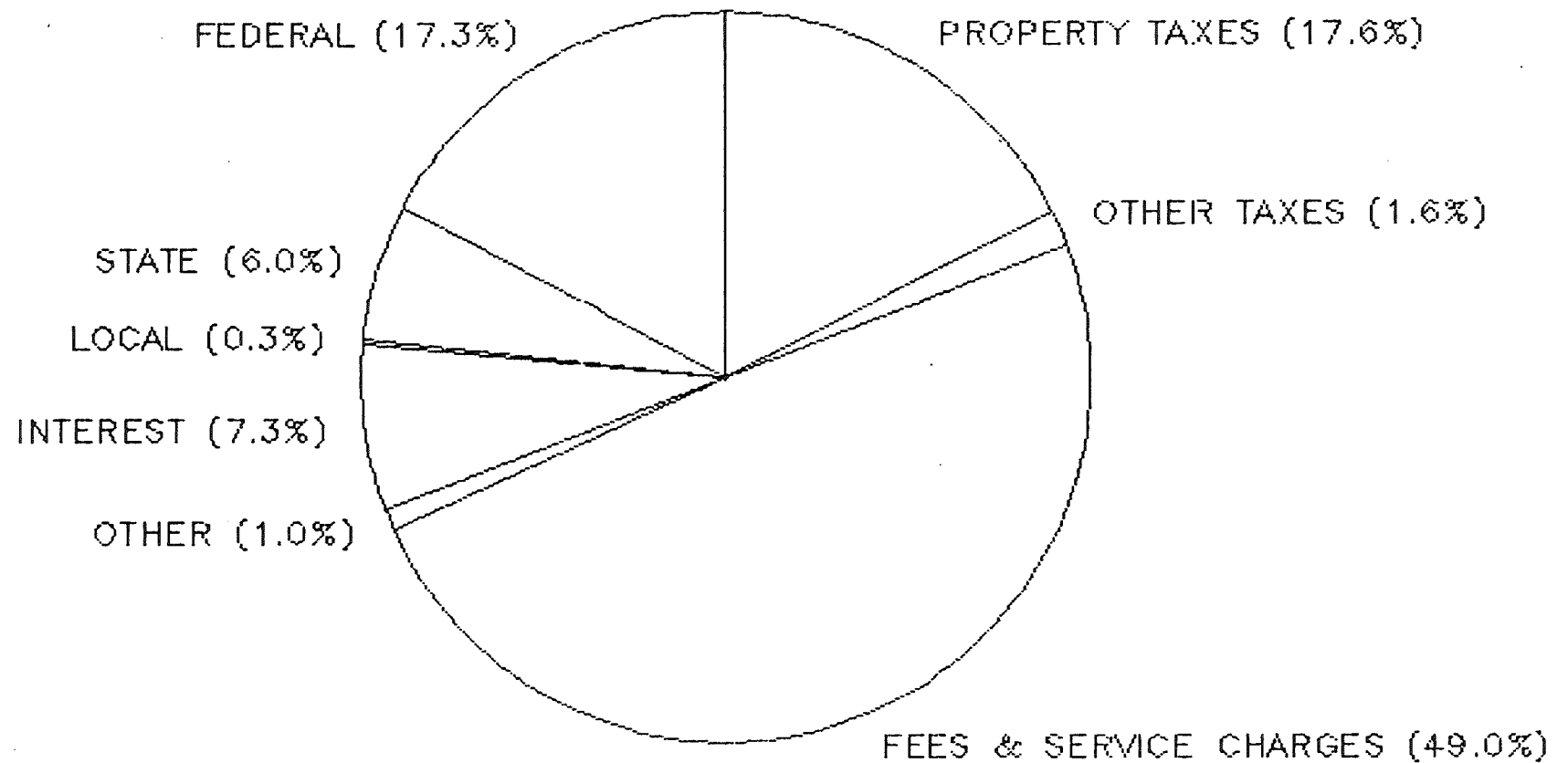
METROPOLITAN AGENCIES, 1980 — 1983

REVENUE SOURCES



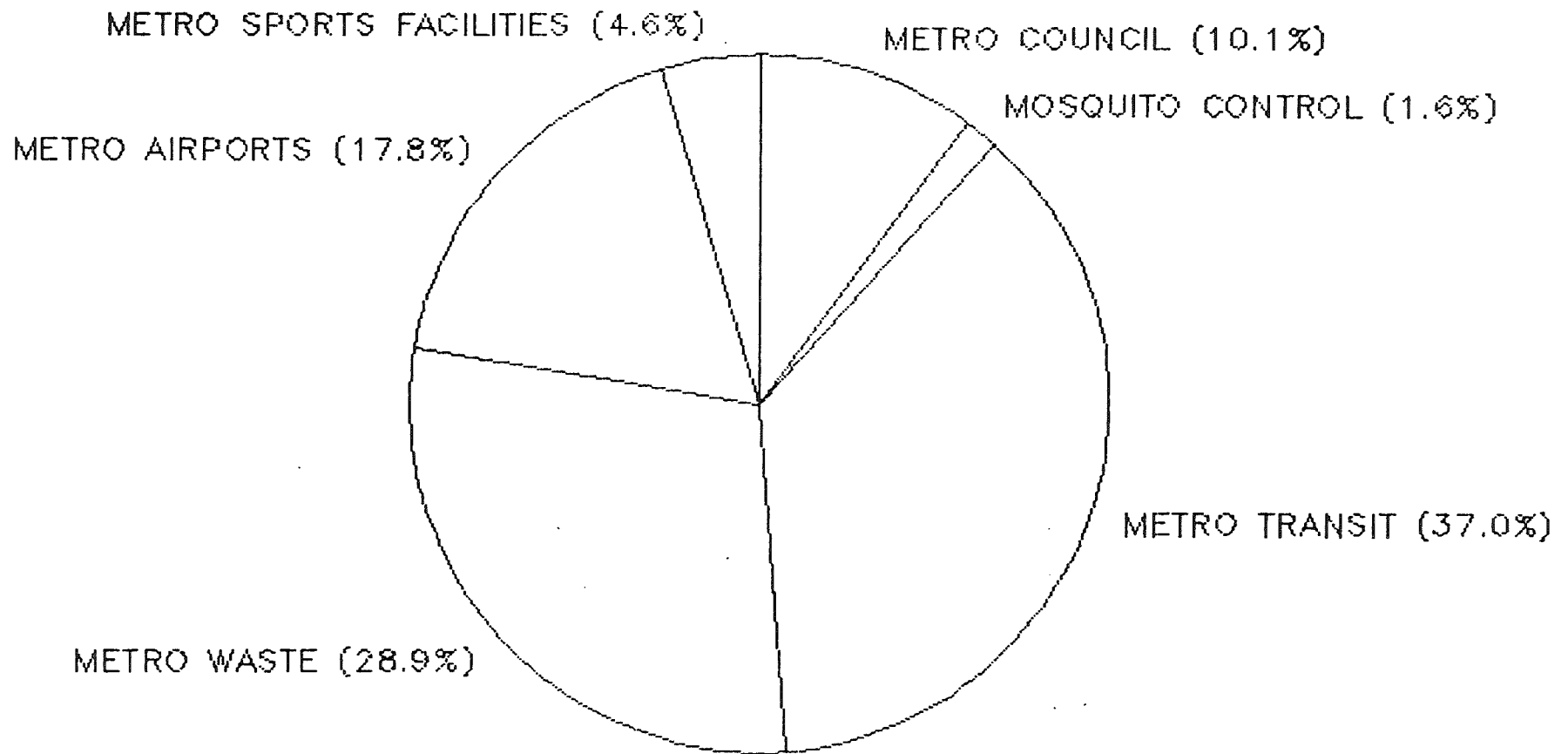
METROPOLITAN AGENCIES

1983 REVENUE SOURCES



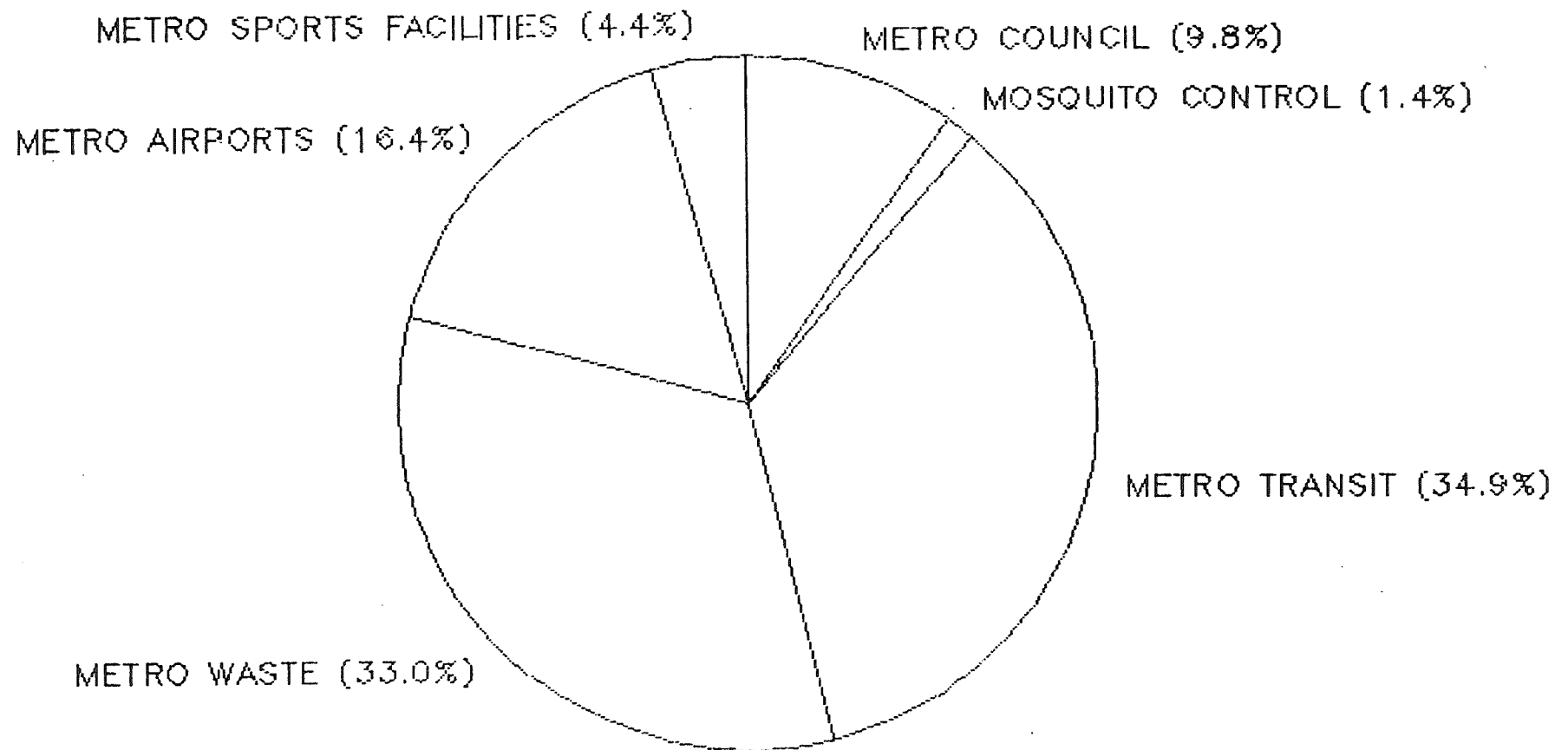
METROPOLITAN AGENCIES

% OF TOTAL REVENUES, 1983



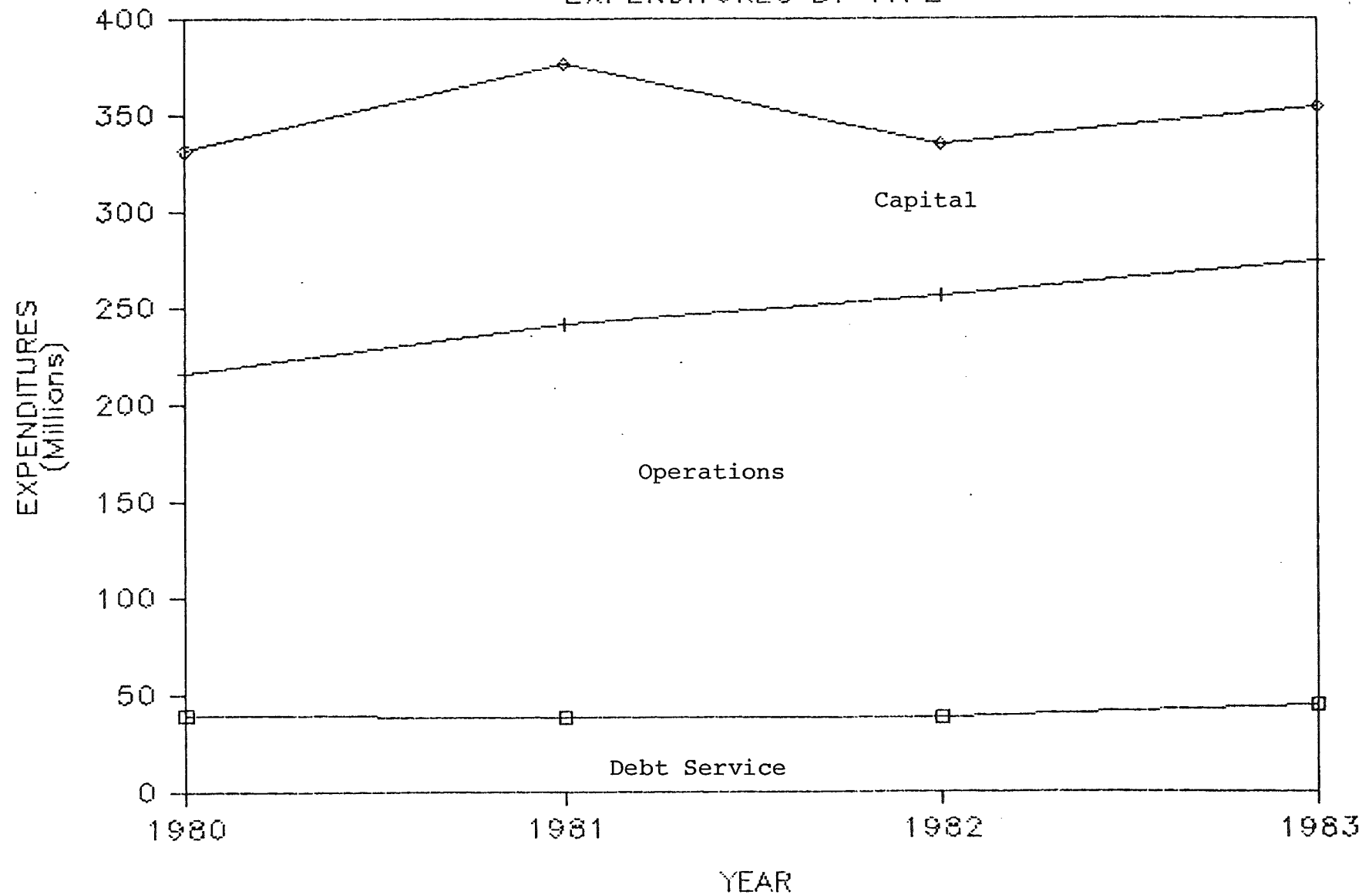
METROPOLITAN AGENCIES

% OF TOTAL EXPENDITURES, 1983



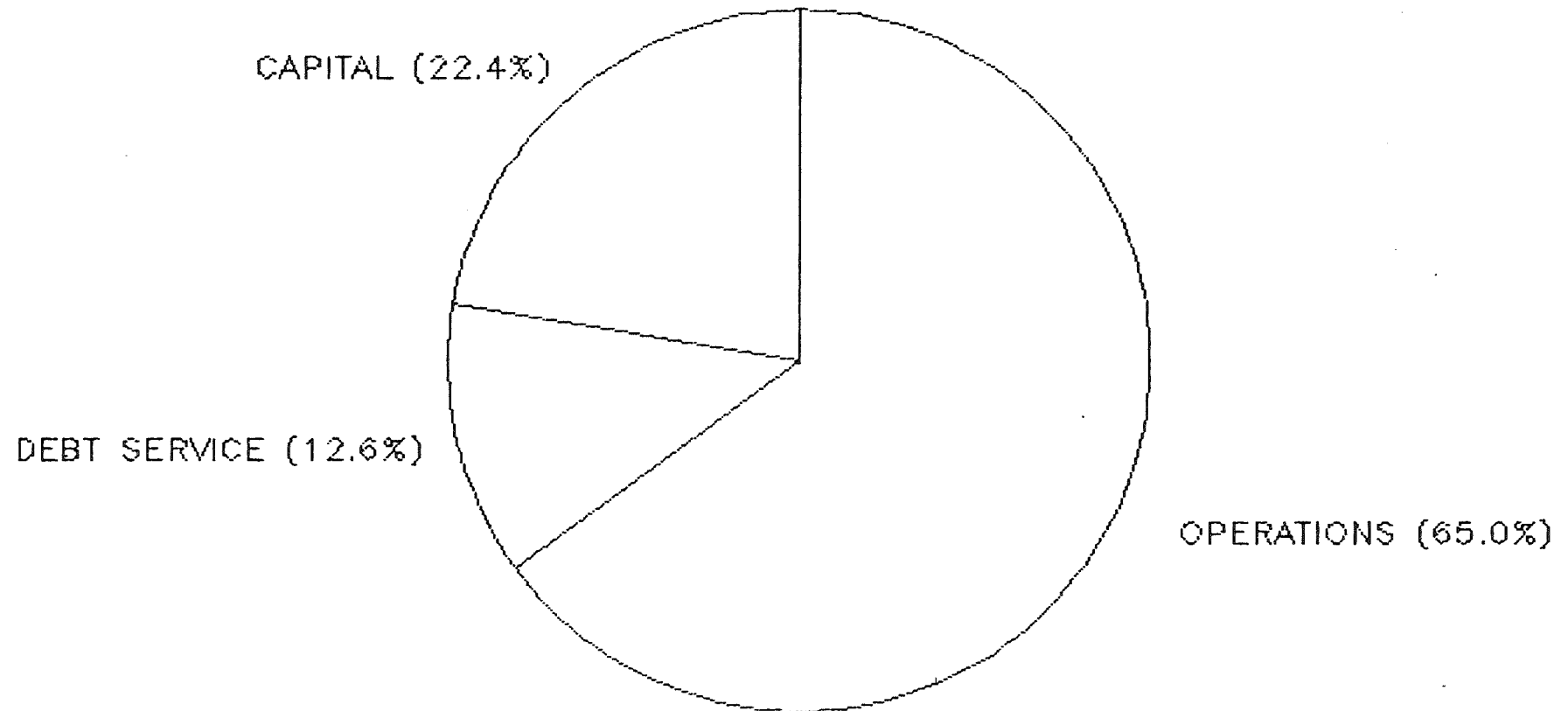
METROPOLITAN AGENCIES, 1980 — 1983

EXPENDITURES BY TYPE



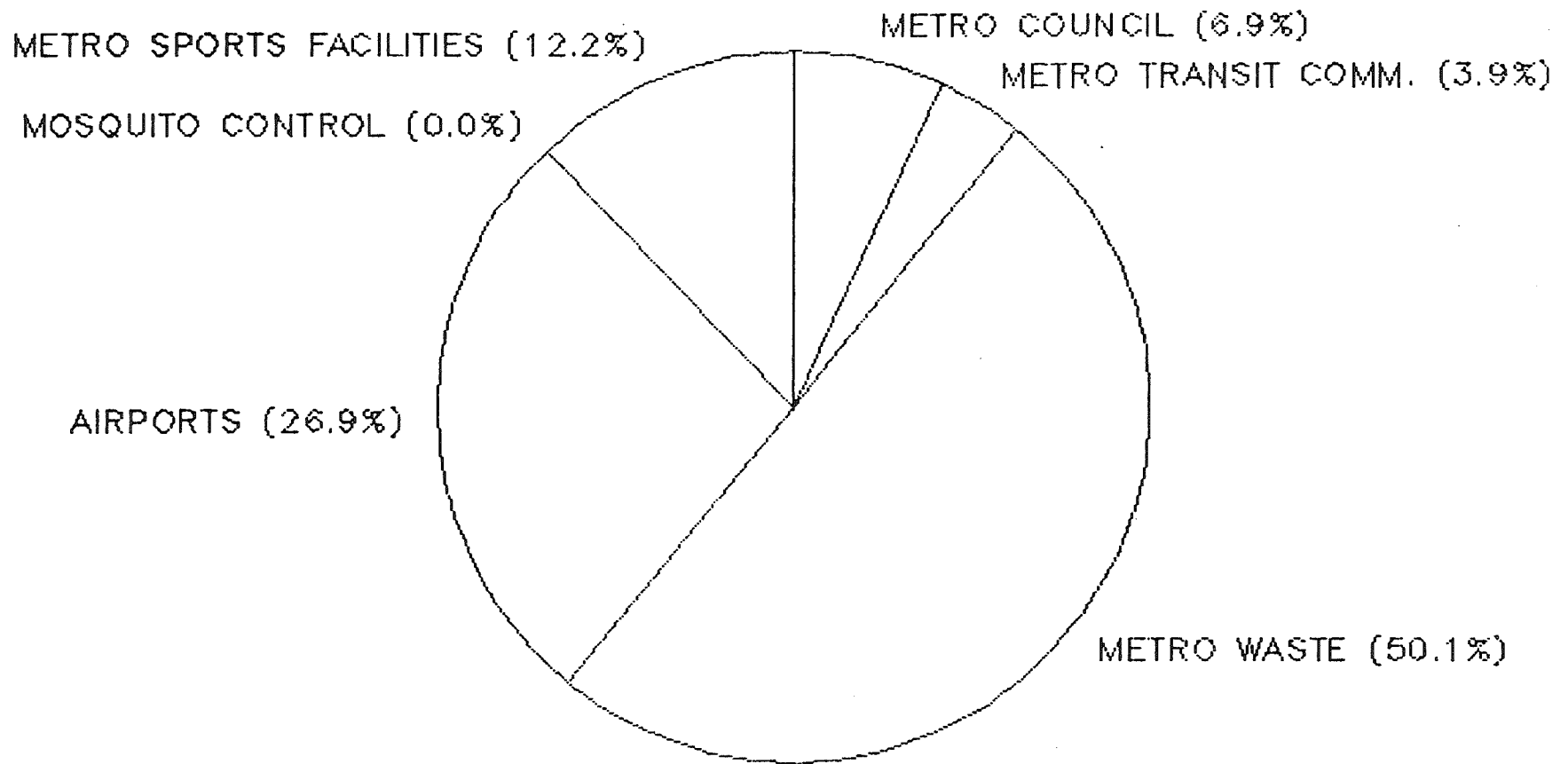
METROPOLITAN AGENCIES

1983 EXPENDITURES BY TYPE



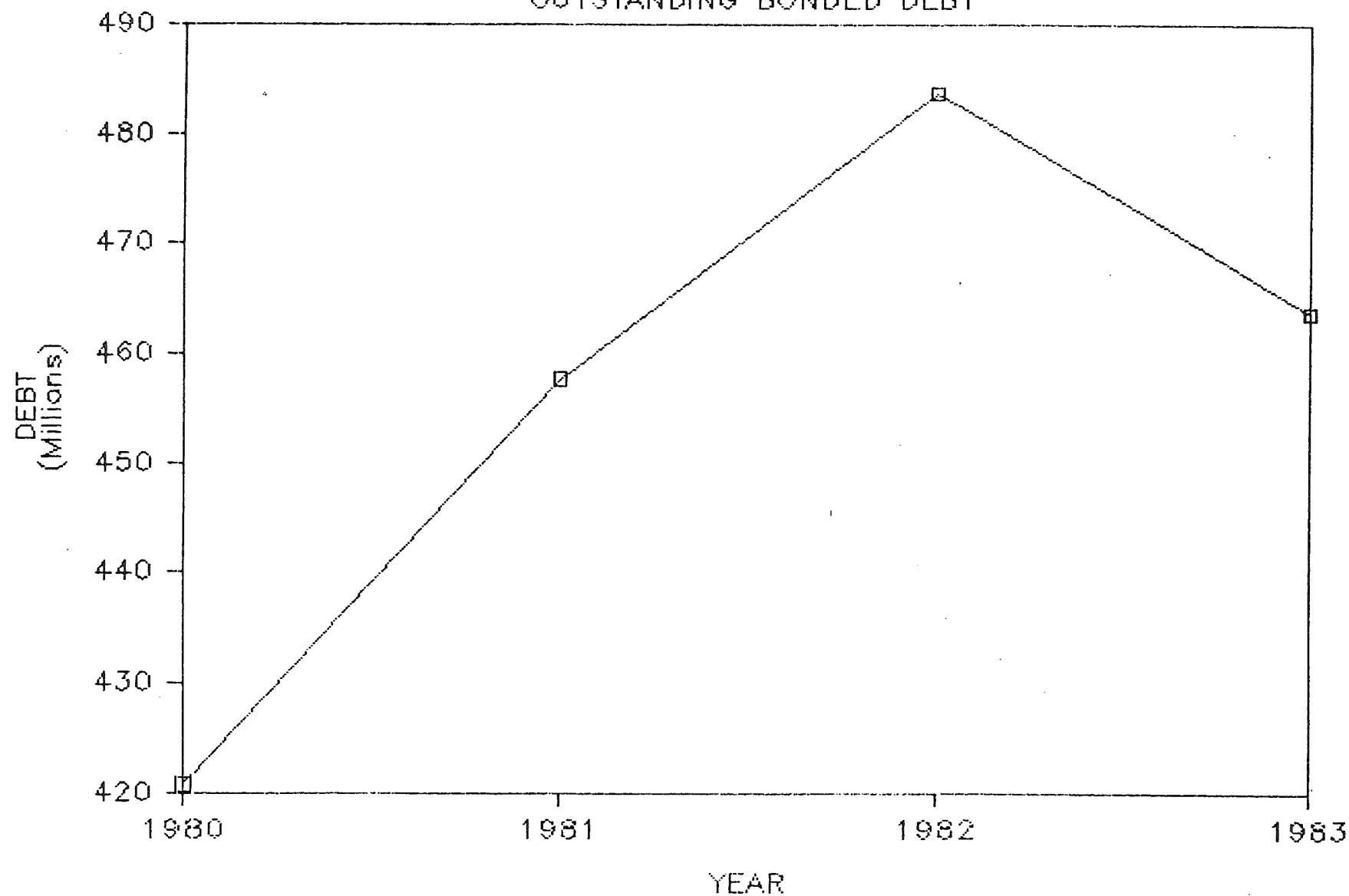
METROPOLITAN AGENCIES

% OF OUTSTANDING BONDED DEBT, 1983



METROPOLITAN AGENCIES, 1980 - 1983

OUTSTANDING BONDED DEBT

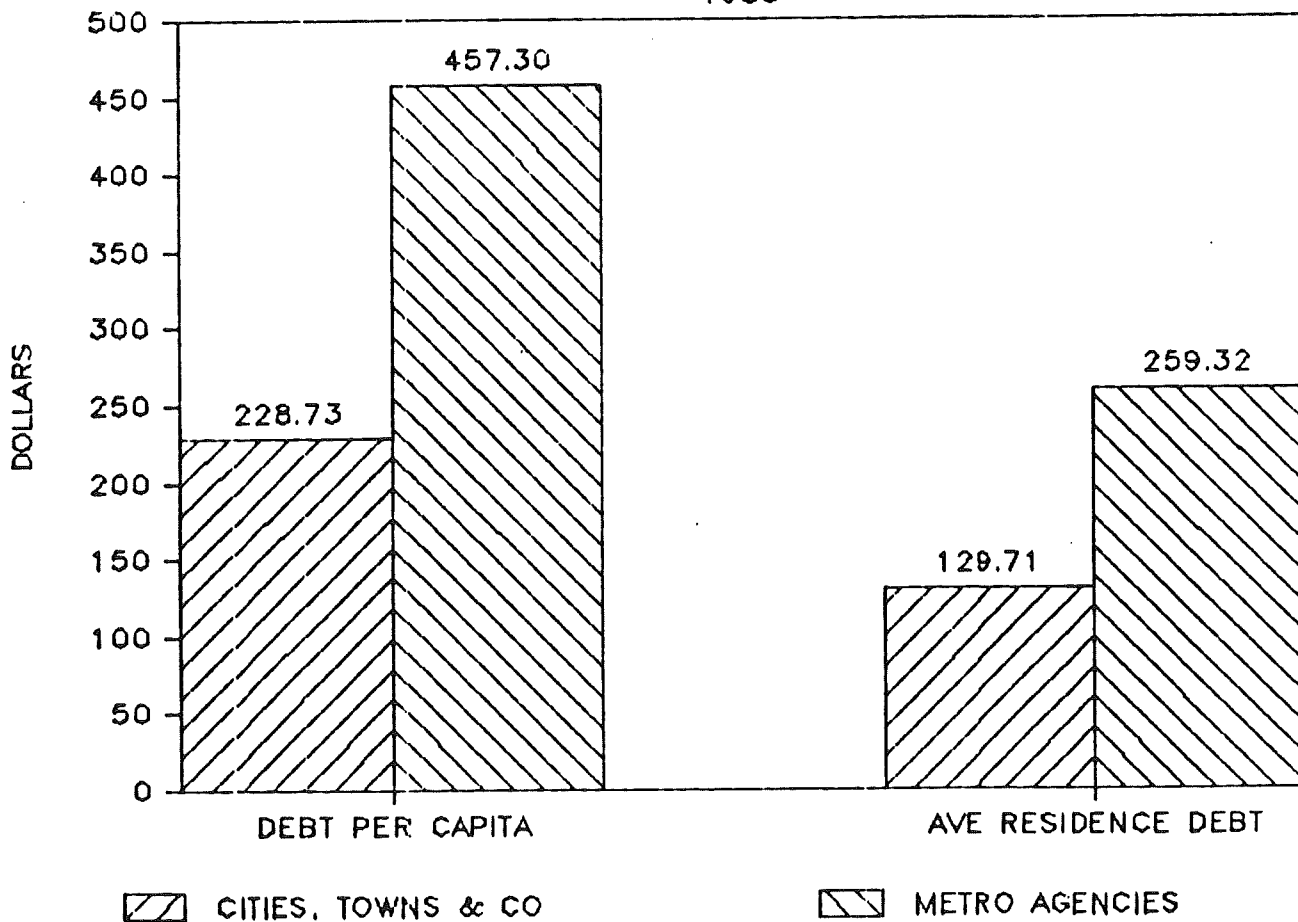


**OUTSTANDING BONDED DEBT
1983**

28-Feb-85

	TOTAL OF METROPOLITAN AGENCIES	TOTAL OF CITIES, TOWNS & COUNTIES
OUTSTANDING BONDED DEBT	463,789,451	263,005,593
OUTSTANDING BONDED DEBT PER CAPITA	228.73	129.71
AVERAGE RESIDENCE DEBT	457.30	259.32

**COMPARISON OF OUTSTANDING DEBT
1983**



TOTALS OF METROPOLITAN AGENCIES
1980 - 1983

28-Feb-85

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
REVENUES						
OWN SOURCE						
PROPERTY TAXES	27,091,984	38,997,720	42,662,766	55,313,048	104.17	27.67
OTHER TAXES	3,249,463	3,256,261	4,674,870	5,017,773	54.42	17.04
FEES & SERVICE CHARGES	111,505,351	120,857,984	140,358,670	154,483,058	38.54	11.53
INTEREST INCOME	28,145,327	32,516,836	26,197,975	22,959,012	-18.43	-5.42
OTHER OWN SOURCE	1,808,625	2,564,611	2,096,955	3,027,056	67.37	22.64
	171,800,750	198,193,412	215,991,236	240,799,947	40.16	11.94
INTERGOVERNMENTAL						
FEDERAL	74,346,400	57,754,189	38,095,219	54,469,422	-26.74	-4.46
STATE	54,072,612	26,546,480	21,911,551	19,050,810	-64.77	-27.14
LOCAL	1,106,979	919,751	849,100	790,224	-28.61	-10.51
	129,525,991	85,220,420	60,855,870	74,310,456	-42.63	-13.56
TOTAL REVENUES	301,326,741	283,413,832	276,847,106	315,110,403	4.57	1.85
EXPENDITURES						
OPERATIONS	177,366,670	204,033,125	218,797,887	230,101,426	29.73	9.15
DEBT SERVICE	38,830,398	37,799,854	37,840,280	44,625,874	14.93	5.13
CAPITAL	115,454,602	135,312,636	78,944,185	79,359,774	-31.26	-7.98
TOTAL EXPENDITURES	331,651,670	377,145,615	335,582,352	354,087,074	6.76	2.74
OUTSTANDING BONDED DEBT						
OUTSTANDING DEBT	420,775,267	457,664,642	483,662,546	463,789,451	10.22	3.45
NET DEBT *	298,237,232	370,792,920	394,879,913	367,715,282	23.30	7.98

* Outstanding debt less reserve for debt service.

REVENUES, EXPENDITURES AND BONDED DEBT OF METROPOLITAN AGENCIES, 1983

04-Mar-85

	METROPOLITAN AIRPORTS COMMISSION	METROPOLITAN WASTE CONTROL COMMISSION	METROPOLITAN TRANSIT COMMISSION	METROPOLITAN SPORTS FACILITIES COMMISSION	METROPOLITAN MOSQUITO CONTROL DISTRICT	METROPOLITAN COUNCIL	TOTAL OF METROPOLITAN AGENCIES	
REVENUES								
OWN SOURCE								
PROPERTY TAXES	611,841		42,345,600		4,882,351	7,553,256	55,313,048	17.6%
OTHER TAXES				5,017,773			5,017,773	1.6%
FEES & SERVICE CHARGES	38,189,981	73,834,000	34,051,400	8,297,353	110,324		154,483,058	49.0%
INTEREST INCOME	18,699,709	4,369,000	2,119,100	1,153,127		4,618,076	22,959,012	7.3%
OTHER OWN SOURCE	1,198,042		1,177,400	87,026	33,094	538,694	3,027,056	1.0%
	58,699,573	78,203,000	79,693,500	14,555,279	4,946,569	12,782,026	248,799,947	76.4%
INTERGOVERNMENTAL								
FEDERAL	4,426,388	10,566,000	24,786,000			14,691,034	54,469,422	17.3%
STATE	1,033,106	2,116,000	12,158,000			3,743,704	19,058,810	6.0%
LOCAL		52,000				738,224	798,224	0.3%
	5,459,494	12,734,000	36,944,000	0	0	19,172,962	74,310,456	23.6%
TOTAL REVENUES	56,159,067	98,937,000	116,637,500	14,555,279	4,946,569	31,874,988	315,110,403	100.0%
EXPENDITURES								
OPERATIONS	31,785,384	62,334,000	99,697,300	9,814,911	4,588,931	22,040,900	238,181,426	65.0%
DEBT SERVICE	13,858,385	19,534,000	3,135,600	4,824,094		3,273,795	44,625,874	12.6%
CAPITAL	12,679,456	35,006,000	20,915,800	1,008,772	343,641	9,486,105	79,359,774	22.4%
TOTAL EXPENDITURES	58,243,225	116,874,000	123,748,700	15,647,777	4,932,572	34,720,800	354,887,074	100.0%
OUTSTANDING BONDED DEBT								
OUTSTANDING DEBT	124,590,951	232,398,000	18,110,000	56,750,500	0	31,940,000	463,789,451	
NET DEBT 0	105,190,850	190,691,000	14,284,700	48,183,764	0	9,364,968	367,715,282	

0 Outstanding debt less reserve for debt service.

REVENUES AND EXPENDITURES OF METROPOLITAN AGENCIES, 1982

04-Mar-85

	METROPOLITAN AIRPORTS COMMISSION	METROPOLITAN WASTE CONTROL COMMISSION	METROPOLITAN TRANSIT COMMISSION	METROPOLITAN SPORTS FACILITIES COMMISSION	METROPOLITAN MOSQUITO CONTROL DISTRICT	METROPOLITAN COUNCIL	TOTAL OF METROPOLITAN AGENCIES	
REVENUES								
OWN SOURCE								
PROPERTY TAXES	575,169		33,585,400		2,763,629	5,738,568	42,662,766	15.4%
OTHER TAXES				4,674,870			4,674,870	1.7%
FEES & SERVICE CHARGES	31,596,789	67,587,000	34,716,700	6,458,181			140,358,670	50.7%
INTEREST INCOME	10,514,130	4,678,000	2,698,400	2,255,471	2,090	6,049,868	26,197,975	9.5%
OTHER OWN SOURCE	945,651	509,000	139,800	163,467	3,884	335,153	2,096,955	0.8%
	43,631,747	72,774,000	71,140,300	13,551,989	2,769,611	12,123,589	215,991,236	78.0%
INTERGOVERNMENTAL								
FEDERAL	1,345,940	5,544,000	16,441,100			14,764,179	38,095,219	13.0%
STATE	879,994	927,000	12,650,700			7,453,857	21,911,351	7.9%
LOCAL						849,100	849,100	0.3%
	2,225,934	6,471,000	29,091,800	0	0	23,067,136	68,855,870	22.0%
TOTAL REVENUES	45,857,681	79,245,000	100,232,100	13,551,989	2,769,611	35,190,725	276,847,106	100.0%
EXPENDITURES								
OPERATIONS	26,494,621	59,667,000	99,095,200	8,414,335	2,839,997	22,286,734	218,797,887	65.2%
DEBT SERVICE	10,728,540	17,171,000	2,876,600	3,757,259		3,386,881	37,840,280	11.3%
CAPITAL	11,060,869	41,450,000	9,986,500	9,209,916	153,655	7,163,245	78,944,185	23.5%
TOTAL EXPENDITURES	48,284,030	118,288,000	111,878,300	21,381,510	2,993,652	32,756,860	335,582,352	100.0%
OUTSTANDING BONDED DEBT								
OUTSTANDING DEBT	130,981,046	242,466,000	19,960,000	57,475,500	0	32,780,000	483,662,546	
NET DEBT 0	112,729,831	203,889,000	18,510,600	49,920,351	0	9,830,131	394,879,913	

0 Outstanding debt less reserve for debt service.

REVENUES AND EXPENDITURES OF METROPOLITAN AGENCIES, 1981

04-Mar-85

	METROPOLITAN AIRPORTS COMMISSION	METROPOLITAN WASTE CONTROL COMMISSION	METROPOLITAN TRANSIT COMMISSION	METROPOLITAN SPORTS FACILITIES COMMISSION	METROPOLITAN MOSQUITO CONTROL DISTRICT	METROPOLITAN COUNCIL	TOTAL OF METROPOLITAN AGENCIES	
REVENUES								
OWN SOURCE								
PROPERTY TAXES	583,285		38,643,700		2,638,438	5,228,385	38,997,720	13.8%
OTHER TAXES				3,256,261			3,256,261	1.1%
FEES & SERVICE CHARGES	27,228,290	59,972,000	31,857,300	1,888,394			120,857,984	42.6%
INTEREST INCOME	9,231,999	5,867,000	3,658,300	6,592,425	8,945	7,166,167	32,516,836	11.5%
OTHER OWN SOURCE	1,397,156	456,000	88,700	27,782	12,874	598,899	2,564,611	0.9%
	<u>38,352,730</u>	<u>66,295,000</u>	<u>66,232,000</u>	<u>11,684,862</u>	<u>2,651,449</u>	<u>12,977,371</u>	<u>198,193,412</u>	<u>69.9%</u>
INTERGOVERNMENTAL								
FEDERAL	2,759,184	23,991,000	15,756,900			15,247,185	57,754,189	28.4%
STATE	1,848,885	3,082,000	16,536,500			3,159,895	26,546,480	9.4%
LOCAL				18,479		989,272	919,751	0.3%
	<u>4,608,069</u>	<u>28,993,000</u>	<u>32,293,400</u>	<u>18,479</u>	<u>0</u>	<u>19,315,472</u>	<u>85,229,420</u>	<u>38.1%</u>
TOTAL REVENUES	<u>42,960,799</u>	<u>95,288,000</u>	<u>98,525,400</u>	<u>11,695,341</u>	<u>2,651,449</u>	<u>32,292,843</u>	<u>283,413,832</u>	<u>100.0%</u>
EXPENDITURES								
OPERATIONS	24,344,885	53,393,000	98,811,400	2,276,838	2,478,288	22,736,794	204,833,125	54.1%
DEBT SERVICE	18,778,853	18,134,000	3,113,000	1,585,881		4,188,198	37,799,854	18.0%
CAPITAL	28,825,581	36,456,000	6,349,000	41,538,484	166,594	21,984,977	135,312,636	33.9%
TOTAL EXPENDITURES	<u>63,949,321</u>	<u>107,983,000</u>	<u>108,273,400</u>	<u>45,393,123</u>	<u>2,636,882</u>	<u>48,909,969</u>	<u>377,145,615</u>	<u>100.0%</u>
OUTSTANDING BONDED DEBT								
OUTSTANDING DEBT	136,146,142	216,273,000	13,288,000	58,115,500	0	33,938,000	457,664,642	
NET DEBT 0	117,982,826	184,971,000	12,268,288	44,656,848	0	18,994,046	378,792,920	

0 Outstanding debt less reserve for debt service.

REVENUES AND EXPENDITURES OF METROPOLITAN AGENCIES, 1980

04-Mar-85

	METROPOLITAN AIRPORTS COMMISSION	METROPOLITAN WASTE CONTROL COMMISSION	METROPOLITAN TRANSIT COMMISSION	METROPOLITAN SPORTS FACILITIES COMMISSION	METROPOLITAN MOSQUITO CONTROL DISTRICT	METROPOLITAN COUNCIL	TOTAL OF METROPOLITAN AGENCIES	
REVENUES								
OWN SOURCE								
PROPERTY TAXES	598,755		19,855,700		2,211,041	4,426,488	27,091,984	9.0%
OTHER TAXES				3,249,463			3,249,463	1.1%
FEES & SERVICE CHARGES	23,863,490	56,993,000	28,906,400	2,142,461			111,505,351	37.0%
INTEREST INCOME	8,001,770	4,472,000	2,364,600	6,436,832	13,940	6,856,185	28,145,327	9.3%
OTHER OWN SOURCE	1,313,810	82,000	89,000	31,098	1,432	291,285	1,800,625	0.6%
	33,777,825	61,147,000	51,215,700	11,859,854	2,226,413	11,573,958	171,800,750	57.0%
INTERGOVERNMENTAL								
FEDERAL	3,936,974	29,402,000	27,850,700			13,156,726	74,346,400	24.7%
STATE	1,669,340	6,100,000	23,105,600			23,189,664	54,072,612	17.9%
LOCAL				107,214		999,765	1,106,979	0.4%
	5,606,322	35,510,000	50,956,300	107,214	0	37,346,155	129,525,991	43.0%
TOTAL REVENUES	39,384,147	96,657,000	102,172,000	11,967,068	2,226,413	48,920,113	301,326,741	100.0%
EXPENDITURES								
OPERATIONS	21,579,489	46,759,000	85,729,600	2,042,221	2,036,511	19,219,049	177,366,670	53.5%
DEBT SERVICE	10,500,750	18,566,000	3,072,000	3,663,093		3,027,755	38,830,398	11.7%
CAPITAL	21,100,411	45,877,000	19,119,600	17,995,757	270,605	11,003,229	115,454,602	34.8%
TOTAL EXPENDITURES	53,268,650	111,202,000	107,922,000	23,701,071	2,307,116	33,250,033	331,651,670	100.0%
OUTSTANDING BONDED DEBT								
OUTSTANDING DEBT	117,290,767	193,979,000	15,600,000	58,115,500	0	35,790,000	420,775,267	
NET DEBT 0	100,503,930	161,287,000	12,634,000	10,068,306	0	13,663,996	298,237,232	

0 Outstanding debt less reserve for debt service.

METROPOLITAN AGENCIES PAYROLL ANALYSIS
1980 - 1983

04-Mar-85

	1980	1981	1982	1983	4-YEAR % CHANGE
METROPOLITAN COUNCIL					
EMPLOYEES	238.5	218.5	210.5	213.5	-10.48
PAYROLL	4,616,624	5,111,175	5,239,964	5,653,228	22.45
FRINGE BENEFITS	754,385	863,473	878,917	904,686	19.92
FRINGES AS % OF PAYROLL	16.34	16.89	16.77	16.00	-2.07
AVERAGE EMPLOYEE PAY	19,356.91	23,392.11	24,892.94	26,478.82	36.79
METRO MOSQUITO CONTROL DISTRICT #					
PERMANENT EMPLOYEES	44	42	45	43	-2.27
SEASONAL EMPLOYEES	137	142	144	138	0.73
PAYROLL	1,248,464	1,399,542	1,566,209	1,641,994	31.52
FRINGE BENEFITS	157,200	182,533	220,986	237,190	50.88
FRINGES AS % OF PAYROLL	12.59	13.04	14.11	14.45	14.72
AVERAGE EMPLOYEE PAY	9,156.88	9,897.93	10,921.45	11,941.51	30.41
METRO AIRPORTS COMMISSION					
EMPLOYEES	275	276	266	278	1.09
PAYROLL	6,466,893	7,156,932	7,734,364	8,331,881	28.84
FRINGE BENEFITS	2,256,490	2,413,368	2,571,226	2,732,766	21.11
FRINGES AS % OF PAYROLL	34.89	33.72	33.24	32.80	-6.00
AVERAGE EMPLOYEE PAY	23,515.97	25,930.91	29,076.56	29,970.79	27.45
METRO WASTE CONTROL COMMISSION					
EMPLOYEES	801	814	876	925	15.48
PAYROLL	16,542,948	18,431,606	22,366,933	25,491,709	54.09
FRINGE BENEFITS	2,891,164	4,121,974	4,416,764	5,173,525	78.94
FRINGES AS % OF PAYROLL	17.48	22.36	19.75	20.29	16.13
AVERAGE EMPLOYEE PAY	20,652.87	22,643.25	25,533.03	27,558.60	33.44
METRO TRANSIT COMMISSION					
EMPLOYEES	2,459	2,374	2,251	2,169	-11.79
PAYROLL	40,488,600	45,615,800	49,187,100	49,860,000	23.15
FRINGE BENEFITS	18,238,900	23,216,300	22,049,800	23,051,000	26.30
FRINGES AS % OF PAYROLL	45.05	50.90	44.83	46.23	2.63
AVERAGE EMPLOYEE PAY	16,465.47	19,214.74	21,851.22	22,987.55	39.61
METRO SPORTS FACILITIES COMMISSION					
EMPLOYEES	30	30	30	30	0.00
PAYROLL	592,600	658,530	765,000	727,000	22.68
FRINGE BENEFITS	102,400	114,470	127,800	131,000	27.93
FRINGES AS % OF PAYROLL	17.28	17.38	16.71	18.02	4.28
AVERAGE EMPLOYEE PAY	19,753.33	21,951.00	25,500.00	24,233.33	22.68

* Uses the sum of permanent and seasonal employees to determine averages.

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

FINANCIAL TRENDS

28-Feb-85

Metropolitan Council

1. INDICATOR: REVENUE SOURCES

OWN SOURCE	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
PROPERTY TAXES	4,426,488	9%	5,220,305	16%	5,738,568	16%	7,553,256	24%	70.64	19.83
OTHER TAXES		0%		0%		0%		0%		
FEES & SERVICE CHARGES		0%		0%		0%		0%		
INTEREST INCOME	6,856,185	14%	7,166,167	22%	6,049,868	17%	4,618,076	14%	-32.64	-11.57
OTHER OWN SOURCE	291,285	1%	590,899	2%	335,153	1%	530,694	2%	82.19	39.31
INTERGOVERNMENTAL										
FEDERAL	13,156,726	27%	15,247,105	47%	14,764,179	42%	14,691,034	46%	11.66	4.08
STATE	23,189,664	47%	3,159,095	10%	7,453,857	21%	3,743,704	12%	-83.86	-0.07
LOCAL	999,765	2%	909,272	3%	849,100	2%	738,224	2%	-26.16	-9.58
TOTAL REVENUES	48,920,113		32,292,843		35,190,725		31,874,988		-34.84	-11.48

2. INDICATOR: EXPENDITURES

	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
CURRENT (less interest)	19,219,849	58%	22,736,794	46%	22,286,734	68%	22,040,900	63%	14.68	5.07
DEBT SERVICE	3,027,755	9%	4,188,198	9%	3,306,881	10%	3,273,795	9%	8.13	5.43
CAPITAL	11,003,229	33%	21,984,977	45%	7,163,245	22%	9,406,105	27%	-14.52	21.23
TOTAL EXPENDITURES (INCLUDES PRINCIPAL)	33,250,833		48,909,969		32,756,860		34,720,800		4.42	6.69

3. INDICATOR: PASS-THROUGH GRANTS

	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
PASS-THROUGH GRANTS	20,958,485		35,519,017		20,533,475		21,701,961		3.55	10.99
PASS-THROUGH GRANTS AS % OF TOTAL EXPENDITURES	64.63		75.65		64.97		64.72			

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

FINANCIAL TRENDS

28-Feb-85

Metropolitan Council

4. INDICATOR: DEBT

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
	-----	-----	-----	-----	-----	-----
OUTSTANDING DEBT	35,790,000	33,930,000	32,780,000	31,940,000	-10.76	-3.72
NET DEBT *	13,663,996	10,994,046	9,830,131	9,364,968	-31.46	-11.62
BOND RATING						
MOODY'S		Aa	Aa	Aa		
S & P		AA	AA	AAA		

5. INDICATOR: DEBT SERVICE PAYMENTS

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
	-----	-----	-----	-----	-----	-----
DEBT SERVICE	3,027,755	4,188,198	3,306,881	3,273,795	8.13	5.43
DEBT SERVICE AS A % OF TOTAL REVENUES	6.19	12.97	9.40	10.27		

* Outstanding debt less fund balance designated for debt service.

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

MANAGEMENT PRACTICES

28-Feb-85

Metropolitan Council

6. INDICATOR: FUND BALANCE (GENERAL AND SPECIAL REVENUE FUNDS)

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
	-----	-----	-----	-----	-----	-----
UNRESERVED & UNDESIGNATED FUND BALANCE	1,317,823	2,367,842	2,937,532	4,876,163	270.02	56.31
FUND BALANCE AS A % OF CURRENT EXPENDITURES	6.15	9.48	12.26	20.21		

7. INDICATOR: MANAGEMENT PRACTICES

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
	-----	-----	-----	-----	-----	-----
EMPLOYEE COMPLEMENT	238.5	210.5	210.5	213.5	-10.48	-3.54
PAYROLL	4,616,624	5,111,175	5,239,964	5,653,228	22.45	7.04
FRINGES BENEFITS	754,385	863,473	878,917	904,686	19.92	6.39
FRINGES AS % OF PAYROLL	16.34	16.89	16.77	16.00		
BASIS OF ACCOUNTING	MOD. ACCRUAL	MOD. ACCRUAL	MOD. ACCRUAL	MOD. ACCRUAL		

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

FINANCIAL TRENDS

28-Feb-85

Metropolitan Mosquito Control District

1. INDICATOR: REVENUE SOURCES

OWN SOURCE	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
PROPERTY TAXES	2,211,041	99%	2,630,430	99%	2,763,629	100%	4,802,351	97%	117.20	32.60
OTHER TAXES		0%		0%		0%		0%		
FEES & SERVICE CHARGES		0%		0%		0%	110,324	2%		
INTEREST INCOME	13,940	1%	8,945	0%	2,098	0%		0%	-100.00	
OTHER OWN SOURCE	1,432	0%	12,074	0%	3,884	0%	33,894	1%	2266.90	482.66
INTERGOVERNMENTAL										
FEDERAL		0%		0%		0%		0%		
STATE		0%		0%		0%		0%		
LOCAL		0%		0%		0%		0%		
TOTAL REVENUES	2,226,413		2,651,449		2,769,611		4,946,569		122.18	34.05

2. INDICATOR: EXPENDITURES

	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
CURRENT	2,036,511	88%	2,470,208	94%	2,839,997	95%	4,508,931	93%	121.40	31.68
DEBT SERVICE		0%		0%		0%		0%		
CAPITAL	270,605	12%	166,594	6%	153,655	5%	343,641	7%	26.99	25.81
TOTAL EXPENDITURES	2,307,116		2,636,802		2,993,652		4,852,572		110.33	29.97

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

FINANCIAL TRENDS

28-Feb-85

Metropolitan Mosquito Control District

3. INDICATOR: DEBT

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
	-----	-----	-----	-----	-----	-----
OUTSTANDING DEBT	0	0	0	0		
NET DEBT	0	0	0	0		
BOND RATING						

4. INDICATOR: DEBT SERVICE PAYMENTS

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
	-----	-----	-----	-----	-----	-----
DEBT SERVICE	0	0	0	0		
DEBT SERVICE AS A % OF TOTAL REVENUES	0	0	0	0		

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

MANAGEMENT PRACTICES

04-Mar-85

Metropolitan Mosquito Control District

5. INDICATOR: FUND BALANCE

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
UNRESERVED FUND BALANCE	462,494	477,141	243,100	337,097	-27.11	-2.41
FUND BALANCE AS A % OF CURRENT EXPENDITURES	22.71	19.32	8.56	7.48		

6. INDICATOR: MANAGEMENT PRACTICES

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
EMPLOYEES						
PERMANENT	44	42	45	43	-2.27	-0.62
SEASONAL	137	142	144	138	0.73	0.30
PAYROLL	1,248,464	1,399,542	1,566,209	1,641,994	31.52	9.62
FRINGES BENEFITS	157,200	182,533	220,986	237,190	50.88	14.84
FRINGES AS % OF PAYROLL	12.59	13.04	14.11	14.45		
BASIS OF ACCOUNTING	MOD. ACCURAL	MOD. ACCURAL	MOD. ACCURAL	MOD. ACCURAL		

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

FINANCIAL TRENDS

28-Feb-85

Metropolitan Waste Control Commission

1. INDICATOR: OPERATING STATEMENT

	1980	1981	1982	1983
OPERATING REVENUES	56,593,459	59,972,000	67,587,000	73,834,000
OPERATING EXPENSES (Includes Depreciation)	42,730,856	51,096,000	57,599,000	60,839,000
OPERATING INCOME	13,862,603	8,876,000	9,988,000	12,995,000
NON-OPERATING REVENUES	4,554,010	8,178,000	6,454,000	5,060,000
NON-OPERATING EXPENSES	13,752,097	11,785,000	9,483,000	10,858,000
NET INCOME	4,664,516	5,269,000	6,959,000	7,197,000
OPERATING RATIO (Operating Revenues/ Operating Expenses)	1.32	1.17	1.17	1.21

2. INDICATOR: DEBT

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
OUTSTANDING DEBT	193,979,000	216,273,000	242,466,000	232,398,000	19.81	6.48
NET DEBT #	161,287,000	184,971,000	203,889,000	190,691,000	18.23	6.15
COVERAGE RATIO (Net Income/Debt Service)	0.25	0.29	0.41	0.37		
BOND RATING						
MOODY'S	Aa	Aa	Aa	Aa		
S & P	AA	AA	AA	AAA		

Outstanding debt less retained earnings reserved for debt payment.

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

FINANCIAL TRENDS

28-Feb-85

Metropolitan Waste Control Commission

3. INDICATOR: REVENUE SOURCES (Operating, Non-operating and Capital Revenues excluding Long-term borrowing)

OWN SOURCE	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
PROPERTY TAXES		0%		0%		0%		0%		
OTHER TAXES		0%		0%		0%		0%		
FEES & SERVICE CHARGES	56,593,000	59%	59,972,000	63%	67,587,000	85%	73,834,000	81%	30.46	9.30
INTEREST INCOME	4,472,000	5%	5,867,000	6%	4,678,000	6%	4,369,000	5%	-2.30	1.44
OTHER OWN SOURCE	82,000	0%	456,000	0%	509,000	1%		0%	-100.00	
INTERGOVERNMENTAL										
FEDERAL	29,402,000	30%	23,991,000	25%	5,544,000	7%	10,566,000	12%	-64.06	-1.57
STATE	6,108,000	6%	5,002,000	5%	927,000	1%	2,116,000	2%	-65.36	9.56
LOCAL		0%		0%		0%	52,000	0%		

4. INDICATOR: CHANGES IN TOTAL REVENUES

	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
TOTAL REVENUES	96,657,000		95,288,000		79,245,000		90,937,000		-5.92	-1.17

5. INDICATOR: EXPENDITURES

	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
OPERATIONS	46,759,000	42%	53,393,000	49%	59,667,000	50%	62,334,000	53%	33.31	10.14
DEBT SERVICE	18,566,000	17%	18,134,000	17%	17,171,000	15%	19,534,000	17%	5.21	2.04
CAPITAL	45,877,000	41%	36,456,000	34%	41,450,000	35%	35,006,000	30%	-23.70	-7.46
TOTAL EXPENDITURES #	111,202,000		107,983,000		118,288,000		116,874,000		5.10	1.82

Total expenditures generally exceed total revenues because both capital outlay and depreciation are reported as expenditures, and because revenue from long-term borrowing is not shown as income.

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

MANAGEMENT PRACTICES

28-Feb-85

Metropolitan Waste Control Commission

6. INDICATOR: MANAGEMENT PRACTICES

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
	-----	-----	-----	-----	-----	-----
EMPLOYEES	801	814	876	925	15.48	4.94
PAYROLL	16,542,948	18,431,606	22,366,933	25,491,709	54.09	15.58
FRINGE BENEFITS	2,891,164	4,121,974	4,416,764	5,173,525	78.94	22.29
FRINGES AS % OF PAYROLL	17.48	22.36	19.75	20.29		
BASIS OF ACCOUNTING	ACCRUAL	ACCRUAL	ACCRUAL	ACCRUAL		

Metropolitan Waste Control Commission
SAC Revenue & Reserve History
(in thousands of dollars)

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Balance January 1	\$14,402.1	\$18,244.2	\$16,087.3	\$11,739.8
Additions				
Sewer Availability Charges	6,529.7	6,156.6	5,345.5	7,219.0
Investment Income	1,698.9	1,834.7	1,641.9	1,125.9
Other				1,460.5(3)
Total	<u>\$ 8,228.6</u>	<u>\$ 7,991.3</u>	<u>\$ 6,987.4</u>	<u>\$ 9,805.4</u>
Deductions				
Reserve Capacity Debt				
Charges	\$ 4,386.5	\$ 5,265.1	\$ 6,134.9	\$ 5,557.8
Other		4,883.1(1)	5,200.0(2)	
Total	<u>\$ 4,386.5</u>	<u>\$10,148.2</u>	<u>\$11,334.9</u>	<u>\$ 5,557.8</u>
Balance December 31	\$18,244.2	\$16,087.3	\$11,739.8	\$15,987.4

- (1) Transfer to construction fund of repayment of 1973 loan
(2) Loan to debt service fund
(3) Loan repayment from debt service fund

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

FINANCIAL TRENDS

28-Feb-85

Metropolitan Airports Commission

1. INDICATOR: OPERATING STATEMENT

	1980	1981	1982	1983
OPERATING REVENUES	25,776,056	29,120,732	31,105,879	39,999,864
OPERATING EXPENSES (Includes Depreciation)	24,518,948	27,976,052	29,973,016	37,111,584
OPERATING INCOME	1,257,108	1,144,680	1,132,863	2,888,280
NON-OPERATING REVENUES	8,001,770	9,231,999	10,514,138	10,699,709
NON-OPERATING EXPENSES	2,406,292	1,957,689	2,060,145	2,037,185
NET INCOME	6,852,586	8,418,990	9,586,856	11,550,804
OPERATING RATIO (Operating Revenues/ Operating Expenses)	1.05	1.04	1.04	1.08

2. INDICATOR: DEBT

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
OUTSTANDING DEBT	117,290,767	136,146,142	130,981,046	124,590,951	6.22	2.47
NET DEBT #	100,583,930	117,902,826	112,729,831	105,190,850	4.58	2.05
COVERAGE RATIO (Net Income/Debt Service)	0.65	0.78	0.89	0.83		
BOND RATING MOODY'S S & P	AAA		Aaa	AAA		

Outstanding debt less retained earnings appropriated for debt service.

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

FINANCIAL TRENDS

28-Feb-85

Metropolitan Airports Commission

3. INDICATOR: REVENUE SOURCES (Operating, Non-operating and Capital Revenues excluding Long-term borrowing)

OWN SOURCE	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
PROPERTY TAXES	598,755	2%	503,285	1%	575,169	1%	611,841	1%	2.19	1.57
OTHER TAXES		0%		0%		0%		0%		
FEES & SERVICE CHARGES	23,863,490	61%	27,220,290	63%	31,596,789	69%	38,189,981	68%	60.04	17.00
INTEREST INCOME	8,001,770	20%	9,231,999	21%	10,514,138	23%	10,699,709	19%	33.72	10.34
OTHER OWN SOURCE	1,313,810	3%	1,397,156	3%	945,651	2%	1,198,042	2%	-8.81	0.24
INTERGOVERNMENTAL										
FEDERAL	3,936,974	10%	2,759,184	6%	1,345,940	3%	4,426,388	8%	12.43	49.24
STATE	1,669,348	4%	1,848,885	4%	879,994	2%	1,033,106	2%	-38.11	-8.08
LOCAL		0%		0%		0%		0%		

4. INDICATOR: CHANGES IN TOTAL REVENUES

	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
TOTAL REVENUES	39,384,147		42,960,799		45,857,681		56,159,067		42.59	12.76

5. INDICATOR: EXPENDITURES

	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
OPERATIONS	21,579,489	41%	24,344,885	38%	26,494,621	55%	31,705,384	54%	46.92	13.77
DEBT SERVICE	10,500,750	20%	10,778,855	17%	10,728,540	22%	13,858,385	24%	31.98	10.45
CAPITAL	21,188,411	40%	28,825,581	45%	11,060,869	23%	12,679,456	22%	-40.16	-3.65
TOTAL EXPENDITURES #	53,268,650		63,949,321		48,284,030		58,243,225		9.34	5.39

Total expenditures generally exceed total revenues because both capital outlay and depreciation are reported as expenditures, and because revenue from long-term borrowing is not shown as income.

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

MANAGEMENT PRACTICES

28-Feb-85

Metropolitan Airports Commission

6. INDICATOR: MANAGEMENT PRACTICES

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
	-----	-----	-----	-----	-----	-----
EMPLOYEES	275	276	266	278	1.09	0.42
PAYROLL	6,466,893	7,156,932	7,734,364	8,331,881	28.84	8.82
FRINGE BENEFITS	2,256,490	2,413,368	2,571,226	2,732,766	21.11	6.59
FRINGES AS % OF PAYROLL	34.89	33.72	33.24	32.80		
BASIS OF ACCOUNTING	ACCRUAL	ACCRUAL	ACCRUAL	ACCRUAL		

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

FINANCIAL TRENDS

28-Feb-85

Metropolitan Transit Commission

1. INDICATOR: OPERATING STATEMENT

	1980	1981	1982	1983
OPERATING REVENUES	33,036,200	36,839,400	39,659,300	38,624,900
OPERATING EXPENSES (Includes Depreciation)	84,906,800	98,811,400	99,095,200	99,697,300
OPERATING INCOME	(51,870,600)	(61,972,000)	(59,435,900)	(61,072,400)
NON-OPERATING REVENUES	54,095,500	57,128,600	53,206,400	62,314,600
NON-OPERATING EXPENSES	822,800	713,100	726,600	1,285,600
NET INCOME	1,402,100	(5,556,500)	(6,956,100)	(43,400)
OPERATING RATIO (Operating Revenues/ Operating Expenses)	0.39	0.37	0.40	0.39

2. INDICATOR: DEBT

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
OUTSTANDING DEBT	15,600,000	13,200,000	19,960,000	18,110,000	16.09	8.85
NET DEBT #	12,634,000	12,268,200	18,510,600	14,284,700	13.07	8.39
COVERAGE RATIO (Net Income/Debt Service)	0.46	-1.78	-2.42	-0.01		
BOND RATING						
MOODY'S			A1			
S & P	AA		AA	AA		

Outstanding debt less retained earnings reserved for debt service.

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

FINANCIAL TRENDS

28-Feb-85

Metropolitan Transit Commission

3. INDICATOR: REVENUE SOURCES (Operating, Non-operating and Capital Revenues excluding Long-term borrowing)

OWN SOURCE	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
PROPERTY TAXES	19,855,700	19%	30,643,700	31%	33,585,400	34%	42,345,600	36%	113.27	30.01
OTHER TAXES		0%		0%		0%		0%		
FEES & SERVICE CHARGES	28,906,400	28%	31,857,300	32%	34,716,700	35%	34,051,400	29%	17.80	5.76
INTEREST INCOME	2,364,600	2%	3,650,300	4%	2,698,400	3%	2,119,100	2%	-10.38	2.28
OTHER OWN SOURCE	89,000	0%	80,700	0%	139,800	0%	1,177,400	1%	1222.92	268.70
INTERGOVERNMENTAL										
FEDERAL	27,850,700	27%	15,765,900	16%	16,441,100	16%	24,786,000	21%	-11.00	3.88
STATE	23,105,600	23%	16,536,500	17%	12,650,700	13%	12,158,000	10%	-47.38	-18.61
LOCAL		0%		0%		0%		0%		

4. INDICATOR: CHANGES IN TOTAL REVENUES

	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
TOTAL REVENUES	102,172,000		98,534,400		100,232,100		116,637,500		14.16	4.84

5. INDICATOR: EXPENDITURES

	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
OPERATIONS	85,729,600	79%	98,811,400	91%	99,095,200	89%	99,697,300	81%	16.29	5.38
DEBT SERVICE	3,072,800	3%	3,113,000	3%	2,876,600	3%	3,135,600	3%	2.04	0.91
CAPITAL	19,119,600	18%	6,349,000	6%	9,906,500	9%	20,915,800	17%	9.39	33.46
TOTAL EXPENDITURES #	107,922,000		108,273,400		111,878,300		123,748,700		14.66	4.76

Total expenditures generally exceed total revenues because both capital outlay and depreciation are reported as expenditures, and because revenue from long-term borrowing is not shown as income.

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

MANAGEMENT PRACTICES

28-Feb-85

Metropolitan Transit Commission

6. INDICATOR: MANAGEMENT PRACTICES

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
	-----	-----	-----	-----	-----	-----
EMPLOYEES	2,459	2,374	2,251	2,169	-11.79	-4.09
PAYROLL	40,488,600	45,615,800	49,187,100	49,860,000	23.15	7.29
FRINGE BENEFITS	18,238,900	23,216,300	22,049,800	23,051,000	26.38	8.94
FRINGES AS % OF PAYROLL	45.05	50.90	44.83	46.23		
BASIS OF ACCOUNTING	ACCRUAL	ACCRUAL	ACCRUAL	ACCRUAL		

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

FINANCIAL TRENDS

28-Feb-85

Metropolitan Sports Facilities Commission

1. INDICATOR: OPERATING STATEMENT

	1980	1981	1982	1983
OPERATING REVENUES	2,773,255	2,590,195	8,474,009	10,514,100
OPERATING EXPENSES (Includes Depreciation)	2,123,123	2,357,740	8,495,238	9,895,814
OPERATING INCOME	650,132	232,455	(21,229)	618,286
NON-OPERATING REVENUES	9,086,599	9,094,667	5,077,980	4,041,179
NON-OPERATING EXPENSES	3,582,191	1,504,899	3,036,356	4,018,191
NET INCOME	6,154,540	7,822,223	2,020,395	641,274
OPERATING RATIO (Operating Revenues/ Operating Expenses)	1.31	1.10	1.00	1.06

2. INDICATOR: DEBT

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
OUTSTANDING DEBT	58,115,500	58,115,500	57,475,500	56,750,500	-2.35	-0.79
NET DEBT #	10,068,306	44,656,848	49,920,351	48,183,764	378.57	117.28
COVERAGE RATIO (Net Income/Debt Service)	1.68	4.93	0.54	0.13		
BOND RATING MOODY'S S & P			A-	A-		

Outstanding debt less retained earnings restricted for debt service.

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

FINANCIAL TRENDS

28-Feb-85

Metropolitan Sports Facilities Commission

3. INDICATOR: REVENUE SOURCES (Operating, Non-operating and Capital Revenues excluding Long-term borrowing)

OWN SOURCE	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
PROPERTY TAXES		0%		0%		0%		0%		
OTHER TAXES	3,249,463	27%	3,256,261	28%	4,674,870	34%	5,017,773	34%	54.42	17.04
FEES & SERVICE CHARGES	2,142,461	18%	1,808,394	15%	6,458,181	48%	8,297,353	57%	287.28	90.00
INTEREST INCOME	6,436,832	54%	6,592,425	56%	2,255,471	17%	1,153,127	8%	-82.09	-37.41
OTHER OWN SOURCE	31,098	0%	27,782	0%	163,467	1%	87,026	1%	179.84	143.66
INTERGOVERNMENTAL										
FEDERAL		0%		0%		0%		0%		
STATE		0%		0%		0%		0%		
LOCAL	107,214	1%	10,479	0%		0%		0%	-100.00	

4. INDICATOR: CHANGES IN TOTAL REVENUES

	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
TOTAL REVENUES	11,967,068		11,695,341		13,551,989		14,555,279		21.63	7.00

5. INDICATOR: EXPENDITURES

	1980		1981		1982		1983		4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
OPERATIONS	2,042,221	9%	2,276,838	5%	8,414,335	39%	9,814,911	63%	380.60	99.23
DEBT SERVICE	3,663,093	15%	1,585,801	3%	3,757,259	18%	4,824,094	31%	31.69	36.21
CAPITAL	17,995,757	76%	41,530,484	91%	9,209,916	43%	1,008,772	6%	-94.39	-12.03
TOTAL EXPENDITURES #	23,701,071		45,393,123		21,381,510		15,647,777		-33.98	3.94

Total expenditures generally exceed total revenues because both capital outlay and depreciation are reported as expenditures, and because revenue from long-term borrowing is not shown as income.

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

MANAGEMENT PRACTICES

28-Feb-85

Metropolitan Sports Facilities Commission

6. INDICATOR: MANAGEMENT PRACTICES

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE
EMPLOYEES	30	30	30	30	0.00	0.00
PAYROLL	592,600	658,530	765,000	727,000	22.68	7.44
FRINGE BENEFITS	102,400	114,470	127,800	131,000	27.93	8.65
FRINGES AS % OF PAYROLL	17.28	17.38	16.71	18.02		
BASIS OF ACCOUNTING	ACCRUAL	ACCRUAL	ACCRUAL	ACCRUAL		

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

ECONOMIC VITALITY

Seven County Metropolitan Area

28-Feb-85

1. INDICATOR: CHANGE IN POPULATION

	1980	1981	1982	1983	4-YEAR % CHANGE	STATEWIDE AVERAGE 4-YEAR % CHANGE
POPULATION	1,985,873	1,989,610	2,015,830	2,027,716	2.11	1.71
NUMBER OF HOUSEHOLDS	721,444			754,924	4.64	4.37

2. INDICATOR: CHANGE IN PROPERTY VALUES

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE	STATEWIDE AVERAGE 4-YEAR % CHANGE
ASSESSED VALUE	9,362,516,145	11,382,528,565	12,999,199,160	14,485,727,860	54.72	15.74	43.81
TAX INCREMENT FINANCING CAPTURED ASSESSED VALUE	71,056,547	169,318,574	267,250,338	360,014,575	406.66	76.95	327.45
CITIES USING TIF	25	35	39	42			

3. INDICATOR: TREND IN BUILDING PERMITS

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE	4-YEAR RATE OF INFLATION
COMMERCIAL #	203,091,000	249,143,000	343,427,000	274,507,000			
RESIDENTIAL	631,913,000	585,707,000	630,272,000	980,522,000			
TOTAL	835,004,000	834,850,000	973,699,000	1,255,029,000	50.30	15.17	20.40

Commercial consists of hotels, motels, amusement and recreation buildings, parking garages, service station and repair garages, offices, banks and professional buildings, and stores and other mercantile buildings, but not those involved primarily in wholesale trade.

OFFICE OF THE STATE AUDITOR
FINANCIAL HEALTH PROGRAM

ECONOMIC VITALITY

Seven County Metropolitan Area

28-Feb-85

4. INDICATOR: TREND IN RETAIL SALES

	1980	1981	1982	1983	4-YEAR % CHANGE	AVERAGE ANNUAL % CHANGE	4-YEAR RATE OF INFLATION
GROSS RETAIL SALES	10,351,855,031	10,801,843,660	11,656,193,253	13,375,782,119	29.21	9.00	20.40
NUMBER OF RETAIL BUSINESSES	19,541	21,078	21,930	23,108	18.25	5.76	

5. INDICATOR: TREND IN INDIVIDUAL ECONOMIC STATUS

	1980	1981	1982	1983	3-YEAR % CHANGE	ANNUAL % CHANGE	1983 STATEWIDE AVERAGE
PER CAPITA INCOME	11,445	12,632	13,289	UNAVAILABLE	16.11	7.79	UNAVAILABLE
UNEMPLOYMENT RATE	4.4	4.4	6.3	6.6			8.2
TOTAL EMPLOYMENT	1,032,662	1,065,167	1,045,485	1,055,774			

Metropolitan Council and Metropolitan Agencies
Sources and Presentation of Data

Economic Vitality Section

Data is for the seven county metropolitan area, including Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties.

1. Population:

1980 = 1980 Census (final count)
1981 - 1983 = State Demographer's
estimates

Households:

1980 = 1980 Census (final count)
1983 = State Demographer's estimate

2. Assessed Value:

Data from the Minnesota Department of Revenue. Data shown for the "payable" year, e.g., 1980 taxable value is payable 1980. Tax increment captured assessed value is included in assessed value.

Tax Increment Financing-Captured Assessed Value:

Data from the Minnesota Department of Revenue, Local Government Aids and Analysis Division.

3. Building Permits

Data from the 1983 Annual Financial Report of the Metropolitan Council. Note that commercial permits consist of hotels, motels, amusement and recreation buildings, parking garages, service station and repair garages, offices, banks and professional buildings, and stores and other mercantile buildings, but not those involved primarily in wholesale trade.

4. Retail Sales

Minnesota Department of Revenue Historical Retail Sales data on "Gross Retail Sales," showing both taxable and nontaxable sales. Number of businesses equals the number of vendors who filed one or more sales tax returns.

5. Per Capita Income

Total Personal Income divided by seven county metropolitan population of indicator 1. Total Personal Income data from U.S. Department of Commerce's Survey of Current Businesses, April 1984.

Unemployment Rate/Total Employment

Data from the Minnesota Department of Economic Security.

Financial Trends Section

Data was taken from the audited Annual Financial Reports of the Council and commissions for the four years profiled, with the exception of data on employees, payroll and fringe benefits, which was obtained from Council and commission staff.

The financial trends section uses two models: a Governmental Fund model (Metropolitan Council and Metropolitan Mosquito Control District) and an Enterprise Fund model (Metropolitan Airports, Waste Control, Transit and Sports Commission).

Governmental Funds Model

Expenditures and revenues are recorded on a modified accrual basis--that is, transactions are recognized when they occur. For example, if a commitment is made to buy a truck on (say) March 1, the expenditure is recognized on March 1, although the truck is actually paid for on (say) March 15. The same is true of revenues.

The central concept behind the governmental funds model is budgetary control.

Enterprise Funds Model

Enterprise funds are reported on a full accrual basis. Like governmental funds, transactions are recorded when they occur, regardless of the timing of actual cash receipts and disbursements. However, the conventional format for reporting enterprise funds is different from governmental funds. While budgets are important as a control, there is an additional focus on the "bottom line," that is, on net income. The central issue is whether the costs of providing goods and services (expenses, including depreciation) are recovered or financed primarily through user charges and/or other revenues of the enterprise.

The Operating Statement (Indicator 1 in the Enterprise Profile) reformats in a standard manner the Statement of Revenues, Expenses and Changes in Retained Earnings from each agency's audited financial report. Generally, Operating Revenues include fees and service charges. Operating Expenses include salaries and benefits, contractual services, supplies, utilities and depreciation. Non-operating revenues include investment income, operating grants. Non-operating expenses include interest and fiscal charges, and other non-operating expenses such as studies.

To give a more complete picture of revenues and expenditures, similar to the governmental model, Indicators 3, 4 and 5 again reformat information from the financial reports.

Indicator 3 (Revenue Sources) includes capital revenues (e.g., grants) in addition to those included in the Operating Statement, but does not include revenue from long-term borrowing. Indicator 5 (Expenditures) includes Capital Outlay and Debt Redemption (payment of principal) in addition to those shown on the Operating Statement. The restatement of expenditures is useful for the short term to indicate total financial activity in the agency. In the long term, however, it overstates expenditures by reporting both depreciation and capital outlay.