

Request for Proposals RFP 10–1531



REQUEST FOR PROPOSALS

Audit Services for Metro Financial & Compliance Audits

OFFICE OF THE METRO AUDITOR

600 N.E. Grand Avenue
Portland, OR 97232
(503) 797-1892, Fax (503)797-1831

Contract Manager:

Suzanne Flynn, Metro Auditor

Amoy D. Williamson, CPA
Metro Auditor's Office
E-mail: suzanne.flynn@oregonmetro.gov
Phone: 503-797-1892

Notice is hereby given that proposals for **RFP 10-1531** for **Audit Services for Metro Financial and Compliance Audits** shall be received by Metro, 600 N.E. Grand Avenue, Portland OR 97232 no later than **4:00 PM on October 29, 2009**. **It is the sole responsibility of the proposer to ensure that Metro receives the Proposal by the specified date and time. All late Proposals shall be rejected.** **PROPOSERS SHALL REVIEW ALL INSTRUCTIONS AND CONTRACT TERMS AND CONDITIONS. Envelopes shall be sealed and marked with the RFP # and Project title.**

A **voluntary pre-proposal conference** will be held on Thursday, October 8,, 2009 **from 2:00 to 3:30pm** at the Metro Regional Center, 600 NE Grand Avenue, Conference Room 370B, Portland, OR 97232. The Metro Auditor, Contract Manager and key Metro and MERC staff will be present to answer questions.

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I. INTRODUCTION

The Metro Auditor is requesting proposals from qualified independent certified public accountants to perform independent audit services for Metro. Metro is a metropolitan service district organized under the laws of the State of Oregon and Metro Charter, and is located at 600 NE Grand Avenue, Portland, OR 97232-2736. Proposals will be due no later than **4:00 PM, October 29, 2009**, in the Office of the Metro Auditor located at 600 NE Grand Avenue, Portland, OR 97232-2736. Details concerning the project and proposal are contained in this document.

Metro is seeking proposals to enable selection of the firm best qualified to provide:

- Audits of Metro financial statements as required under Generally Accepted Auditing Standards and the Minimum Standards for Audits of Oregon Municipal Corporations. Contractor shall provide **one electronic version** of the audit reports to Metro for inclusion in its published CAFR (Metro will print and assemble its CAFR).
- Audits of the Metropolitan Exposition Recreation Commission (or MERC) financial statements. MERC is the sole department of Metro which performs most of its accounting functions and has a separate accounting system.
- “Single Audits” covering Metro’s federal awards in accordance with the U.S. Office of Management and Budget (OMB) Circular A-133 and related necessary reports pertaining Metro’s internal control, compliance with applicable laws, regulations, grants and contracts, and the Schedule of Expenditures of Federal Awards. The Contractor shall print and **deliver 35 copies** of the Single Audit Report annually.
- Audits of two major bond funds, **the Natural Areas Bond fund** and the **Zoo Infrastructure and Animal Welfare Bond fund** with related necessary schedules and notes to the financial statements. Metro is required to publish the audit results in the local newspaper of record following the audit each year.
- “Management Recommendations” letters shall be submitted annually for each audit to the Metro Auditor. The letters shall include any findings, observations, opinions, comments or recommendations relating to internal control, accounting systems, data processing, compliance with laws, rules and regulations or any other matters that come to the attention of the independent auditor during the course of the audit.

Management recommendations will not be construed as special or additional studies. They should result from procedures associated with the study of internal control systems and procedures and the audit of the financial statements.

- Metro has been awarded the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for its 1992 through 2008 CAFRs. Metro intends to annually submit its CAFR to the GFOA Certificate program and to continue to receive the award. Metro may require minor technical assistance from the audit firm relating to presentation or disclosure issues.

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In addition, the audit firm may be requested to perform special projects for Metro during the year. Because of variations in the demand for additional services, such work will be contracted for, provided and billed separately to Metro.

II. BACKGROUND INFORMATION

Metro is the nation's only directly elected regional government. Metro's primary responsibilities include regional land use and transportation planning, solid waste disposal and waste reduction programs, Oregon Zoo operations, open spaces acquisition, regional parks management and operation of the region's public assembly facilities. The Metro Council governs Metro. Council is composed of a Council President, elected-at-large, and six (6) councilors elected to represent individual districts inside Metro's jurisdiction. Metro accomplishes governance of the region's public assembly facilities through the Metropolitan Exposition-Recreation Commission (MERC). The Metro Auditor is elected region-wide and provides financial and performance audits of Metro's programs and activities. Additional background information is provided in Appendix D.

Legal Antecedents - Oregon State ORS provision 297.465 requires an annual independent audit of Metro's financial statements. The Metro Charter Chapter IV Section 17 (3)(a) requires that the "Metro Auditor make continuous investigations of the operations of Metro including financial and performance auditing and review of financial transactions, personnel, equipment, facilities, and all other aspects of those operations, and (b) make reports to the Metro Council of the results of any investigation with any recommendations for remedial action."

Metro Code Section 2.15.080 regarding "External Audits" requires that the Metro Auditor "appoint external certified public accountants to conduct certified financial statement audits." The Metro Auditor is also required to "coordinate and monitor the conduct of and the responses to external financial statement audits."

Prior Contract History - During the last four fiscal years, Metro paid the following fees for the audit services contemplated by this RFP: FY 2009 - \$124,500; FY 2008 - \$162,310; FY 2007 - \$160,621 and FY 2006 - \$78,150. These amounts do not include a separate audit of Metro Bond Measure and Zoo bond compliance expenditures. Metro plans to implement all required existing and new GASB pronouncements no later than the effective dates for those pronouncements. Metro does not anticipate that additional fees will be required for FY 2010 and later audits for GASB pronouncements.

III. OBJECTIVES/SCOPE OF WORK

The Metro Auditor is seeking proposals from qualified independent public accounting firms with demonstrated experience in auditing Oregon municipal governments. The Metro Auditor proposes to engage a single firm to audit the basic financial statements of and provide other auditing and accounting services to the following entities:

- **Metro** – both government and business type activities (the "basic financial statements" as listed in the CAFR's table of contents)
- **MERC** (Note: MERC operates as a department of Metro that performs most of its accounting functions) using a separate enterprise system.

A listing of required audits and related reports and letters as well as other required services can be found under PART 1, Minimum Requirements of the RFP.

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Contract Term - The successful Contractor will be required to enter into a three (3) year contract with the option to renew for two additional one-year periods, at the Metro Auditor's discretion (cost to be negotiated at the time of option renewal). Metro will consider a five (5) year contract if cost beneficial to Metro. Contractors wishing to propose a five-year contract must submit **both** a three and five-year "Contractor Services and Compensation Schedule" (see Sample Contract in RFP Appendix A included in the bid packet).

In the event of a contract award, the contents of this RFP (including all attachments) RFP and addenda and revisions if any, and the proposal from the successful proposer will become contractual obligations.

Audits will be conducted for fiscal year (or the period) ending June 30, 2010, and each fiscal year thereafter, as long as the contract is in effect.

Technical Requirements - The successful firm will be expected to provide all of the services set forth in Exhibit A of the Sample Contract (RFP Appendix A) which includes performing the audits in accordance with:

- Auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States,
- The Single Audit Act of 1984, as amended, and the provisions of Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations,
- The Minimum Standards for Audits of Oregon Municipal Corporations as appropriate.

Contract Deliverables - Deliverables and related deadlines are listed in Exhibit A of the Sample Contract. All deliverables will become the property of the Metro.

Audit Cost - The contract shall include the total fixed fee to perform the audit and accounting services described in Exhibit A of the Sample Contract (Appendix A of the RFP).

The fee proposal must contain all pricing information relative to performing the services described in this RFP. In addition to the fixed fee for the entire project, we request that the rates and number of hours be given for information purposes only. Metro will not be responsible for any expenses of the proposer.

Retention Period - Materials and working papers developed during the engagement will be maintained for a minimum of five (5) years from the audit report date. The audit firm will make work papers available to authorized representatives from Metro, the Federal Oversight Audit Agency and the U.S. General Accountability Office.

Billing and Payment Procedures - The successful respondent shall submit all invoices to the attention of the Project Manager. Invoices shall be submitted separately for the Metro, MERC, Bond Measure Expenditure and Single Audits. Invoices shall include an itemized statement of the work performed during the billing period. Each billing period shall be at the completion of major milestones (i.e. the planning, interim work, fieldwork, and reporting and completion phases of the audits). Invoices for services performed shall be in the format shown in Exhibit G of the Sample Contract (Appendix A of the RFP).

The Project Manager, together with appropriate Metro and MERC staff, will review invoices for work performed. The Project Manager will contact the Contractor with questions or concerns regarding invoices

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as necessary. Metro shall pay the Contractor within 30 days of an approved invoice. Subcontractor invoicing shall be handled and processed in the same manner as Contractor invoicing.

IV. QUALIFICATIONS/EXPERIENCE

Proposing accountants/firms must meet the following requirements in order to be considered eligible to submit a proposal:

- Be qualified to perform municipal audits as designated on the Municipal roster maintained by the Oregon State Board of Accountancy.
- Have experience in performing municipal audits of the size and complexity of Metro
- Have at least two municipal audit clients that have each received the GFOA Certificate of Excellence in Financial Reporting within the last five (5) years.

Respondents shall provide company references and resumes for individuals who will be working on this project, including phone numbers of reference contacts.

V. PROJECT ADMINISTRATION

The Metro Auditor is responsible for the audit contract for Metro. The Contract Manager assigned to the project is Amoy D. Williamson, CPA, Contract Manager, of the Office of the Metro Auditor. The Metro Auditor shall be copied on all correspondence and included in all meetings between the Contractor and Metro management. The Metro Finance Director will serve as the Project Manager. Metro will require weekly progress meetings during interim and fieldwork stages of the audits. Meetings during the planning and completion and reporting phases of the audits will be scheduled on an as needed basis as determined by Metro.

Post-Audit Conferences - Post-audit conferences to review the various reports and financial statements will be held with the Metro Auditor, Audit Committee, Metro and MERC financial management and other appropriate Metro officials. In addition, audit firm management shall be present at any meetings of the Metro Council and MERC Commission when matters regarding the audits or related reports are discussed. Meetings with individual councilors, commissioners or managers may also be requested, but would be unusual.

Scheduling - The Contractor will commence the audit at a mutually agreeable date as determined during a meeting to discuss the audit approach and timing between the Contractor, Metro Contract Manager, Metro Finance Director and appropriate Metro staff prior to formalizing the Contract. Metro's preference is for final full fieldwork to begin on October 1, 2010 and the first working day of October for each year thereafter. MERC's preference is for final fieldwork to begin August 16, 2010 and the middle of August each year thereafter.

Work Performed By Metro - Appendix C of the RFP contains a list of schedules prepared by Metro staff and readily available to the audit firm. Most schedules on the list shall be available from MERC staff also. The final list of audit schedules and assistance to be provided by Metro and MERC staff will be developed jointly with the successful firm prior to completion of the Agreement and will be incorporated therein. Metro and MERC shall make available sufficient staff hours as is required to meet with the firm and provide the schedules and assistance necessary. A list of key Metro and MERC staff assigned to provide support for the audit can be found in Exhibit F of the Sample Contract.

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Place of Performance - It is anticipated that the majority of the work will be performed at Metro and/or MERC facilities. However, some work may be performed at the firm's facility, a third-party facility, or any combination thereof at the discretion of the firm.

VI. PROPOSAL INSTRUCTIONS

A. Submission of Proposals

One (1) original and four (4) copies of the proposal (plus one electronic version) shall be furnished to Metro, addressed to:

Metro Auditor

Attn: Amoy Williamson
Contract Manager
600 NE Grand Avenue
Portland, OR 97232-2736
Email: suzanne.flynn@oregonmetro.gov

Please mark the envelope: **"Metro Financial and Compliance Audits" and include the RFP Solicitation Number.**

B. Proposal Deadline

Proposals are due no later than **4:00 p.m., October 29, 2009**. Late proposals will not be considered.

C. RFP as Basis for Proposals

This Request for Proposals represents the most definitive statement Metro will make concerning the information upon which Proposals are to be based. Any verbal information that is not addressed in this RFP will not be considered by Metro in evaluating the Proposal.

D. Information Release

All Proposers are hereby advised that Metro may solicit and secure background information based upon the information, including references, provided in response to this RFP. By submission of a proposal, all Proposers agree to such activity and release Metro from all claims arising from such activity. In accordance with Oregon Public Records Law (ORS 192), proposals submitted will be considered part of the public record, except to the extent they are exempted from disclosure.

E. Minority, Women and Emerging Small Business Program

In the event that any subcontracts are to be utilized in the performance of this agreement, the Proposer's attention is directed to Metro Code provisions 2.04.100, which encourage the use of minority, women and emerging small businesses (MWESB) to the maximum extent practical. Copies of these MWESB requirements are available from the Metro Procurement Office, 600 NE Grand Avenue, Portland, OR 97232, (503) 797-1816.

VII. PROPOSAL CONTENTS

Proposal - The proposal should contain not more than ten (10) pages of written material (excluding supporting materials such as resumes, fee schedules, etc., which may be included as an attachment), describing the ability of the proposing firm to perform the work requested, as outlined below.

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Unnecessarily elaborate or lengthy proposals may adversely reflect on the evaluation of the firm's understanding of the requirements. The proposal should be submitted on recyclable, double-sided recycled paper (post consumer content). No waxed page dividers or non-recyclable materials should be included in the proposal.

All proposals will be evaluated on the completeness and quality of the content. Only those firms providing complete information in the form of a responsive proposal will be considered for evaluation.

Letter of Interest - The letter shall specifically stipulate that:

- The firm accepts all terms and conditions contained in this Request for Proposal and in the Sample Contract (reference RFP Appendix A). Any proposed exceptions to the Sample Contract must be succinctly noted in the respondent's proposal.
- The name(s) and e-mail addresses of the person(s) authorized to represent the consultant in any negotiations and the name(s) and e-mail addresses of the person(s) authorized to sign any contract that may result.
- A legal representative of the successful firm, authorized to bind the firm in contractual matters must sign the Letter of Interest and the Proposal. Suggestions for non-substantive modifications to the contract may be considered, at the sole discretion of the Metro Auditor, although acceptance of the terms and conditions cannot be conditioned upon such modifications.

Experience - Proposals must describe the firm's experience in performing the audits contemplated by this RFP. A list of contact names with telephone numbers and/or email addresses at each of the audit clients used by the firm to demonstrate meeting the minimum requirements set forth in Part I of this RFP will demonstrate experience. Respondents shall identify persons on the proposed project team who worked on each of the other projects listed, and their respective roles.

Capability - Proposals should also demonstrate that the firm understands the size and scope of the audits and is currently capable of, or will be able to obtain adequate staffing for the project. If additional staffing will be required, the proposal should indicate the source of such additional staff (new hires, loans from other offices, etc).

Audit Team - Proposers are to submit a list of personnel (partners/shareholders, managers, seniors and staff) that are proposed to perform Metro's audits. Identify specific personnel assigned to major project tasks for each audit, their roles in relation to the work required, percent of their time on the project, and special qualifications they may bring to the project.

Supporting Material - Supporting material must include a one page resume or statement on each member of the audit team that details the following:

- Their role or position in the firm (partner, manager, supervisor, in-charge, senior, staff etc.)
- Whether they hold a current Oregon CPA license
- Whether they hold a current Oregon Municipal Auditor license
- Experience in performing audits of Oregon municipalities similar to Metro in size and complexity
- Experience in performing Single Audits
- Experience with assisting municipal audit clients in obtaining and retaining the GFOA Certificate for Excellence in Financial Reporting

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- A brief description of all other current non-Metro audits or firm responsibilities and the percent of time they will be able to devote to Metro's audits
- A copy of their Peer Review report as required by the AICPA

Project Understanding - Respondents should describe their understanding of the project and their proposed audit approach. Details regarding audit approach, timing, and other matters will be discussed and negotiated by the successful firm and the Metro Auditor's Office and financial management group prior to finalizing the contract.

Diversity in Employment and Contracting - Metro is committed to diversity in the workforce. Metro Code 2.02.060, Affirmative Action Policy, and 2.04.100, relating to its Contracting Policies regarding Minority and Women-owned and Emerging Small Business (M/W/ESB) enterprises document Metro's commitment to diversity in its workforce. Metro encourages the same in the workforce of those who contract with Metro. This would include diversity in employment and contracting demonstrated by use of M/W/EST sub-contractors and suppliers, company policies on employee and supplier diversity, and a proven track record of promoting opportunities for small business.

Provide a brief narrative description of how your firm is currently utilizing minorities and women throughout your workforce. Describe whether and how your firm has historically provided opportunities for minorities and women to receive training and work within the firm.

In RFP response, indicate the firm name of all sub-consultants proposed to work on the project, whether M/W/ESB certified, proposed scope of work, estimated involvement for each firm as a percentage of total contract dollars.

Proposed Cost - The firm's proposal shall include all of the following for FY 2009-10 through FY 2011-12 if proposing a three-year contract, and FY 2009-10 through FY 2013-14 if proposing a five-year contract:

- All-inclusive maximum fixed price for the engagements.
- Combining schedule of proposed costs by service (Appendix B).
- Separate detailed schedules of professional fees and expenses (Appendix B) according to services to be provided for each audit, as presented in Appendix B of this RFP. This is for comparative purposes only.

Refer to Exhibit A of the Sample Contract (reference Appendix A of the RFP) for the list of audits for which separate fees need to be estimated.

PRE-PROPOSAL CONFERENCE

A pre-proposal conference is tentatively scheduled for **Thursday, October 8, 2009 from 2:00 to 3:30p.m.** in conference room 370B at Metro, 600 N.E. Grand Avenue, Portland, Oregon. The Metro Auditor and Contract Manager, along with the Finance Director and key Metro and MERC accounting managers and staff will be present to answer questions about Metro's accounting systems and financial statements. This conference is voluntary and proposal submission will not be contingent upon attendance at the conference.

RFP QUESTIONS AND CLARIFICATIONS

Questions and requests for clarification regarding this Request for Proposal must be directed in writing via email, mail or fax to the Contract Manager at least five (5) working days prior to the proposal due date. An addendum to the RFP will be published on Metro's website if a substantive clarification is deemed necessary.

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Amoy D. Williamson, CPA

Contract Manager
Office of the Metro Auditor
600 N.E. Grand Avenue
Portland, Oregon 97232
Phone: (503) 797-1892, Fax: (503) 797-1831
E-mail: suzanne.flynn@oregonmetro.gov

COST OF RESPONDING

All costs incurred by the firm in preparing the response to this RFP will be borne by the respondent. Metro will not be responsible for any of these costs.

VIII. GENERAL PROPOSAL/CONTRACT CONDITIONS

- A. Limitation and Award: This RFP does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to waive minor irregularities, accept or reject any or all proposals received as the result of this request, negotiate with all qualified sources, or to cancel all or part of this RFP.
- B. Billing Procedures: Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of Metro before reimbursement of services can occur. Contractor's invoices shall include an itemized statement of the work done during the billing period (see Exhibit G of Sample Contract, Appendix A of the RFP), and will not be submitted more frequently than once a month. Metro shall pay Contractor within 30 days of receipt of an approved invoice.
- C. Validity Period and Authority: The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address, and telephone number of an individual or individuals with authority to bind any company contacted during the period in which Metro is evaluating the proposal.
- D. Conflict of Interest: A Proposer filing a proposal thereby certifies that no officer, agent, or employee of Metro or Metro has a pecuniary interest in this proposal or has participated in contract negotiations on behalf of Metro; that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other Proposer for the same call for proposals; the Proposer is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm.
- E. Equal Employment and Nondiscrimination Clause: Metro and its contractors will not discriminate against any person(s), employee or applicant for employment based on race, creed, color, national origin, sex, sexual orientation, age, religion, physical handicap, political affiliation or marital status. Metro fully complies with Title VI of the Civil Rights Act of 1964 and related statutes and regulations in all programs and activities. For more information, or to obtain a Title VI Complaint Form, see www.oregonmetro.gov or call (503) 797-1536.

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IX. EVALUATION OF PROPOSALS

Evaluation Procedure: Proposals received that conform to the proposal instructions will be evaluated. The evaluation will take place using the evaluation criteria identified in the following section. At the sole discretion of Metro, interviews may be requested prior to final selection of the successful firm. Contract award shall be made to the firm submitting the most advantageous proposal, consistent with the terms of the RFP and at the sole discretion of Metro and MERC.

Evaluation Criteria: This section provides a description of the criteria that will be used in the evaluation of the proposals submitted to accomplish the work defined in the RFP.

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	<u>Criteria</u>	<u>Pages</u>	<u>Percentage</u>
1.	Letter of Interest	1	0%
2.	Experience and Expertise	3	
	• <i>Prior experience in auditing local governments and municipalities</i>		15%
	• <i>Expertise and willingness to assist Metro in interpreting government accounting and auditing standards</i>		10%
3.	Qualifications	2	
	• <i>Qualifications of staff (education, position in firm, years and types of experience, including diversity)</i>		15%
	• <i>Firm's approach to supervising the audit</i>		10%
4...	Audit Work Plan	3	
	• <i>Approach and understanding of the work to be performed</i>		25%
5.	Proposed Cost*	1	20%
6.	Diversity		5%
	Total	10	100%

* The firm submitting the lowest cost proposal will receive the maximum score under cost. Other proposals will receive a proportionate amount of points based on their proposed cost.

Page Limit: The ten-page limit relates to the body of the proposal. The schedules required under "Supplemental Schedules" above and Appendix B of this RFP are excluded from the page limit.

Proposal Review: It is the Metro Auditor's responsibility to select a contractor and contract for audit services. The Metro Auditor will engage Metro's Audit Committee and other external peers in the review and evaluation of proposals received. The Metro Auditor will use the Committee's evaluation to base her selection of the contractor proposal considered most advantageous to Metro.

Clarifications: During the evaluation process, Metro has the right to require any clarification or change it needs in order to understand the firm's approach to the project and view of the scope of the work. Any changes to the Proposal will be made before executing the contract and will become part of the final contract. Metro also has the right to reject any or all proposals for good cause, in the public interest.

X. CONTRACT AGREEMENT

The attached personal services agreement is the contract approved for use by the Office of Metro Attorney. This is the contract the successful Proposer will enter into with Metro. It is included for your review prior to submitting a proposal. The entire agreement between Metro and the selected audit firm shall include this personal services agreement as well as the following appendices:

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Appendix A	Sample Contract (with exhibits)
Appendix B	Schedule of Professional Fees and Expenses
Appendix C	Support and Services Generally Provided by Metro Staff
Appendix D	Additional Background Information

Electronic Documents Metro Comprehensive Annual Financial Report (CAFR) as of and for the fiscal year ended June 30, 2008 can be found at:
<http://www.oregonmetro.gov/index.cfm/go/by.web/id=27647>

Contract Finalization: The successful firm shall meet with the Metro Auditor, Audit Contract Manager, Project Manager and accounting representatives from Metro and MERC (date and time to be determined) to develop a comprehensive schedule for all elements of the audits and to incorporate it into a final contract. Elements should include audit approach and timing as well as finalization of schedules and assistance (examples noted in Appendix C) required of Metro staff.

Contract Award: The Metro Auditor intends to award the contract to the firm whose proposal would be most advantageous to Metro. The form of the contract shall be the Sample Contract (reference Appendix A of the RFP).

The selected firm shall provide proof of all required insurance coverage prior to contract execution. The successful proposer's offer shall become part of the final contract.

XI. APPEAL OF CONTRACT AWARD

Aggrieved proposers who wish to appeal the award of this contract must do so in writing within seven (7) days of issuance of the notice of intent to award by Metro. Appeals must be submitted to Darin Matthews, Procurement Officer, 600 NE Grand, Portland, Oregon 97232 and must state the specific deviation of rule or statute in the contract award. Metro will issue a written response to the appeal in a timely manner.

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APPENDIX A

SAMPLE AUDIT SERVICES CONTRACT

Contract # _____

THIS AGREEMENT is between Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter and acting by and through the Metro Auditor, hereafter called "Metro," located at 600 N.E. Grand Avenue, Portland, OR 97232-2736, and _____, referred to herein as "Contractor," located at _____. The entities for whom the services are to be provided under this contract are Metro and the Metropolitan Exposition Recreation Commission (MERC), a component unit of Metro. These entities are collectively hereafter called "Auditees." Metro's Contract Manager for this Agreement is Amoy D. Williamson, CPA, Contract Manager, Office of the Metro Auditor.

In exchange for the promises and other consideration set forth below, the parties agree as follows:

1. Duration. This personal services agreement shall be effective _____ and shall remain in effect until and including _____, unless extended or terminated as provided in this Agreement. The audits shall commence as soon after this contract is executed as is agreeable to the parties hereto and shall be completed and written reports thereon delivered within a reasonable time frame, but not later than December 1 and December 15 of each year for financial statement reports and management letters, respectively.
2. Scope of Work. Contractor shall provide all services and materials specified in the attached "Exhibit A -- Scope of Work," which is incorporated into this Agreement by reference. All services and materials shall be provided by Contractor in accordance with the Scope of Work in a competent and professional manner.
3. Payment. Metro shall pay Contractor for services performed and materials delivered in the manner and at the time(s) specified in **Exhibit A, Scope of Work**, for a maximum sum not to exceed _____.
 _____ AND _____/100ths DOLLARS (\$_____).
 Interim payments shall be made to the Contractor according to the Audit milestones identified herein.

Metro certifies that sufficient funds have been appropriated, or will be appropriated, to make payments required by this Agreement during the term of the Agreement.

4. Insurance.
 - a. Contractor shall purchase and maintain at the Contractor's expense, the following types of insurance, covering the Contractor, its employees, and agents:
 - (1) Broad form comprehensive general liability insurance covering bodily injury and property damage, with automatic coverage for premises, operations, and product liability, shall be a minimum of \$1,000,000 per occurrence. The policy must be endorsed with contractual liability coverage; and
 - (2) Automobile bodily injury and property damage liability insurance coverage shall be a minimum of 1,000,000 per occurrence.
 - b. Contractor, its subcontractors, if any, and all employers working under this Agreement that are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017,

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which requires them to provide Workers' Compensation coverage for all their subject workers. Contractor shall provide Metro with certification of Workers' Compensation insurance including employer's liability. If Contractor has no employees and will perform the work without the assistance of others, a certificate to that effect may be attached, as Exhibit B, in lieu of the certificate showing current Workers' Compensation.

- c. Contractor shall maintain for the duration of this Agreement professional liability insurance covering personal injury and property damage arising from errors, omissions, or malpractice. Coverage shall be in the minimum amount of \$1,000,000. Contractor shall provide to Metro a certificate of this insurance, and 30 days' advance notice of material change or cancellation. The term "insurance" shall include, but not be limited to, self-insurance and any other form of transferred and/or self-retained risk financing.
- d. Certificates of insurance: As evidence of the insurance coverages required by this contract, the Contractor shall furnish acceptable insurance certificates to Metro at the time Contractor returns signed contracts. The certificate will specify all of the parties who are Additional Insured and will include the 30-day cancellation clause that provides that the insurance shall not terminate or be cancelled without 30 days written notice first being given to the Metro Auditor. Insuring companies or entities are subject to Metro acceptance. If requested, complete policy copies shall be provided to Metro. The Contractor shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.
- e. Metro, its elected officials, departments, employees, and agents shall be named as ADDITIONAL INSUREDS, except for the professional liability insurance policy. On all types of insurance: There shall be no cancellation, material change, reduction of limits, or intent not to renew the insurance coverage(s) without 30 days written notice from the Contractor or its insurer(s) to Metro, except as provided herein.

- 5. a. Indemnity - Claims for other than Professional Liability. Contractor shall indemnify and hold Auditees, their agents, employees and elected officials harmless from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, arising out of or in any way connected with its performance of this Agreement, or with any patent infringement or copyright claims arising out of the use of Contractor's designs or other materials by Metro and for any claims or disputes involving subcontractors.
- b. Indemnity – Claims for Professional Liability. Contractors will hold harmless, defend, and indemnify the Auditees and any Auditee officers, agents, and employees against all claims, demands, actions, or suits (including all attorney fees and costs), for failure to comply with auditing standards generally accepted in the United States of America, brought against any of them arising from the Contractors' gross negligent errors or gross negligent omissions under this agreement.
- c. Indemnity – Standard of Care. The standard of care applicable to Contractor's service will be the degree of skill and diligence normally employed by professional accountants or consultants performing the same or similar services at the time such services are performed. Contractor will re-perform any services not meeting this standard without additional compensation.
- 6. a. Access to Contractor Materials and other Documents and Maintenance of Records.

Contractor will make available for inspection, at any time within five years from the date of final payment, all work papers, documents or other materials produced by the Contractor in connection with this Agreement, to authorized representatives of bona fide "peer review" firms; the cognizant

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Federal audit agency; the US General accounting Office, the State of Oregon, Secretary of State, Division of Audits; and the Metro Auditor, the independently elected official charged with obtaining Metro's financial and compliance audits as well as completing performance audits of Metro's programs, functions and activities.

- b. Contractor and subcontractors shall maintain all fiscal records relating to such contracts in accordance with generally accepted accounting principles. In addition, Contractor and subcontractors shall maintain any other records necessary to clearly document:
 - (1) The performance of the contractor, including but not limited to the contractor's compliance with contract plans and specifications, compliance with fair contracting and employment programs, compliance with Oregon law on the payment of wages and accelerated payment provisions; and compliance with any and all requirements imposed on the contractor or subcontractor under the terms of the contract or subcontract;
 - (2) Any claims arising from or relating to the performance of the contractor or subcontractor under a public contract;
 - (3) Any cost and pricing data relating to the contract; and
 - (4) Payments made to all suppliers and subcontractors.
- c. Contractor and subcontractors shall maintain records for the longer period of (a.) five years from the date of final completion of the contract to which the records relate or (b.) until the conclusion of any audit, controversy or litigation arising out of or related to the contract.
- d. Contractor and subcontractors shall make records, excluding Contractor Materials, available to Metro and its authorized representatives, including but not limited to the staff of any Metro department and the staff of the Metro Auditor, within the boundaries of the Metro region, at reasonable times and places regardless of whether litigation has been filed on any claims. If the records are not made available within the boundaries of Metro, the Contractor or subcontractor agrees to bear all of the costs for Metro employees, and any necessary consultants hired by Metro, including but not limited to the costs of travel, per diem sums, salary, and any other expenses that Metro incurs, in sending its employees or consultants to examine, audit, inspect, and copy those records. If the Contractor elects to have such records outside these boundaries, the costs paid by the Contractor to Metro for inspection, auditing, examining and copying those records shall not be recoverable costs in any legal proceeding.
- d. Contractor and subcontractors authorize and permit the Metro Auditor and his/her authorized representatives, to inspect, examine, copy and audit the books and records of Contractor or subcontractor, including tax returns, financial statements, other financial documents and any documents that may be placed in escrow according to any contract requirements, excluding Contractor Materials. Metro shall keep any such documents confidential to the extent permitted by Oregon law, subject to the provisions of section E.
- e. Contractor and subcontractors agree to disclose records requested by the Metro Auditor as set forth herein.
- f. Contractor and subcontractors agree that in the event such records disclose that Metro is owed any sum of money or establish that any portion of any claim made against Metro is not warranted, the Contractor or subcontractor shall pay all costs incurred by Metro in conducting the audit and inspection. Such costs may be withheld from any sum that is due or that becomes due from Metro.

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- g. Failure of the contractor or subcontractor to keep or disclose records as required by this document or any solicitation document may result in debarment as a bidder or proposer for future Metro contracts as provided in ORS 279B.130 and Metro Code Section 2.04.070(c), or may result in a finding that the Contractor or subcontractor is not a responsible bidder or proposer as provided in ORS 279B.110 and Metro Code Section 2.04.052.
- 7. Ownership of Work Products. All work products of the Contractor that pertain to the services and deliverables described in this Agreement are the exclusive property of Metro, including any and all copyright rights, and will be considered work for hire. Work products do not include Contractor generated “work papers.”
- 8. Project Information. Contractor shall share all project information and fully cooperate with Metro, informing Metro of all aspects of the project including actual or potential problems or defects. Contractor shall abstain from releasing any information or project news without the prior and specific written approval of the Metro Auditor.
- 9. Independent Contractor Status. Contractor shall be an independent contractor for all purposes and shall be entitled only to the compensation provided for in this Agreement. Under no circumstances shall Contractor be considered an employee of Metro. Contractor shall provide all tools or equipment necessary to carry out this Agreement, and shall exercise complete control in achieving the results specified in the Scope of Work. Contractor is solely responsible for its performance under this Agreement and the quality of its work; for obtaining and maintaining all licenses and certifications necessary to carry out this Agreement; for payment of any fees, taxes, royalties, or other expenses necessary to complete the work except as otherwise specified in the Scope of Work; and for meeting all other requirements of law in carrying out this Agreement. Contractor shall identify and certify tax status and identification number through execution of IRS form W-9 prior to submitting any request for payment to Metro.
- 10. Right to Withhold Payments. Metro shall have the right to withhold from payments due to Contractor such sums as necessary, in Metro's sole opinion, to protect Metro against any loss, damage, or claim which may result from Contractor's performance or failure to perform under this Agreement or the failure of Contractor to make proper payment to any suppliers or subcontractors.
- 11. State and Federal Law Constraints. Both parties shall comply with the public contracting provisions of ORS chapters 279A, 279B and 279C and the recycling provisions of ORS 279B.025 to the extent those provisions apply to this Agreement. All such provisions required to be included in this Agreement are incorporated herein by reference. Contractor shall comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations, including those of the Americans with Disabilities Act.
- 12. Situs. The situs of this Agreement is Portland, Oregon. Any litigation over this agreement shall be governed by the laws of the State of Oregon and shall be conducted in the Circuit Court of the state of Oregon for Multnomah County, or, if jurisdiction is proper, in the U.S. District Court for the District of Oregon.
- 13. Errors. The Contractor shall perform such additional work as may be necessary to correct errors in the work required under this contract without undue delays and without additional costs.
- 14. Termination of the Agreement.
 - a. This Agreement may be terminated by mutual consent of the parties.
 - b. Metro, on ninety (90) days written notice to the Contractor, may terminate this Agreement for any reason deemed appropriate in its sole discretion.

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- c. Either Metro or the Contractor may terminate this Agreement in the event of a breach of the Agreement by the other. Prior to such termination, however, the party seeking the termination shall give to the other party written notice of the breach and of the party's intent to terminate. If the party has not entirely cured the breach within fifteen (15) days of the notice, then the party giving the notice may terminate the Agreement at any time thereafter by giving written notice of termination.

15. Payment on Termination.

- a. In the event of termination under subsection 14(a) or 14(b), **Termination of the Agreement** hereof, Metro shall pay the Contractor for work performed in accordance with the Agreement prior to the termination date.
- b. In the event of termination under subsection 14(c), **Termination of the Agreement** hereof, by the Contractor due to a breach by Metro, then Metro shall pay the Contractor as provided in subsection (a) of this section.
- c. In the event of termination under subsection 14(c), **Termination of the Agreement** hereof, by Metro due to a breach by the Contractor, then Metro shall pay the Contractor as provided in subsection (a) of this section, subject to set off of excess costs, as provided for in section 16(a), **Remedies**.
- d. In the event of termination all of the Contractor's work product, as described in Section 7, will become and remain property of Metro.

16. Remedies.

- a. In the event of termination under subsection 14(c), **Termination of the Agreement** hereof, by Metro due to a breach by the Contractor, then Metro may complete the work by agreement with another contractor. In the event the cost of completing the work exceeds the remaining unpaid balance of the total compensation provided under this contract, then the Contractor shall pay to Metro the amount of the reasonable excess.
- b. The remedies provided to Metro under section 14, **Termination of the Agreement** and section 16, **Remedies**, for a breach by the contractor shall not be exclusive. Metro also shall be entitled to any other equitable and legal remedies that are available.
- c. In the event of breach of this Agreement by Metro, then the Contractor's remedy shall be limited to termination of the Agreement and receipt of payment as provided in section 14(c), **Termination of the Agreement** and section 15(b), **Payment on Termination** hereof.

17. No Waiver of Claims. The failure to enforce any provision of this Agreement shall not constitute a waiver by Metro of that or any other provision.

18. Modification. Notwithstanding and succeeding any and all prior agreement(s) or practice(s), this Agreement (including attached exhibits and documents listed in the Order of Precedence, Section 24 of this contract) constitutes the entire Agreement between the parties, and may only be expressly modified in writing(s), signed by both parties.

19. Subcontracts and Assignment. Contractor shall not subcontract, assign or transfer any of the work scheduled under this agreement, in whole or in part, without the prior written consent of the Metro Auditor. Notwithstanding Metro Auditor approval of a subcontractor, the Contractor shall remain obligated for full

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performance hereunder, and Metro shall incur no obligation other than its obligations to the Contractor hereunder. The Contractor agrees that if subcontractors are employed in the performance of this Agreement, the Contractor and its subcontractors are subject to the requirements and sanctions of ORS Chapter 656, Workers' Compensation.

Contractor shall timely pay all vendors and subcontractors providing it services, materials or equipment for carrying out its obligations under this Agreement. Contractor shall submit invoices to Metro for materials or services provided by vendors or subcontractors in the same format as that required of the Contractor (**Exhibit G, Billing and Progress Reports**).

The Contractor shall not take or fail to take any action in a manner that causes Metro or any materials that the Contractor provides hereunder to be subject to any claim or lien of any person without Metro's prior written consent.

20. Contractor Personnel. Contractor will assign personnel to do the work in the capacities designated in **Exhibit D**, attached. Contractor will not change these personnel assignments without the consent of the Metro Auditor, which consent will not be unreasonably withheld.
21. Contract Administration – Amoy D. Williamson, CPA, is the Contract Manager, Office of the Metro Auditor, for this Agreement.
 - a. Progress Meetings and Communication. Key Contractor personnel shall attend weekly progress meetings during interim and final fieldwork. Progress meetings during the planning and final reporting stages will be conducted as necessary. The Metro Auditor Contract Manager will attend all meetings and shall be copied on all communication between key Contractor Personnel and Metro Management.
 - b. Progress Reports. Contractor shall submit progress reports at the time of billing. Such reports shall include all progress under each of the "Audit Milestones" listed below and in **Exhibit G, Billing and Progress Report**. Auditors shall also include detailed comments and observations relating to work performed during that milestone period.
 - c. Billing Requirements. Invoices shall be submitted in the format shown in **Exhibit G, Billing and Progress Report**. Invoices shall be submitted at the end of each major milestone or audit stage. Milestones are as follows:
 - Planning and Audit Preparation
 - Interim Field Work
 - Full Field Work
 - Final (financial statements, reports, letters, conferences etc.)
 - d. Access to records. The Contractor shall maintain, and Metro and its duly authorized representatives shall have access to the books, documents, papers, and records of the Contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts, and transcripts during the contract period and for five (5) years after final payment.
 - e. Audits of Invoices. Metro, either directly or through a designated representative may conduct financial audits of the Billings specified in this agreement at any time in the course of the agreement and during the five (5) year period immediately after the end of the contract. Audits will be conducted in accordance with generally accepted auditing standards as promulgated in

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Government Auditing Standards by the Comptroller General of the United States General Accountability Office.

If an audit discloses that payments to the Contractor were in excess of the amount to which the Contractor was entitled, then the Contractor shall repay the amount of the excess to Metro.

- f. Auditee Contacts. Key Metro staff and contact information can be found in **Exhibit F**.

22. Prohibited interest.

- a. No Metro officer or employee, including any officer or employee of any Auditee, during his or her tenure or for one year thereafter shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.
- b. No Metro officer or employee, including any officer or employee of any Auditee, who participated in the award of this Agreement shall be employed by the Contractor during the period of the Agreement.

23. Nondiscrimination. Contractor agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Contractor also shall comply with the Americans With Disabilities Act of 1990, including Title II of that Act, ORS 659.425, and all regulations and administrative rules established pursuant to those laws.

24. Confidentiality. Except as provided elsewhere in this Agreement, the Contractor will not divulge or release any information, reports or recommendations developed, received or outlined in connection with performance under this Agreement, including its work product, unless it receives prior written approval of the Contract Manager or as required by law.

In addition, the Contractor shall not divulge Metro confidential information. Confidential information means the various trade secrets and information of each party that either the Contractor or Metro desires to protect against unrestricted disclosure including without limitation non-publicly available Metro data, nonpublic specifications, software, Metro security data, any nonpublic information or documentation concerning either party's business or future products or plans that are learned by the other party during the performance of this Agreement, and information that is designated as confidential by the disclosing party and that may be exempt from disclosure to the public or other unauthorized persons under either the Oregon Public Records Act, ORS Chapter 192, or other Metro municipal regulations and state and federal statutes. The following are hereby designated Metro confidential information: Client and employee personal information, including but not limited to names, addresses, social security numbers, e-mail addresses, telephone numbers, financial profiles, credit card information, driver's license numbers, medical data, attorney/client privileged communications, law enforcement records, and such other confidential information as is described in this definition or as indicated by Metro's Contract Manager to be considered confidential.

Upon the expiration or termination of this Agreement, the Contractor shall immediately deliver to Metro all confidential information, including all copies thereof, which Metro or other Contractor previously provided to it in furtherance of this Agreement, except that the Contractor may retain one (1) copy of such for archival and/or public records purposes.

25. Order of Precedence.

- a. Written contract modifications executed by the parties after contract award,
- b. This contract form, including all Exhibits,

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- c. Addenda issued by Metro prior to receipt of proposals, as well as addenda issued during discussions,
- d. Contractor's Price Proposal and written proposal, to include all supplements,
- e. Proposal requirements and conditions as set forth in Metro's Request for Proposals.

26. Contractor Data and Certifications.

Name (please print): _____

Address: _____

Federal Tax ID: _____ State Tax ID: _____ Business License: _____

Citizenship: ____ Yes ____ No Nonresident alien ____ Yes ____ No

Business Designation (check one): ____ Individual ____ Sole Proprietorship ____ Partnership
____ Corporation ____ Limited Liability Co. (LLC) ____ Estate/Trust ____ Public Service Corp.
____ Government/Nonprofit

Payment information will be reported to the IRS under the name and taxpayer I.D. number provided above. Information must be provided prior to contract approval. Information not matching IRS records could subject you to 20 percent backup withholding.

I, the undersigned, agree to perform work outlined in this contract in accordance with the terms and conditions of this Agreement and related Exhibits (made part of the contract by reference); hereby certify under penalty of perjury that I/my business am not/is not in violation of any Oregon tax laws; hereby certify that my business is an Equal Opportunity Affirmative Action Employer and hereby certify I am an independent contractor as defined in ORS 670.600.

Approved by the Contractor _____
Signature/Title _____ Date _____

CONTRACTOR

By _____
Title _____
Date _____

METRO

By _____
Title _____
Date _____

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Exhibits that are attached to and made part of this Contract

- Exhibit A – Scope of Contractor Services and Compensation Schedule
- Exhibit B – Independent Contractor Certification Statement
- Exhibit C – Audit Approach, Milestones and Timing
- Exhibit D – Contractor’s Personnel
- Exhibit E – Scope of Auditee Services
- Exhibit F – Auditee Contacts
- Exhibit G – Billing and Progress Report

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EXHIBIT A

SCOPE OF CONTRACTOR SERVICES AND COMPENSATION SCHEDULE

According to the Agreement, the Contractor agrees to provide auditing services to Metro, for the fiscal years/periods ending June 30, 2010 through June 30, 2012 (with, at Metro's discretion, potential for two one year extensions) as listed below:

- Audits of Metro financial statements as required under generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations.
- Audits of the Metropolitan Exposition Recreation Commission or (MERC) component unit financial statements. MERC performs much of its own accounting functions and has a separate accounting system.
- "Single Audits" covering Metro's federal awards in accordance with the U.S. Office of Management and Budget (OMB) Circular A-133 and related necessary reports pertaining Metro's internal control, compliance with applicable laws, regulations, grants and contracts, and the Schedule of Expenditures of Federal Awards,
- Audits of two major bond funds, the Natural Areas Bond Fund and the Zoo Infrastructure and Animal Welfare Bond fund with related necessary schedules and notes to the financial statements. The auditor shall provide a separate independent auditor's report after examining the two bond programs sufficient to allow Metro to meet the obligations of its bond resolutions which states in part "An annual financial audit of the expenditure of the bond proceeds shall be conducted by a public accounting firm and the results published in the local newspaper of record.

The Metro Auditor's Contract Manager for this Agreement is Amoy D. Williamson, CPA, Office of the Metro Auditor.

General

The Contractor agrees to conduct audits of the Auditees' financial statements in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the Single Audit Act of 1984, as amended, and the provisions of Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the Minimum Standards for Audits of Oregon Municipal Corporations as appropriate.

The audit engagements will be led by:

_____, CPA, will be responsible for assuring the overall quality, value and timeliness of services to the Auditees.

_____, CPA, will be responsible for managing and delivering services to the Auditees.

_____, CPA, will serve as reviewing partner.

_____, CPA will be available in the absence of _____, CPA.

The scope of the audits will be planned to preclude the need for exceptions due to scope limitations. A formal audit plan (developed jointly between the Contractor, Metro Auditor, Finance Director, Contract Manager and key Metro personnel) detailing audit scope, audit risks, accounting and auditing developments and the audit plan, will be finalized prior to completion of the Agreement and incorporated as part of the signed Agreement as Appendix C.

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Limitations of the Auditing Process

Contractor is responsible for planning and performing audits to obtain reasonable assurance that financial statements and audited materials are free of material misstatements, whether caused by unintentional errors or fraud, and in accordance with SAS 99 to exercise additional professional skepticism in considering the risk of fraud, and to perform additional inquiries of management and others regarding fraud. Auditees shall remain responsible for design and implementation of programs and internal controls to discourage or prevent fraudulent activities.

Similarly, in performing the audits, the Contractor is required by Government Auditing Standards, Chapter 6.15(a) to “design the engagement to provide reasonable assurance of detecting fraud, illegal acts, or violations of provisions of contracts or grant agreements that could have a material effect on the subject matter or assertion of the attestation engagement and should be alert to situations or transactions that could be indicative of abuse.” It is recognized that the audits do not provide complete assurance that fraud, illegal acts, abuse, etc., will be detected, only reasonable assurance.

Compliance with Laws and Regulations

As part of obtaining reasonable assurance, for the Oregon Minimum Standards report and the Government Auditing Standards report, about whether the financial statements are free of material misstatement, the Contractor will perform tests of the Auditees’ compliance with certain provisions of applicable laws, regulations, contracts, and grants. However, except for major federal financial assistance programs, which are part of the Single Audit/A-133 report, the Contractor’s objective is not to provide opinions on the overall compliance with such provisions.

Commencement of Work

The Contractor agrees that work to be done pursuant to this Agreement will not commence until after:

All insurance (as described in Section 4 of this Agreement), is obtained; and the later of

1. The Agreement is signed by the Contractor and the Metro Auditor, or
2. The effective date of the Agreement.

The Contractor also agrees that work shall start with at a mutually agreeable date as determined during a meeting to discuss the audit approach and timing between the Contractor, Metro Project Manager and appropriate Metro staff, conducted prior to formalizing the Contract and incorporated herein as **Exhibit C, Audit Approach, Milestones and Timing**.

Adjusting Entries

Contractor shall first discuss all proposed adjusting entries with the Project Manager and appropriate Metro staff. Once reviewed and approved by Metro, the Contractor shall provide copies of all proposed adjusting entries together with copies of supporting schedules and work-papers, to the Project Manager and appropriate Metro and MERC financial staff. Metro and MERC’s financial divisions will record the agreed upon entries in the appropriate accounting records and ledgers.

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Reports to be Provided

Each audit shall be made in accordance with the following standards:

- Generally Accepted Auditing Standards promulgated by the American Institute of Certified Public Accountants
- Minimum Standards for Audits of Oregon Municipal Corporations promulgated by the Secretary of State
- Standards for Audit of Government Organizations, Programs, Activities and Functions, published by the U.S. General Accountability Office
- Single Audit Act of 1984, as amended, and OMB Circular A-133, Expenditures of Federal Awards, as applicable
- State of Oregon and local laws and regulations

The reports to be provided will cover the fiscal year beginning July 1, and ending June 30, 2010 and each fiscal year thereafter through 2012 (2014 if extended for both possible additional years). The objectives of the audits are to express opinions and/or issue separate written reports. The Contractor agrees to provide the Auditees with the following reports at the completion of the audits in the quantities, form and dates set forth below.

Metro

1. Comprehensive Annual Financial Report (CAFR) - A report on the audit of Metro's basic financial statements, including financial data from the Metropolitan Exposition-Recreation Commission (MERC) and the Oregon Zoo Foundation (audited by another independent accountant), the latter an affiliated unit of Metro under GASB requirements. Metro staff shall produce a complete copy of the CAFR in draft form by approximately November 8 of each year and shall submit such report to the Contractor for review.

The objective of the audit is the expression of an opinion, based on this audit and the report of other auditors, concerning whether the basic financial statements present fairly, in all material respects, the respective financial position of the government activities, the business-type activities, the discretely presented Component Units, each major fund, and the aggregate remaining fund information of Metro as of June 30, every year and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. The report will also include the Contractor's comments and disclosures required by the Minimum Standards for Audits of Oregon Municipal Corporations.

The Contractor will also read Management's Discussion and Analysis and the supplementary information included in the CAFR and consider whether such information, including the manner of presentation, is materially consistent with information appearing in the basic financial statements. Supplementary information other than Required Supplementary Information (RSI) are to be subject to auditing procedures "in relation to" the basic financial statements taken as a whole as required by Statements on Auditing Standards. However, the Contractor is not required to provide an opinion on Management's Discussion and Analysis or the supplementary or statistical information contained in the CAFR.

As required by Government Auditing Standards, the Contractor will prepare a separate written report on their tests of compliance with applicable laws and regulations. This report will contain a statement on those items tested, and a description of all material instances of noncompliance found.

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The Contractor will complete their audit of the basic financial statements, review of Metro-prepared proofs of the CAFR, and deliver **one electronic version** of their audit opinion on letterhead to the to the appropriate Metro staff by the date specified in the annual audit plan, usually November 16, of every year.

Metro intends to qualify its CAFR for the GFOA Certificate of Achievement for Excellence in Financial Reporting. Accordingly, the Contractors will assist Metro personnel in their efforts to prepare the CAFR so that all the qualifications for obtaining the Certificate are met.

Metro will print and assemble the CAFR in December of each year.

2. Report on the Single Audit – As required by OMB Circular A-133 and related Compliance Supplements, the Contractor will consider and test Metro’s internal control structure, policies and procedures used in administering federal financial assistance programs. Based on this consideration and these tests, the Contractor will assess risk and determine the nature, timing, and extent of tests of compliance with requirements that, if not complied with, could have a material effect on a major federal financial assistance program. Also, in connection with the audit of the financial statements or their consideration of the internal control structure over federal financial assistance programs, if the Contractor selects a transaction for testing that is applicable to a non-major program, they will also test it generally for compliance with laws and regulations. Initial major program identification shall be made within one week of receipt of the Federal Financial Assistance schedule.

In accordance with OMB Circular A-133, Metro staff will provide the Contractor with a schedule of expenditures of federal awards, a summary schedule of prior audit findings, a corrective action plan for current year audit findings, if applicable, and data collection form (Part 1).

Contractor will issue to Metro, **one electronic version and 35 bound copies** of the Single Audit Report including the following:

- A report on compliance and on internal control over financial reporting based on an audit performed in accordance with Government Auditing Standards,
 - A report on compliance with requirements applicable to each major program and internal control over compliance in accordance the OMB Circular A-133, and
 - A Schedule of Findings and Questioned Costs.
3. Metro Bond Measure Expenditures – As required by the enabling resolutions, Metro is required to have an annual financial audit of the expenditures of the Natural Areas and Zoo Infrastructure and Animal Welfare bond proceeds conducted by a public accounting firm and the results published in the local newspaper of record.

Contractor will perform the audit and shall provide a separate independent auditor’s report for each bond fund, in **one electronic version and 10 copies** of each report and any applicable schedules to the appropriate Metro staff no later than November 30, 2010 for the period of November 8, 2009 through June 30, 2010 and for each fiscal year thereafter through 2012.

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Management Letters

As part of the audits, the Contractor will consider the Auditee's internal control structure, as required by auditing standards generally accepted in the United States of America. These standards require the Contractor to obtain an understanding of the controls and assess risk as a basis for determining the nature, timing, and extent of auditing procedures necessary for expressing their opinions on the financial statements.

The Contractor will communicate in writing with the Metro Auditor and appropriate Metro staff on matters that come to their attention that represent reportable conditions and/or material weaknesses in the design or operation of internal controls. A separate communication will be prepared for MERC.

Metro and MERC shall respond to audit recommendations made by the Contractor in these Management Letters, through the Metro Auditor, in writing within the time frame specified by the Metro Auditor and identified below. Accordingly, the Contractor shall work with the Project Manager and appropriate Metro and MERC staff to prepare **Working Drafts** of the Management Letters and to discuss proposed findings and recommendations with them.

The Working Draft of the Management Letters for Metro and MERC will be submitted to the Project **Manager** as soon as practicable but not later than November 30, each year.

The Contractor will prepare and deliver one electronic version and 1 original signed copy of each of the final management letters to the **Metro Auditor and Project Manager not later than December 15 of each year.**

Metro and MERC management will provide written responses to the Metro Auditor within 10 working days of receipt of the final letter. The written responses from the Auditees will be appended to the Management Letter by the Project Manager and distributed to the Auditees.

Technical Assistance

As part of the overall services to be provided, the Contractor agrees to provide limited technical assistance to the Auditees throughout each contract year. Such assistance shall include but not be limited to the following:

1. Consultation and assistance as necessary and requested by the Auditees to provide a reasonable level of assurance regarding adoption of appropriate accounting standards.
2. Assist Metro in maintaining its GFOA Certificates of Excellence in Financial Reporting.
3. Provide Auditees with counsel and advice on GASB/FASB pronouncements and reformatting financial statements to reflect pronouncements.
4. Provide ongoing continuity of key audit staff throughout the year.
5. Provide Auditees with assistance in research when requested.

Special Studies or Assistance

The Contractor agrees to notify the Metro Auditor if they are asked by any Metro or MERC staff to propose on or contract for other work not encompassed by this Agreement. Such communications shall be in writing and include the name of the requesting party or division and the nature and scope of the work requested. Any special studies or assistance not encompassed by this Agreement shall be negotiated separately by the requesting party and the Contractor in accordance with Metro's Purchasing Rules for Personal Services Contracts. However, care will be

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taken not to impair Contractor independence, as described in Government Auditing Standards, regarding its ability to perform either compliance audits or audits of Metro's financial statements.

Communications

As part of the audits, the Contractor will ensure that certain additional matters are communicated to the Metro Auditor and Project Manager and where appropriate, members of management. Communication should be in writing and potentially discussed during progress meetings. Such matters include:

1. The initial selection of and changes in significant accounting policies and their application;
2. The process used by management in formulating particularly sensitive accounting estimates and the basis for their conclusions regarding the reasonableness of those estimates;
3. Audit adjustments that could, in the Contractor's judgment, either individually or in the aggregate, have a significant effect on Auditee financial reporting processes;
4. Any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the financial statements or the Contractor's reports;
5. The Contractor's views about matters that were the subject of management's consultation with other accountants about auditing and accounting matters;
6. Major issues that were discussed with management in connection with the retention of Contractor's services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards; and
7. Serious difficulties encountered in dealing with management related to conducting the audit.

As part of the ongoing process of assessing the quality of the Contractor's services, Metro and MERC may receive questionnaires from the Contractor and/or visits from senior partners not directly involved in providing services to the Auditees. Metro understands the value the Contractor places on such commentary and appropriate attention will be these inquiries.

The Metro Auditor and Project Manager should be copied on all requests and/or questionnaires and included in all communications/meetings between the Contractor and Metro or MERC management.

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EXHIBIT A**CONTRACTOR SERVICES AND COMPENSATION SCHEDULE**

Total compensation to be paid to the Contractors by the Auditees under this Agreement including out-of-pocket costs shall not exceed the following amounts:

<u>Entity</u>	<u>Audit Services</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Metro				
	<u>Comprehensive Annual Financial Report</u> – and related management letter (including MERC financial statements as an enterprise fund of Metro’s CAFR).	\$	\$	\$
	Report on the <u>Single Audit</u> for Metro’s grant programs including the Schedule of federal Expenditures and Schedule of Findings and Questioned Costs.	\$	\$	\$
	Audit of Metro’s Natural Area and Zoo Infrastructure and Animal Welfare Bond Measure Expenditures and related supporting schedules.	\$	\$	\$
	Subtotal - Metro	\$	\$	\$
MERC				
	Financial Statements (an enterprise fund of Metro’s CAFR) and related management letter.	\$	\$	\$
	Total Maximum Compensation	\$	\$	\$

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EXHIBIT B

INDEPENDENT CONTRACTOR CERTIFICATION STATEMENT

SECTION A

CONTRACTOR CERTIFICATION: I, undersigned, am authorized to act on behalf of entity designated below, hereby certify that entity has current Workers' Compensation Insurance.

Contractor Signature: _____ Date: _____ Entity: _____

If entity does not have Worker's Compensation Insurance, Metro Contract Manager and Contractor complete the remainder of this form.

SECTION B

ORS 670.600 Independent contractor standards. As used in various provisions of ORS Chapters 316, 656, 657 and 701, an individual or business entity that performs labor or services for remuneration shall be considered to perform the labor or services as an "independent contractor" if the standards of this section are met. The contracted work meets the following standards:

1. The individual or business entity providing the labor or services is free from direction and control over the means and manner of providing the labor or services, subject only to the right of the person for whom the labor or services are provided to specify the desired results;
2. The individual or business entity providing labor or services is responsible for obtaining all assumed business registrations or professional occupation licenses required by state law or local government ordinances for the individual or business entity to conduct the business;
3. The individual or business entity providing labor or services furnishes the tools or equipment necessary for performance of the contracted labor or services;
4. The individual or business entity providing labor or services has the authority to hire and fire employees to perform the labor or services;
5. Payment for the labor or services is made upon completion of the performance of specific portions of the project or is made on the basis of an annual or periodic retainer.

 Metro Contract Manager Signature

 Date

SECTION C

Independent contractor certifies he/she meets the following standards:

1. The individual or business entity providing labor or services is registered under ORS Chapter 701, if the individual or business entity provides labor or services for which such registration is required;
2. Federal and state income tax returns in the name of the business or a business Schedule C or from Schedule F as part of the personal income tax return were filed for the previous year if the individual or business entity performed labor or services as an independent contractor in the previous year; and
3. The individual or business entity represents to the public that the labor or services are to be provided by an independently established business. Except when an individual or business entity files a Schedule F as part of the personal income tax returns and the individual or business entity performs farm labor or services that are reportable on Schedule C, an individual or business entity is considered to be engaged in an independently established business when four or more of the following circumstances exist. Contractor: check four or more of the following:
 - _____ A. The labor or services are primarily carried out at a locati0on that is separate from the residence of an individual who performs the labor or services, or are primarily carried out in a specific portion of the residence, which portion is set aside as the location of the business;
 - _____ B. Commercial advertising or business cards as is customary in operating similar businesses are purchased for the business, or the individual or business entity has a trade association membership;
 - _____ C. Telephone listing and service are used for the business that is separate from the personal residence listing and service used by an individual who performs the labor or services;
 - _____ D. Labor or services are performed only pursuant to written contracts;
 - _____ E. Labor or services are performed for two or more different persons within a period of one year; or
 - _____ F. The individual or business entity assumes financial responsibility for defective workmanship or for service not provided as evidenced by the ownership of performance bonds, warranties, errors and omission insurance or liability insurance relating to the labor or services to be provided.

 Contractor Signature

 Date

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EXHIBIT C

Audit Approach, Plan, Milestones and Timing

Milestones in relation to the audit are specified in Section 21(b) and Exhibit G of the Agreement. The audit approach and plan submitted by the Contractor in response to the RFP shall be finalized during a planning meeting between the Contractor and Metro prior to finalization of the Agreement and incorporated herein.

The audit schedule and timeline shall also be finalized during the planning meeting (date and time to be determined).

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EXHIBIT D

CONTRACTOR'S PERSONNEL

Pursuant to Section 20 of the Agreement, _____ will assign the following personnel to do the work in the capacities designated:

Name	Capacity
<u>Partners</u>	
_____, CPA	Managing Partner
_____, CPA	Engagement Partner – Compliance Audit
_____, CPA	Engagement Review Partner
_____, CPA	Engagement Review Partner – Compliance Audit
_____	Technical Resource Partners
<u>Managers and Consultants:</u>	
_____	Metro financial statements (CAFR)
_____	Compliance (Single) Audit
_____	MERC financial statements
_____	Audit of Bond Measure Expenditures
_____	Information Systems and Technology
<u>Audit Seniors</u>	

<u>Audit Staff</u>	

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EXHIBIT E

SUPPORT AND SERVICES TO BE PROVIDED BY METRO/MERC STAFF

Support and services such as described in Appendix C and D of the RFP are generally available to the Contractor. A final schedule of support and services to be provided by Metro will be determined jointly between the Contractor and Metro during a planning meeting (date and time to be determined) prior to completion of the Agreement and will be incorporated herein, in the final signed Agreement.

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EXHIBIT F**AUDITEE CONTACTS****METRO:**

Contact	Title	Telephone
Margo Norton	Director, Finance & Regulatory Services & Project Manager	503-797-1934
Don Cox	Accounting, Compliance Officer	503-797-1632
Karla Lenox	Financial Reporting and Control Supervisor	503-797-1821
Tim Collier	Parks & Environmental Services, Financial Manager	503-797-1913
Diane Arakaki	Planning & Development, Financial Manager	503-797-1812
Craig Stroud	Zoo Financial Manager (interim)	503-797-1648
Rachel Coe	Director, Information Technology	503-797-1605
Darin Matthews	Chief Procurement Officer	503-797-1626
Kathy Rukowski	Budget Coordinator	503-797-1630

MERC

Contact	Title	Telephone
Cheryl Twete	Interim General Manager	503-274-6590
Kathy Taylor	Chief Operating Officer	503-731-7847
Julia Fennel	Controller	503-731-7821
Chris Bailey	Director, Exposition Center	503-736-5200
Jeff Blosser	Executive Director, Oregon Convention Center	503-235-7583
Karen Totaro	Assistant Executive Director, OCC	503-731-7901
Robyn Williams	Executive Director, Portland Center for the Performing Arts	503-274-6565
Cynthia Hill	Budget Manager	503-731-7829
Mark Ziegler	Information Technology Manager	503-731-7823

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EXHIBIT G**BILLING AND PROGRESS REPORT**

Billing Period Ended: _____

BILLINGS TO AUDITEES	Total Contract Amount*	Total Billing	Less Amt Billed Previously	Amount Due This Invoice
CAFR of Metro	\$	\$	\$	\$
Single Audit	\$	\$	\$	\$
MERC Financial Statements	\$	\$	\$	\$
Natural Areas and Zoo	\$	\$	\$	\$
Infrastructure and Animal Welfare				
Bond Measures Expenditures				
Totals (maximum fee)	\$	\$	\$	\$

* Includes allocated out-of-pocket costs.

AUDIT MILESTONES (% of Completion)	Planning & Audit Preparation	Interim Field Work	Field Work	Final *
CAFR of Metro				
Report on the Single Audit				
MERC Financial Statements				
Natural Areas and Zoo				
Zoo Infrastructure and Animal				
Welfare Bond Measures				
Expenditures				
Totals (Percent Completed)				

* Includes financial statements, reports,
management letters, conferences, etc.**AUDITOR COMMENTS AND OBSERVATIONS SINCE LAST REPORT:**

-
-
-
-
-
-
-

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APPENDIX B

Page 1

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE 2007 FINANCIAL STATEMENTS:
COMBINING SCHEDULE - ALL SERVICES

Nature of Audit Services to Be Provided

Schedule
Identification Total Price

1. Audit of Metro’s financial statements (including all costs associated with the CAFR and applicable management recommendations and comments
2. MERC (an enterprise fund of Metro) financial statements and applicable management recommendations and comments
3. Single Audit
4. Metro Natural Areas and Zoo Bond Measure Expenditures
5. Zoo Infrastructure and Animal Welfare Bond Measure Expenditures

Total All Services

EACH SERVICE DESCRIBED ABOVE SHOULD BE SUPPORTED BY AN INDIVIDUAL DETAILED SCHEDULE IN THE FORMAT PROVIDED ON PAGE 3 OF THIS APPENDIX.

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APPENDIX B

Page 2

COMBINED SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR ALL METRO* AUDITS OF FISCAL YEARS 2010 THROUGH 2012

<u>DESCRIPTION</u>	<u>HOURS</u>	<u>STANDARD</u> <u>HOURLY</u> <u>RATE</u>	<u>QUOTED</u> <u>HOURLY</u> <u>RATES</u>	<u>FY 2010</u> <u>TOTAL</u>	<u>FY 2011</u> <u>TOTAL</u>	<u>FY 2012</u> <u>TOTAL</u>
Partners						
Managers						
Supervisory Staff						
Staff						
Other (specify)						
SERVICES TOTAL						
Out-of-pocket expenses						
Meals and lodging						
Transportation						
Other (specify)						
EXPENSE TOTAL						
TOTAL (all-inclusive						
Maximum						
Price/Year)						

Notes:

The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

Compensation for the additional two one-year renewal option periods shall be negotiated at the time of the option renewal. However, said compensation shall not exceed costs associated with the immediate prior year contract plus an adjustment for inflation of not more than the Consumer Price Index over prior Contract amount.

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APPENDIX B

Page 3

SCHEDULE OF PROFESSIONAL FEES AND EXPENSESFOR THE AUDITS OF THE FINANCIAL STATEMENTS, SINGLE AUDITS, AND OTHER AUDIT SERVICES OF METROSUPPORTING SCHEDULE [IDENTIFIER] FOR [ENTITY] AND [NAME OF PARTICULAR SERVICE]

DESCRIPTION	HOURS	STANDARD HOURLY RATE	QUOTED HOURLY RATE	FY 2010 TOTAL	FY 2011 TOTAL	FY 2012 TOTAL
Partners						
Managers						
Supervisory Staff						
Staff						
Other (specify)						
SERVICES TOTAL						
Out-of-pocket expenses						
Meals and lodging						
Transportation						
Other (specify)						
EXPENSE TOTAL						
TOTAL (all-inclusive)						
Maximum Price/Year						

Note: One schedule for each of the services to be provided under page one (1) of this Appendix should be completed. Remember, if proposing for a five-year contract, an additional two years should be added to the schedule above and the five-year cost proposal should be complete and separate from the required three-year cost proposal. The rates quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

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APPENDIX C

SUPPORT AND SERVICES GENERALLY PROVIDED BY STAFF

The following are available from Metro/MERC Accounting Division Staff:

Trial Balances and Other Financial Statements

- Trial balances with prior year, budget and actual activity for each budgetary fund. Includes balance sheet and revenue and expenditure accounts.
- GAAP conversion trial balances for all proprietary funds with GAAP journal entries.
- Cash flow statements and support for each applicable fund.
- Completed draft of CAFR including all statements, schedules and note disclosures.

Cash/Investments

- Bank and Investment Reconciliations
- Outstanding Check Lists (Operating & Payroll Accounts)
- Deposits In Transit
- Investment Portfolio detail
- Collateral Requirements Analysis

Balance Sheet Analysis – Assets

- Accounts Receivable Reconciliations
- Capital Assets detail- All Funds
- Additions
- Disposals and Transfers
- Depreciation Schedule
- Accrued Interest
- Property Tax Accrual

Balance Sheet Analysis – Payables

- Accounts Payable Reconciliations
- Salary, withholding and payroll taxes payable reconciliations
- Retainage Payable -All Funds
- Accrued self-insurance actuarial support
- Post-Closure Liability Support
- Deposit- Reconciliations
- Accrued Vacation Summary
- Accrued Vacation Supporting Detail
- Operating Lease Payable Schedule
- OPEB Liability Actuarial Reports
- Pollution Remediation Liability support
- Debt Service -- Loans and Bonds Payable Support
- Arbitrage Liability Calculation
- Environmental impairment liability support

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Other

- Property Tax Revenue/Deferred Revenue Lead Schedule
- Property Tax Transactions
- Commitments Schedule (contracts)
- New Bond Issues or Refundings Detail
- Investment Footnote Support
- Response to GFOA Comments

Grants

- Grant Billings at June 30
- Schedule of Expenditures of Federal Awards
- Schedule of Closed Grants
- Schedule of Indirect Costs
- All Grant Agreements and Amendments

Other Reports

- Access to online General Ledger information in PeopleSoft
- Affirmative Action Plan
- Indirect Cost Rate Proposal
- Fiscal Year Unified Work Program
- Budget Amendments and Supplemental Budget
- Budget Hearing Notices
- Budget Documents

Metro staff will also perform the following:

- Provide electronic images or pull hardcopy documents for examination.
- Preparation of additional analyses not listed above as required.

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APPENDIX D

BACKGROUND INFORMATION

Metro is the nation's only directly elected regional government. Metro's primary responsibilities include regional land use and transportation planning, solid waste disposal and waste reduction programs, Oregon Zoo operations, open spaces acquisition, regional park management and operation of the region's public assembly facilities. Metro accomplishes the latter through the Metropolitan Exposition-Recreation Commission (MERC). Metro's home rule Charter was adopted in November 1992 and amended in November 2000 to consolidate its executive and council offices. The Metro Council, composed of the President, elected-at-large, and six (6) Councilors representing individual districts inside Metro's jurisdiction governs Metro. Metro's Auditor is elected region-wide. The Metro Auditor provides financial and performance audits of Metro's programs and activities.

Metro currently maintains two checking accounts: 1) accounts payable and 2) payroll (which is a "zero-balance account"). In addition, investments are made with various Oregon financial institutions (certificates of deposit, U.S. Treasury Securities, etc.) in accordance with Metro Code and state law. Metro receives dedicated property tax revenue for bonded debt service and a tax base currently used to help zoo operations from three counties (Clackamas, Multnomah, Washington) and has receivable accounts for each. Metro employs approximately 2,000 people during a fiscal year.

Metro's corporate trustee (registrar and co-paying agent) is Bank of New York Trust Company, which maintains separate accounts for various bond issues including but not limited to bond proceeds, debt service, reserve and rebate accounts. In addition to the above accounts, MERC maintains various checking, vault and other cash accounts used for its operations.

Other systems and procedures include:

- Metro's investment policies: set by ordinance.
- Computerized systems: Metro – PeopleSoft: include payroll, purchasing, accounts payable, accounts receivable, billing, general ledger, asset management and financial reporting. Each includes manual tasks as well, and some are not integrated on the ERP system.
- MERC maintains a separate accounting function that monitors its financial operations. Beginning in fiscal year 2007, MERC maintained their own accounts payable, accounts receivable, billing, purchasing, general ledger, and financial reporting (EBMS), and account reconciliation processes. Metro continues, on behalf of MERC, to provide payroll (including benefits and payments of benefits, taxes and deductions) and certain investment services that require Metro Accounting Services to record and reconcile financial data for accuracy and to record additional inter-unit transactions for payment of debt, support services, and funding decisions. Metro also continues to do the full accounting for the General Revenue Bond Fund (including the portion attributable to MERC's Exposition Center operations which is required to be consolidated with MERC's operating fund for reporting in accordance with GAAP).

In fiscal year 2010, MERC is required to report on one budgetary fund – the MERC Operating Fund.

The following reports are available online at: <http://www.oregonmetro.gov/index.cfm/go/by.web/id=27647>

- Comprehensive Annual Financial Report for fiscal year ended June 30, 2008 and prior years.
- Adopted budget for fiscal year 2008/09.

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Metro/MERC staff provides support by preparing audit work papers on trial balances and other financial statements, cash and investments, grants, and other areas listed in Appendix C. Metro/MERC staff will also pull documents for verification of information and prepare additional analyses as required.

See next page for a listing of Metro government wide funds.

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Metro will use the following funds in fiscal year 2010 and accounts for all funds on a modified accrual basis for budgetary purposes.

Government-Wide	Fund Type	Budgetary Fund	Fund or subfund
Governmental Activities	Governmental Funds		
	General	General	General
			Zoo Operating Planning Renewal and Replacement General Revenue Bond-Building General Revenue Bond-Zoo
	Special Revenue	Smith and Bybee Lakes Rehabilitation and Enhancement	Smith and Bybee Lakes Rehabilitation and Enhancement
	Debt Service	General Obligation Bond Debt Service	General Obligation Bond Debt Service
	Capital Projects	Open Spaces	Open Spaces
		Metro Capital	Zoo Capital Regional Parks Capital New Capital General Fund Regional Parks Special Accounts
		Natural Areas Measure Zoo Infrastructure and Animal Welfare Bond Measures	Natural Areas Measure Zoo Infrastructure and Animal Welfare Bond Measures
	Permanent	Cemetery Perpetual Care	Cemetery Perpetual Care
Business-Type Activities	Proprietary funds		
	Enterprise	Solid Waste	Solid Waste Revenue
	Internal Service (allocated to Govt/Bus in Govt- Wide)	Risk Management	Risk Management
	MERC Operating Fund	MERC Operating	MERC Operating Fund
	OZF Component Unit	Not a Metro-maintained Fund	Not a Metro-maintained Fund