

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF METRO COUNCIL'S)	RESOLUTION NO. 21-5221
ACCEPTANCE OF THE RESULTS OF THE)	
INDEPENDENT AUDIT FOR FINANCIAL)	Introduced by Chief Operating Officer
ACTIVITY DURING FISCAL YEAR ENDING)	Marissa Madrigal in concurrence with
JUNE 30, 2021)	Council President Lynn Peterson

WHEREAS, Oregon Revised Statute 297.425 requires an annual independent audit of Metro's financial statements; and

WHEREAS, Metro Code Section 2.15.080 requires the Metro Auditor to appoint the external certified public accountant to conduct certified financial statement audits as specified in state and local laws; and

WHEREAS, Metro engaged in Contract No. 936766 with Moss Adams LLP, independent Certified Public Accountants to provide the following audit services for each of the fiscal years ending June 30, 2020-2022:

1. Audit of Metro's financial statements (including all costs associated with the Annual Comprehensive Financial Report and applicable management recommendations and comments);
2. Single Audit and applicable management recommendations and comments; and
3. Metro Natural Areas Bond Measure Expenditures and applicable management recommendations and comments; and
4. Oregon Zoo Construction Bond Measure Expenditures and applicable management recommendations and comments; and
5. Affordable Housing Bond Measure Expenditures and applicable management recommendations and comments; and
6. Supportive Housing Services Bond Measure Expenditures and applicable management recommendations and comments; and
7. Parks and Nature Bond Measure Expenditures and applicable management recommendations and comments.

WHEREAS, the annual independent audit for fiscal year ended June 30, 2021 has been completed and an unmodified opinion received from Moss Adams LLP; and

WHEREAS, a separate letter was delivered to management and a management plan of action completed; now, therefore,

BE IT RESOLVED that the Metro Council hereby acknowledges and receives the results of the independent audit for fiscal year ended June 30, 2021 (Attachment A) and adopts the corrective action plan as presented therein.

ADOPTED by the Metro Council this 7TH day of December 2021.

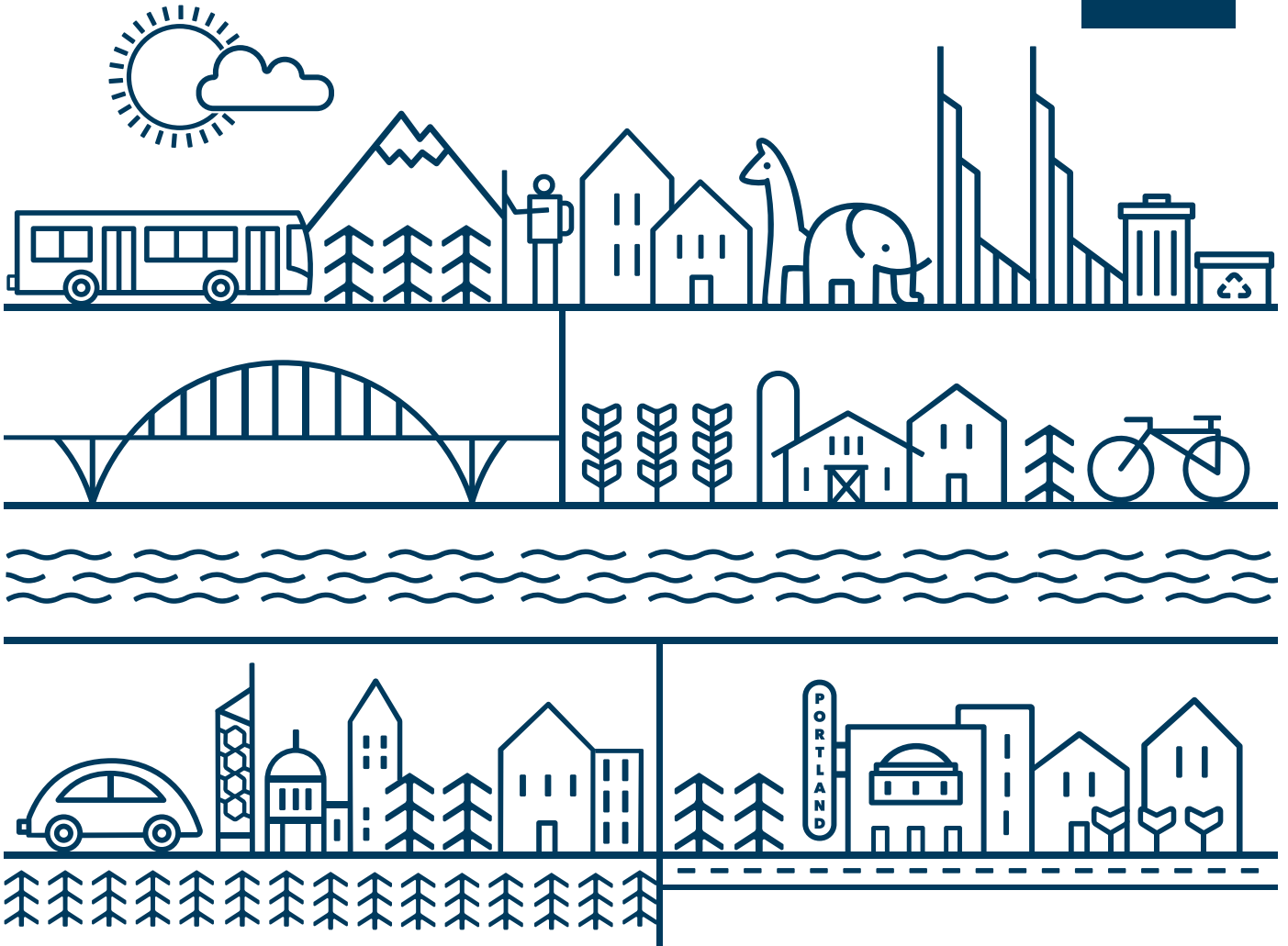


Lynn Peterson, Council President

Approved as to Form:



Carrie MacLaren, Metro Attorney



Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2021

If you picnic at Blue Lake or take your kids to the Oregon Zoo, enjoy symphonies at the Schnitz or auto shows at the convention center, put out your trash or drive your car – we’ve already crossed paths.

So, hello. We’re Metro – nice to meet you.

In a metropolitan area as big as Portland, we can do a lot of things better together. Join us to help the region prepare for a happy, healthy future.

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Metro Council President

Lynn Peterson

Metro Councilors

Shirley Craddick, District 1

Christine Lewis, District 2

Gerritt Rosenthal, District 3

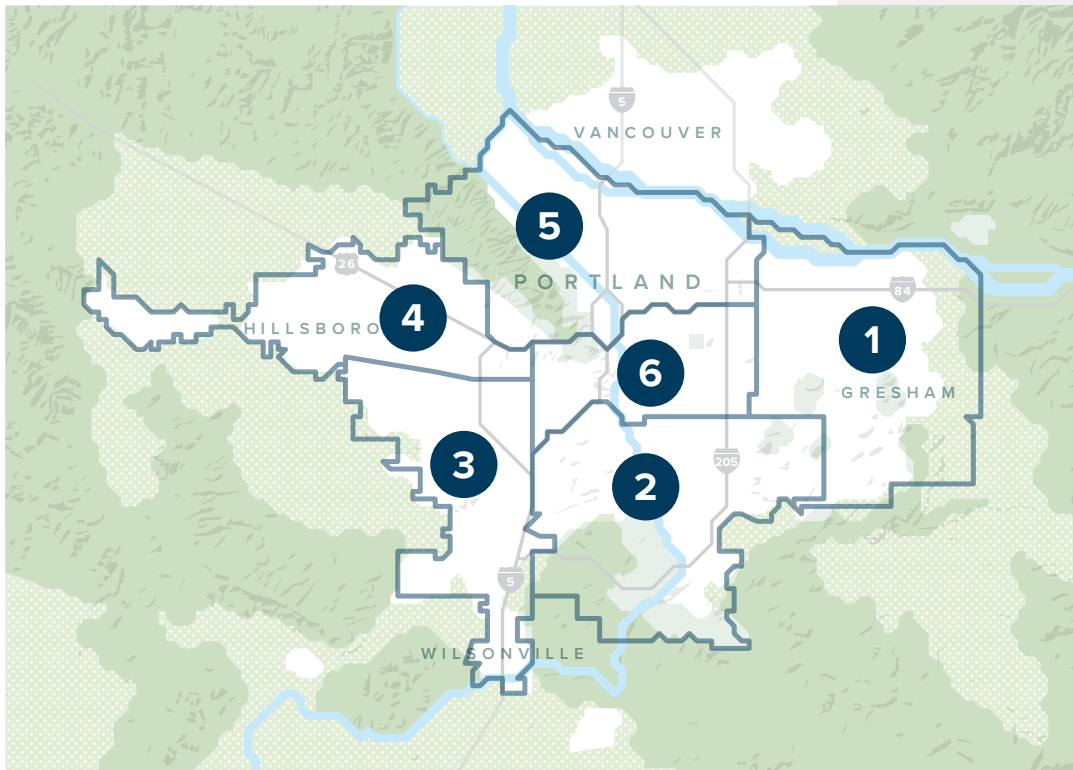
Juan Carlos González, District 4

Mary Nolan, District 5

Bob Stacey, District 6

Auditor

Brian Evans





Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2021

Finance and Regulatory Services Department

Chief Financial Officer
Brian Kennedy

Deputy Chief Financial Officer
W. Caleb Ford, CPFO

Prepared by
Accounting Services Division

Controller
Somerset Erickson

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November 29, 2021

To the Council and Citizens of the Metro Region:

In accordance with ORS §297.425, we are pleased to present the Annual Comprehensive Financial Report of Metro for the fiscal year ended June 30, 2021, accompanied by the report of Metro's independent auditors, Moss Adams, LLP.

This Annual Comprehensive Financial Report (ACFR) presents the financial position of Metro and the results of its operations, as well as cash flows for its proprietary fund types, for the fiscal year ended June 30, 2021. The financial statements and supporting schedules have been prepared by management in accordance with accounting principles generally accepted in the United States of America (GAAP), meet the requirements of the standards as prescribed by the Oregon Secretary of State and are in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada.

The ACFR provides meaningful financial information to legislative bodies, creditors, investors and the public. There are four main sections in this report, including a section with reports from our independent certified public accountants required by Oregon Administrative Rules and federal regulations. These reporting requirements are incorporated in the Minimum Standards for Audits of Municipal Corporations, as prescribed by the Secretary of State, *Government Auditing Standards* and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Metro management is responsible for the completeness and reliability of all the information and representations presented in this ACFR, based upon a comprehensive internal control framework established for this purpose. This framework is designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that accounting transactions are executed in accordance with management's authorization and properly recorded, so that the financial statements can be prepared in conformity with GAAP. The design and operation of internal controls also ensures that federal and state financial assistance funds are expended in compliance with applicable laws and regulations related to those programs. Because the cost of internal controls should not outweigh their benefits, Metro's comprehensive framework of internal controls has been designed to

provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

In accordance with Oregon law, Metro's financial statements have been audited by Moss Adams, LLP. The auditor issued an unmodified ("clean") opinion on Metro's financial statements for the year ended June 30, 2021 (see pages 10-12). The independent audit of the financial statements was performed in accordance with applicable auditing standards as described by Moss Adams, LLP in their reports included in this document.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Metro

Metro crosses city limits and county lines to make our communities safe, livable and ready for tomorrow. From protecting our region's air, water and natural beauty to supporting neighborhoods, businesses and farms that thrive, Metro makes our region a great place. Metro serves more than 1.6 million residents in Clackamas, Multnomah and Washington counties, and the 24 cities in the Portland, Oregon metropolitan area.

The voters of the region approved a constitutional amendment to allow the creation of a home rule-regional government in the Portland metropolitan area in 1990, then a home rule charter for Metro in 1992 and a charter amendment in 2000. Metro is a directly-elected regional government in the United States and is governed by a council president, elected region wide, and six councilors elected by district. The charter established the elected position of Metro Auditor. Ordinances are passed by a simple majority vote of the seven council members.

Services. The primary responsibility of Metro, as authorized by its charter, is to provide regional land use planning. The charter further recognizes the significant role Metro has in other regional issues. As such, Metro provides the following services that focus on issues that cross local boundaries:

- **Planning and Development:** Manages the regional urban growth boundary, prepares the Regional Transportation Plan, allocates federal highway and

Comprehensive Annual Financial Report
 Metro - Letter of Transmittal
 November 29, 2021

transit funds for the region, facilitates the creation of affordable housing, and conducts all regional transit and light rail planning.

- **Solid Waste Management:** Operates regional solid waste transfer stations, household hazardous waste facilities, and develops the Regional Solid Waste Management Plan.
- **Parks and Natural Areas:** Provides regional natural areas, parks, and trails, including historical cemeteries, a golf course, and marine facilities. Purchases land and restores natural habitats.
- **Visitor Venues:** Operates the Oregon Zoo, Oregon Convention Center, Portland Expo Center, and the Portland's Centers for the Arts.
- **Research Center:** Provides mapping and technical services, coordinates data and research activities with governmental and other partners, and develops regional economic and travel forecasts.

Budget. The annual adopted budget serves as the foundation for Metro's financial planning and control. Metro prepares a budget for each fund in accordance with the legal requirements set forth in Oregon Local Budget Law, ORS §294.305 to §294.565. The Council adopts the budget for all funds by ordinance prior to the beginning of Metro's fiscal year (July 1). Expenditures for each fund cannot legally exceed the appropriation levels set by the authorizing ordinance. Unexpected additional resources and budget revisions may be added to the budget by use of a supplemental budget or, under certain conditions, by an ordinance passed by the Council amending the budget. The original and any supplemental budgets require hearings before the public, publication in newspapers, and approval by the Council. Management may amend the budget *within* the appropriated levels of control without Council approval. Appropriations that have not been expended at year-end lapse and subsequent actual expenditures are charged against the ensuing year's appropriations.

Reporting Entity. For financial reporting purposes, Metro is a primary government under the provisions of *Governmental Accounting Standards Board (GASB) Statements No. 14, 39 and 61*. This report includes all organizations and activities for which the elected officials exercise financial control. In addition, the Oregon Zoo Foundation (OZF) warrants inclusion in the report because of the nature and significance of its relationship with Metro, including its on-going financial support of Metro's Oregon Zoo. The OZF is a legally separate, tax-exempt organization organized to encourage and aid the

development of the Oregon Zoo. The financial statements of OZF are included in this report as a discretely presented component unit.

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which Metro operates.

Local economy. The Portland metropolitan region (i.e., the Portland-Vancouver-Hillsboro, OR-WA Metropolitan Statistical Area (MSA)) is home to more than 2.5 million residents, with over 1.6 million of those residing within the Metro boundary. The Portland MSA ranks 25th in the nation of large U.S. metropolitan areas; regional population grew 0.8 percent in 2019 (Census Bureau).

The economic region is comprised of five counties in Oregon and two other counties in Washington State. The region is a hub for financial activities, domestic and international trade, transportation and services for all of Oregon, southwest Washington and the Columbia River basin. The Portland MSA has non-farm payroll employment totaling almost 1.2 million jobs (Bureau of Labor Statistics), with over 80 percent of those jobs located inside the Metro boundary.

The region continues to bounce back from a record-setting economic downturn beginning with the initial pandemic impact in early 2020. The ensuing recovery has been largely characterized by fits and starts as the various waves and variants on the virus lead to differing degrees of economic activity. Businesses and activities that served large gatherings (e.g., public venues), tourism-related (e.g., air travel, hotel/motel lodgings) and personal service providers were initially limited or ordered to close, but have been largely open, albeit in various limited fashion, thus far in 2021. Broad commercial activity remains strong, as many consumers find themselves with additional disposal income resulting from limited travel and social opportunities. Most recently, that activity has been disrupted by a labor shortage and supply-chain issues, as businesses experience difficulty in hiring new workers and supplies are held up in transit. Job cuts during the pandemic peaked at nearly 150,000 employees in the Portland MSA, with more than two-thirds over those having returned by the end of summer 2021. Meanwhile, the regional unemployment rate leaped to a seasonally-adjusted 13.1 percent in April 2020, but similarly rebounded to less than five percent by the end of summer 2021. Unlike other recessions, this one hit with astounding speed and, by any economic measure, was unprecedented.

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 Metro - Letter of Transmittal
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Economic outlook. Broad economic data remain positive, though it should be noted that within that broad data, specific measures such as income inequality were exacerbated by the pandemic. As an example many homeowners continue to experience large home value appreciation that does not reach renters, except in the form of secondary rent increases. Furthermore, continued federal government support has proven effective in moderating the effects of the lingering economic decline that especially characterized the early months of the pandemic. Unfortunately, many observers believe that has largely run its course and 2022 will test the ongoing resiliency of the current economic rebound.

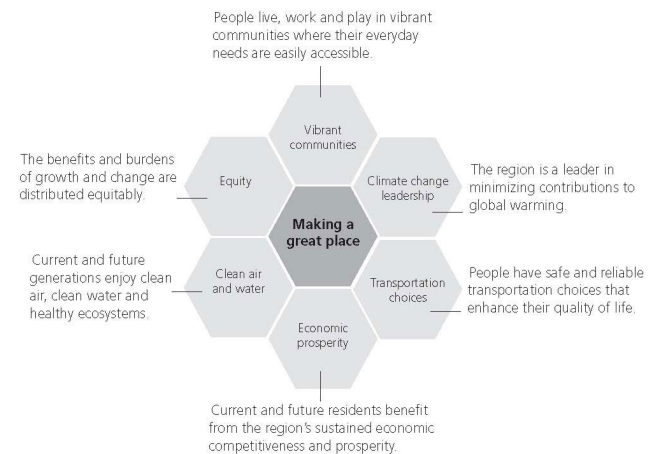
Near term concerns include labor market instability and inflation. For the first time in more than a generation workers control much of the leverage in today's job market. There have been more jobs available than workers searching for jobs for much of the recent recovery. The result, along with other shipping and materials supply constraints have worked to push inflation to levels not seen since the late 1990s, stoking fears of a long-term inflationary cycle. While these concerns are worth discussing, the economic damage done by higher inflation will be somewhat limited by continued increases in wages that are being demanded in the current labor market.

The bottom line is that the regional economic outlook remains strong, with the most pressing concerns surrounding social and political unrest partly resulting from the economic gains accruing significantly to those already experiencing relative economic stability. For many others economic uncertainty returns as federal stimulus support and government policy (e.g., the expiration of the eviction moratorium) wane. Many aspects of the economy continue to evolve coming out of the pandemic – everything from commercial real estate to local labor markets. Overall, this will likely lead to continued uneven growth as many of these things reach a new normal in the coming years.

Long-term financial planning. Metro's strong financial policies and disciplined practices have ensured operational stability, as evidenced by the necessary decisions made at the outset and during the COVID-19 pandemic. An important tool for building Metro's budget is the five-year forecast for its primary operating funds: the General Fund, the Solid Waste Revenue Fund, the Oregon Zoo Operating Fund and the Metropolitan Exposition Recreation Commission (MERC) Fund. Each budget cycle begins with a review of how the funds are performing, what factors affect the funds that are global assumptions

and what factors are related to the specific nature of the operations that result in individual assumptions. Metro adheres to common-sense operation practices such as maintaining its assets, using one-time funds for one-time purposes, and ensuring enterprise activities manage to the bottom line.

Metro's budgets are anchored by the region's six desired outcomes. Developed by the region and adopted by the Metro Council in 2010 as part of the region's growth management policies, the six outcomes help all leaders and their communities focus on what makes this region a great place. Metro uses these outcomes to guide its strategic decision-making by testing department activities and programs against whether they are making these outcomes more likely over time.



In addition, Metro is guiding budgetary decisions with its Strategic Recovery Framework, embodying Metro's values of Safety, Public Service, and Resilience through the organization-wide guiding principles of Racial Justice, Climate Justice and Resilience, and Shared Prosperity. Each of Metro's departments is applying that framework to day-to-day decision making and creating high-level department specific goals in concert with budget development. These goals help each department to look ahead and identify key opportunities to make progress on the desired outcomes and ensure that decisions made today will be sustainable and strategic for the next three to five years.

Metro also prepares a five-year Capital Improvement Plan (CIP) with annual updates as part of its financial planning responsibilities. The Metro Council annually reviews Metro's capital asset management policies as part of the budget process.

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 Metro - Letter of Transmittal
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Major initiatives. The budget for fiscal year 2021 was driven by the strategic goals and key initiatives identified by the Metro Council that guide the agency and region towards the six desired regional outcomes. It was developed before the magnitude of the COVID-19 pandemic was fully understood and was modified multiple times during the year as the agency adapted to the changing circumstances. The 2020-21 Budget included:

Focusing on livability in the region. Metro Council have designated a series of strategic priorities to position Metro to continue to inspire, teach, engage, and invite people to enhance the quality of life and environment for the region's current and future generations. Metro's budget invested in core services and initiatives to improve livability in the region, including refreshing the region's 2040 vision with an updated plan for housing, employment, and land use, implementing voter-approved housing and parks measures, and working with partners to improve the market for plastics recycling and increase the composting of food scraps.

Implementing our goals and strategies for equity, diversity and inclusion. In June 2016, Metro Council adopted the agency's Strategic Plan to Advance Racial Equity, Diversity, and Inclusion and in May 2017, Council considered an update to our Diversity Action Plan. Council has made increasing the diversity of our workforce, increasing the percentage and dollar value of the contracts we award to minority, women, and emerging businesses, improving our relationships with historically underserved communities, and ensuring that all of the region's residents have access to the six desired regional outcomes a high priority for our departments. The budget includes funding for programs and activities to support diversity, equity, and inclusion in every department of Metro.

Adjusting for financial headwinds. Statewide shutdowns and distancing rules acutely impacted several of Metro's key functions; operations at the Oregon Zoo, Oregon Convention Center, Portland's 5 Centers for the Arts, and Portland EXPO Center were all curtailed. This budget stabilized their finances while recognizing major increases in activity in other areas, such as an 80% increase in self-haul traffic at Metro's transfer stations.

Investing in Metro's infrastructure. As in the past several fiscal years, the budget recommended that Metro invest in taking care of our systems and

structures. It also includes funding to address these deferred investments and also to increase our efficiency.

Relevant Financial Policies. Comprehensive financial policies are reviewed annually and provide the basic framework for the overall fiscal management of the agency. The policies are designed to operate independently of changing circumstances and conditions and help safeguard Metro's assets, promote effective and efficient operations, and support the achievement of Metro's strategic goals. The policies were re-adopted by the Metro Council on June 17, 2021 (Resolution No. 21-5175), as published in its adopted budget.

Oregon Local Budget Law requires that total resources equal total requirements in each fund. In addition to this legal requirement, Metro considers a budget to be balanced whenever budgeted revenues equal or exceed budgeted expenditures. Metro's Council established financial policies to make significant investments in the future by using a disciplined "pay yourself first" rule to assure that all funds maintain appropriate reserves to safeguard against dips in the economic climate and to protect the public's investment in Metro's physical assets. Metro policy provides that it will designate or assign fund balance amounts that are appropriate to the needs of each fund and that targeted assignment levels shall be established and reviewed annually as part of the budget review process. The policy requires that a new program or service be evaluated before it is implemented to determine its affordability and that Metro will prepare annually a five-year forecast of revenues, expenditures, other financing sources and uses and staffing needs for each of its major funds, identifying major anticipated changes and trends, and highlighting significant items which require the attention of the Metro Council.

Metro has set aside fund balance amounts within the General Fund for potential additional Public Employee Retirement System pension liabilities and for future debt service on the full faith and credit bonds issued to refinance Metro Regional Center. This fund balance also includes amounts for cash flow and fund stabilization. Based upon a historical analysis, Metro's policies call for a minimum of 7 percent of operating revenues be set aside for either contingency or stabilization to guard against unexpected downturns in revenues and to stabilize resulting budget actions. The target provides a 90 percent confidence level that revenues would only dip below this amount once every ten years. These reserves in the

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General Fund and other funds were crucial in dealing with the immediate economic impact from the COVID pandemic.

Debt management policies provide that Metro shall issue long-term debt only to finance capital improvements (including land acquisition) that cannot be readily financed from current revenues or to reduce the cost of long-term financial obligations. Metro will not use short-term borrowing to finance operating needs unless specifically authorized by Council. Further, Metro will repay all debt issued within a period not to exceed the expected useful life of the improvements financed by the debt.

Metro's revenue policies provide that the agency will strive to maintain a diversified and balanced revenue system to protect it from short-term fluctuations in any one revenue source. A further detailed discussion of Metro's financial policies and plans for the future can be found in *Metro's 2021-22 Adopted Budget*.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Metro for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the twenty-ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the cooperation of employees across the Metro organization. We especially acknowledge Somer Erickson, Controller, Erica Gallucci, Financial Reporting Program Manager, and the staff in the Accounting Services Division of the Finance and Regulatory Services Department for their efforts in the preparation of this

report. We wish to acknowledge the professional and technical assistance of the audit staff of Moss Adams LLP. Finally, we extend our appreciation to the Metro Council, Metro Auditor, and the many Metro managers for their leadership and commitment to financial excellence.

Respectfully submitted,



Marissa Madrigal
 Chief Operating Officer



Brian Kennedy
 Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**METRO
Oregon**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

METRO**Elected Officials (as of June 30, 2021)**

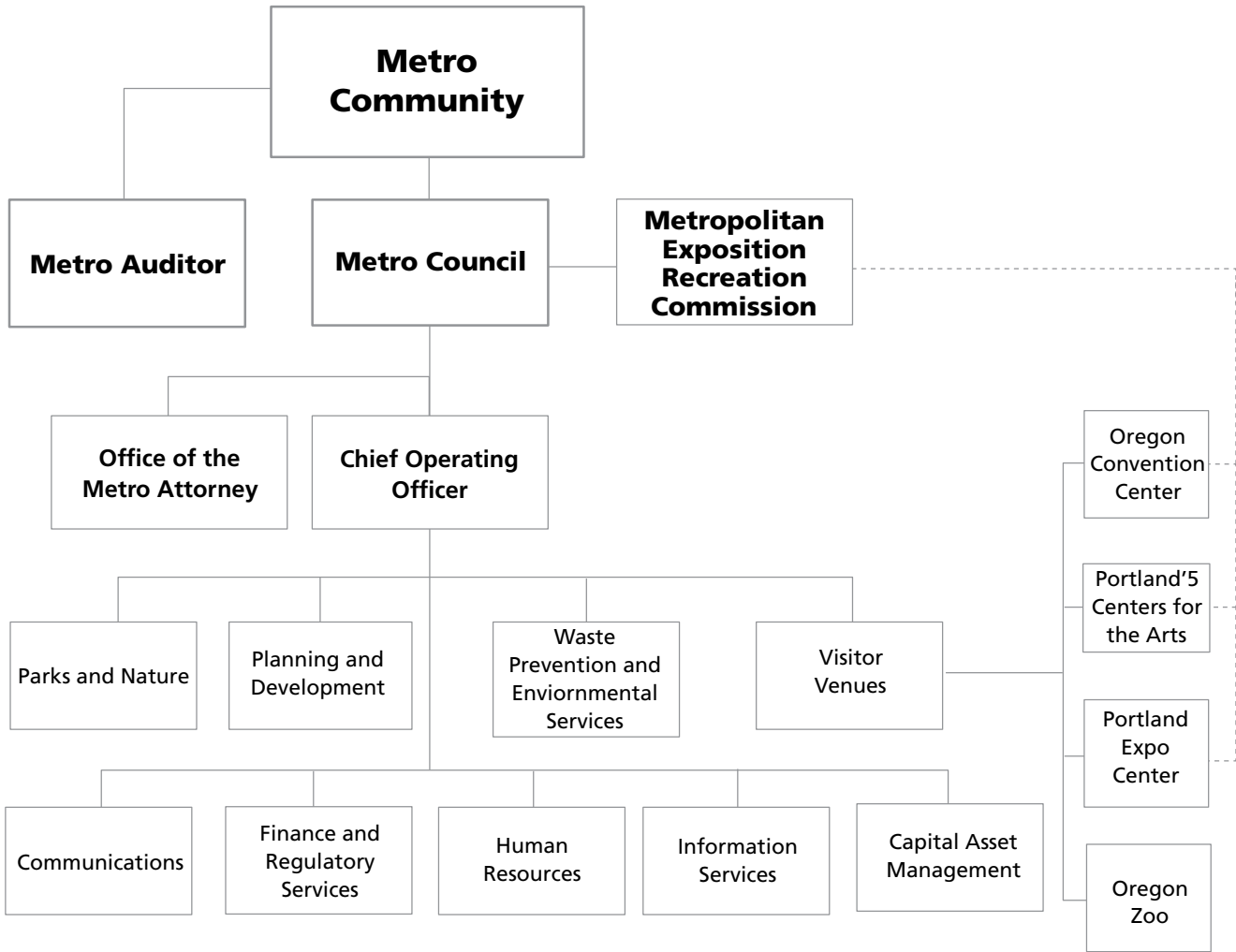
Name	Position	Term expires
Lynn Peterson	Metro Council President	January 2023
Shirley Craddick	Councilor-District 1	January 2023
Christine Lewis	Councilor-District 2	January 2023
Gerritt Rosenthal	Councilor-District 3	January 2025
Juan Carlos Gonzalez	Councilor-District 4	January 2023
Mary Nolan	Councilor-District 5	January 2025
Bob Stacey	Councilor-District 6	January 2025
Brian Evans, CIA	Metro Auditor	January 2023

Appointed Officials

Name	Position
Marissa Madrigal	Chief Operating Officer
Andrew Scott	Deputy Chief Operating Officer
Carrie MacLaren	Metro Attorney
Brian Kennedy	Chief Financial Officer
Julio Garcia	Human Resources Director
Heidi Rahn	Capital Asset Management Director
Clifford Higgins	Interim Communications Director
Rachel Coe	Information Services Director
Scott Cruickshank	Interim Oregon Zoo Director
Elissa Gertler	Planning and Development Director
Roy Brower	Waste Prevention and Environmental Services Director
Jon Blasher	Parks and Nature Director
Scott Cruickshank	General Manager of Visitor Venues
Craig Stroud	Oregon Convention Center Director
Matthew Rotchford	Portland Expo Center Director
Robyn Williams	Portland's 5 Centers for the Arts Director

Organizational Structure

as of June 30, 2021





Brian Evans
Metro Auditor

600 NE Grand Ave
Portland, OR 97232-2736
TEL 503 797 1892, FAX 503 797 1831

November 29, 2021

To the Metro Council and Residents of the Metro Region:

Oregon State law requires an annual audit of Metro's financial records and transactions by independent certified public accountants. The Metro Auditor is required by Metro Code to appoint certified public accountants to conduct this audit. In 2020, after completing a competitive process, I appointed Moss Adams LLP to conduct the audit of Metro. My office coordinated and monitored this audit.

Following this letter is the independent auditor's report on Metro's financial statements as of June 30, 2021. In addition to the above report, Metro is required to have an audit of its expenditures of federal awards in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the provisions of *Government Auditing Standards* issued by the Comptroller General of the United States. The necessary reports pertaining to Metro's internal control, compliance with applicable laws, regulations, grants and the Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 are included in the last section of this report, Audit Comments and Disclosures Required by State and Federal Regulations.

I want to thank the Metro and Moss Adams employees who made this year's process run smoothly. Their efforts are especially noteworthy as the agency continued to be disrupted by Covid-19.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brian Evans".

Brian Evans
Metro Auditor



Report of Independent Auditors

Metro Council and Metro Auditor
Portland, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Metro's basic financial statements. The other supplementary information and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (collectively, "supplementary information") is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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


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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2021, on our consideration of Metro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Metro's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Metro's internal control over financial reporting and compliance.

Other Reporting Required by *Minimum Standards for Audits of Oregon Municipal Corporations*

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated November 29, 2021, on our consideration of Metro's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Moss Adams LLP
Portland, Oregon
November 29, 2021

METRO Management's Discussion and Analysis For the fiscal year ended June 30, 2021

As management of Metro, Oregon, we provide readers of Metro's financial statements this narrative overview and analysis of the financial activities of Metro for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 1 - 5 of this report. This information is based upon currently known facts, decisions or conditions.

FINANCIAL HIGHLIGHTS

- Metro's assets and deferred outflows of resources exceed its liabilities and deferred inflows of resources (also defined as *net position*) by \$631,847,736 at June 30, 2021, which reflects an decrease of 5.7 percent or \$(38,457,093) over the prior fiscal year.
- Metro completed the fiscal year with its governmental funds reporting *combined* fund balances of \$975,286,854. Of the total amount of governmental combined fund balance, \$25,371,310 or 2.6 percent, is considered available for spending at Metro's discretion (*unassigned* fund balance).
- At the end of fiscal year 2021, unrestricted spendable fund balance (the total of the *committed*, *assigned* and *unassigned* components of fund balance) in the general fund totaled \$25,678,072 and represents 28.0 percent of total general fund expenditures.
- Metro's total outstanding long-term liabilities increased \$58,111,145 or 5.1 percent during the current fiscal year. This reflects less debt issuance than the historical average, with only a full faith and credit borrowing of \$27.5 million to fund the Supportive Housing tax implementation.
- In March of 2020 the Governor of the State of Oregon issued an emergency order declaring a state of emergency as a result of a global pandemic related to the COVID-19 pandemic. In compliance with that order, Metro closed the Oregon Zoo, Oregon Convention Center, EXPO, and the Portland's Performing Arts Centers, as well as many park facilities. Additionally, office workers were directed to telework and access to office facilities was restricted. These closures led to significant layoffs for both the visitor venues and support service departments mid-year and all departments were asked to reduce programs and spending where possible.
- Program revenues of Metro's business-type activities (Solid Waste, Oregon Zoo and MERC operations) totaled \$124,492,504, down \$37,207,528 or 23.0 percent, attributable to the necessary pandemic-related closure of the MERC venues. Solid Waste revenues increased 7.3 percent to a total of \$77,517,801, as construction activity and tonnage increased.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Metro's basic financial statements, which consist of the following three components: 1) the *government-wide financial statements*, 2) the *fund financial statements*, and 3) the *notes to the financial statements*. This report also includes *supplementary information* intended to furnish additional detail to support the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Metro's finances using accounting methods similar to those used by private-sector business. Government-wide financial statements provide both short-term *and* long-term information about Metro's overall financial status.

The *Statement of Net Position* includes all of Metro's assets, liabilities, and deferred outflows/inflows of resources, with the net difference between these elements reported as net position. Over time, increases or decreases in Metro's net position may serve as a useful indicator of whether the financial position of Metro is improving or deteriorating.

The *Statement of Activities* accounts for all of the current fiscal year's revenues and expenses. The statement presents information showing how Metro's net position changed during the fiscal year. Such changes are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected property taxes and earned but unused vacation leave).

Each government-wide financial statement is divided into three categories:

Governmental activities – Activities supported principally by general revenue sources including various taxes that provide Metro's basic governmental services. These services include the *general government operations*

METRO

Management's Discussion and Analysis, *continued*

For the fiscal year ended June 30, 2021

functions of the Council office and various administrative functions; *regional planning and development* which includes regional transportation and land use planning; and *culture and recreation* which includes regional parks and natural areas, community enhancement activities near Metro area solid waste facilities, management of Smith and Bybee Wetlands and Pioneer Cemeteries.

Business-type activities – Activities supported by charges for services and fees to customers to help cover the costs of certain services. These activities consist of the Solid Waste, Oregon Zoo, and Metropolitan Exposition-Recreation Commission (MERC) operations. Solid waste operations include the operation of two transfer and recycling centers (Metro South and Metro Central), household hazardous waste collection centers, paint recycling center and other solid waste system programs. Oregon Zoo operations include zoo visitor experience, environmental education, and animal conservation and research. MERC operations include the Oregon Convention Center (OCC), Portland's Centers for the Arts (Portland's) and Portland Expo Center (Expo) facilities.

Component unit – Metro includes The Oregon Zoo Foundation (OZF) as a discretely presented component unit. OZF is considered a component unit as the sole purpose of this legally separate non-profit organization is to provide support and significant additional funding for Metro's Oregon Zoo.

The government-wide financial statements can be found on pages 26 - 30 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Metro, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements – including bond covenants and Oregon local budget law requirements. The funds of Metro can be classified into two categories:

- **Governmental funds** are used to account for essentially the same functions as reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, these statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Thus, the governmental funds statements provide a detailed short-term view

that helps the reader determine the comparative level of financial resources that can be spent in the near future to finance Metro's programs.

Because this information does not encompass the additional long-term focus of the government-wide statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of Metro's near-term financing decisions. A reconciliation that follows the governmental funds statements explains the differences between the two statements to facilitate this comparison between *governmental funds* and *governmental activities*.

Metro maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the eight funds considered major: General, Parks and Natural Areas Local Option Levy, Affordable Housing, Supporting Housing Services, General Obligation Bond Debt Service, Oregon Zoo Infrastructure and Animal Welfare, and Natural Areas and Parks and Nature bond funds. Data from the other four governmental funds (Smith and Bybee Wetlands, Community Enhancement, Open Spaces and Cemetery Perpetual Care) are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Of special note, a portion of one budgetary fund (the General Revenue Bond Fund) and one additional entire budgetary fund (General Asset Management Fund) are allocated to the General Fund and combined with those operating activities for reporting in conformance with generally accepted accounting principles (GAAP) in the governmental fund financial statements. The remaining portions of the budgetary General Revenue Bond Fund is allocated to the MERC Fund for proprietary fund presentation noted below.

The governmental fund financial statements can be found on pages 30 - 36 of this report.

METRO

Management's Discussion and Analysis, *continued*

For the fiscal year ended June 30, 2021

- *Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail, including cash flows. Metro includes two different types:

Enterprise funds are used to report the same functions as *business-type activities* in the government-wide financial statements. Metro uses enterprise funds to account for its Solid Waste, Oregon Zoo and MERC operations, all three of which are considered major funds. The entire budgetary fund Oregon Zoo Asset Management Fund is combined with the Oregon Zoo for the proprietary fund presentation.

Internal service funds are an accounting device used to accumulate and allocate costs internally among Metro's various functions. Metro uses an internal service fund to account for management of its retained risks. The revenues and expenses of the internal service fund that are duplicated in other funds through cost allocations are eliminated in the government-wide statements, with the remaining balances included in governmental activities in the government-wide financial statements.

The proprietary fund financial statements can be found on pages 37 - 42 of this report.

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40 - 75 of this report.

Required Supplementary Information (RSI). In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget-to-actual results for Metro's General Fund and its major special revenue fund, and pension and post-employment benefit disclosures. RSI can be found on pages 78 - 90.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 92-121.

FINANCIAL ANALYSIS OF METRO AS A WHOLE (Government-Wide)

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Metro's assets and deferred outflows of resources exceed liabilities and deferred inflows of resources (defined as *net position*) by \$631,847,736 at June 30, 2021. The table on the following page reflects the condensed Government-wide Statement of Net Position.

Metro's governmental activities account for a total net position – totaling \$268,451,756, or 42.5 percent, whereas business-type activities account for \$363,395,980 or 57.5 percent.

Of Metro's total net position, 98.3 percent reflects its net investment in capital assets (e.g., headquarters offices, zoo exhibits, natural areas property, transfer stations, convention center, and other significant assets), less any related outstanding debt that was used to acquire those assets. Metro uses these capital assets to provide services to its citizens; therefore, this amount is not available for future spending. Although Metro's investment in its capital assets is reported net of the related debt, it should be noted that the resources needed to repay this debt must come from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Metro's restricted net position (20.5 percent) represents resources that are subject to external restrictions on how they may be used. External restrictions for specific purposes include areas such as parks and natural areas local option levy, Transit Oriented Development (TOD), Smith and Bybee Wetlands management plan, and capital projects funded by bond or restricted proceeds. The restricted component of net position decreased \$15,079,648 or 10.4 percent from the amount at June 30, 2020, reflecting a planned spend down of those restricted resources. Governmental activities restricted component of net position decreased primarily due to the spending of bond proceeds in the Affordable Housing, Oregon Zoo Infrastructure and Animal Welfare and Natural Areas bond funds.

METRO

Management's Discussion and Analysis, *continued*

For the fiscal year ended June 30, 2021

Metro's Net Position

	Governmental Activities		Business-type Activities		Total - Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 1,012,272,280	1,055,818,464	96,714,029	100,550,495	1,108,986,309	1,156,368,959
Capital assets	377,265,388	369,390,704	347,849,568	343,537,792	725,114,956	712,928,496
Total assets	<u>\$ 1,389,537,668</u>	<u>1,425,209,168</u>	<u>444,563,597</u>	<u>444,088,287</u>	<u>1,834,101,265</u>	<u>1,869,297,455</u>
Total deferred outflows of resources	<u>23,883,729</u>	<u>17,110,915</u>	<u>21,148,395</u>	<u>20,890,619</u>	<u>45,032,124</u>	<u>38,001,534</u>
Long-term liabilities outstanding	1,118,777,274	1,068,885,851	79,209,670	70,989,948	1,197,986,944	1,139,875,799
Other liabilities	23,148,372	67,684,065	20,358,255	22,574,161	43,506,627	90,258,226
Total liabilities	<u>1,141,925,646</u>	<u>1,136,569,916</u>	<u>99,567,925</u>	<u>93,564,109</u>	<u>1,241,493,571</u>	<u>1,230,134,025</u>
Total deferred inflows of resources	<u>3,043,995</u>	<u>3,041,115</u>	<u>2,748,087</u>	<u>3,819,020</u>	<u>5,792,082</u>	<u>6,680,135</u>
Net position:						
Net investment in capital assets	324,068,485	294,848,252	343,691,434	338,396,545	621,205,786	591,873,688
Restricted	122,154,281	138,330,011	7,506,843	6,410,761	129,661,124	144,740,772
Unrestricted	(177,771,010)	(130,469,211)	12,197,703	22,788,471	(119,019,174)	(66,309,631)
Total net position	<u>\$ 268,451,756</u>	<u>302,709,052</u>	<u>363,395,980</u>	<u>367,595,777</u>	<u>631,847,736</u>	<u>670,304,829</u>

The remaining \$119,019,174 is an unrestricted deficit, which represents the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Of this amount, \$12,197,703 is attributable to Metro's business-type activities which cannot be used to make up for the deficit reported in governmental activities. Unrestricted net position decreased \$47,301,799 (to a total deficit of \$177,771,010) in governmental activities primarily due transfers to other governments for Affordable Housing projects. A portion of this deficit can be attributed to the allocable proportion of the Oregon Public Employees Pension System liability, as discussed in Noted IV.G.1. Metro has several bonds which are accounted for in governmental activities without a corresponding asset; the proceeds from Dedicated Tax Revenue bonds for the Oregon Convention Center hotel were distributed to the developer in prior years and there is no asset owned by Metro. Similar transactions contributed to the unrestricted net deficit such as the local share component of the Natural Areas program, the bond construction at the Oregon Zoo, and housing projects funded by the Affordable Housing bond. It should further be noted

that all four of these bond issuances are supported by dedicated tax revenues (property taxes and site-specific transient lodging taxes) and current accounting standards only allow the recording of taxes as they are levied. Unrestricted net position in business-type activities decreased \$10,590,768 or 46.5 percent which is explained later in this analysis.

Changes in net position. Overall, Metro's net position decreased 5.7 percent or \$38,457,093 over the prior fiscal year. Governmental activities' net position decreased \$34,257,296, while business-type activities' net position decreased \$4,199,797 for the fiscal year ended June 30, 2021. The components of the change in net position are reflected in the condensed information from Metro's Statement of Activities presented in the table below. The reasons for the changes noted here are discussed in the following sections for governmental activities and business-type activities.

Governmental activities. Governmental activities program revenues decreased \$2,243,690 or 5.3% and totaled \$39,730,067. This was a pandemic-related decrease, primarily attributable to reductions in recreation fees in the Parks Department.

METRO
Management's Discussion and Analysis, *continued*
For the fiscal year ended June 30, 2021

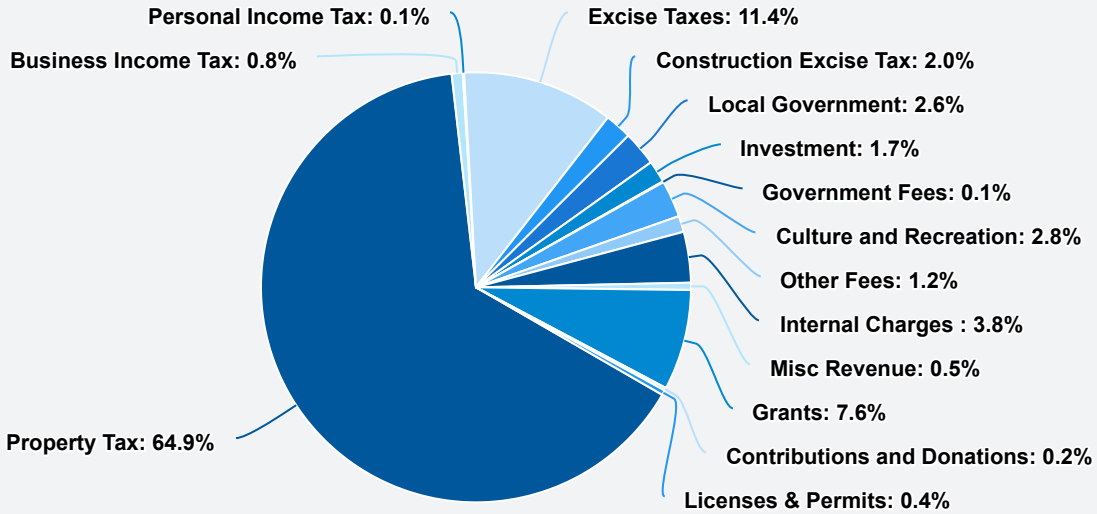
Metro's Changes in Net Position

	Governmental Activities		Business-type Activities		Total - Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues						
Charges for services	\$ 14,564,944	15,963,480	99,688,804	133,125,232	114,253,748	149,088,712
Operating grants and contributions	24,471,667	25,671,383	23,297,033	27,786,467	47,768,700	53,457,850
Capital grants and contributions	693,456	338,894	1,506,667	788,333	2,200,123	1,127,227
General revenues						
Property taxes	106,525,202	114,176,644	-	-	106,525,202	114,176,644
Excise taxes	18,704,633	16,916,905	-	-	18,704,633	16,916,905
Business income taxes	1,350,598	-	-	-	1,350,598	-
Personal income taxes	173,785	-	-	-	173,785	-
Other	6,124,824	33,941,507	38,749	3,801,003	6,163,573	37,742,510
Total revenues	<u>172,609,109</u>	<u>207,008,813</u>	<u>124,531,253</u>	<u>165,501,035</u>	<u>297,140,362</u>	<u>372,509,848</u>
Expenses:						
General government operations	23,947,617	26,670,161	-	-	23,947,617	26,670,161
Regional planning and development	79,863,702	29,178,474	-	-	79,863,702	29,178,474
Culture and recreation	36,625,998	33,858,567	-	-	36,625,998	33,858,567
Interest on long-term debt	32,096,042	29,756,453	-	-	32,096,042	29,756,453
Solid Waste	-	-	95,968,724	84,882,301	95,968,724	84,882,301
Oregon Zoo	-	-	37,511,393	50,169,271	37,511,393	50,169,271
MERC	-	-	29,584,071	84,868,082	29,584,071	84,868,082
Total expenses	<u>172,533,359</u>	<u>119,463,655</u>	<u>163,064,188</u>	<u>219,919,654</u>	<u>335,597,547</u>	<u>339,383,309</u>
Increase in net position						
before transfers	75,750	87,545,158	(38,532,935)	(54,418,619)	(38,457,185)	33,126,539
Transfers	(34,333,138)	(37,300,764)	34,333,138	37,300,764	-	-
Increase in net position	<u>(34,257,388)</u>	<u>50,244,394</u>	<u>(4,199,797)</u>	<u>(17,117,855)</u>	<u>(38,457,185)</u>	<u>33,126,539</u>
Net Position, July 1	<u>302,709,054</u>	<u>252,464,658</u>	<u>367,595,777</u>	<u>384,713,632</u>	<u>670,304,831</u>	<u>637,178,290</u>
Net Position, June 30	<u>\$ 268,451,666</u>	<u>302,709,052</u>	<u>363,395,980</u>	<u>367,595,777</u>	<u>631,847,646</u>	<u>670,304,829</u>

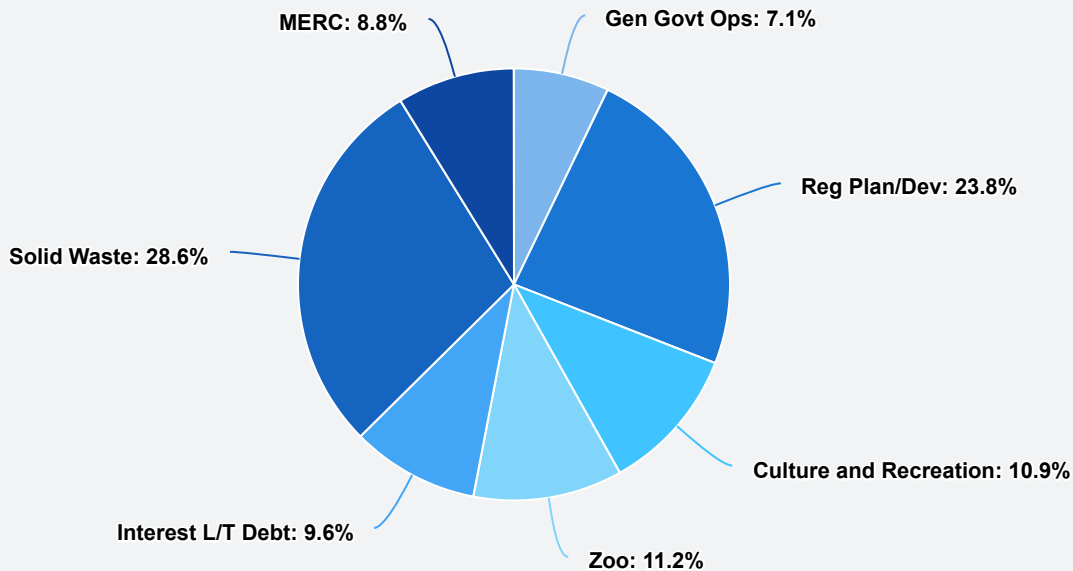
Metro's general government operations expense totaled \$23,947,617 or 7.1 percent of Metro's total program expenses, which was a decrease of \$3,785,762 or 1.1 percent from that reported in the prior fiscal year. This is reflective of several rounds of budget cuts in response to pandemic-related revenue impacts. Metro's regional planning and development program had total costs of \$79,863,702, up \$50,685,228 or a 173.7 percent increase from the prior fiscal year. Funding projects and administrative costs for the Affordable Housing program drove this increase.

METRO
 Management's Discussion and Analysis, *continued*
 For the fiscal year ended June 30, 2021

Metro Governmental Activities Sources of Revenue



Metro Function/Program Expenses



Interest on long-term debt increased by \$2,339,589 or 7.9 percent from the prior fiscal year and totaled \$32,096,042 or 9.6 percent of Metro's total program costs, up from 8.8 percent in the prior fiscal year, reflecting a relatively stable amount of debt and its corresponding repayment.

Business-type activities. Program revenues of Metro's business-type activities (Solid Waste, the Oregon Zoo and MERC operations) totaled \$124,531,253, down \$40,969,782 or 24.8 percent. Metro's business-type activities were the most directly impacted area by the COVID-19 pandemic. The Zoo and MERC facilities were either closed or limited in allowable capacity in

METRO

Management's Discussion and Analysis, *continued*

For the fiscal year ended June 30, 2021

compliance with directives from the state and county governments. Tonnage at Metro owned facilities increased 9.0% over the prior year, as activity quickly recovered to fiscal year 2018-19 levels; corresponding with that increase, fee revenue increased 7.0 percent to \$77,213,288. The Oregon Zoo had a 22.3 percent reduction in fee revenue, amounting to \$5.1 million fewer dollars. This was partially offset by increased grant and donation revenue of \$3.0 million dollars. The MERC fund had a 87.9 percent decrease in charges for services, totaling only \$4.6 million dollars for the year, reflecting a near complete shut down of those facilities. Both OCC and EXPO generated some revenue supporting disaster relief efforts, including both testing and vaccine clinics and emergency shelters.

Total expenses decreased \$56,855,466 or 25.9 percent to a total of \$163,064,188. Solid Waste program expenses increased \$11,086,423, or 13.1 percent; this reflects both higher tonnage and increased operating costs from enhanced service levels. Oregon Zoo program expenses decreased \$12,657,878, or 25.2 percent from a full year of significant cost cutting measures that were enacted. MERC expenses decreased \$55,284,011, or 65.1 percent; the MERC venues were largely shuttered the entire fiscal year and experienced substantial layoffs and cost cutting measures.

General revenues. The most significant general revenue, property taxes, accounts for 35.9 percent of all governmental activities revenues. Property taxes are dedicated to repayment of general obligation bond debt, for programs authorized by the Parks and Natural Areas Local Option Levy, or allocated by the Council in support of governmental activities. Property taxes to support debt service requirements were lower as Oregon Zoo Infrastructure and Animal Welfare Bonds, 2016 Series, was fully repaid. The total amount of property taxes decreased \$7,651,442 or 6.7 percent. Metro began to receive personal and business income tax revenue in the fiscal year ending June 30, 2021; the total receipts is expected to increase in future years as the Supportive Housing measure is implemented.

FINANCIAL ANALYSIS OF METRO'S FUNDS

As noted earlier, Metro uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Metro's *governmental funds* financial statements is to provide information on

near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing Metro's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for discretionary spending at the end of the fiscal year.

At June 30, 2021, Metro's governmental funds reported *combined* fund balances of \$975,286,854. This is down \$54,472,476 or 5.3 percent. The decrease is due mainly to the distribution of Affordable Housing bond proceeds, leading to a reduction of \$38,672,575 of fund balance restricted for that purpose and the last of the capital spending in the Oregon Zoo Infrastructure and Animal Welfare fund. Of the total amount of governmental combined fund balance above, \$25,371,311 or 2.6 percent, is considered *unassigned* fund balance and available for spending at Metro's discretion.

The remainder of the fund balance is either *nonspendable*, *restricted*, *committed* or *assigned*. *Nonspendable* fund balance represents amounts not in spendable form and the corpus of the permanent fund, which total \$15,952,994 at June 30, 2021. Fund balances *restricted* for particular purposes, such as affordable housing, parks and natural areas, bonded capital projects, the Willamette Falls Legacy project, and debt service totaled \$933,588,388. Metro does not currently have any *committed* fund balance; the Construction Excise Tax (CET) program was reported as committed in prior years but has been reclassified as *restricted* after an analysis of applicable accounting guidance. *Assigned* fund balance totaled \$374,163 and is reflected in Metro's permanent fund dedicated to cemetery programs and encumbered fund balance.

Note II.D.12 and Note IV.0 provide further information on Metro's fund balance classifications for all governmental funds.

The General Fund is the primary operating fund of Metro. At the end of fiscal year 2021, unassigned fund balance of the general fund was \$25,371,310. Total fund balance decreased \$11,455,852 to a total of \$91,731,508 at June 30, 2021. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 47.0 percent of total general fund expenditures, while total fund balance represents 100.0 percent of that same amount.

METRO

Management's Discussion and Analysis, *continued*

For the fiscal year ended June 30, 2021

The General Fund expended \$12,877,761 for general government operations. These operational expenditures included the general government share of costs for the Council Office, Metro Auditor, Office of Metro Attorney, Communications, Human Resources, Finance and Regulatory Services, and Information Services. Expenditures were \$7,451,256 lower than the prior year, largely due to pandemic related budget cuts.

Culture and recreation expenditures were \$8,550,018 lower in the general fund than the prior fiscal year, or a decrease of 71.1 percent. This partially reflects budget reductions but also is offset by consolidating parks activity in the Parks and Nature Operating fund, which shows an increase of \$6,277,123.

Metro collected \$3,318,783 in CET during the fiscal year ended June 30, 2020, down \$308,449 or 8.5 percent from the prior fiscal year. This tax is imposed on new construction within the region, with limited exceptions, and is intended to provide funds to local governments for planning of future expansion areas, future urban reserves and planning that enables redevelopment of centers, corridors and employment areas within the existing Urban Growth Boundary. While collections were down over the prior year, they are still at relatively high levels, corresponding with the high level of construction activity in the region despite pandemic related slowing.

The restricted and non-spendable positions in other governmental funds changed from \$926,507,540 to \$883,487,946, or a decrease of \$43,019,594. Reduction in restricted funds in the Affordable Housing account for this change as the program has been disbursing money to local partners to fund projects.

Metro's other major governmental funds also include the Parks and Natural Areas Local Option Levy, Affordable Housing, Supportive Housing, the General Obligation Bond Debt Service Fund, and the Oregon Zoo Infrastructure and Animal Welfare, Natural Areas, and Parks and Nature Funds. All of these funds carry restricted or non-spendable fund balances because they were established for specific purposes by the passage of various ballot measures.

There was an increase in expenditures in the Parks and Nature Operating fund as general fund activities were combined with the local option levy fund. The Affordable Housing Fund had substantially higher activity, expenditures amounted to \$40.5 million, as housing partners established their spending programs and funded the first projects.

Capital construction was substantially complete at the Oregon Zoo, with major projects including both Polar Bear and Primate habitats completing major construction activity. Spending decreased by 49.1 percent to \$11,932,539, and will have no further activity in future years. Similarly, the Natural Areas Fund is winding down; there was 36.4 percent fewer expenditures in the current fiscal year. The Parks and Nature Bond, however, was just passed in November 2019. The fund received \$200.0 million in general obligation proceeds with a \$10.9 million dollar premium in the prior fiscal year. Project planning commenced and future years will have higher activity.

Proprietary funds. Metro's proprietary fund statements provide the same type of information found in the government-wide financial statements on pages 37 - 42, but in more detail.

At the end of fiscal year 2021, *unrestricted net position* of the Solid Waste Fund, Oregon Zoo Fund, and MERC Fund amounted to \$10,267,658, a deficit of \$6,592,392, and \$11,233,965, respectively. The total change in *unrestricted net position* for each fund equaled a decrease of \$20,791,072, an increase of \$7,662,963, and an increase of \$3,105,325, respectively. Solid Waste held their tonnage rates static in response to the pandemic, absorbing increased costs. The Oregon Zoo and MERC venues all aggressively reduced their expenditures in response to the pandemic in order to preserve fund balance reserves.

BUDGETARY HIGHLIGHTS

As noted earlier, Metro's General Fund is used to account for general government operations and the programs of Planning, Parks and Nature, and Property and Environmental Services. Over the course of the fiscal year, the Metro Council revised the budget for the General Fund five times, and total appropriations came to \$115,948,269. The total budgeted appropriation for expenditures and transfers decreased \$6,313,394 as the agency adjusted to the economic impacts of the pandemic.

There were no government contributions recorded in the fiscal year, but budgeted at \$6,069,914; annual support from TriMet for TOD and transportation planning was not received within 60 days of fiscal year end and will be reflected in next year's financial statements. Expenditures in Planning and Development were \$9,355,713 less than budgeted; Metro routinely budgets in a manner to

METRO

Management's Discussion and Analysis, *continued*

For the fiscal year ended June 30, 2021

ensure there is sufficient appropriation for potential TOD program purchases.

As previously mentioned, the COVID-19 pandemic had a dramatic impact on Metro's visitor venues. The Oregon Zoo Operating fund only received \$22,867,034 of a budgeted \$25,936,701 in program revenues, a negative variance of 11.8 percent. This reflects continued impacts

from closures and capacity limitations; the prior year budget for program revenues was \$34,016,713. The MERC Fund had only a negative 4.8 percent variance to its final budgeted program revenue, only due to mid-year amendments reducing the expected revenue in half; the original budgeted program revenues were \$45,161,945 compared to the final budgeted amount of \$22,696,420.

Metro's Capital Assets

(Net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 306,482,354	305,467,234	21,045,160	21,045,160	327,527,514	326,512,394
Intangible - easements	12,248,393	12,226,710	-	-	12,248,393	12,226,710
Artwork	274,486	270,986	1,184,358	1,184,358	1,458,844	1,455,344
Buildings and Exhibits	22,122,939	23,671,782	281,272,618	247,285,767	303,395,557	270,957,549
Improvements	15,415,806	15,373,153	20,877,481	17,740,474	36,293,287	33,113,627
Equipment and Vehicles	1,952,575	1,932,889	14,593,160	14,515,404	16,545,735	16,448,293
Intangible - software	922,766	884,554	306,826	1,460,116	1,229,592	2,344,670
Office furniture/equip	417,539	240,624	584,580	397,308	1,002,119	637,932
Railroad equip/facilities	-	-	1,772,397	2,121,925	1,772,397	2,121,925
Construction in Progress	17,428,530	9,322,772	6,212,988	37,787,280	23,641,518	47,110,052
Total	\$ 377,265,388	369,390,704	347,849,568	343,537,792	725,114,956	712,928,496

Grant revenues came in lower compared to budget due to several factors within the Planning and Development

Year over year, total revised budget across all funds was \$1,480,248,103, down 4.2% from Fiscal Year 2019-20. A large portion of this budget is unappropriated fund balance in the Affordable Housing program, which is expected to be spent over a seven to ten year period.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Metro's capital assets for its governmental and business-type activities totals \$725,114,956 (net of accumulated depreciation) as of June 30, 2021.

This investment includes land, buildings and exhibits, improvements, and various types of equipment. The total increase (including additions and deductions) in Metro's investment in capital assets for the current fiscal year was \$12,186,460 or 1.7 percent, net of accumulated depreciation. Metro reflects an increase of \$7,874,684 or 2.1 percent in capital assets attributable to governmental activities and an increase of \$4,311,776 or 1.3 percent in business-type activity capital assets (additional capital assets, less increases in accumulated depreciation). Notably, major construction finished for the final projects, Polar Passage and Primate Forest,

funded by the Oregon Zoo Infrastructure and Animal Welfare bond measure during the fiscal year.

Additional information on Metro's capital assets can be found in Note IV.D to the financial statements.

Long-term debt. At the end of the current fiscal year, Metro had total bonded debt outstanding of \$1,041,991,505 net of unamortized premiums and discounts. Of this amount, \$925,901,419 comprises debt backed by property tax assessments and the remainder of \$116,090,086 represents bonds secured by a broad pledge of Metro revenues, including property taxes used to support operations, and excise taxes levied on users of certain Metro services.

The table at the top of the following page provides a summary of Metro's debt activity. Bonds are reflected net of unamortized premiums and discounts as disclosed in the notes to the financial statements:

Metro's total debt decreased \$25,492,773 or 2.4 percent during the current fiscal year. This is reflective of the scheduled debt repayment.

METRO

Management's Discussion and Analysis, *continued*

For the fiscal year ended June 30, 2021

Metro's Outstanding Debt

	Governmental Activities		Business-type activities		Total - Primary Government	
	2021	2020	2021	2020	2021	2020
General Obligation bonds	\$ 925,901,419	\$ 970,079,966	-	-	925,901,419	970,079,966
Full Faith & Credit/Revenue	111,931,951	92,263,065	4,158,135	5,141,247	116,090,086	97,404,312
Total	\$ 1,037,833,370	\$ 1,062,343,031	4,158,135	5,141,247	1,041,991,505	1,067,484,278

In March 2020, Standard & Poor's reaffirmed its AAA rating on Metro general obligation bonds, while Moody's Investor Services reaffirmed its Aaa rating. The rating agencies' reports emphasized the strong financial reserves of the agency, the low debt ratio, significantly broad tax base and the strength of its financial policies. In May 2020, Moody's issued a credit opinion on Metro's 2017 Dedicated Tax Revenue Bonds affirming their Aa3 rating due to strong reserves, historically robust coverage, and solid mechanisms for bond repayment. However, they were assigned a negative outlook because of the expected declines in tourism due to the COVID-19 pandemic. No other opinions have been issued on Metro's debt since that report.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for Metro is \$35,350,645,846, which is significantly in excess of Metro's outstanding general obligation debt.

Additional information on Metro's long-term debt can be found in Notes IV.K through IV.L in the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

By law, Metro must present a balanced budget. When accounting for all resources and requirements, the budget for Fiscal Year 2021-22 totals \$1,559,386,904, up 8.7 percent from Fiscal Year 2020-21. A detailed discussion can be found in Metro's 2021-22 Adopted Budget.

Budgetary assumptions impacting Metro's budget are:

- Property taxes reflect Metro's permanent operating rate of \$0.0966/\$1,000 of assessed value; and the local option levy rate of \$0.0960/\$1,000 of assessed value. FY 2021-22 is the fourth year of the second five-year local option levy approved for renewal by voters in 2016. Both levies assume a 4.0 percent increase in assessed value and a 94.5 percent collectible rate.

- Local government revenues include the Transient Lodging Tax (TLT) collected by Multnomah County to support operations of OCC and Portland's and capital funding for OCC and Expo, and the Visitor Facilities Trust Account (VFTA) allocations to OCC and Portland's. Those revenues are budgeted to increase as the region begins recovering from the COVID-19 pandemic.
- Enterprise revenues include a 173.0 percent increase at MERC, a 7.6 percent decrease at the Oregon Zoo, and a 17.3 percent increase in solid waste revenues.
- Personnel services costs decrease by 1.0 percent. The decrease is related to staff reductions related to the COVID-19 pandemic and is partially offset by an increase in PERS costs and salary adjustments for cost of living, merit, and step increases. A large percentage of Metro staff are represented and salary increases are based on specific collective bargaining agreements.
- The number of authorized positions increases in fiscal year 2022 by a net 7.8 FTE to a total of 974.66 FTE, as some positions were restored in anticipation of COVID restrictions lifting.
- Voters in greater Portland approved a supportive housing services measure, levying a 1% tax on personal taxable income above \$125,000 for individuals and \$200,000 for those filing jointly, and a 1% tax on net business income for businesses with gross receipts in excess of \$5.0 million. The budget anticipates \$180.0 million in revenues and \$150.0 million in payments to other governmental agencies for approved affordable housing bond projects and implementation of those supportive housing services.
- Significant capital project expenditures in fiscal year 2022 include: \$8.4 million for land acquisition facility design for a new solid waste facility, \$4.4 million in infrastructure improvements at the Metro Regional Center, \$5.0 million for design and construction of the Willamette Falls project, and \$7.8 million for

METRO
Management's Discussion and Analysis, *continued*
For the fiscal year ended June 30, 2021

land acquisition and restoration projects at Metro parks and natural areas.

Metro's financial policies are the backbone of Metro's financial accountability and transparency. The fiscal year 2021-22 budget is a chance to prepare both for the coming fiscal year and for the longer term. Preparing for the future is a core element of Metro's charter and organizational culture.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Metro's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Metro, 600 NE Grand Avenue, Portland, Oregon, 97232-2736.

BASIC FINANCIAL STATEMENT

Government-Wide Financial Statements

METRO
Statement of Net Position
June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Oregon Zoo Foundation
ASSETS				
Equity in internal cash and investment pool	\$ 28,566,546	83,281,253	111,847,799	1,868,031
Investments	-	-	-	16,393,029
Receivables (net of allowance for uncollectibles):				
Property taxes	414,628	-	414,628	-
Trade	17,861	9,240,244	9,258,105	701,324
Other	10,327,753	4,595,373	14,923,126	442,133
Interest	215,258	244,677	459,935	-
Grants	4,441,514	390,948	4,832,462	-
Internal balances	2,711,527	(2,711,527)	-	-
Inventories	-	1,060,475	1,060,475	-
Prepaid items	924,113	89,329	1,013,442	-
Net OPEB asset	368,125	356,757	724,882	-
Other assets	258,397	86,500	344,897	106,526
Restricted assets:				
Equity in internal cash and investment pool	156,176,361	80,000	156,256,361	-
Investments	774,880,970	-	774,880,970	-
Receivables (net of allowance for uncollectibles):				
Property taxes	1,991,488	-	1,991,488	-
Personal and business income taxes	324,473	-	324,473	-
Trade	336,716	-	336,716	-
Other	131,043	-	131,043	-
Interest	2,915,777	-	2,915,777	-
Grants	458,352	-	458,352	-
Assets held for resale	10,765,567	-	10,765,567	-
Advances	14,966,997	-	14,966,997	-
Prepaid items	9,742	-	9,742	-
Loans receivable	1,069,071	-	1,069,071	-
Capital assets:				
Land, intangibles, artwork and construction in progress	336,433,762	28,442,507	364,876,269	-
Other capital assets (net of accumulated depreciation)	40,831,626	319,407,061	360,238,687	19,500
Total assets	1,389,537,668	444,563,597	1,834,101,265	19,530,543
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	166,295	-	166,295	-
Deferred pension amounts	23,394,169	20,729,354	44,123,523	-
Deferred OPEB amounts	323,265	419,041	742,306	-
Total deferred outflows of resources	23,883,729	21,148,395	45,032,124	-
LIABILITIES				
Accounts payable	14,586,906	10,251,814	24,838,720	58,003
Accrued salaries and benefits	2,605,597	2,513,121	5,118,718	-
Contracts payable	841,663	792,250	1,633,913	2,082,904
Accrued interest payable	3,560,296	9,518	3,569,814	-
Accrued self-insurance claims	770,000	-	770,000	-
Unearned revenue	767,254	2,324,837	3,092,091	148,470
Deposits payable	9,838	1,877,391	1,887,229	-
Other liabilities	6,818	2,589,324	2,596,142	-
Payable from restricted assets:				
Contracts payable	-	-	-	3,065

(Continued)

METRO
Statement of Net Position, *continued*
June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Oregon Zoo Foundation
LIABILITIES, Continued				
Non-current liabilities:				
Due within one year:				
Bonds payable	\$ 60,670,000	920,000	61,590,000	-
Post-closure costs payable	-	566,340	566,340	-
Pollution remediation obligation	384,802	-	384,802	-
Compensated absences	3,221,699	3,005,277	6,226,976	-
Due in more than one year:				
Bonds payable (net of unamortized premium or discount)	977,163,367	3,238,134	980,401,501	-
Other postemployment benefits obligation	1,211,534	2,155,445	3,366,979	-
Post-closure costs payable	-	2,410,530	2,410,530	-
Pollution remediation obligation	886,500	95,000	981,500	-
Compensated absences	1,245,626	1,253,782	2,499,408	-
Net pension liability	73,993,746	65,565,162	139,558,908	-
Total liabilities	1,141,925,646	99,567,925	1,241,493,571	2,292,442
DEFERRED INFLOWS OF RESOURCES				
Deferred pension amounts	2,932,122	2,598,127	5,530,249	-
Deferred OPEB amounts	111,873	149,960	261,833	-
Total deferred inflows of resources	3,043,995	2,748,087	5,792,082	-
NET POSITION				
Net investment in capital assets (1)	324,068,485	343,691,434	621,205,786	19,500
Restricted for:				
Parks and natural areas operations:				
Expendable	11,014,191	-	11,014,191	-
Affordable housing	23,839,036	-	23,839,036	-
Transit oriented development projects	18,869,537	-	18,869,537	-
Planning projects	29,364,906	-	29,364,906	-
Smith and Bybee Wetlands management plan	1,690,414	-	1,690,414	-
Community enhancement	1,519,938	-	1,519,938	-
Willamette Falls Legacy project	15,336,954	-	15,336,954	-
Debt service	4,600,915	-	4,600,915	-
Capital projects	15,103,242	7,506,843	22,610,085	-
Perpetual care:				
Expendable	122,701	-	122,701	-
Non-expendable	692,447	-	692,447	-
Zoo purposes:				
Unrestricted	(177,771,010)	12,197,703	(119,019,174)	17,218,601
Total net position	\$ 268,451,756	363,395,980	631,847,736	17,238,101

(1) See Note II.D.12 in the notes to the financial statements

The notes to the financial statements are an integral part of this statement.

METRO
Statement of Activities
For the fiscal year ended June 30, 2021

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental activities:				
General government operations	\$ 23,947,617	4,954,137	4,050,021	-
Regional planning and development	79,863,702	2,012,481	17,762,544	-
Culture and recreation	36,625,998	7,598,326	2,659,102	693,456
Interest on long-term debt	32,096,042	-	-	-
Total governmental activities	172,533,359	14,564,944	24,471,667	693,456
Business-type activities:				
Solid Waste	95,968,724	77,213,288	304,513	-
Oregon Zoo	37,511,393	17,881,058	6,099,243	1,466,667
MERC	29,584,071	4,594,458	16,893,277	40,000
Total business-type activities	163,064,188	99,688,804	23,297,033	1,506,667
Total primary government	\$ 335,597,547	114,253,748	47,768,700	2,200,123
Component Unit:				
Oregon Zoo Foundation	\$ 9,247,114	3,895,859	4,547,367	-
General revenues:				
Property taxes				
Personal and business income taxes				
Excise taxes				
Construction excise tax				
Cemetery revenue surcharge				
Unrestricted investment earnings (loss)				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - July 1, 2020				
Net position - June 30, 2021				

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Oregon Zoo Foundation
(14,943,459)	-	(14,943,459)	
(60,088,677)	-	(60,088,677)	
(25,675,114)	-	(25,675,114)	
(32,096,042)	-	(32,096,042)	
(132,803,292)	-	(132,803,292)	
-	(18,450,923)	(18,450,923)	
-	(12,064,425)	(12,064,425)	
-	(8,056,336)	(8,056,336)	
-	(38,571,684)	(38,571,684)	
(132,803,292)	(38,571,684)	(171,374,976)	
			(803,888)
106,525,202	-	106,525,202	-
1,524,473	-	1,524,473	-
18,704,633	-	18,704,633	-
3,318,783	-	3,318,783	-
55,300	-	55,300	-
2,750,741	38,749	2,789,490	3,070,295
(34,333,138)	34,333,138	-	-
98,545,994	34,371,887	132,917,881	3,070,295
(34,257,298)	(4,199,797)	(38,457,095)	2,266,407
302,709,054	367,595,777	670,304,831	14,971,694
\$ 268,451,756	363,395,980	631,847,736	17,238,101

Fund Financial Statements

Governmental Funds

Major Funds

General Fund

The *General Fund* accounts for all activities not required to be accounted for in another fund. This fund accounts for Metro's primary governmental programs and support services including Council, Office of the Auditor, Office of Metro Attorney, Information Services, Communications, Finance and Regulatory Services, Human Resources, Property and Environmental Services (construction project management and Metro Regional Center building operations components), Parks and Nature, Planning and Development (land use, urban growth management, and environmental and transportation planning), Research Center, and special and non-departmental appropriations. The principal resources of the fund are charges for services, grants, property taxes, construction excise tax, and excise taxes on Metro's facilities and services levied in accordance with the Metro Code.

The budgetary General Fund is combined with two other budgetary funds, the General Revenue Bond Fund – General and the General Asset Management Fund, to become one fund in accordance with accounting principles generally accepted in the United States of America.

Special Revenue Funds

Parks and Nature Operating Fund

This fund accounts for a dedicated local option levy and other funding that is used to improve water quality and restore wildlife habitat, wetlands, and floodplains in the region, as well as needed upkeep to parks, nature education and community partnerships throughout the region.

Affordable Housing Fund

This fund was established to account for bond proceeds and expenditures related to the 2018 Affordable Housing Measure. Metro sold \$652.8 million in taxable bonds in May 2019 to fund affordable housing for low-income families, seniors, veterans and people with disabilities in the greater Portland region.

Supportive Housing Services Fund

This fund was established to account for income tax proceeds and expenditures related to the 2020 Supportive Housing Services Measure. Specifically, funds will provide funding for housing assistance and wraparound services. The principal source of revenue is personal income taxes and business income taxes.

Debt Service Fund

The General Obligation Bond Debt Service Fund accounts for payments of general obligation bond principal and interest to bondholders. The principal resources are property taxes and investment income.

Fund Financial Statements

Governmental Funds

Capital Projects Funds

Zoo Infrastructure and Animal Welfare Fund

This fund was established to account for proceeds of voter-approved general obligation bonds to fund infrastructure and projects related to animal welfare at the Oregon Zoo. The principal source of revenue is investment income.

Natural Areas Fund

This fund accounts for activities to acquire and preserve natural areas and stream frontages, maintain and improve water quality, and protect fish and wildlife habitat. The principal resources are investment income and grants.

Parks and Nature Bond Fund

This fund accounts for activities to protect natural areas, water quality, and fish and wildlife habitat and connecting people to nature. The principal sources of revenue are bonds issued, premium on bonds issued, and investment income.

Other Governmental Funds

Other governmental funds include Smith and Bybee Wetlands Fund, Community Enhancement Fund, Open Spaces Fund, and Cemetery Perpetual Care Fund.

METRO
Balance Sheet and Reconciliation to Statement of Net Position
Governmental Funds
June 30, 2021

	Special Revenue				
	General	Parks and Nature Operating	Affordable Housing	Supportive Housing Services	General Obligation Bond Debt Service
ASSETS					
Equity in internal cash and investment pool	\$ 81,498,622	13,334,166	23,825,020	21,146,910	3,685,506
Investments	-	-	592,832,713	-	-
Receivables:					
Property taxes	414,628	382,366	-	-	1,609,122
Personal and business income taxes	-	-	-	324,473	-
Trade	338,280	16,297	-	-	-
Other	10,327,754	86,903	-	-	-
Interest	248,272	41,834	1,939,381	-	8,291
Grants	4,098,828	436,752	2,700	900	-
Assets held for resale	6,515,567	-	4,250,000	-	-
Advances	-	-	14,966,997	-	-
Prepaid items	219,961	7,742	-	-	-
Other assets	201,200	48,474	-	-	-
Loans receivable	1,069,071	-	-	-	-
Restricted assets:					
Equity in internal cash and investment pool	3,382,929	-	-	-	25
Total assets	\$ 108,315,112	14,354,534	637,816,811	21,472,283	5,302,944
LIABILITIES					
Accounts payable	\$ 6,288,199	1,609,947	971,277	3,264,687	-
Accrued salaries and benefits	1,721,991	560,410	48,778	22,973	-
Contracts payable	65,044	32,496	-	-	-
Unearned revenue	238,723	13,740	-	-	-
Deposits payable	8,988	850	-	-	-
Other liabilities	3,999	2,348	-	-	-
Pollution remediation obligation	-	-	-	-	-
Total liabilities	8,326,944	2,219,791	1,020,055	3,287,660	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	296,669	323,926	-	-	1,369,383
Unavailable revenue-other	7,959,991	-	-	-	-
Total deferred inflows of resources	8,256,660	323,926	-	-	1,369,383
FUND BALANCES					
Nonspendable	228,507	7,742	14,966,997	-	-
Restricted	65,824,929	11,803,075	621,829,759	18,184,623	3,933,561
Committed	-	-	-	-	-
Assigned	306,762	-	-	-	-
Unassigned	25,371,310	-	-	-	-
Total fund balances	91,731,508	11,810,817	636,796,756	18,184,623	3,933,561
Total liabilities, deferred inflows of resources and fund balances	\$ 108,315,112	14,354,534	637,816,811	21,472,283	5,302,944

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

The net pension liability and related deferred outflows and inflows of resources are not available/payable in the current period and therefore are not reported in the funds.

The net OPEB liability and related deferred outflows and inflows of resources are not available/payable in the current period and therefore are not reported in the funds.

Property taxes and certain other revenues are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds.

An internal service fund is used by management to charge the costs of insurance and risk management to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

Long-term liabilities (including bonds payable) and related deferred outflows of resources, are not due and payable in the current period and therefore are not reported in the funds.

Net position of governmental activities

The notes to the financial statements are an integral part of this statement.

Capital Projects			Other Governmental Funds	Total Governmental Funds
Oregon Zoo Infrastructure and Animal Welfare	Natural Areas	Parks and Nature Bond		
1,733,416	6,844,281	21,378,315	3,519,560	176,965,796
-	-	182,048,259	-	774,880,972
-	-	-	-	2,406,116
-	-	-	-	324,473
-	-	-	-	354,577
-	-	-	44,139	10,458,796
4,877	22,232	841,008	10,556	3,116,451
-	4,200	11,550	-	4,554,930
-	-	-	-	10,765,567
-	-	-	-	14,966,997
-	-	-	2,000	229,703
-	-	8,722	-	258,396
-	-	-	-	1,069,071
-	-	-	-	3,382,954
<u>1,738,293</u>	<u>6,870,713</u>	<u>204,287,854</u>	<u>3,576,255</u>	<u>1,003,734,799</u>
1,239,573	232,378	431,011	374,717	14,411,789
30	56,941	179,481	-	2,590,604
498,690	192,788	52,645	-	841,663
-	-	-	-	252,463
-	-	-	-	9,838
-	-	470	-	6,817
-	-	384,802	-	384,802
<u>1,738,293</u>	<u>482,107</u>	<u>1,048,409</u>	<u>374,717</u>	<u>18,497,976</u>
-	-	-	-	1,989,978
-	-	-	-	7,959,991
-	-	-	-	9,949,969
-	-	-	749,747	15,952,993
-	6,388,606	203,239,445	2,384,390	933,588,388
-	-	-	-	-
-	-	-	67,401	374,163
-	-	-	-	25,371,310
-	6,388,606	203,239,445	3,201,538	975,286,854
<u>1,738,293</u>	<u>6,870,713</u>	<u>204,287,854</u>	<u>3,576,255</u>	
				377,265,387
				(53,531,699)
				(632,017)
				9,949,969
				6,659,770
				(1,046,546,508)
				<u>\$ 268,451,756</u>

METRO
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2021

	Special Revenue				
	General	Parks and Nature Operating	Affordable Housing	Supportive Housing Services	General Obligation Bond Debt Service
REVENUES					
Property taxes	\$ 17,243,849	16,483,954	-	-	72,792,363
Excise taxes	18,704,633	-	-	-	-
Business income taxes	-	-	-	1,350,598	-
Personal income taxes	-	-	-	173,875	-
Construction excise tax	3,318,783	-	-	-	-
Cemetery revenue surcharge	-	-	-	-	-
Investment income	(12,232)	84,843	1,712,755	153,915	303,042
Government fees	67,324	4,550	-	-	-
Culture and recreation fees	3,702,010	828,780	-	-	-
Solid waste fees	-	-	-	-	-
Other fees	263,359	601,800	-	-	-
Internal charges for services	5,721,892	562,198	-	-	-
Licenses and permits	587,595	-	-	-	-
Miscellaneous revenue	238,787	625,157	-	-	-
Grants	11,398,040	498,109	2,700	900	-
Local government shared revenues	3,615,100	648,189	-	-	-
Government contributions	320,419	14,500	-	-	-
Capital grants	-	-	-	-	-
Total revenues	65,169,559	20,352,080	1,715,455	1,679,288	73,095,405
EXPENDITURES					
Current:					
General government operations	12,877,761	-	-	-	-
Regional planning and development	24,008,988	-	40,450,166	10,990,048	-
Culture and recreation	3,468,356	18,375,243	-	-	-
Debt service:					
Principal	7,415,000	-	-	-	41,290,000
Interest	3,971,216	-	-	-	31,411,412
Capital outlay	2,246,798	126,310	-	-	-
Total expenditures	53,988,119	18,501,553	40,450,166	10,990,048	72,701,412
Revenues over (under) expenditures	11,181,440	1,850,527	(38,734,711)	(9,310,760)	393,993
OTHER FINANCING SOURCES (USES)					
Bonds issued	-	-	-	27,500,000	-
Sale of capital assets	7,000	2,800	-	-	-
Transfers in	1,955,307	1,777,213	-	-	-
Transfers out	(24,599,599)	(1,162,545)	(13,867)	(4,617)	-
Total other financing sources (uses)	(22,637,292)	617,468	(13,867)	27,495,383	-
Net change in fund balances	(11,455,852)	2,467,995	(38,748,578)	18,184,623	393,993
Fund balances - July 1, 2020	103,187,360	9,342,822	675,545,334	-	3,539,568
Fund balances - June 30, 2021	\$ 91,731,508	11,810,817	636,796,756	18,184,623	3,933,561

The notes to the financial statements are an integral part of this statement.

<u>Capital Projects</u>				
<u>Oregon Zoo Infrastructure and Animal Welfare</u>	<u>Natural Areas</u>	<u>Parks and Nature Bond</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
-	-	-	-	106,520,166
-	-	-	-	18,704,633
-	-	-	-	1,350,598
-	-	-	-	173,875
-	-	-	-	3,318,783
-	-	-	55,300	55,300
(40,402)	72,781	441,229	12,971	2,728,902
-	-	-	-	71,874
-	-	-	-	4,530,790
-	-	-	1,126,754	1,126,754
-	-	-	-	865,159
-	-	-	-	6,284,090
-	-	-	-	587,595
-	3,370	2,274	-	869,588
-	256,033	11,550	-	12,167,332
-	-	-	-	4,263,289
-	-	-	-	334,919
-	268,456	-	-	268,456
<u>(40,402)</u>	<u>600,640</u>	<u>455,053</u>	<u>1,195,025</u>	<u>164,222,103</u>
-	-	-	-	12,877,761
-	-	-	-	75,449,202
121,684	1,243,643	2,131,909	1,342,856	26,683,691
-	-	-	-	48,705,000
-	-	-	-	35,382,628
<u>11,810,855</u>	<u>5,093,291</u>	<u>5,608,411</u>	<u>98,652</u>	<u>24,984,317</u>
<u>11,932,539</u>	<u>6,336,934</u>	<u>7,740,320</u>	<u>1,441,508</u>	<u>224,082,599</u>
<u>(11,972,941)</u>	<u>(5,736,294)</u>	<u>(7,285,267)</u>	<u>(246,483)</u>	<u>(59,860,496)</u>
-	-	-	-	27,500,000
-	-	-	-	9,800
-	-	-	-	3,732,520
<u>(8,027)</u>	<u>(17,717)</u>	<u>(47,928)</u>	-	<u>(25,854,300)</u>
<u>(8,027)</u>	<u>(17,717)</u>	<u>(47,928)</u>	-	<u>5,388,020</u>
<u>(11,980,968)</u>	<u>(5,754,011)</u>	<u>(7,333,195)</u>	<u>(246,483)</u>	<u>(54,472,476)</u>
<u>11,980,968</u>	<u>12,142,617</u>	<u>210,572,640</u>	<u>3,448,021</u>	<u>1,029,759,330</u>
<u>-</u>	<u>6,388,606</u>	<u>203,239,445</u>	<u>3,201,538</u>	<u>975,286,854</u>

METRO**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2021**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances-total governmental funds		\$ (54,472,476)
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation		
Expenditures for capital assets	25,361,441	
Less current year depreciation	<u>(2,847,613)</u>	22,513,828
Governmental funds expend general obligation bond proceeds that become capital assets that are owned and depreciated by a proprietary fund in governmental activities		(12,205,956)
In the statement of activities, only the gain or loss on the disposal of capital assets is reported, while in governmental funds, the entire proceeds from sales increase financial resources. The change in net position differs from the change in fund balance by the book values of the assets disposed.		(2,433,192)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue-property taxes	5,036	
Change in unavailable revenue-other	<u>7,935,222</u>	7,940,258
An internal service fund is used by management to charge the costs of insurance and risk management to individual funds. The net revenue of certain activities of the internal service fund is included in governmental activities in the statement of activities.		(250,847)
The issuance of long-term debt provides current financial resources to governmental funds, but issuance of debt increases long-term liabilities in the statement of net position. The repayment of principal on long-term debt uses current financial resources of governmental funds, but repayment of debt reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas premiums and discounts are deferred and amortized in the statement of activities. These are the effects of the differences in the treatment of long-term debt and related items.		
Bonds issued	(27,500,000)	
Principal payments on bonds	48,705,000	
Amortization of unamortized premium or discount	<u>3,304,663</u>	24,509,663
Expenses in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds.		
Other postemployment benefits	24,441	
Compensated absences	(1,299,418)	
Amortization of deferred charge on refunding	(153,503)	
Accruals associated with pension related obligations	(18,597,808)	
Arbitrage payable on bonds	32,287	
Accrued interest on long-term debt	<u>135,425</u>	(19,858,576)
Change in net position of governmental activities		<u>\$ (34,257,298)</u>

The notes to the financial statements are an integral part of this statement.

Fund Financial Statements

Proprietary Funds

Enterprise Funds

Major Funds

Solid Waste Fund

This fund accounts for revenues, primarily from charges for services for the disposal of solid waste, and expenses for the implementation, administration and enforcement of Metro's Solid Waste Management Plan. This fund also accounts for Metro South Station and Metro Central Station solid waste transfer and recycling facilities, and the closed St. Johns Landfill.

Oregon Zoo Fund

This fund accounts for revenues and expenses related to the management and operation of the Oregon Zoo. The principal sources of revenue are charges for services such as admission and membership fees, and food, beverage and gift sales. Expenses consist primarily of facility operation costs and payroll. This fund consists of three budgetary funds (Oregon Zoo Operating Fund, Oregon Zoo Asset Management Fund and General Revenue Bond Fund-Oregon Zoo) that are combined as one Enterprise Fund to be in accordance with accounting principles generally accepted in the United States of America.

MERC Fund

This fund accounts for revenues and expenses related to the management and operation of facilities managed by MERC, including the OCC, Expo Center, and Portland's. The principal sources of revenue are charges for services and local government shared revenue. Expenses consist primarily of management, food and beverage and operation costs. This fund consists of two budgetary funds (MERC Fund and General Revenue Bond Fund-MERC) that are combined as one Enterprise Fund to be in accordance with accounting principles generally accepted in the United States of America.

Internal Service Fund

Risk Management Fund

This fund accounts for risk management and self-insurance programs performed for other organizational units within Metro. The primary revenue is charges for services to user funds. Primary expenses are insurance premiums, claims costs, and studies related to insurance issues.

METRO
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities-Enterprise Funds				Governmental
	Solid Waste	Oregon Zoo	MERC	Total	Activities- Internal Service Fund Risk Management
ASSETS					
Current assets:					
Equity in internal cash and investment pool	\$ 38,323,939	20,374,190	24,583,124	83,281,253	4,394,160
Receivables:					
Trade	5,073,151	1,169,202	2,997,890	9,240,243	-
Other	1,828,085	232,691	2,534,597	4,595,373	-
Interest	115,425	59,711	69,542	244,678	14,584
Grants	294,513	96,435	-	390,948	344,935
Inventories	389,740	276,980	393,755	1,060,475	-
Prepaid items	27,715	8,462	53,153	89,330	704,152
Other assets	-	86,500	-	86,500	-
Total current assets	46,052,568	22,304,171	30,632,061	98,988,800	5,457,831
Noncurrent assets:					
Advances to other funds	1,342,839	-	-	1,342,839	-
Restricted equity in internal cash and investment pool	-	-	80,000	80,000	-
OPEB asset	146,568	131,150	79,039	356,757	-
Capital assets, net	32,671,563	170,949,918	144,228,087	347,849,568	-
Total noncurrent assets	34,160,970	171,081,068	144,387,126	349,629,164	-
Total assets	80,213,538	193,385,239	175,019,187	448,617,964	5,457,831
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension amounts	10,071,283	6,545,452	4,112,619	20,729,354	-
Deferred OPEB amounts	138,221	157,248	123,572	419,041	-
Total deferred outflows of resources	10,209,504	6,702,700	4,236,191	21,148,395	-
LIABILITIES					
Current liabilities:					
Accounts payable	7,587,067	1,333,191	1,331,556	10,251,814	175,117
Accrued salaries and benefits	1,197,413	837,701	478,007	2,513,121	14,993
Contracts payable	323,632	35,302	433,316	792,250	-
Accrued interest payable	-	-	9,518	9,518	-
Accrued self-insurance claims	-	-	-	-	770,000
Unearned revenue	-	393,648	1,931,189	2,324,837	514,792
Deposits payable	19,109	33,910	1,824,372	1,877,391	-
Other liabilities	385	281,390	2,307,549	2,589,324	-
Bonds payable-current	-	-	920,000	920,000	-
Post-closure costs payable-current	566,340	-	-	566,340	-
Compensated absences-current	1,423,241	879,727	702,309	3,005,277	28,855
Total current liabilities	11,117,187	3,794,869	9,937,816	24,849,872	1,503,757

(Continued)

METRO
Statement of Net Position
Proprietary Funds, *continued*
June 30, 2021

	Business-type Activities-Enterprise Funds			Total	Governmental
	Solid Waste	Oregon Zoo	MERC		Activities- Internal Service Fund Risk Management
LIABILITIES, <i>continued</i>					
Noncurrent liabilities:					
Bonds payable (net of unamortized premium or discount)	\$ -	-	3,238,134	3,238,134	-
Advances from other funds	-	1,342,839	-	1,342,839	-
Net other postemployment benefits obligation	570,645	822,081	762,719	2,155,445	-
Post-closure costs payable	2,410,530	-	-	2,410,530	-
Pollution remediation obligation	-	-	95,000	95,000	-
Compensated absences	220,287	764,316	269,179	1,253,782	5,831
Net pension liability	31,854,603	20,702,701	13,007,858	65,565,162	-
Total non-current liabilities	35,056,065	23,631,937	17,372,890	76,060,892	5,831
Total liabilities	46,173,252	27,426,806	27,310,706	100,910,764	1,509,588
DEFERRED INFLOWS OF RESOURCES					
Deferred pension amounts	1,262,290	820,379	515,458	2,598,127	-
Deferred OPEB amounts	48,279	56,385	45,296	149,960	-
Total deferred inflows of resources	1,310,569	876,764	560,754	2,748,087	-
NET POSITION					
Net investment in capital assets	32,671,563	170,949,918	140,069,953	343,691,434	-
Restricted for:					
Capital projects	-	7,426,843	80,000	7,506,843	-
Unrestricted	10,267,658	(6,592,392)	11,233,965	14,909,231	3,948,243
Total net position	\$ 42,939,221	171,784,369	151,383,918	366,107,508	3,948,243
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(2,711,527)	
Net position of business-type activities				\$ 363,395,981	

The notes to the financial statements are an integral part of this statement.

METRO
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the fiscal year ended June 30, 2021

	Business-type Activities-Enterprise Funds				Governmental
	Solid Waste	Oregon Zoo	MERC	Total	Activities- Internal Service Fund Risk Management
OPERATING REVENUES					
Charges for services	\$ 77,194,053	17,856,058	4,594,458	99,644,569	232,787
Internal charges for services	19,235	25,000	-	44,235	1,428,040
Total operating revenues	77,213,288	17,881,058	4,594,458	99,688,804	1,660,827
OPERATING EXPENSES					
Payroll and fringe benefits	28,638,975	16,960,102	2,879,480	48,478,557	496,770
Depreciation and amortization	2,733,053	6,372,682	4,685,454	13,791,189	-
Administration	6,090,678	4,401,529	7,076,620	17,568,827	-
Facility operations	23,591,298	8,996,960	11,371,576	43,959,834	308
Marketing	-	70	1,423,214	1,423,284	-
Food and beverage	-	-	1,427,871	1,427,871	-
Disposal fees	9,893,466	-	-	9,893,466	-
Waste transport	12,795,098	-	-	12,795,098	-
Special waste disposal fees	1,103,259	-	-	1,103,259	-
Landfill post-closure (reduction)	(717,902)	-	-	(717,902)	-
Consulting services	3,032,419	262,319	367,280	3,662,018	14,000
Charges for services	1,146,700	-	20,963	1,167,663	-
Insurance	-	-	-	-	1,366,181
Claims	-	-	-	-	584,472
Actuarial claims (reduction)	-	-	-	-	304,000
Other materials and services	4,521,030	-	-	4,521,030	75,300
Total operating expenses	92,828,074	36,993,662	29,252,458	159,074,194	2,841,031
Operating income (loss)	(15,614,786)	(19,112,604)	(24,658,000)	(59,385,390)	(1,180,204)
NON-OPERATING REVENUES (EXPENSES)					
Investment income	(39,161)	119,059	(41,148)	38,750	21,841
Grants	294,513	1,232,395	2,146,745	3,673,653	344,935
Local government shared revenue	-	-	7,660,868	7,660,868	-
Government contributions	10,000	-	4,084,664	4,094,664	-
Contributions and donations	-	4,866,847	3,001,000	7,867,847	-
Contributions to other governments	-	(15,000)	-	(15,000)	-
Gain (loss) on disposal of capital assets	(575,413)	(294,749)	(6,132)	(876,294)	-
Waste reduction grants	(2,498,415)	-	-	(2,498,415)	-
Interest expense	-	-	(32,302)	(32,302)	-
Total non-operating revenues (expenses)	(2,808,476)	5,908,552	16,813,695	19,913,771	366,776
Income (loss) before transfers and capital contributions	(18,423,262)	(13,204,052)	(7,844,305)	(39,471,619)	(813,428)
Capital contributions	152	13,672,471	40,000	13,712,623	-
Transfers in	-	15,746,776	7,075,610	22,822,386	-
Transfers out	(325,824)	(235,620)	(133,760)	(695,204)	(5,402)
Change in net position	(18,748,934)	15,979,575	(862,455)	(3,631,814)	(818,830)
Total net position - July 1, 2020	61,688,155	155,804,794	152,246,373		4,767,073
Total net position - June 30, 2021	\$ 42,939,221	171,784,369	151,383,918		3,948,243
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(567,983)	
Change in net position of business-type activities				\$ (4,199,797)	

The notes to the financial statements are an integral part of this statement.

METRO
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2021

	Business-type Activities- Enterprise Funds			Total	Governmental
	Solid Waste	Oregon Zoo	MERC		Activities- Internal Service Fund Risk Management
Cash flows from operating activities:					
Receipts from customers	\$ 76,777,415	17,530,103	4,637,189	98,944,707	232,787
Receipts from interfund services provided	-	-	-	-	1,428,040
Payments to suppliers for goods and services	(56,409,891)	(8,800,073)	(15,184,248)	(80,394,212)	(1,063,469)
Payments for claims	-	-	-	-	(584,472)
Payments to employees for services	(19,043,783)	(14,786,801)	(8,421,811)	(42,252,394)	(450,548)
Payments for interfund services used	(6,090,678)	(4,401,529)	(7,076,620)	(17,568,827)	-
Net cash used in operating activities	(4,766,937)	(10,458,300)	(26,045,490)	(41,270,727)	(437,662)
Cash flows from noncapital financing activities:					
Grants received	-	1,533,698	2,545,852	4,079,550	-
Local government shared revenues	-	-	7,054,403	7,054,403	-
Government contributions	10,000	-	4,084,664	4,094,664	-
Contributions and donations	-	4,866,848	3,001,000	7,867,848	-
Grants to others	(2,498,415)	(15,000)	-	(2,513,415)	-
Transfers from other funds	-	15,746,776	7,075,610	22,822,386	-
Transfers to other funds	(325,824)	(235,620)	(133,760)	(695,204)	(5,402)
Net cash provided by (used in) noncapital financing activities	(2,814,240)	21,896,702	23,627,769	42,710,231	(5,402)
Cash flows from capital and related financing activities:					
Capital grants and contributions	-	1,466,667	40,000	1,506,667	-
Principal payment on bonds	-	-	(890,000)	(890,000)	-
Interest payments	-	-	(126,475)	(126,475)	-
Acquisition and construction of capital assets	(5,228,652)	(1,604,692)	(4,449)	(6,837,793)	-
Net proceeds from sale of capital assets	(121,800)	11,007	175,283	64,490	-
Net cash used in capital and related financing activities	(5,350,452)	(127,018)	(805,641)	(6,283,111)	-
Cash flows from investing activities:					
Investment income (loss)	48,781	97,956	(4,134)	142,603	27,245
Net cash provided (used) by investing activities	48,781	97,956	(4,134)	142,603	27,245
Net increase (decrease) in cash including restricted amounts	(12,882,848)	11,409,339	(3,227,496)	(4,701,004)	(415,819)
Cash at beginning of year including restricted amounts	51,206,786	8,964,851	27,890,620	88,062,257	4,809,980
Cash at end of year including restricted amounts	\$ 38,323,939	20,374,190	24,663,124	83,361,253	4,394,161

(Continued)

METRO
Statement of Cash Flows
Proprietary Funds, *continued*
For the fiscal year ended June 30, 2021

	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Fund
	Solid Waste	Oregon Zoo	MERC	Total	Risk Management
Equity in internal cash and investment pool	\$ 38,323,939	20,374,190	24,583,124	83,281,253	4,394,161
Restricted equity in internal cash and investment pool	-	-	80,000	80,000	-
Total	\$ 38,323,939	20,374,190	24,663,124	83,361,253	4,394,161
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (15,614,786)	(19,112,604)	(24,658,000)	(59,385,391)	(1,180,204)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	2,733,053	6,372,682	4,685,454	13,791,189	-
Change in assets and liabilities:					
Trade/other accounts receivable	(435,873)	(350,955)	42,731	(744,097)	-
Inventories	(206,813)	(276,980)	(393,755)	(877,548)	-
Prepaid items	(27,715)	(8,462)	(53,153)	(89,329)	-
Other assets	-	27,500	-	27,500	(201,096)
Accounts payable	292,511	318,014	(1,657,349)	(1,046,824)	78,624
Accrued salaries, benefits and compensated absences	9,595,193	2,173,302	(5,542,331)	6,226,164	46,222
Contracts payable	142,318	35,302	(10,023)	167,597	-
Accrued self-insurance claims	-	-	-	-	304,000
Unearned revenue	-	91,531	(27,172)	64,359	514,792
Deposits payable	19,228	(8,709)	(112,675)	(102,156)	-
Other liabilities	353	281,079	1,680,783	1,962,214	-
Post-closure costs payable	(1,264,406)	-	-	(1,264,406)	-
Total adjustments	10,847,849	8,654,304	(1,387,489)	18,114,664	742,542
Net cash provided by (used in) operating activities	\$ (4,766,937)	(10,458,300)	(26,045,490)	(41,270,727)	(437,662)
Noncash investing, capital, and financing activities:					
Non-cash portion of capital contributions	\$ -	12,205,804	-	12,205,804	-

The notes to the financial statements are an integral part of this statement.

METRO
Notes to the Financial Statements
For the fiscal year ended June 30, 2021

I. HISTORICAL INTRODUCTION

Metro, the nation's only directly elected regional government, was organized under the provisions of Oregon Revised Statutes (ORS) Chapter 268 to make available, in the Portland, Oregon metropolitan area, public services not adequately available through previously authorized governmental agencies. Under the 1992 Metro Charter, Metro's primary function is regional planning services. Metro is also authorized to exercise the following functions and is permitted by Charter to assume additional functions if approved by ordinance:

- Acquisition, development, maintenance and operation of:
 - a metropolitan zoo,
 - public cultural, trade, convention, exhibition, sports, entertainment, and spectator facilities,
 - facilities for disposal of solid and liquid wastes, and
 - a system of parks, open spaces and recreational facilities of metropolitan concern
- Metropolitan aspects of natural disaster planning and response coordination
- Development and marketing of data

- Performance of any other function required by state law or assigned to Metro by voters

The Metro Council is the governing body and consists of six part-time councilors, each elected on a nonpartisan basis from a single district within the Metro area. The Council President, who both administers the agency and presides over the policy-making of the Council, is elected from the Metro area at large. A Chief Operating Officer, appointed by the Council President and confirmed by the Council, is responsible for day-to-day administration of Metro, under the guidance of the Council President and the full Council. The Metro Auditor is elected at large, and that office performs financial and performance audits and makes reports to the Council and Chief Operating Officer.

The Metropolitan Exposition-Recreation Commission (MERC) was established by Metro ordinance to operate, maintain and renovate metropolitan convention, trade and spectator facilities pursuant to appropriate state statutes. The Commission consists of seven members, five recommended to the Council by local governments and two directly appointed by the Council President, and all confirmed by the Council. MERC is not legally separate from Metro.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Metro have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following summary of Metro's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

A. THE REPORTING ENTITY

1. Primary Government

Metro is a municipal corporation governed by a Council President and six Councilors. As required by GAAP, Metro's financial statements present Metro (the primary government) and its component unit – the Oregon Zoo Foundation (OZF), a legally separate non-profit

organization whose sole purpose is to provide support and significant additional funding for Metro's Oregon Zoo (the Zoo). This discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from Metro. For materiality reasons, disclosures accompanying Metro's financial statements have generally been limited to those of the primary government.

2. Discretely Presented Component Unit

OZF - The legally separate OZF exists exclusively for the support and benefit of the Zoo. It is a public benefit corporation organized and operated under Section 501(c) (3) of the Internal Revenue Code. The OZF conducts fundraising efforts on behalf of the Zoo, receiving donations from both individuals and corporations that are provided as financial support to the Zoo. The OZF is included in Metro's report under provisions of GASB Statement No. 39. Complete financial statements for OZF can be obtained from the Finance Manager at 4001 SW Canyon Road, Portland, OR 97221-2799.

METRO

Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021**B. BASIC FINANCIAL STATEMENTS**

1. Government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. For the most part, the effect of interfund activity has been eliminated from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The primary government is reported separately from its legally separate component unit.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as *general revenues*, as are internally dedicated resources.

2. Fund financial statements are presented for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using an *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. All transactions affecting increases (revenues) and decreases (expenses) in total net position during the period are reported. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as

revenue when all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using a *current financial resources measurement focus* and the *modified accrual basis of accounting*. Governmental funds' operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) of net current position during a period. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are both "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Metro considers revenue arising from federal and state grants to be available in the period when the underlying related expenditures for reimbursement based grants have been incurred, if it is known that all eligibility requirements that allow for billing of the amount to the grantor agency under the applicable grant agreement have been satisfied. All other revenue is considered available if received within 60 days of fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on long-term debt that is recorded when due and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, personal and business income taxes, excise taxes, construction excise tax, cemetery revenue surcharges, grants, local government shared revenues, government contributions, charges for services, and investment income are susceptible to accrual. Contributions and donations and other receipts become measurable and available when cash is received and are recognized as revenue at that time.

The accounts of Metro are organized on the basis of funds, each of which is a separate accounting entity with self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. The segregation by fund is for the purpose of carrying on specific activities or attaining certain objectives in accordance with ordinances, special regulations, restrictions or limitations. The various funds are grouped by fund type and classified into two broad fund categories: governmental and proprietary.

Major funds are those whose revenues, expenditures/expenses, assets plus deferred outflows of resources, or

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

liabilities plus deferred inflows of resources (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Additional funds may be reported as a major fund if Metro's officials believe that fund is particularly important to financial statement users. Metro reports the following major governmental funds:

General Fund – This fund accounts for all activities not required to be accounted for in another fund: Metro's primary governmental programs and support services including Council, Office of the Auditor, Office of Metro Attorney, Information Services, Communications, Finance and Regulatory Services, Human Resources, Property and Environmental Services (construction project management and Metro Regional Center building operations components), Parks and Nature, Planning and Development (land use, urban growth management, and environmental and transportation planning), Research Center, and special and non-departmental appropriations. The budgetary General Fund is combined with two other budgetary funds, the General Revenue Bond Fund – General and the General Asset Management Fund, to become one fund in accordance with accounting principles generally accepted in the United States of America.

Special Revenue Fund – Special revenue funds account for revenues (other than fiduciary resources or major capital projects) that are legally restricted to expenditures for specific purposes. Metro's major special revenue fund is:

Parks and Nature Operating Fund– This fund accounts for a dedicated local option levy and other funding that is used to improve water quality and restore wildlife habitat, wetlands, and floodplains in the region, as well as needed upkeep to parks, nature education and community partnerships throughout the region.

Affordable Housing Fund– This fund was established to account for bond proceeds and expenditures related to the 2018 Affordable Housing Measure. Metro sold \$652.8 million in taxable bonds in May 2019 to fund affordable housing for low-income families, seniors, veterans and people with disabilities in the greater Portland region.

Supportive Housing Services Fund– This fund was established to account for income tax proceeds and expenditures related to the 2020 Supportive Housing Services Measure. Specifically, funds will provide funding for housing assistance and wraparound services.

Debt Service Fund – The *General Obligation Bond Debt Service Fund* accounts for payments of general obligation bond principal and interest to bondholders.

Capital Projects Funds - This fund type is used to account for resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Metro's major capital projects funds are:

Oregon Zoo Infrastructure and Animal Welfare Fund– This fund was established to account for proceeds of voter-approved general obligation bonds to fund infrastructure and projects related to animal welfare at the Oregon Zoo.

Natural Areas Fund – This fund accounts for activities to acquire and preserve natural areas and stream frontages, maintain and improve water quality, and protect fish and wildlife habitat.

Parks and Nature Bond Fund – This fund accounts for activities to protect natural areas, water quality, and fish and wildlife habitat and connecting people to nature.

Metro reports the following major proprietary funds:

Enterprise Funds - These funds account for the financing of predominantly self-supporting activities that are funded through service charges and user fees to customers. Metro's enterprise funds are:

Solid Waste Fund - This fund accounts for revenues, primarily from charges for services for the disposal of solid waste, and expenses for the implementation, administration and enforcement of Metro's Solid Waste Management Plan. This fund also accounts for Metro South Station and Metro Central Station solid waste transfer and recycling facilities, and the closed St. Johns Landfill.

Oregon Zoo Fund - This fund accounts for revenues and expenses related to the management and operation of the Oregon Zoo. The principal sources of revenue are charges for services

METRO

Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

such as admission and membership fees, and food, beverage and gift sales. Expenses consist primarily of facility operation costs and payroll. This fund consists of three budgetary funds (Oregon Zoo Operating Fund, Oregon Zoo Asset Management Fund and General Revenue Bond Fund-Oregon Zoo) that are combined as one Enterprise Fund to be in accordance with accounting principles generally accepted in the United States of America.

MERC Fund - This fund accounts for revenues and expenses related to the management and operation of facilities managed by MERC, including the Metro-owned Oregon Convention Center (OCC) and the Portland Expo Center (Expo). In addition, under the provisions of an intergovernmental agreement with the City of Portland, MERC is responsible for operation and management of the City-owned Portland's Centers for the Arts (Portland's). This fund consists of two budgetary funds (MERC Fund and General Revenue Bond Fund-MERC) that are combined as one Enterprise Fund to be in accordance with accounting principles generally accepted in the United States of America.

Internal Service Fund - Internal service funds are used to account for activities or services furnished by designated departments to other organizational units. Charges are made to the user departments to support these activities. Metro's internal service fund is:

Risk Management Fund - This fund accounts for risk management and self-insurance programs performed for other organizational units within Metro.

Metro also reports *nonmajor* funds of the following fund types:

Special Revenue Funds

Capital Projects Fund

Permanent Fund - This fund type is used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are direct charges for services

between various funds that represent services provided and used. Elimination of these charges would distort the measurement of the cost of individual functional activities. Certain indirect costs for central administration and support have been included as part of program expenses reported for the various functions in the government-wide financial statements.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Solid Waste Fund, Oregon Zoo Fund, MERC Fund, and of the internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCES

1. Cash and Investments

Metro maintains a cash and investment pool that is available for use by all funds for investment purposes, excluding the component unit. Interest earned on pooled investments is allocated monthly based upon each fund's average monthly cash balance. Investments are presented at fair value within the fair value hierarchy established by GAAP. Fair value is determined annually as of June 30.

For purposes of the statement of cash flows, cash is considered to be cash on hand, demand deposits, cash in restricted accounts and equity in the internal cash and investment pool. All pooled investment purchases and maturities are part of Metro's cash management activity and are considered cash and cash equivalents.

As authorized by State statutes, policies recommended by Metro's Investment Advisory Board and adopted by the Metro Council authorize Metro to invest in obligations of U.S. government agencies, U.S. Government Sponsored Enterprises (USGSE), the U.S. Treasury, certificates of deposit, repurchase agreements, money market investments, bankers' acceptances, commercial paper, certain corporate promissory notes, State of Oregon and local government securities, debt obligations of the states

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

of California, Idaho and Washington and their political subdivisions, and the State Treasurer's Local Government Investment Pool (LGIP).

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at fiscal year-end are referred to as "due to/from other funds" (short-term) and "advances to/from other funds" (long-term) in the fund financial statements. The residual balances outstanding between governmental activities and business-type activities, along with the other interfund balances described above, are reported in the government-wide financial statements as "internal balances."

Uncollected property taxes receivable collected and remitted to Metro by county treasurers within approximately 60 days of fiscal year-end are recognized as revenue. The remaining balance is recorded as unavailable revenue because it is not deemed available to finance operations of the current period. Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Property taxes are assessed and become a lien against the property as of July 1 each year. Since property taxes may be collected by foreclosure, no allowance for doubtful accounts is deemed necessary. Property taxes are levied on November 15 and are payable in three installments that are due on November 15, February 15 and May 15. Taxes unpaid and outstanding after May 16 are considered delinquent.

Income tax receivable is considered measurable once received by the tax collector. Estimated payments received prior to the due date are recorded as revenue.

Receivables are stated net of an allowance for uncollectibles when required.

Metro allocates indirect costs, primarily of an administrative nature, to grants in compliance with cost allocation plans that are subject to the approval of Metro's oversight agency. The plan in effect for fiscal year 2021 allocated indirect costs to grants at a rate of approximately 54.2 percent of the related direct personnel costs.

3. Advances

Payments made to other jurisdictions or grantees in advance of spending on eligible activity are recorded

as advances. Expenses and expenditures are recognized once funds are expended on the eligible purpose.

4. Inventories and Prepaid Items

Inventories, consisting of consumable food and items held for resale, are valued at cost (first-in, first-out method), and are charged as expenses when consumed. Payments to vendors for services that will benefit future periods are recorded as prepaid items using the consumption method.

5. Animal Collections

In accordance with industry practice, animal collections of the Zoo are recorded at the nominal amount of \$1, as there is no objective basis for establishing value. Differences in attributes such as species, age, sex, endangered status, and breeding potential make it impracticable to assign value. Acquisitions are recorded as expenses of the operating activity.

6. Transit-Oriented Development (TOD) Program Easements

Metro purchases easements on various TOD projects from developers. These easements contain property use conditions for periods up to 30 years to accomplish the goals of the TOD program. Metro does not consider the substance of such easements as assets, but rather project funding and amounts paid are reflected as a period cost. This policy is based on the concept that assets are resources that Metro controls and that have a present capacity to provide services, directly or indirectly. TOD easements, while a contractual or property right controlled by Metro, are entered into for the purposes of developing properties that increase transit ridership. The transit system is a service function of a wholly separate government entity. In the broadest sense, success of the program through TOD easements can enable the region and its individual government entities to maximize future resources. As such, there is no increase in Metro's present capacity to provide service and TOD easements are effectively contributions to the programs and service capacity of other governments.

7. Restricted Assets

Resources for future payment of bonds and certain long-term liabilities or activities have been classified as restricted assets on the statement of net position because their use is limited by certain applicable agreements or state laws. Assets of the Parks and Nature Operating Fund are restricted by Measure 26-152, a voter-approved five-year local option property tax levy. Assets of the

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

Debt Service, Oregon Zoo Infrastructure and Animal Welfare, Natural Areas, Parks and Nature, and Open Spaces Funds are restricted by state law controlling the use of bond proceeds. Assets of the Smith and Bybee Wetlands Fund, and portions of the General Fund related to the TOD program, Convention Center Hotel project and Willamette Falls Legacy project are restricted by contractual agreements with third parties. Assets of the Community Enhancement and the Cemetery Perpetual Care Funds are restricted by state law and/or Metro Code.

8. Capital Assets

Capital assets, which includes land, intangible easements, artwork, construction in progress, buildings and exhibits, improvements, equipment and vehicles, intangible software, office furniture and equipment, and railroad equipment and facilities, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined as assets with an initial cost of \$10,000 or more, and an estimated useful life in excess of one year. Capital assets are recorded at cost, and donated capital assets are stated at acquisition value when received, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Normal maintenance and repairs are charged to operations as incurred. Replacements exceeding \$10,000 that improve or extend the lives of property are capitalized.

Capital assets are recorded as capital outlay expenditures in the governmental funds statements when purchased. Capital assets in the enterprise and internal service funds are capitalized when purchased. Interest expense incurred before the end of a construction period is recognized as an expense in the period in which the cost is incurred and is not capitalized as part of the asset's historical cost.

Depreciation/amortization is computed using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings and exhibits	20-50
Improvements	10-65
Equipment and vehicles	8-20
Intangible-software	5-20
Office furniture and equipment	5-20
Railroad equipment and facilities	10

Pursuant to an intergovernmental agreement with the City of Portland, Metro (through MERC) operates and manages activities for Portland's, but capital assets

purchased from funds derived from these operations become property of the City. As such, these expenses are reflected as contributions to other governments and are not capitalized.

9. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position reports a separate section for *deferred outflows of resources*, which represents a consumption of net position that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. Metro reports two items in the government-wide statement of net position: deferred charge on refunding and deferred pension amounts. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred pension amounts are contributions to the pension plan subsequent to the measurement date of the plan for reporting purposes and are recognized as outflows of resources in the following fiscal year.

In addition to liabilities, the statement of financial position reports a separate section for *deferred inflows of resources*, which represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The government-wide statement of net position reports deferred pension amounts which represent the net difference between projected and actual earnings on pension plan investments and the changes in proportionate share of contributions. Metro also has *unavailable revenue*, which arises only under a modified accrual basis of accounting and so is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and loan receipt revenues. All deferred inflows are recognized as inflows of resources in the period that the amounts become available.

10. Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same accrual basis as they are reported by PERS. For this purpose, revenues are recognized when earned. Contributions are recognized

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

when due, pursuant to formal commitments, as well as statutory and PERS Board requirements. Expenses are recognized when incurred. Benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Withdrawals are recognized in the month they are due and payable. Investments are reported at fair value.

11. Long-term Obligations

In the government-wide financial statements, and in proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts, and deferred charge on refunding amounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported on the statement of net position net of the unamortized portion of premiums or discounts. Deferred charge on refunding is reported as a deferred outflow of resources.

For governmental fund types in the fund financial statements, bond premiums, discounts and issuance costs are recognized in the period incurred. The face amount of debt issued plus any premium received on issuance is reported as other financing sources. Discounts on issuance are reported as other financing uses. Issuance costs are reported as expenditures.

12. Liability for Compensated Absences

Accumulated unpaid vacation benefits are accrued as earned in government-wide and proprietary fund financial statements. Accumulated unpaid vacation benefits are recorded as liabilities in the governmental fund types only if they have matured as the result of employee resignations or retirements. Calculated amounts of vacation leave payable include salary-related payments associated with the leave, such as Metro's share of Social Security and Medicare taxes. The amount due within one year is estimated on a historical average of leave taken during a fiscal year. Accumulated sick leave does not vest and is, therefore, recorded in all funds when leave is taken.

13. Fund Balances and Net Position

Fund balance is classified in the governmental fund financial statements in five components to give users information necessary to understand any constraints imposed upon the resources and how those constraints may be modified or eliminated. Fund balance is classified as *nonspendable* when amounts cannot be spent because

they are either in nonspendable form, such as prepaid expenditures, advances, long-term receivables, or inventory, or are legally required to remain intact, such as the corpus of a permanent fund. Amounts classified as *restricted* fund balance are amounts with constraints imposed externally by creditors, grantors, contributors, or the laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Metro Council is the highest level of decision-making authority for Metro that can, by adopting an ordinance, place constraints on resources that are reported as *committed* fund balance. These commitments can be modified or rescinded only by Council adoption of subsequent ordinances. *Assigned* fund balances are amounts intended to be used for specific purposes but do not meet the criteria to be classified as committed. Metro Council has, by resolution, authorized the Chief Operating Officer to assign fund balance. Metro's assigned fund balance category also reflects the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's adopted budget, as well as the encumbered amounts that represent commitments of resources. *Unassigned* fund balance is available for other uses and only the general fund may report a positive unassigned fund balance amount. It is Metro's policy to use restricted resources first, then unrestricted resources as needed when both restricted and unrestricted resources are available for use. Within unrestricted amounts, committed amounts are considered to have been spent first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

In the government-wide statement of net position and the statement of net position for proprietary funds, limitations on how the net position may be used are reported as restrictions. Restrictions may be placed by an external party providing the resources, by enabling legislation, or by the nature of the asset.

The government-wide statement of net position includes the result of Metro financing capital assets for the business-type activities through the issuance of general obligation bonds, a governmental activities function. The amount of long-term debt outstanding on the bonds is reflected as a liability (and as a component of unrestricted net position) in the governmental activities column, whereas the associated capital assets financed by this debt are reflected as assets (and as a component

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

of invested in capital assets, net of related debt) in the business-type activities column. The primary government total column has been adjusted to match the debt against the assets in the invested in capital assets, net of related debt category.

E. ADOPTION OF NEW GASB PRONOUNCEMENTS

During the fiscal year ended June 30, 2021, Metro implemented the following GASB Statements that were applicable to Metro's operations:

GASB Statement No. 84, *Fiduciary Activities*. Issued January 2017, the primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

GASB Statement No. 90, *Majority Equity Interests*. Issued January 2017, the primary objective of this Statement is to improve guidance regarding the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. Issued March 2020, the primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR)- most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*. Issued October 2021, this Statement establishes the term *annual comprehensive financial report* and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

F. FUTURE ADOPTION OF GASB PRONOUNCEMENTS

Metro will implement future GASB pronouncements no later than the required effective date. Metro is currently evaluating the applicability of the following GASB pronouncements for their impact on Metro's financial statements in subsequent years:

- GASB Statement No. 87, *Leases*, effective for reporting periods beginning after June 15, 2021.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for reporting periods beginning after December 15, 2020.
- GASB Statement No. 90, *Majority Equity Interests*, effective for reporting periods beginning after December 15, 2019.
- GASB Statement No. 91, *Conduit Debt Obligations*, effective for reporting periods beginning after December 15, 2021.
- GASB Statement No. 92, *Omnibus 2020*, effective for reporting periods beginning after June 15, 2021.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for reporting periods beginning after June 15, 2022.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for reporting periods beginning after June 15, 2022.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans- an amendment of GASB Statements No. 14 and No. 84, and a suppression of GASB Statement No. 32*, effective for reporting periods beginning after June 15, 2021.

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Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2021

III. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as

reported in the government-wide statement of net position. Elements of that reconciliation explain that capital assets, net pension liability and related amounts, and long-term liabilities/deferred outflows are either not reported or are reported as unavailable in the funds. The details of these differences are:

	Capital assets	Net pension liability and related amounts	Net OPEB liability and related amounts	Long-term liabilities/deferred outflows
Capital assets	\$ 417,809,926	-	-	-
Accumulated depreciation	(40,544,538)	-	-	-
Deferred pension amounts (deferred outflows)	-	23,394,169	-	-
Net pension liability	-	(73,993,746)	-	-
Deferred pension amounts (deferred inflows)	-	(2,932,122)	-	-
Net OPEB asset	-	-	368,125	-
Deferred OPEB amounts (deferred outflows)	-	-	323,265	-
Net OPEB liability	-	-	(1,211,534)	-
Deferred OPEB amounts (deferred inflows)	-	-	(111,873)	-
Accrued interest payable	-	-	-	(3,560,296)
Arbitrage payable	-	-	-	-
Bonds payable (net of unamortized premium/discount)	-	-	-	(1,037,833,367)
Pollution remediation obligation	-	-	-	(1,271,302)
Compensated absences	-	-	-	(4,432,639)
Deferred charge on refunding	-	-	-	166,295
Net adjustment to fund balance-total governmental funds				
to arrive at net position-governmental activities	\$ 377,265,388	(53,531,699)	(632,017)	(1,046,931,309)

IV. DETAILED NOTES ON ALL FUNDS CASH AND INVESTMENTS**A. CASH AND INVESTMENTS**

Metro pools virtually all funds for investment purposes. Each fund's portion of this pool is reported as "equity in internal cash and investment pool."

Policies adopted by Metro's Investment Advisory Board and the Metro Council authorize Metro to invest in obligations of U.S. government agencies, U.S. Government Sponsored Enterprises (USGSE), the U.S. Treasury, certificates of deposit, repurchase agreements, money market investments, bankers' acceptances, commercial paper, certain corporate promissory notes, State of

Oregon and local government securities, debt obligations of the states of California, Idaho and Washington and their political subdivisions, and the State Treasurer's local government investment pool (LGIP). The LGIP is an external investment pool that is not rated by any national rating agency. LGIP investments are reported at fair value and are materially the same as the value of the pool shares. The State Treasurer's investment policies are governed by Oregon Revised Statutes and the Oregon Short Term Fund Board (OSTFB).

Fair Value Measurements- Fair value is defined as the price that would be received to sell an asset or

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Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2021

paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their value, as follows:

Level 1- Unadjusted quoted prices for identical instruments in active markets.

Level 2- Quoted prices for similar instruments in active markets; quoted prices for identical or similar investments in markets that are not active.

Level 3- Valuations derived from valuation techniques in which significant inputs are unobservable.

Equity in internal cash and investment pool on the Statement of Net Position includes the internal pool reported below. The OZF component unit does not participate in the internal investment pool of Metro. As of June 30, 2021, Metro had the following investments and maturities presented at fair value within the fair value hierarchy established by GAAP:

Investment Type	Standard & Poor's Ratings	Held by		Fair Value		Investment Maturities (in months)		
		Individual funds	Internal pool	Level 1	Level 2	Less than 3	3-17	18-59
U.S. Treasuries	AA+	\$ 306,013,481	38,662,191	344,675,672	-	37,074,825	193,225,590	114,375,257
U.S. Government securities - USGSE	AA+	432,455,578	79,766,005	-	512,221,583	1,602,384	247,173,019	263,446,180
Corporate Debt	AA	-	5,626,561	-	5,626,561	-	-	5,626,561
	AA+	-	6,837,728	-	6,837,728	-	1,204,541	5,633,187
	AAA	1,347,386	2,420,581	-	3,767,967	2,420,581	-	1,347,386
	AA-	6,898,546	5,747,402	-	12,645,948	1,000,500	5,898,046	5,747,402
	A+	2,105,628	-	-	2,105,628	2,105,628	-	-
	A	-	3,958,580	-	3,958,580	-	-	3,958,580
Commercial Paper	A-1+	19,997,600	999,910	-	20,997,510	20,997,510	-	-
	Unrated	-	9,993,700	-	9,993,700	-	9,993,700	-
Municipal Bonds	AA	-	550,985	-	550,985	-	-	550,985
	AA+	-	9,369,508	-	9,369,508	-	-	9,369,508
	AAA	-	2,418,081	-	2,418,081	-	-	2,418,081
	AA-	3,954,545	4,616,700	-	8,571,245	-	3,054,510	5,516,735
	Unrated	2,108,206	3,660,995	-	5,769,201	1,000,000	1,108,206	3,660,995
Sub-total		774,880,970	174,628,927	344,675,672	604,834,225	66,201,428	461,657,612	421,650,857
State Treasurer's investment pool		-	51,042,278					
Total Investments		774,880,970	225,671,205					
Cash deposits		-	42,432,955					
Total cash and investments		\$ 774,880,970	268,104,160					
Per statement of net position:								
Unrestricted		\$ -	111,847,799					
Restricted		774,880,970	156,256,361					
Total		\$ 774,880,970	268,104,160					

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

Interest Rate Risk - As a means of limiting its exposure to fair value losses resulting from rising interest rates, Metro's investment policy allows only the purchase of investments that are intended to be held to maturity. However, securities may be sold prior to maturity in order to improve the quality, net yield, or maturity characteristics of the portfolio. The structure of the investment portfolio aims to fund cash needs of ongoing operations, thereby avoiding the need to sell securities. Metro uses a laddered or constant stream of maturing securities in constructing the portfolio to ensure ample liquidity to support business operations without the need to sell securities. Investments cannot be made predicated upon selling the security prior to maturity. Metro avoids purchasing callable investments unless liquidity needs can be met without relying on the call being exercised.

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted an investment policy that was submitted to and reviewed by the OSTFB. Metro's investment policy has been reviewed by the OSTFB. Metro limits investment maturities as follows:

<u>Maturity</u>	<u>Minimum to mature</u>
Under 3 months	20 percent minimum
Under 18 months	25 percent minimum
Under 60 months	100 percent minimum

Credit Risk - Metro's investment policy seeks to minimize credit risk by (1) limiting exposure to poor credits and concentrating investments in the safest types of securities, (2) diversification, (3) pre-qualification of the financial institutions, broker/dealers, and advisers with which Metro will do business, and (4) active monitoring of the portfolio. Neither Oregon Revised Statutes nor Metro investment policy limits investments as to credit rating for securities purchased from U.S. Government Agencies or from USGSE. Other allowed investments, by Metro policy, must have a minimum rating as follows: bankers acceptances, A-1; corporate notes, AA-, or A- if an Oregon based entity; commercial paper, A-1, or A-2 if an Oregon entity; municipal debt, AA- for debt of the states of Idaho, California or Washington or their political subdivisions, or A- if the state of Oregon or its political subdivisions. Private placement or 144A securities and mortgage-backed securities are not allowed. The State Investment Pool is unrated.

Oregon Revised Statutes require bankers' acceptances to be guaranteed by and carried on the books of, a qualified financial institution, eligible for discount by the Federal

Reserve System, and issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations.

Custodial Credit Risk - Metro monitors custodial credit risk on deposits (the risk that if a bank failed, Metro's deposits would not be returned) in accordance with Metro investment policy which specifies the requirements of Oregon statutes. Oregon Revised Statutes Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program, a collateral pool administered by the Oregon State Treasurer. Bank depositories are required to pledge collateral against any public funds deposits in excess of federal deposit insurance amounts. The Oregon Treasury monitors each depository bank and ensures compliance with collateralization requirements for all Oregon public fund deposits. Banks are able to pledge a reduced amount if they are well capitalized; and in turn, the banks are required to share in the liability of a failed institution, should it ever occur. Public entities are required to verify that deposit accounts in excess of federal deposit insurance limits are maintained only at financial institutions included on the list of qualified depositories found on the Treasurer's website. It is the responsibility of the public official to ensure compliance with these requirements in order to eliminate personal liability in the event of a bank loss. Metro also monitors its depository institutions for indications of financial health. At June 30, 2021, all of Metro's deposits were insured as described above.

For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, Metro will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Metro's investment policy requires that all trades are executed by delivery vs. payment to ensure that securities are deposited for safekeeping in an eligible financial institution prior to the release of funds. As of June 30, 2021, Metro had no investments that were held by either counterparty or the counterparty's trust department agent. Therefore, Metro has no outstanding investments that were exposed to custodial credit risk.

Concentration of Credit Risk - To avoid incurring unreasonable risks inherent in over-investing in specific instruments or in individual financial institutions, Metro diversifies its portfolio and follows the Metro investment policy which sets maximum limits on the percentage of the portfolio that can be invested in any one type of

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

security. In addition, Oregon Revised Statutes require no more than 25 percent of the moneys of a local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2021 Metro was in

compliance with all percentage restrictions. More than 5 percent of Metro's total investments are in securities by the following issuers:

Issuer	Percentage of Total Investments (Total Entity Concentration)	Policy Allowed Maximum	Fund Concentrations Exceeding Total Entity Concentration	
			Affordable Housing Fund	Parks and Nature Bond Fund
Federal Farm Credit Banks (FFCB)	6.2%	40.0%	-	12.0%
Federal Home Loan Bank (FHLB)	23.0%	40.0%	28.0%	-
Federal Home Loan Mortgage Corp (FHLMC)	13.1%	40.0%	17.4%	-
Federal National Mortgage Association (FNMA)	8.8%	40.0%	-	22.4%
State Treasurer's Investment Pool	5.1%	100.0%	-	-
U.S. Treasuries	34.4%	100.0%	41.5%	-

B. ASSETS HELD FOR RESALE

Acquisition and improvements to real property that is purchased with the intent to sell to private-sector purchasers meeting certain criteria under Metro's TOD and Housing programs are reported in governmental activities in the statement of net position as Assets Held for Resale. Such assets are reported at the lower of cost or net realizable value. The carrying value at June 30 is:

Property Name	Address	Amount
Gresham Civic	NW Civic Drive & NW 15th, Gresham, OR	\$ 2,648,104
Milwaukie Town Center	10700 SE McLoughlin Boulevard, Milwaukie, OR	409,186
The Crossings	Section 4, Township 1, South Range 3 East (Parcel 2), Gresham, OR	355,850
Elmonica	Section 6DB, Township 1 South, Range 1 West (Parcel R0037258), Beaverton, OR	802,427
Trinity Christian Center	432 NE 74th Avenue, Portland, OR	2,300,000
Barbur Valley Inn	10450 SW Barbur Blvd, Portland, OR	4,250,000
		<u>\$ 10,765,567</u>

C. LOANS RECEIVABLE**1. TOD Loans**

TOD loans receivable, reflected in the schedule below, are loans to developers who agree to develop projects in accordance with TOD program criteria. The loans are secured by the underlying property, which is subject to TOD use restrictions for a period of 30 years. Metro's security interest in the property is subordinate to other security interests on the property. These loans receivable are not discounted in accordance with guidance in GASB Statement No. 62.

2. Von Ebert Brewing Loan

Metro leased property to Von Ebert Brewing as part of the operation of the Glendoveer Golf Course. Under the lease agreement, Metro advanced money to pay for certain tenant improvements, with repayment to occur over time.

Details on loans receivable at June 30 are as follows:

Maximum Term	Interest Rate	First Payment	Last Payment	Payment Frequency	Payment		
					TOD Loans	Von Ebert Loans	Total Loans
50 years	0 to 1%	03/15/26	03/15/56	annually	\$ 639,829	-	639,829
50 years	0 to 1%	03/01/28	03/01/58	annually	412,443	-	412,443
60 months	3.5%	07/01/18	06/01/23	monthly	-	16,799	16,799
					<u>\$ 1,052,272</u>	<u>16,799</u>	<u>1,069,071</u>

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Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2021

D. CAPITAL ASSETS

In the governmental activities column of the statement of activities, capital asset reclassification or transfers between governmental funds and internal services funds have been eliminated. In a like manner, capital asset transfers between enterprise funds have been eliminated in the business-type activities column. The remaining transfers shown on the statement of activities consist of \$12,205,956 in capital asset transfers between governmental activities and business-type activities.

Capital asset balances and activity for fiscal year 2021 were as follows:

	Balance July 1, 2020	Increases	Decreases	Transfers	Balance June 30, 2021
Governmental activities:					
Capital assets, non-depreciable:					
Land	\$ 305,467,234	1,181,804	(760,709)	594,025	306,482,354
Intangible-easements	12,226,710	-	-	21,683	12,248,393
Artwork	270,986	14,759	-	(11,259)	274,486
Construction in progress	9,322,772	6,170,471	(19,610)	1,954,896	17,428,529
Total non-depreciable	<u>327,287,702</u>	<u>7,367,034</u>	<u>(780,319)</u>	<u>2,559,345</u>	<u>336,433,762</u>
Capital assets, depreciable:					
Buildings and exhibits	41,015,042	12,040,399	(1,502,111)	(11,959,464)	39,593,866
Improvements	31,523,597	5,493,588	(5,085,862)	(3,096,845)	28,834,478
Equipment and vehicles	5,301,651	250,117	(515,902)	306,867	5,342,733
Intangible-software	6,884,752	178,304	(279,818)	(12,816)	6,770,422
Office furniture and equipment	1,854,963	32,003	(1,336,884)	284,582	834,664
Total depreciable	<u>86,580,005</u>	<u>17,994,411</u>	<u>(8,720,577)</u>	<u>(14,477,676)</u>	<u>81,376,163</u>
Accumulated depreciation:					
Buildings and exhibits	(17,343,260)	(659,529)	795,146	(263,284)	(17,470,927)
Improvements	(16,150,444)	(1,484,911)	4,236,412	(19,729)	(13,418,672)
Equipment and vehicles	(3,368,762)	(459,116)	442,332	(4,611)	(3,390,157)
Intangible-software	(6,000,198)	(173,450)	279,818	46,174	(5,847,656)
Office furniture and equipment	(1,614,339)	(70,607)	1,313,994	(46,174)	(417,126)
Total accumulated depreciation	<u>(44,477,003)</u>	<u>(2,847,613)</u>	<u>7,067,702</u>	<u>(287,624)</u>	<u>(40,544,538)</u>
Total capital assets, depreciable, net	<u>42,103,002</u>	<u>15,146,798</u>	<u>(1,652,875)</u>	<u>(14,765,300)</u>	<u>40,831,625</u>
Governmental activities capital assets, net	<u>\$ 369,390,704</u>	<u>22,513,832</u>	<u>(2,433,194)</u>	<u>(12,205,956)</u>	<u>377,265,387</u>

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

	Balance July 1, 2020	Increases	Decreases	Transfers	Balance June 30, 2021
Business-type activities:					
Capital assets, non-depreciable:					
Land	\$ 21,045,160	3,110,440	-	(3,110,440)	21,045,160
Artwork	1,184,358	-	-	-	1,184,358
Construction in progress	37,787,281	2,858,246	(9,057)	(34,423,482)	6,212,988
Total non-depreciable	60,016,799	5,968,686	(9,057)	(37,533,922)	28,442,506
Capital assets, depreciable:					
Buildings and exhibits	446,963,887	32,924	(1,074,532)	43,390,461	489,312,740
Improvements	41,763,705	18,130	(339,118)	4,451,121	45,893,838
Equipment and vehicles	31,388,787	643,274	(3,880,570)	1,359,376	29,510,867
Intangible-software	2,418,285	-	(876,338)	130,079	1,672,026
Office furniture and equipment	1,736,652	-	(485,614)	405,754	1,656,793
Railroad equipment and facilities	3,668,673	-	-	-	3,668,673
Total depreciable	527,939,989	694,328	(6,656,172)	49,736,791	571,714,936
Accumulated depreciation:					
Buildings and exhibits	(199,678,120)	(9,390,121)	1,029,645	(1,524)	(208,040,120)
Improvements	(24,023,231)	(1,313,379)	320,253	-	(25,016,357)
Equipment and vehicles	(16,873,384)	(1,688,725)	3,639,792	4,611	(14,917,706)
Intangible-software	(958,169)	(832,273)	425,242	-	(1,365,200)
Office furniture and equipment	(1,339,344)	(217,058)	484,189	-	(1,072,213)
Railroad equipment and facilities	(1,546,748)	(349,528)	-	-	(1,896,276)
Total accumulated depreciation	(244,418,996)	(13,791,084)	5,899,121	3,087	(252,307,872)
Total capital assets, depreciable, net	283,520,993	(13,096,756)	(757,051)	49,739,878	319,407,064
Business-type activities capital assets, net	\$ 343,537,792	(7,128,070)	(766,108)	12,205,956	347,849,568

An agreement between the City of Portland and Metro regarding the real property at the Zoo provides that the property must be used for zoo or zoo related purposes and, if such property ceases to be used for such purposes or is used for other purposes, title reverts to the City. Metro was in compliance with this agreement for the fiscal year ended June 30, 2021.

Bond proceeds accounted for in the Oregon Zoo Infrastructure and Animal Welfare capital projects fund in governmental activities are expended for the benefit of the Oregon Zoo enterprise fund, and the resulting assets are owned and depreciated by the enterprise fund. This asset activity is shown as transfers from governmental activities to business-type activities.

Capital assets for MERC are those of Metro-owned facilities. Capital assets used in operating the Portland's are not included in the statement of net position of Metro as title to the assets remains with the City in accordance with an intergovernmental consolidation agreement. These capital assets are included in the Annual Comprehensive Financial Report of the City of Portland.

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government operations	\$ 867,658
Culture and recreation	2,246,292
Total depreciation expense - governmental activities	\$ 3,113,950
Business-type activities:	
Solid Waste	\$ 2,733,053
Oregon Zoo	6,372,682
MERC	4,685,454
Total depreciation expense - business-type activities	\$ 13,791,189

E. UNEARNED REVENUE

Unearned revenue is reported for resources that have been received, but not yet earned. The details of these amounts at June 30, 2021 were:

	Governmental Activities	Business-type Activities
Advance ticket sales/registrations	\$ 113,692	2,173,647
Unredeemed gift certificates	80,032	151,190
Advance park reservations	13,740	-
Grant and contract drawdowns prior to meeting all eligibility requirements	559,790	-
Total	\$ 767,254	2,324,837

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021**F. DEFERRED COMPENSATION PLAN**

Metro offers its employees a 401(k) deferred compensation plan in accordance with Internal Revenue Code provisions. The plan is available to all Metro employees and permits employees to contribute a portion of their salary to the plan to obtain favorable tax treatment for amounts contributed. Moneys accumulated under the plan are deposited with a trustee for the exclusive benefit of the participants and are invested in mutual funds that are self-directed by participants. The deferred compensation is not available to participants until termination, retirement, death, or certain hardship conditions. In accordance with authoritative guidance, the plan is not included in Metro's financial statements.

G. PENSION PLAN**1. Defined Benefit Plan Description**

Name of pension plan - Metro participates in the Oregon Public Employees Retirement System (PERS) which is a cost-sharing multiple employer defined benefit pension plan.

Description of benefit terms - Benefit provisions and other requirements of the system are established by the State of Oregon legislature pursuant to Oregon Revised Statutes, Chapters 238 and 238A.

a. Tier One/Tier Two Retirement Benefit (Chapter 238). This segment of the plan is closed to new members hired on or after August 29, 2003.

Pension benefits. The PERS retirement allowance is payable monthly for life. It may be selected from thirteen retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General Service employees may retire after reaching age 55. Tier One General

Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

Death benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

Disability benefits. A member with ten or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit changes after retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments, which are capped at 2.0 percent per year.

b. Oregon Public Service Retirement Plan (OPSRP). This pension program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

Pension benefits. OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for General Service members who attain normal retirement age: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

retirement age for General Service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death benefits. Upon the death of a non-retired member, the spouse (or other person who is constitutionally required to be treated in the same manner as the spouse), receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70 ½ years.

Disability benefits. A member who has accrued ten or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit changes after retirement. Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living adjustments.

Contributions - PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the PERS Retirement Health Insurance Account described in Note IV.H.2.

Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2019. Metro has previously made a lump sum payment to establish a side account, and its rates have been reduced. Metro's actuarially determined contribution rate for the Tier One/Tier Two and OPSRP plans was 20.25 percent and 14.15 percent of subject payroll, respectively. Employer contributions recognized by PERS for the fiscal year ended June 30, 2021 were \$9,591,373.

A ten year schedule of Defined Benefit Pension Plan Contributions can be found in the Required Supplementary Information section of this report.

Pension plan ACFR - Both the PERS and OPSRP plans are administered by the Oregon Public Employees Retirement Board (OPERB), which issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700, by calling 1-888-320-7377, or by accessing the PERS web site at <http://oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Actuarial valuation - The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. This method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized as described in the following table.

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Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2021

Actuarial methods and assumptions used to measure the total pension liability -

Valuation Date	December 31, 2018
Experience Study Report	2018, published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of combined payroll; Tier One/Tier Two Unfunded Actuarial Liability (UAL) is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Projected salary increases	3.50 percent
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

Discount rate. The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The assumed asset allocation and the Oregon Investment Council's (OIC) target are provided in the table below:

Asset Class/strategy	Low Range	High Range	OIC Target
Debt securities	15.0%	25.0%	20.0%
Public equity	27.5	37.5	32.5
Real estate	9.5	15.5	12.5
Private equity	14	21	17.5
Alternative equity	7.5	17.5	15
Opportunity portfolio	0.0	3.0	0.0
Risk parity	0.0	2.5	2.5
Total			100.0%

Long-Term Expected Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the OIC's investment advisors. The table below shows the actuary's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

Asset Class	Target	Compound Annual Return (Geometric)
Core fixed income	9.6%	4.1%
Short-term bonds	9.6	3.7
Bank/leveraged loans	3.6	5.2
High yield bonds	1.2	5.7
Large/mid cap US equities	16.2	6.3
Small cap US equities	1.4	6.7
Micro cap US equities	1.4	6.8
Developed foreign equities	13.5	6.9
Emerging foreign equities	4.2	7.7
Non-US small cap equities	1.9	7.3
Private equity	17.5	8.3
Real estate (property)	10.0	5.6
Real estate (RETIS)	2.5	6.7
Hedge fund of funds- diversified	1.5	4.1
Hedge fund- event-driven	0.4	5.6
Timber	1.1	5.6
Farmland	1.1	6.1
Infrastructure	2.3	6.7
Commodities	1.1	3.8
Assumed inflation- mean		2.5

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate –

The following presents Metro's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what Metro's proportionate share of the net pension liability would be if it were calculated using a discount rate that was one percentage-point lower or one percentage-point higher than the current rate:

Metro's Net Pension Liability (Asset)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Defined benefit pension plan	\$ 207,233,452	139,558,908	82,810,665

Determination of Metro's proportionate share - Metro's actuarially determined proportionate share of the plan amounts was 0.63949089 percent for the fiscal year ended June 30, 2020 (measurement date). Metro's share of pension balances are determined by rolling forward the total net pension liability (actuarially determined at December 31, 2018) to the measurement date of June 30, 2020 and subtracting the plan's net position as of June 30, 2020.

The basis for Metro's proportion is actuarially determined by comparing Metro's projected long-term contribution effort to the plan with the total projected long-term contribution effort for all employers. The rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

The projected long-term effort is estimated by projecting the present value of all future Normal Cost Rate Contributions (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.

An employer's PVFNC depends on both the Normal Cost Rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For PERS funding, employers may have three different payrolls, each with a different Normal Cost Rate:

- Tier 1/Tier 2 payroll
- OPSRP General Service payroll
- OPSRP Police and Fire payroll

A UAL exists when Plan assets are less than the actuarial liability as measured by the Plan's actuarial funding valuations. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises in a given biennium over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service.

The projected long-term contribution effort is equal to the sum of the PVFNC and the UAL. After Metro's projected long-term contribution effort is calculated, that amount is reduced by the value of Metro's supplemental lump-sum payments, known as side accounts. Side accounts decrease Metro's projected long-term contribution effort because side accounts are effectively prepaid contributions.

The preparation of these amounts in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

Pension plan's fiduciary net position - Detailed information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position can be found in the separately issued ACFR for the plan which is available as noted above.

Payables to the pension plan - At June 30, 2021, Metro reported a payable of \$1,248,450 for the outstanding amount of legally required pension contributions to the pension plan for the fiscal year ended June 30, 2021.

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

Pension Expense, Net Pension Liability or Asset, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the fiscal year ended June 30, 2021, Metro recognized a net pension liability

of \$139,558,908 and a pension expense of \$31,890,684. At June 30, 2021, Metro reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental activities		Business-type activities		Net Deferred Outflows/ (Inflows) of Resources
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	
Differences between expected and actual experience in the measurement of the total pension liability	\$ 3,256,620	-	2,885,660	-	6,142,280
Changes in assumptions	3,971,010	139,136	3,518,675	123,287	7,227,262
Net difference between projected and actual earnings on pension plan investments	8,700,703	-	7,709,611	-	16,410,314
Changes in the employer's proportion	2,380,518	7,102	2,109,354	6,293	4,476,477
Differences between employer contributions and employer's proportionate share of system contributions	-	2,785,885	-	2,468,546	(5,254,431)
<u>Total (prior to post-measurement date contributions)</u>	<u>\$ 18,308,851</u>	<u>2,932,123</u>	<u>16,223,300</u>	<u>2,598,126</u>	<u>29,001,902</u>
Contributions subsequent to the measurement date	5,085,319	-	4,506,054	-	9,591,373
<u>Net deferred outflows/(inflows) of resources</u>	<u>\$ 23,394,170</u>	<u>2,932,123</u>	<u>20,729,354</u>	<u>2,598,126</u>	<u>38,593,275</u>

The \$9,591,373 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in subsequent years as follows (outflows and inflows netted):

Fiscal year ended June 30:	Governmental activities	Business-type activities	Total
2022	\$ 3,699,261	3,277,880	6,977,141
2023	4,645,186	4,116,056	8,761,242
2024	4,225,649	3,744,307	7,969,956
2025	2,819,670	2,498,483	5,318,153
2026	(13,038)	(11,552)	(24,590)
<u>Total</u>	<u>\$ 15,376,728</u>	<u>13,625,174</u>	<u>29,001,902</u>

Changes in Plan Provisions Subsequent to Measurement Date - The legislature held a second special session, August 10, 2020 and passed two budget bills that pertain to PERS. HB 4304 contained the policy updates needed to complete the budget reductions passed in SB 5723. reducing the Employer Incentive Fund (EIF) by \$35,248,198, with that money going back to the general fund. Additionally, all current and future revenue streams for the EIF were eliminated. The School District Unfunded Liability Fund (SDULF) was reduced by \$11,539,471, with that money also going back to the general fund. Governor Brown line item vetoed parts of HB 4304 restoring funding to

the EIF and the SDULF. The SDULF receives an annual transfer from the proceeds on unclaimed property from the Common School Fund and will receive a transfer in January 2021. While these funding streams currently have no revenue, this does raise the possibility of both of these programs being funded again in the future.

Starting July 1, 2020, Senate Bill 1049 required member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member earns more than \$2,500 a month, 0.75% for OPSRP members and 2.5% for Tier One and Tier Two members' salaries that were previously contributed to the member's IAP began funding the new Employee Pension Stability Accounts to help fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. PERS estimates that approximately \$125 million in member contributions will be redirected in fiscal year 2020-21.

2. Defined Contribution Pension Plan

Beginning January 1, 2004, PERS active Tier One and Tier Two members became members of the Individual Account Program (IAP) of OPSRP. Although existing PERS members retain their existing PERS account, all current member contributions are deposited into the member's IAP, a defined contribution pension plan. Accounts are credited with earnings and losses net of administrative expenses. The IAP, as part of OPSRP, is administered by the PERS Board which is directed to

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

adopt any rules necessary to administer OPSRP. The IAP is provided to all members or their beneficiaries who are PERS or OPSRP eligible.

State statutes require covered employees to contribute six percent of their annual covered salary to the IAP plan effective January 1, 2004. All new non-represented employees hired after July 1, 2011 pay the contribution for the IAP, whereas employees represented under a collective bargaining agreement pay the contribution for the IAP if hired after the date specified in the applicable collective bargaining agreement. Metro pays for the IAP contribution for the remainder of eligible Metro employees. An IAP member becomes vested on the date the employee account is established or on the date a rollover account was established. If Metro makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5, 10, 15, 20 year period or an anticipated life span option. Installment amounts vary with market returns as the account remains invested while in distribution. Each distribution option has a \$200 minimum distribution limit.

Death Benefits – Upon the death of a non-retired member, the beneficiary receives a lump sum of the member’s account balance, rollover account balance, and the vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Metro paid contributions to the IAP of \$1,524,526 for the fiscal year ended June 30, 2021, which is included in payroll and fringe benefits expense. At June 30, 2021, a payable to the IAP portion of the plan in the amount of \$433,738 for the contractually required contributions for the month of June 2021 is included in accrued salaries and benefits.

H. OTHER POSTEMPLOYMENT BENEFITS

The other postemployment benefits (OPEB) for Metro combines two separate plans. Metro provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon’s PERS cost-sharing multiple-employer defined health insurance benefit plan.

1. Metro Retiree Health Insurance Plan - Implicit Rate Subsidy

Plan Description - All employees of Metro retiring from active service with a pension benefit payable immediately under Oregon PERS are eligible for other postemployment benefits (OPEB) relating to health care. As required by state law, retirees of Metro and their dependents under age 65 are allowed to receive the same health care coverage at tiered premium rates as offered to active Metro employees, resulting in an implicit employer subsidy (health care premiums priced only for retirees would be more expensive than tiered premiums because retirees have higher health care claims on average). The implicit employer subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare. Metro has not established a trust that meets the criteria in paragraph 4 of GASB Statement 75 for the accumulation of assets. Metro’s single-employer OPEB plan does not issue a publicly available financial report.

Benefits Provided - The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date July 1, 2019, the following number of employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	13
Active employees	850
Total	863

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Metro’s total OPEB Liability of \$3,366,979 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019. For the fiscal year ended June 30, 2021, Metro recognized OPEB expense from this plan of \$310,736.

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

At June 30, 2021, Metro reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	12,675
Changes in assumptions	212,496	129,860
Benefit payments	150,368	-
Total	\$ 362,864	142,535

Deferred outflows of resources related to OPEB of \$150,368 resulting from Metro's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended June 30:

2022	\$	(825)
2023		(825)
2024		(825)
2025		(825)
2026		13,357
Thereafter		59,904
Total	\$	69,961

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2019 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Salary increases	3.50 percent
Mortality	Pub-2010 General Service Employee and Healthy Retiree tables, sex-distinct for members and dependents. For male members and dependents only, a one year setback is applied. Future mortality improvement is not projected as it would be immaterial to the valuation.
Discount rate	2.21 percent (change from 3.50 percent in previous measurement period)
Healthcare cost trend rate	Medical and vision: 7.00 percent in the first year, 6.00 percent in the second year, and varying from 4.75 to 5.75 percent over the remainder of the projection period. Dental: 4.00 percent per year

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2020	\$ 2,980,688
Changes for the year:	
Service cost	202,330
Interest on total OPEB liability	109,231
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	200,089
Benefit payments	(125,359)
Balance as of June 30, 2021	\$ 3,366,979

Changes in assumptions is the result of the change in the discount rate from 3.50 percent to 2.21 percent.

Sensitivity of the Total OPEB Liability - The following presents Metro's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-higher (3.21 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 3,475,489	3,366,979	2,991,108

Healthcare Cost TrendRate:	1% Decrease (5.25%- decreasing to 3.00%)	Current Healthcare Cost Trend Rate (6.25% - decreasing to 4.00%)	1% Increase (7.25% - decreasing to 5.00%)
Total OPEB Liability	\$ 2,871,496	3,366,979	3,645,092

2. PERS Retirement Health Insurance Account

Plan Description - Metro contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants on or after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700, by calling 1-888-320-7377, or by accessing the PERS website at <http://>

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

Benefits Provided - Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS, or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions - PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Metro's contribution rates for the period were 0.06% for Tier One/Tier Two members, and 0.00% for OPSRP members. Metro's total for the year ended June 30, 2021 contribution was \$10,242.

Total OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2021, Metro reported an asset of \$724,882 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018. Metro's proportion of the net OPEB asset was based on Metro's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2020,

Metro's proportionate share was 0.3558% which is a decrease from its proportion of 0.6388% as of June 30, 2019.

For the year ended June 30, 2021, Metro recognized OPEB expense from this plan of \$27,699. At June 30, 2021, Metro reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	\$ 80,613	-
Changes of assumptions	-	38,531
Changes in proportionate share	288,586	6,663
Differences between expected and actual experience	-	74,104
Contributions subsequent to the measurement date	10,242	-
Total	\$ 379,441	119,298

Deferred outflows of resources related to OPEB of \$10,242 resulting from Metro's contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended June 30:		
2022	\$	73,529
2023		121,144
2024		29,799
2025		25,428
2026		-
Total	\$	249,900

Actuarial Assumptions and Other Inputs - The total OPEB asset based on the December 31, 2018 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

Valuation date December 31, 2018
Measurement date June 30, 2020
Experience study 2018, published July 24, 2019

Actuarial assumptions:

Actuarial cost method Entry Age Normal
Inflation rate 2.50 percent
Long-term expected rate of return 7.20 percent
Discount rate 7.20 percent
Projected salary increase 3.50 percent
Healthcare cost trend rate Not applicable
Mortality Healthy retirees and beneficiaries:
Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
Active members:
Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
Disabled retirees:
Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

All other actuarial method and assumptions are consistent with those disclosed in the OPERS Pension Plan. See Note V.G.1, for additional information on Actuarial Assumptions and Methods, the Long-Term Expected Rate of Return, and the Discount Rate.

Sensitivity of Metro's proportionate share of the net OPEB liability (asset) to changes in the discount rate - The following presents Metro's proportionate share of the net OPEB liability (asset), calculated using the discount rate of 7.20%, as well as what Metro's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate of 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Toal OPEB Liability (Asset)	\$ (585,221)	(724,882)	(844,299)

OPEB Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

I. COMMITMENTS**1. Columbia Ridge Landfill**

Metro has waste disposal services agreements with the owner and operator of Columbia Ridge Landfill in Gilliam County, Oregon for disposal of solid waste from the transfer stations owned by Metro. The monthly disposal rate will be adjusted annually by an amount equivalent to 90 percent of the annual change of CPI on July 1 each year until the contract expires on December 31, 2029. The rate for fiscal year 2021 is \$16.76 per ton. The estimated rate increase for fiscal year 2022 is \$19.20 per ton.

2. Waste Transport

Solid waste transport from Metro facilities to Columbia Ridge Landfill and other disposal sites is privately contracted through December 31, 2029. Starting January 1, the unit price is \$591.23 per load (equivalent to about \$17.79 per ton). The current contract will adjust the per load unit price by a percentage equal to 95 percent of the annual percent change of CPI starting July 1, 2021. The additional unit prices for the new contract include a mile tax of \$66.71 and wage increase of \$27.63 per load. Both additional costs per load are *not* subject to the CPI increases.

The contract calls for Metro to reimburse the contractor for the cost of shuttle fuel used at the transfer stations. The fuel price is highly variable and tied to a weekly index, but historically has added \$10 to \$15 to the cost of each load.

Expiring on December 31, 2024, the current fuel contract for over-the-road diesel fuel sets a price per gallon that is tied to a national weekly fuel index.

3. Metro South Station

The operation of Metro South, a solid waste transfer station and materials recovery facility, is privately contracted through December 31, 2024. Monthly payments for personnel costs, maintenance, and equipment are on a reimbursed basis within agreed parameters plus a gross margin. There are prices for putrescible and non-putrescible waste and other waste materials that are subject to CPI adjustments annually and performance adjustments.

4. Metro Central Station

The operation of Metro Central, a solid waste transfer station and materials recovery facility, is privately contracted through December 31, 2023. The estimated fixed payments for fiscal year 2022 is \$2,935,708. The

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

contractor also receives incentives for materials recovered from the waste stream and not sent to Columbia Ridge Landfill. The cost of transfer, transport and processing at remote composting sites is also included. The contractor provides transfer services and arranges for transport and processing. All payments are adjusted annually on July 1 in an amount equal to CPI.

The following table presents approximate annual commitments based on forecasted refuse tons and assumed annual inflation equal to the average of the preceding four fiscal years for all of the previously described contracts. The figures for Metro South and Metro Central reflect costs and tonnage as estimated at contract prices and tonnage from the tonnage forecast and at various contract expiration dates.

Fiscal year ending June 30:	Columbia Ridge Landfill	Waste Transport	Metro South	Metro Central
2022	\$ 10,192,861	10,819,746	10,646,421	8,907,588
2023	10,868,748	11,559,686	11,058,313	9,727,435
2024	11,138,360	11,831,170	11,388,685	5,261,102
2025	11,389,435	12,085,631	5,842,467	-
2026	11,727,580	12,432,661	-	-
Total	\$ 55,316,984	58,728,894	38,935,886	23,896,125

5. Construction Projects

Metro is committed under a number of contracts for construction services. The amount of major uncompleted contracts is approximately \$5,830,000 at June 30, 2021.

6. Affordable Housing

Metro Council has approved the following projects under the Affordable Housing Bond program. The projects fund affordable housing for low-income families, seniors, veterans and people with disabilities in the Metro region.

Housing Partner	Project	Commitment
City of Beaverton	17811 Scholls Ferry Rd.	\$ 9,000,000
Clackamas County	Good Shepard Village	18,330,000
Clackamas County	Maple Apartments	15,903,000
City of Hillsboro	Nueva Esperanza	16,940,731
Home Forward	Dekum Court	22,894,240
Washington County	Aloha Quality Inn Rehab	2,815,000
Washington County	Goldcrest- South Cooper Mtn	8,700,000
Washington County	Terrace Glen	17,484,000
Washington County	Basalt Creek	14,320,000
Washington County	Saltzman Rd. Senior Apts	5,400,000
Washington County	Tigard Senior	6,270,000
Washington County	Aloha Housing Development	10,230,000
Washington County	Plaza Los Amigos	12,830,000
Total		\$ 161,116,971

J. LEASE OBLIGATIONS

1. Operating Lease

The Portland's Centers for the Arts theater complex leases the grounds for the complex under an operating lease expiring in October 2083. The term of the original agreement may be extended in ten-year increments for a total of 50 additional years. Rent adjustments may be negotiated every five years commencing on November 1, 1994. The scheduled lease payments are \$26,276 per month through October 31, 2022. \$322,713 was paid on the lease in fiscal year 2021.

The future minimum lease payments are as follows:

Fiscal year ending June 30:	
2022	\$ 315,315
2023	315,315
2024	315,315
2025	315,315
2026	315,315
2027-31	1,576,575
2032-36	1,576,575
2037-41	1,576,575
2042-46	1,576,575
2047-51	1,576,575
2052-56	1,576,575
2057-61	1,576,575
2062-66	1,576,575
2067-71	1,576,575
2072-76	1,576,575
2077-81	1,576,575
2082-84	735,735
Total	\$ 19,654,635

K. BONDS PAYABLE

Metro issues a variety of long-term debt types to finance capital projects and some capital equipment. The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt after August 1986 calculate and rebate arbitrage earnings to the federal government. Metro's tax-exempt debt is in compliance with all Internal Revenue Service arbitrage regulations.

The various debt issues are discussed below.

Governmental Activities

1. 2012A and 2018 Series Natural Areas General Obligation Bonds and 2014 Series General Obligation Refunding Bonds

In prior years, Metro issued \$124,295,000 of 2007 Series Natural Areas General Obligation Bonds and an additional \$75,000,000 of 2012A Series bonds. The bonds were issued by Metro under authority granted by

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

voters for a total of \$227.4 million in general obligation bonds to fund activities to acquire and preserve natural areas and stream frontages, maintain and improve water quality, and protect fish and wildlife habitat. On May 15, 2018, Metro issued \$28,105,000 of Series 2018 bonds, which is the final issuance of bonds authorized under the 2006 voter approved measure.

In prior years, Metro issued \$57,955,000 of General Obligation Refunding Bonds, Series 2014 to refund all callable outstanding 2007 Series Natural Areas General Obligation Bonds. The defeased bonds have been called and paid and the escrow account for the defeasance is closed.

The bonds are to be repaid with proceeds of Metro's *ad valorem* property tax levied each year. Interest rates on individual bonds range from 4.0 percent to 5.0 percent.

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

Fiscal year ending June 30:	2012A Series		2018 Series	
	Principal	Interest	Principal	Interest
2022	\$ 6,045,000	1,840,450	1,835,000	533,250
2023	6,840,000	1,538,200	1,975,000	441,500
2024	7,690,000	1,196,200	2,125,000	342,750
2025	8,590,000	811,700	2,280,000	236,500
2026	9,555,000	382,200	2,450,000	122,500
	38,720,000	5,768,750	10,665,000	1,676,500
Unamortized premium	5,273,438		1,579,494	
Per statement of net position	\$43,993,438		12,244,494	

2. 2012A, 2016, and 2018 Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds

In prior years, the region's voters granted authority for a total of \$125 million in general obligation bonds to fund Oregon Zoo capital projects to protect animal health and safety, conserve and recycle water and to improve access to conservation education. The first and second series of this bond, issued as taxable Build America Bonds (BABs), for \$5,000,000 and \$15,000,000 were issued and paid off in prior fiscal years. Also in prior years, Metro issued \$65,000,000 of 2012A Series bonds and \$30,000,000 of 2016 Series bonds. On May 15, 2018, Metro issued the \$10,000,000 of Series 2018 bonds, which is the final issuance of bonds authorized under the 2008 voter approved measure.

The bonds are to be repaid with proceeds of Metro's *ad valorem* property tax levied each year. Interest rates on individual bonds range from 3.0 percent to 5.0 percent.

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

Fiscal year ending June 30:	2012A Series		2018 Series	
	Principal	Interest	Principal	Interest
2022	\$ 3,665,000	1,471,325	815,000	374,750
2023	4,000,000	1,288,075	890,000	334,000
2024	4,360,000	1,088,075	975,000	289,500
2025	4,740,000	870,075	1,060,000	240,750
2026	5,145,000	633,075	1,150,000	187,750
2027-28	11,480,000	605,925	2,605,000	198,000
	33,390,000	5,956,550	7,495,000	1,624,750
Unamortized premium	4,627,881		1,041,253	
Per statement of net position	\$38,017,881		8,536,253	

3. 2019 Series Affordable Housing General Obligation Bonds

On November 6, 2018, the region's voters granted authority for a total of \$652.8 million in general obligation bonds to fund affordable housing projects for low-income families, seniors, veterans and people with disabilities in the Metro region which includes Washington, Clackamas, and Multnomah counties. On May 15, 2019, Metro issued \$652,800,000 of federally taxable Series 2019 bonds authorized under the 2018 voter approved measure.

The bonds are to be repaid with proceeds of Metro's *ad valorem* property tax levied each year. Interest rates on individual bonds range from 3.0 percent to 3.5 percent.

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

Fiscal year ending June 30:	Principal	Interest
2022	\$ 16,160,000	20,773,728
2023	17,835,000	20,208,129
2024	19,600,000	19,583,904
2025	21,465,000	18,897,904
2026	23,425,000	18,146,629
2027-31	149,145,000	78,187,894
2032-36	212,465,000	51,067,101
2037-39	165,990,000	11,873,050
	626,085,000	238,738,339
Unamortized premium	2,351,444	
Per statement of net position	\$ 628,436,444	

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021**4. Full Faith and Credit Refunding Bonds 2013 Series**

In prior years, Metro issued \$12,600,000 of Full Faith and Credit Refunding Bonds, 2013 Series to refund the portion of the Full Faith and Credit Refunding Bonds, 2003 Series callable without premium. The defeased bonds have been called and paid and the escrow account for the defeasance is closed.

The bonds are payable from all legally available taxes and other revenues of Metro. Interest rates on individual bonds range from 1.3 percent to 2.2 percent.

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

<u>Fiscal year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,345,000	44,263
2023	1,370,000	15,070
<u>Per statement of net position</u>	<u>\$ 2,715,000</u>	<u>59,333</u>

5. Full Faith and Credit Bonds 2018 Series

On May 24, 2018, Metro issued \$13,290,000 of Full Faith and Credit Bonds, Series 2018 to fund renovations, upgrades and repairs to two existing Metro properties, the Metro Regional Center (MRC) building and Lone Fir Cemetery. The MRC building projects include exterior and interior replacements and upgrades and Information Services infrastructure. The Lone Fir Cemetery projects include a retaining wall replacement, fencing, and security and safety upgrades.

The bonds are payable from existing Metro revenues which includes assessments on departments to pay for their share of the MRC building upgrade costs along with other General Fund revenues. Interest rates on individual bonds range from 3.0 percent to 5.0 percent.

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

<u>Fiscal year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ -	586,450
2023	-	586,450
2024	1,060,000	586,450
2025	1,115,000	533,450
2026	1,170,000	477,700
2027-31	6,790,000	1,450,000
2032-33	3,155,000	142,650
	<u>13,290,000</u>	<u>4,363,150</u>
Unamortized premium	1,455,229	
<u>Per statement of net position</u>	<u>\$ 14,745,229</u>	

6. Dedicated Tax Revenue Bonds OCC Hotel Project 2017 Series

On August 8, 2017, Metro issued \$52,260,000 in Dedicated Tax Revenue Bonds, Oregon Convention Center Hotel project, Series 2017 to fund a contribution to the construction of a 600-room hotel adjacent to the OCC, a project to assist in marketing the OCC for national conventions.

Metro negotiated with a development partner who committed to design and construct the hotel, which will ultimately be owned and operated by Hyatt Hotels Corporation; these parties are providing approximately \$166 million of the estimated \$240 million cost. As part of the Development and Financing Agreement, Metro committed to provide a portion of the funding, consisting of the revenue bonds, \$4 million contributed by the MERC Proprietary Fund and \$10 million received previously from the State of Oregon lottery funds. Metro has transferred these funding sources to the developer.

The bonds are backed by site specific transient lodging tax revenue. Interest rates on individual bonds range from 3.0 percent to 5.0 percent.

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

<u>Fiscal year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 965,000	2,432,600
2023	1,005,000	2,394,000
2024	1,055,000	2,343,750
2025	1,105,000	2,291,000
2026	1,160,000	2,235,750
2027-31	6,740,000	10,247,750
2032-36	8,600,000	8,386,000
2037-41	10,975,000	6,010,000
2042-46	14,005,000	2,977,750
2047	3,235,000	161,750
	<u>48,845,000</u>	<u>39,480,350</u>
Unamortized premium	7,631,722	
<u>Per statement of net position</u>	<u>\$ 56,476,722</u>	

7. Pension Obligation Bonds Metro Limited Tax Series 2005

In prior years, Metro, along with certain other Oregon cities, counties and special districts issued Limited Tax Pension Bonds Series 2005 to finance their PERS unfunded actuarial liabilities. The proceeds of Metro's \$24,290,000 in bonds were paid to PERS and resulted in a new, lower employer contribution rate.

The bonds are to be repaid through assessments on Metro departments in exchange for the lower pension

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

cost. The individual bonds have interest rates ranging from 4.859 percent to 5.004 percent.

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

<u>Fiscal year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,645,000	709,567
2023	1,820,000	627,251
2024	2,010,000	536,179
2025	2,210,000	435,598
2026	2,430,000	325,010
2027-28	4,065,000	273,719
<u>Per statement of net position</u>	<u>\$ 14,180,000</u>	<u>2,907,324</u>

8. 2020A and 2020B Series Parks and Nature General Obligation Bonds

In May 2020, Metro issued \$200,000,000 of 2020 Series Parks and Nature General Obligation Bonds. The bonds were issued by Metro under authority granted by voters for a total of \$475 million in general obligation bonds to fund programs designed to protect natural areas and connect people to nature. The bond will be used for protecting clean water for people, fish and wildlife; improving habitat for native fish and wildlife; protecting and restoring culturally significant native plant communities; and improving access to parks and nature.

The bonds are to be repaid with proceeds of Metro's *ad valorem* property tax levied each year. Interest rates on individual bonds range from 1.2 percent to 5.0 percent.

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

<u>Fiscal year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 16,330,000	4,616,094
2023	16,945,000	4,289,494
2024	17,425,000	4,104,793
2025	8,685,000	3,900,921
2026	3,000,000	3,786,279
2027-31	19,710,000	18,181,394
2032-36	49,660,000	11,796,544
2037-40	52,630,000	3,506,000
	184,385,000	54,181,519
Unamortized premium	10,287,909	
<u>Per statement of net position</u>	<u>\$ 194,672,909</u>	

9. Full Faith and Credit Bonds 2021 Series

On May 19, 2020, the voters of the Metro region approved Metro's Supportive Housing Services Ballot Measure 26-210, which authorized Metro to impose a business income tax and a personal income tax to fund Supportive Housing Services. Metro council authorized the issuance of revenue bonds to begin implementation of the Supportive Housing Services program prior to receiving expected tax revenues. In February 2021, Metro issued \$27,500,000 of Full Faith and Credit Bonds, Series 2021 to begin implementation of the necessary tax collection infrastructure and administration of the Supportive Housing program.

The bonds are payable from all legally available taxes and other revenues of Metro. Interest rates on individual bonds was 0.71 percent.

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

<u>Fiscal year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 11,865,000	169,086
2023	11,950,000	84,846
<u>Per statement of net position</u>	<u>\$ 23,815,000</u>	<u>253,932</u>

Business-type Activities

10. Full Faith and Credit Refunding Bonds 2016 Series

In prior years, Metro issued \$7,385,000 of Full Faith and Credit Refunding Bonds, Series 2016 to refund all callable outstanding series 2006 Series Oregon Local Governments Full Faith and Credit Bonds. The defeased bonds have been called and paid and the escrow account for the defeasance is closed.

The bonds are payable from all legally available taxes and other revenues of Metro. Interest rates on individual bonds range from 1.5 percent to 5.0 percent.

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

<u>Fiscal year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 920,000	101,400
2023	950,000	75,875
2024	965,000	49,450
2025	1,005,000	15,075
	3,840,000	241,800
Unamortized premium	318,135	
<u>Per statement of net position</u>	<u>\$ 4,158,135</u>	

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Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2021

L. CHANGES IN LONG-TERM LIABILITIES

The following changes occurred during fiscal year 2021 in long-term liabilities:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 942,030,000	-	(41,290,000)	900,740,000	44,850,000
Full faith and credit bonds	17,325,000	27,500,000	(5,005,000)	39,820,000	13,210,000
Dedicated tax revenue bonds	49,775,000	-	(930,000)	48,845,000	965,000
Pension obligation bonds	15,660,000	-	(1,480,000)	14,180,000	1,645,000
Less unamortized amounts:					
For premium or discount	37,553,031	-	(3,304,664)	34,248,367	-
Total bonds payable	1,062,343,031	27,500,000	(52,009,664)	1,037,833,367	60,670,000
Pollution remediation obligation	886,500	384,802	-	1,271,302	384,802
Net other postemployment benefits	1,086,000	201,891	(76,357)	1,211,534	-
Compensated absences	3,133,220	4,467,325	(3,133,220)	4,467,325	3,221,699
Net pension liability	48,784,288	30,294,777	(5,085,319)	73,993,746	-
Governmental activities Long-term liabilities	\$ 1,116,233,039	62,848,795	(60,304,560)	1,118,777,274	64,276,501
Business-type activities:					
Bonds payable:					
Full faith and credit bonds	\$ 4,730,000	-	(890,000)	3,840,000	920,000
Less unamortized amounts:					
For premium or discount	411,247	-	(93,113)	318,134	-
Total bonds payable	5,141,247	-	(983,113)	4,158,134	920,000
Post-closure costs payable	4,241,276	-	(1,264,406)	2,976,870	566,340
Pollution remediation obligation	95,000	-	-	95,000	-
Net other postemployment benefits	1,894,688	334,768	(74,011)	2,155,445	-
Compensated absences	2,847,690	4,259,059	(2,847,690)	4,259,059	3,005,277
Net pension liability	60,603,133	9,468,082	(4,506,053)	65,565,162	-
Business-type activities Long-term liabilities	\$ 74,823,034	14,061,909	(9,675,273)	79,209,670	4,491,617

The internal service fund predominantly serves the governmental funds. Accordingly, long-term liabilities for it are included as part of the above totals for governmental activities. For governmental activities, compensated absences and net pension liabilities are generally liquidated by the General Fund and the Natural Areas Fund, and net other postemployment benefits are charged to the General Fund.

M. POST-CLOSURE COST PAYABLE

The St. Johns Landfill was closed for operations in a prior year. Closure and post-closure care costs were originally recognized while the St. Johns Landfill was still in operation based on the then current estimate of total costs to complete such efforts, regardless of when cash disbursements were to be made. Such costs include

methane gas and leachate collection systems, final cover, seeding, roads, drainage, ground water monitoring wells, liner systems, storm water management and operations and maintenance costs. State and federal laws and regulations require Metro to perform certain post-closure maintenance and monitoring functions for thirty years after closure. At June 30, 2021, there were 5 years remaining until the post-closure care requirement is completed in fiscal year 2026.

The total post-closure cost of the St. Johns Landfill as of June 30, 2021 is estimated to be \$50,385,380 under current Federal and state regulations, a reduction of \$717,902 in the current fiscal year in the estimated total liability. Actual cost may vary due to inflation or deflation, changes in technology, or changes in regulations. During the fiscal year, Metro paid \$546,504 in closure costs as the closure process continued (\$47,408,511 cumulative

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

to date); reducing the remaining estimated liability to \$2,976,869 at June 30, 2021.

Metro is required by state and federal laws and regulations to provide financial assurance for the coverage of these overall post-closure care estimated costs. Metro is currently providing this financial assurance through an Alternative Financial Assurance Mechanism which has been approved by the Oregon Department of Environmental Quality (DEQ) and consists of its Solid Waste Fund, a post-closure funding guarantee of future revenues to cover these costs and a Landfill Post-Closure Account. Metro is required to submit annual re-certifications of this mechanism and Metro is currently awaiting DEQ approval for this year's annual recertification.

N. POLLUTION REMEDIATION OBLIGATION

Metro follows the requirements of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* to account for its pollution remediation liabilities. Various Metro properties have pollution remediation obligations where obligating events have occurred and amounts are estimable using the expected cash flows technique.

Governmental Activities

Estimable pollution remediation obligations are present at what is referred to as the Texaco site on McLoughlin Boulevard in Milwaukie, Oregon. DEQ includes this site in the Underground Storage Tank (UST) Cleanup program and the incomplete nature of cleanup activities by the prior owners constitutes an obligating event. Metro entered into a Prospective Purchaser Agreement (PPA) with DEQ which called for the decommissioning of USTs and remediation of soil contamination exceeding DEQ tolerances. Initial remediation work, including UST removal has been completed. Some shallow soil contamination remains. A cost estimate was developed for remaining DEQ oversight costs and cleanup of the remaining soil contamination during future site development work, as notified by DEQ in 2006. The estimated pollution remediation obligation for this site is estimated to be \$2,500, reflected in governmental activities on the government-wide statement of net position.

Other Metro properties fall within the Initial Study Area of the Portland Harbor Superfund site adjacent to the Portland Harbor. The area has been under investigation by the Lower Willamette Group (LWG) under a 2001

Environmental Protection Agency (EPA) Administrative Order on Consent. For the entire Portland Harbor Superfund site, the LWG has been conducting a remedial investigation in the Willamette River (in water) since 2001 with oversight from EPA. EPA issued a Record of Decision outlining the Selected Remedy in January 2017, which includes dredging, capping, and enhanced natural recovery, estimated to take 13 years to complete. Costs associated with investigations and studies as they pertain to Metro properties and the allocation of such costs among potentially responsible parties (PRPs) are still being determined. The PRPs have engaged an allocator to develop a method for allocation of costs associated with the remedial investigation and feasibility study. Based upon the uncertainty of the Portland Harbor Superfund site remediation and allocation approach, pollution remediation obligations for the in-water remedy at Willamette Cove are not considered estimable. For the upland portion of the site, Metro's current share of the pollution remediation obligation is estimated to be \$1,268,802, reflected in governmental activities on the government-wide statement of net position.

Business-type Activities

At the St. Johns Landfill, work associated with pollution remediation for sediment located adjacent to the landfill levees and potentially shallow groundwater includes: completion of a remedial investigation (RI)/feasibility study (FS) and remedial design; remedial action implementation; and remedial action performance monitoring. The work associated with the RI has been completed and the final RI report has been accepted by DEQ. The work associated with the FS component was completed during fiscal year 2013. DEQ signed and issued a Record of Decision on July 9, 2014, which includes DEQ's selected remedial action. Work going forward is based on the Draft Remedial Action Work Plan (RAWP) for implementation of the preferred alternative which calls for activated carbon pellets to be spread across the sediment surface in the risk-based areas. Metro has elected to expand the treatment area to provide greater coverage of the Westside Mud Flat to reduce uncertainty. Metro is awaiting DEQ approval and certification of these results at June 30, 2021.

For Metro Central Station, Metro received a request from the EPA and recommendation from DEQ to perform an expanded Preliminary Assessment. Metro then entered into an agreement with DEQ regarding the source control evaluation for the property. Metro has contracted with AECOM to update the station's stormwater treatment

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

system to satisfy Tier 2 correction actions related to the DEQ's recommendation. Site improvements have been completed and Metro is awaiting DEQ approval and certification of these results at June 30, 2021.

Current information on estimable pollution remediation obligations at Expo, which is adjacent to a designated Superfund site, is limited. Therefore, the cost associated with work beyond the initial preliminary study is not yet

estimable. The pollution remediation obligation estimate for the DEQ recommended preliminary assessment, which is recorded in the MERC Fund, is \$95,000.

The total pollution remediation obligation on the government-wide statement of net position for governmental activities is \$1,271,302 and for business-type activities \$95,000.

O. FUND BALANCE CLASSIFICATIONS

Fund balance classifications as presented on the governmental funds balance sheet are further detailed below:

	General Fund	Parks and Nature Operating Fund	Affordable Housing Special Revenue Fund	Supportive Housing Services Revenue Fund	General Obligation Bond Debt Service Fund	Major Capital Projects Funds			Total
						Natural Areas Fund	Parks and Nature Bond Fund	Other Funds	
Fund balances:									
Nonspendable:									
Not in spendable form:									
Prepaid items	\$ 219,961	7,742	-	-	-	-	-	2,000	229,703
Deposits	-	-	14,966,997	-	-	-	-	-	14,966,997
Long-term amount of loans receivable	8,546	-	-	-	-	-	-	-	8,546
Corpus of permanent fund	-	-	-	-	-	-	-	747,747	747,747
Total nonspendable	228,507	7,742	14,966,997	-	-	-	-	749,747	15,952,994
Restricted for:									
Construction excise tax for									
development planning	14,274,776	-	-	-	-	-	-	-	14,274,776
TOD projects	18,869,536	-	-	-	-	-	-	-	18,869,536
Planning IGA	7,384,003	-	-	-	-	-	-	-	7,384,003
Glendoveer operations	183,421	-	-	-	-	-	-	-	183,421
Parks and Natural Areas	-	11,803,075	-	-	-	-	-	-	11,803,075
Debt service on bonds	3,388,093	-	-	-	3,933,561	-	-	-	7,321,654
Smith & Bybee Wetlands mgmt plan	-	-	-	-	-	-	-	1,690,414	1,690,414
Community Enhancement	823,963	-	-	-	-	-	-	693,976	1,517,939
Willamette Falls Legacy project	15,342,272	-	-	-	-	-	-	-	15,342,272
Affordable Housing	-	-	621,829,759	-	-	-	-	-	621,829,759
Supportive Housing Services	-	-	-	18,184,623	-	-	-	-	18,184,623
Capital projects:									
Bond funded programs	5,558,864	-	-	-	-	6,388,606	203,239,445	-	215,186,915
Total restricted	65,824,928	11,803,075	621,829,759	18,184,623	3,933,561	6,388,606	203,239,445	2,384,390	933,588,387
Assigned to:									
Encumbered fund balance	306,762	-	-	-	-	-	-	-	306,762
Permanent fund programs	-	-	-	-	-	-	-	67,401	67,401
Total assigned	306,762	-	-	-	-	-	-	67,401	374,163
Unassigned	25,371,311	-	-	-	-	-	-	-	25,371,311
Total fund balances	\$ 91,731,508	11,810,817	636,796,756	18,184,623	3,933,561	6,388,606	203,239,445	3,201,538	975,286,854

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

P. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables and payables are detailed in the table below.

<i>Receivable Fund/Entity</i>	<i>Payable Fund/Entity</i>		Assets per fund statements
	<i>Advances from Other Funds</i> (portion of interfund loans not scheduled to be repaid in the subsequent year)	<i>Internal balances</i> (to reflect the consolidation of internal service fund activities)	
	Oregon Zoo	Business-type activities	
Advances to Other Funds <i>(portion of interfund loans not scheduled to be repaid in the subsequent year)</i>			
Solid Waste	\$ 1,342,839		(2,711,527)
Internal balances <i>(to reflect the consolidation of internal service fund activities)</i>			
Governmental activities		(2,711,527)	
Liabilities per fund statements	\$ 1,342,839		
Reconciliation to government-wide statements:			
Internal balances per the government-wide statement of net position		(\$ 2,711,527)	

Loans from Solid Waste Fund to Oregon Zoo Fund is to finance various capital projects.

Note that amounts shown between Solid Waste and Oregon Zoo net within business-type activities in internal balances

Interfund transfers for the fiscal year by fund were:

<i>Transfers out</i>	<i>Transfers in</i>				Total
	General	Parks and Nature Operating	Oregon Zoo	MERC	
General	\$ -	1,777,213	15,746,776	7,075,610	24,599,599
Parks and Nature Operating	1,162,545	-	-	-	1,162,545
Affordable Housing	13,867	-	-	-	13,867
Supportive Housing Services	4,617	-	-	-	4,617
Oregon Zoo Infrastructure	8,027	-	-	-	8,027
Natural Areas	17,717	-	-	-	17,717
Parks and Nature Bond	47,928	-	-	-	47,928
Solid Waste	325,824	-	-	-	325,824
Oregon Zoo	235,620	-	-	-	235,620
MERC	133,760	-	-	-	133,760
Risk Management	5,402	-	-	-	5,402
Total	\$ 1,955,307	1,777,213	15,746,776	7,075,610	26,554,906

The transfers detailed above are transfers of resources from one fund to another that are not based upon a cost allocation plan or any expectation of a payment for services provided, but rather to provide resources for other uses.

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Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021**Q. TAX ABATEMENTS**

Metro has not entered into any tax abatement programs. However, Metro is subject to tax abatements granted by the three counties in which Metro operates. Metro's abated property taxes total \$8,275,788 for fiscal year 2021. The following two tax abatement programs account for 95 percent of the abated property taxes:

Strategic Investment Program

The Strategic Investment Program (SIP) was adopted by the Oregon legislature in 1993 under ORS 285C.600. The purpose of this program is to attract and keep companies that provide good jobs in Oregon, particularly capital-intensive, high-technology employers. It allows "traded-sector" businesses, such as manufacturing firms, and local governments to negotiate alternative property tax agreements if these businesses are willing to invest at least \$100 million at an urban site or at least \$25 million at a rural location in Oregon. "Traded sector" is defined in Oregon law as "industries in which member firms sell their goods or services into markets for which national and international competition exists." The project must either receive local approval through a custom agreement with the county/city or be located in a pre-established "Strategic Investment Zone."

SIP allows for tax exemptions on project property for fifteen years. In exchange for receiving a property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor (Washington County).

Oregon Enterprise Zone

The Enterprise Zone program (E-Zone) was adopted by the Oregon legislature under ORS 285C.175. The purpose of this program is to encourage business investment through property tax relief, in specific areas of the state. In exchange for locating or expanding into an Enterprise Zone, eligible (generally non-retail) businesses receive total exemption from the property taxes normally assessed on new plant and equipment. Subject to local authorization, timely filings and criteria the benefits include:

- Construction-in-Process Enterprise Zone Exemption-For up to two years before qualified property is placed in service, it can be exempt from local taxes, which can cover more property than the regular exemption for commercial facilities under construction.

- Three to five consecutive years of full relief from property taxes on qualified property, after it is in service.
- Depending on the zone, local incentives also may be available.

Metro's property tax abatements under these programs for the fiscal year ended June 30, 2021 were:

Tax Abatement Program	Amount of Taxes Abated
SIP	\$ 7,340,000
E-Zone	496,100
Subtotal major abatement program	7,836,100
Other immaterial abatement programs	439,688
Total	\$ 8,275,788

R. INSURED RISKS

Metro is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Metro has established a Risk Management Fund (an internal service fund) to account for risk management activities, including payment of insurance policy premiums, payment of claims, and to finance its uninsured risks of loss. Under this program, the Risk Management Fund provides risk of loss coverage as follows:

- General liability, bodily injury to or property damage of third parties resulting from the negligence of Metro or its employees and errors and omissions risks: these risks are fully covered by the Risk Management Fund. Metro is protected by ORS Chapter 30, the Oregon Tort Claims Act, which contains statutory claim limits of \$769,200 for a single claimant and \$1,538,300 per multiple claimants. These statutory limits are indexed and change every year on July 1. Metro carries an excess liability policy of \$10 million, with a \$1 million deductible, which is intended to insure possible liability outside the Oregon Tort Claims Act.
- Property damage to Metro-owned facilities: this risk is covered with a commercial property insurance policy. The property policy insures \$926,984,372 of property values with a \$500,000,000 limit blanket policy and a \$500,000 deductible.
- Workers' compensation, bodily injury or illness to an employee while in the course of employment: this risk is covered through a guaranteed cost program

METRO

Notes to the Financial Statements, *continued*
For the fiscal year ended June 30, 2021

from SAIF Corporation, a commercial carrier, in amounts that meet statutory requirements.

Metro has not experienced settlements in excess of insurance coverage in any of the last three fiscal years. An independent actuary prepared an actuarial valuation and estimate of liabilities for unpaid claims as of June 30, 2021. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. Metro also monitors risk activity to ensure that proper reserves are maintained. All operating funds of Metro participate in the program and make payments to the Risk Management Fund based upon actuarial estimates of the amounts needed to pay prior and current year claims and to establish sufficient reserves.

The estimated claims liability of \$770,000 reported as accrued self-insurance claims in the Risk Management Fund at June 30, 2021 was established in accordance with the requirements of GASB Statement No. 30, *Risk Financing Omnibus*, which requires that a liability for total estimated claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. A portion of the loss reserves have been discounted, using an assumed average investment rate of 1.025 percent in preparing the estimates. Metro does not purchase annuity contracts from commercial insurers to pay any aggregate amount of outstanding claims liabilities.

Changes in Risk Management Fund claims liability for the previous and current fiscal year were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2019-20	\$ 377,000	782,000	693,000	466,000
2020-21	466,000	494,000	190,000	770,000

S. CONTINGENT LIABILITIES

1. Reviews by Grantor Agencies

Grant costs are subject to review by the grantor agencies. Any costs disallowed as the result of the review would be borne by Metro and may require the return of such amount to the grantor agency. Should costs be disallowed on a grant for which Metro acts in a pass-through

capacity, Metro should be able to require repayment of amounts disallowed from the subgrantees.

2. Legal Matters

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



REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

General Fund

Special Revenue Funds

Parks and Nature Operating Fund

Affordable Housing Fund

Supportive Housing Services Fund

Postemployment benefits other than pensions Retirement Health Insurance Account

Schedule of District's Propriate Share of the Net OPEB Liability (Asset)
Schedule of District's Contributions

Postemployment benefits other than pensions Implicit Rate Subsidy

Schedule of District's Changes in Total OPEB Liability and Related Ratios

Oregon Public Employees Retirement System, Pension Plan

Schedule of District's Propriate Share of Net Pension Liability
Schedule of District's Contributions

Notes to Required Supplementary Information

METRO
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Program revenues:				
Charges for services:				
Government fees	\$ 10,309	10,309	67,324	57,015
Culture and recreation fees	3,171,500	3,171,500	3,702,010	530,510
Other fees	1,381,866	679,037	263,359	(415,678)
Licenses and permits	567,987	567,987	587,595	19,608
Miscellaneous revenue	1,488,151	1,488,151	1,743,700	255,549
Operating grants and contributions:				
Grants	11,389,473	11,930,877	10,455,129	(1,475,748)
Local government shared revenue	134,841	134,841	221,053	86,212
Government contributions	6,069,914	6,069,914	-	(6,069,914)
General revenues:				
Taxes:				
Property taxes	16,701,917	16,701,917	17,243,849	541,932
Excise taxes	19,157,754	16,157,754	18,704,634	2,546,880
Construction excise tax	2,777,000	2,777,000	3,318,783	541,783
Investment income	1,280,126	1,280,126	823,693	(456,433)
Total revenues	64,130,838	60,969,413	57,131,129	(3,838,284)
EXPENDITURES				
Council	7,141,234	6,361,790	5,636,977	724,813
Capital Asset Management	3,649,197	3,071,368	2,875,121	196,247
Communications	2,216,773	1,951,150	1,806,259	144,891
Finance and regulatory services	5,708,286	5,030,068	5,007,302	22,766
Human resources	3,906,027	3,570,805	3,368,680	202,125
Information services	6,816,493	5,956,614	5,415,419	541,195
Office of the auditor	825,955	825,955	732,013	93,942
Office of Metro attorney	3,042,820	2,872,303	2,754,246	118,057
Parks and nature	3,146,500	3,146,500	3,126,102	20,398
Planning and development	30,395,381	29,557,631	20,201,918	9,355,713
Research center	4,556,760	4,582,760	3,965,486	617,274
Special appropriations	3,633,567	3,486,067	2,977,724	508,343
Non-departmental:				
Debt service	8,263,627	8,263,627	6,009,371	2,254,256

(Continued)

METRO
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting), *continued*
For the fiscal year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
Expenditures, <i>continued</i> :				
Contingency	\$ 11,711,981	9,457,171	-	9,457,171
Total expenditures	95,014,601	88,133,809	63,876,618	24,257,191
Revenues over (under) expenditures	(30,883,763)	(27,164,396)	(6,745,489)	20,418,907
OTHER FINANCING SOURCES (USES)				
Transfers in	28,878,889	28,878,889	26,407,133	(2,471,756)
Transfers out	(24,095,093)	(27,814,460)	(27,814,460)	-
Total other financing sources (uses)	4,783,796	1,064,429	(1,407,327)	(2,471,756)
Revenues and other sources over (under) expenditures and other uses	(26,099,967)	(26,099,967)	(8,152,816)	17,947,151
Beginning fund balance available for appropriation - July 1, 2020	49,764,645	49,764,645	57,526,276	7,761,631
Unappropriated ending fund balance - June 30, 2021	\$ 23,664,678	23,664,678	49,373,460	25,708,782
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting:				
General Fund, as presented above			\$ (8,152,816)	
General Revenue Bond Fund-General			5,493	
General Asset Management Fund			(1,992,852)	
Additional (decrease to) revenues required by Governmental GAAP:				
Adjustment to value investments at fair value			(1,324,877)	
Accrual of interest receivable on TOD loans			9,200	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ (11,455,852)	

METRO
Parks and Nature Operating Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
Program revenues:				
Charges for services:				
Government fees	\$ 13,000	13,000	4,550	(8,450)
Culture and recreation fees	1,099,350	1,099,350	815,780	(283,570)
Other fees	1,170,790	1,170,790	1,204,627	33,837
Miscellaneous revenue	53,665	53,665	35,330	(18,335)
Operating grants and contributions:				
Grants	43,900	356,431	498,109	141,678
Local government shared revenue	552,000	552,000	648,189	96,189
Government contributions	45,000	45,000	14,500	(30,500)
General revenues:				
Taxes:				
Property taxes	16,234,514	16,234,514	16,483,954	249,440
Investment income	189,000	189,000	191,983	2,983
Total revenues	19,401,219	19,713,750	19,897,022	183,272
EXPENDITURES				
Parks and nature	21,511,229	20,252,112	15,758,779	4,493,333
Contingency	5,900,782	6,736,068	-	6,736,068
Total expenditures	27,412,011	26,988,180	15,758,779	11,229,401
Revenues over (under) expenditures	(8,010,792)	(7,274,430)	4,138,243	11,412,673
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	2,800	(2,800)
Transfers in	3,075,773	2,339,411	2,339,411	-
Transfers out	(3,905,319)	(3,905,319)	(3,905,319)	-
Total other financing sources (uses)	(829,546)	(1,565,908)	(1,563,108)	(2,800)
Revenues and other sources over (under) expenditures and other uses	(8,840,338)	(8,840,338)	2,575,135	11,409,873
Beginning fund balance available for appropriation - July 1, 2020	8,840,338	8,840,338	9,138,914	298,576
Unappropriated ending fund balance - June 30, 2021	\$ -	-	11,714,049	11,708,449
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ 2,575,135	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(107,140)	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances- governmental funds			\$ 2,467,995	

METRO
Affordable Housing Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Program revenues:				
Operating grants and contributions:				
Grants	\$ -	1,403	2,700	1,297
General revenues:				
Investment income	18,000,000	18,000,000	9,096,466	(8,903,534)
Total revenues	18,000,000	18,001,403	9,099,166	(8,902,237)
EXPENDITURES				
Housing	171,926,547	171,926,547	44,460,162	127,466,385
Contingency	35,000,000	35,001,403	-	35,001,403
Total expenditures	206,926,547	206,927,950	44,460,162	162,467,788
Revenues over expenditures	(188,926,547)	(188,926,547)	(35,360,996)	153,565,551
OTHER FINANCING SOURCES (USES)				
Transfers out	(253,871)	(253,871)	(253,871)	-
Total other financing sources (uses)	(253,871)	(253,871)	(253,871)	-
Revenues and other sources over (under) expenditures and other uses	(189,180,418)	(189,180,418)	(35,614,867)	153,565,551
Beginning fund balance available for appropriation - July 1, 2020	652,530,000	652,530,000	664,356,858	11,826,858
Unappropriated ending fund balance - June 30, 2021	\$ 463,349,582	463,349,582	628,741,991	165,392,409
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ (35,614,867)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(7,383,712)	
Budget requirements not qualifying as expenses under Governmental GAAP:				
Purchase of assets held for resale			4,250,000	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ (38,748,578)	

METRO
Supportive Housing Services Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Program revenues:				
Operating grants and contributions:				
Grants	\$ -	76	900	824
General revenues:				
Taxes:				
Business income taxes	9,875,000	9,875,000	1,350,598	(8,524,402)
Personal income taxes	14,080,000	14,080,000	173,875	(13,906,125)
Total revenues	23,955,000	23,955,076	1,525,373	(22,429,703)
EXPENDITURES				
Supportive housing	35,402,517	35,446,302	7,248,921	28,197,381
Contingency	9,852,483	9,808,774	-	9,808,774
Total expenditures	45,255,000	45,255,076	7,248,921	38,006,155
Revenues over expenditures	(21,300,000)	(21,300,000)	(5,723,548)	15,576,452
OTHER FINANCING SOURCES (USES)				
General obligation bond proceeds	27,500,000	27,500,000	27,500,000	-
Transfers out	(6,200,000)	(6,200,000)	(3,745,745)	2,454,255
Total other financing sources (uses)	21,300,000	21,300,000	23,754,255	2,454,255
Revenues and other sources over (under) expenditures and other uses	-	-	18,030,707	18,030,707
Beginning fund balance available for appropriation - July 1, 2020	-	-	-	-
Unappropriated ending fund balance - June 30, 2021	\$ -	-	18,030,707	18,030,707
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ 18,030,707	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			153,916	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ 18,184,624	

METRO
Schedule of District's Proportionate Share of the Net OPEB Liability (Asset)
Oregon Public Employees' Retirement System, Retirement Health Insurance Account
Last Five Fiscal Years

	2017	2018	2019	2020	2021
Metro's proportion of the net OPEB liability (asset)	0.6214%	0.6037%	0.6165%	0.6388%	0.3558%
Metro's proportionate share of the net OPEB liability (asset)	\$ 168,747	(251,939)	(688,163)	(1,234,363)	(724,882)
Metro's covered payroll**	\$ 60,051,593	62,262,783	66,236,964	69,412,840	70,340,490
Metro's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	0.3%	-0.4%	-1.0%	-1.8%	-1.0%
Plan fiduciary net position as a percentage of the total OPEB liability	94.2%	108.9%	124.0%	144.4%	150.1%

This schedule is presented to illustrate Metro's proportionate share of net OPEB liability over the last 10 years.

However, until a full 10-year trend is compiled, Metro presents information for those years for which information is available.

**As of measurement date which is one year in arrears.

METRO
Schedule of District's Contributions
Oregon Public Employees' Retirement System, Retirement Health Insurance Account
Last Five Fiscal Years

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 317,059	298,503	316,595	25,405	10,242
Contributions in relation to the contractually required contribution	<u>317,059</u>	<u>298,503</u>	<u>316,595</u>	<u>25,405</u>	<u>10,242</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Metro's covered payroll	<u>\$ 62,262,783</u>	<u>66,236,964</u>	<u>69,412,840</u>	<u>70,340,490</u>	<u>60,103,526</u>
Contribution as a percentage of covered payroll	0.5%	0.5%	0.5%	0.0%	0.0%

This schedule is presented to illustrate Metro's OPEB contributions over the last 10 years.
However, until a full 10-year trend is compiled, Metro presents information for those years for which information is available.

METRO
Schedule of District's Changes in Total OPEB Liability and Related Ratios
Implicit Rate Subsidy Plan
Last Four Fiscal Years

Total OPEB Liability	2018	2019	2020	2021
Service Cost	\$ 188,084	176,683	177,807	202,330
Interest on total OPEB liability	83,594	102,623	113,004	109,231
Changes of assumptions or other inputs	(168,115)	(66,972)	30,910	200,089
Benefit payments	(162,251)	(155,404)	(164,866)	(125,359)
Net change in total OPEB liability	(58,688)	56,930	156,855	386,291
Total OPEB liability, beginning of year	2,825,591	2,766,903	2,823,833	2,980,688
Total OPEB liability, end of year	<u>\$ 2,766,903</u>	<u>2,823,833</u>	<u>2,980,688</u>	<u>3,366,979</u>
Metro's covered payroll	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

This schedule is presented to illustrate Metro's changes in total OPEB liability over the last 10 years. However, until a full 10-year trend is compiled, Metro presents information for those years for which information is available.

METRO
Schedule of District's Proportionate Share of Net Pension Liability
Oregon Public Employees' Retirement System, Pension Plan
Last Eight Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021
Metro's proportion of the net pension liability (asset)	0.5139474%	0.5139474%	0.5501435%	0.5465773%	0.5920128%	0.5989718%	0.6323848%	0.6394909%
Metro's proportionate share of the net pension liability (asset)	\$ 26,233,596	(11,649,721)	31,586,277	82,053,939	79,803,544	90,736,337	109,387,421	139,558,908
Metro's covered-employee payroll**	\$ 50,208,189	52,521,307	55,726,726	60,051,593	62,262,783	66,236,964	69,412,840	70,340,490
Metro's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	52.2%	-22.2%	56.7%	136.6%	128.2%	137.0%	157.6%	198.4%
Plan fiduciary net position as a percentage of the total pension liability	92.0%	103.6%	91.9%	80.5%	83.1%	82.1%	80.2%	75.8%

This schedule is presented to illustrate Metro's proportionate share of net pension liability over the last 10 years. However, until a full 10-year trend is compiled, Metro presents information for those years for which information is available.
 **As of measurement date which is one year in arrears.

METRO
Schedule of District's Contributions
Oregon Public Employees' Retirement System, Pension Plan
Last Ten Fiscal Years

	2012	2013	2014
Actuarially Determined Contributions	\$ 3,914,572	3,746,270	3,840,003
Contributions in Relation to Actuarially Determined Contributions	<u>3,914,572</u>	<u>3,746,270</u>	<u>3,840,003</u>
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
Covered Employee Payroll	<u>\$ 52,255,709</u>	<u>50,208,189</u>	<u>52,521,307</u>
Contributions as a percentage of covered-employee payroll	7.5%	7.5%	7.3%

2015	2016	2017	2018	2019	2020	2021
4,062,684	4,729,515	5,315,109	7,594,605	8,097,797	11,296,142	9,591,373
4,062,684	4,729,515	5,315,109	7,594,605	8,097,797	11,296,142	9,591,373
-	-	-	-	-	-	-
<u>55,726,726</u>	<u>60,051,593</u>	<u>62,262,783</u>	<u>66,236,964</u>	<u>69,412,840</u>	<u>70,340,490</u>	<u>60,103,526</u>
7.3%	7.9%	8.5%	11.5%	11.7%	16.1%	16.0%

METRO**Notes to Required Supplementary Information
For the fiscal year ended June 30, 2021****BUDGETARY INFORMATION****1. BUDGETS**

A budget is prepared for each fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. This basis differs from GAAP. The Council adopts the original budget for all funds by ordinance prior to the beginning of Metro's fiscal year. The ordinance authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The legal level of control for each fund is set by department, with separate designations within the fund for the categories of debt service, interfund transfers and contingency.

The General Revenue Bond Fund is a budgetary fund comprised of three components that are separated and combined with other budgetary funds for reporting under GAAP. The General Asset Management Fund is a budgetary fund that is combined with the General Fund for reporting under GAAP. The Oregon Zoo Asset Management Fund is a budgetary fund that is combined with the Oregon Zoo Operating Fund for reporting under GAAP.

The detail budget document is required to contain more specific, detailed information about the aforementioned expenditure categories. Appropriations that have not been expended at year end lapse and subsequent actual expenditures are charged against ensuing year appropriations. Encumbrances are recorded in Metro's internal accounting records for management reporting and control. Encumbrances are closed at June 30 and re-established in the ensuing fiscal year against appropriations for that year.

Unexpected additional resources and budget revisions may be added to the budget through the use of a supplemental budget or by an ordinance passed by the Council amending the budget. A supplemental budget requires hearings before the public, publication in newspapers and approval by the Council. Original, amended and supplemental budgets may be modified by the use of appropriation transfers between the levels of control, with approval of the Council. Management may amend the budget within the appropriated levels of control without Council approval.

2. RECONCILIATION OF BASIS OF BUDGETING TO GAAP BASIS

Oregon Local Budget Law, as adopted by Metro, requires accounting for certain transactions to be on a basis other than GAAP. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis of Budgeting) for each fund as presented in supplementary information is presented on the basis of budgeting and is adjusted to the GAAP basis for presentation in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. The accounting for the reclassification of interfund transfers as operating transactions causes no difference between the excess of revenues and other sources over expenditures and other uses on the basis of budgeting and such amounts on a GAAP basis. Other reconciliations as necessary are presented on the face of the budgetary schedules.

PENSION PLAN INFORMATION**1. CHANGES IN BENEFIT TERMS**

There were no changes of benefit terms between the periods shown in the schedules.

There were no changes in the size or composition of the population covered by the benefit terms.

2. CHANGES IN ASSUMPTIONS

There were no changes in the assumptions used to determine the amounts in the schedules.

OTHER POSTEMPLOYMENT BENEFITS (OPEB) INFORMATION**1. CHANGES IN BENEFIT TERMS**

There were no changes of benefit terms between the periods shown in the schedules.

There were no changes in the size or composition of the population covered by the benefit terms.

2. CHANGES IN ASSUMPTIONS

In the July 1, 2019 actuarial valuation, the OPEB liability discount rate decreased from 3.50 percent to 2.21 percent for results as of June 30, 2020 measurement date.

OTHER SUPPLEMENTARY INFORMATION

Other Supplementary Information

Combining Statements
Nonmajor Governmental Funds

Budgetary Comparison Schedules

Combining Statements Nonmajor Governmental Funds

Special Revenue Funds

Smith and Bybee Wetlands Fund

This fund accounts for development and management of the Smith and Bybee Wetlands Natural Resource Management plan, which calls for Smith and Bybee Wetlands to be managed as environmental and recreational resources for the region. The principal source of revenue is investment income.

Community Enhancement Fund

This fund accounts for special fees collected on solid waste disposal. The funds are used for community enhancement projects in the areas around various solid waste disposal facilities and for administration of the enhancement program.

Capital Projects Fund

Open Spaces Fund

This fund accounts for the activities to acquire and protect regional open spaces, parks, trails, and streams. The principal resource is investment income.

Permanent Fund

Cemetery Perpetual Care Fund

This fund accounts for amounts provided to build a permanent investment of principal from which the earnings will be used to provide long-term maintenance of pioneer cemeteries under Metro's management. The principal resource is a cemetery revenue surcharge on grave sales.

METRO
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue			Capital Projects	Permanent	Total Nonmajor Governmental Funds
	Smith and Bybee Wetlands	Community Enhancement	Total	Open Spaces	Cemetery Perpetual Care	
ASSETS						
Equity in internal cash and investment pool	\$ 1,715,175	991,693	2,706,868	-	812,692	3,519,560
Receivables:						
Other	-	44,139	44,139	-	-	44,139
Interest	5,244	2,856	8,100	-	2,456	10,556
Prepaid items	-	2,000	2,000	-	-	2,000
Total assets	1,720,419	1,040,688	2,761,107	-	815,148	3,576,255
LIABILITIES						
Liabilities:						
Accounts payable	30,005	344,712	374,717	-	-	374,717
Total liabilities	30,005	344,712	374,717	-	-	374,717
FUND BALANCES						
Nonspendable	-	2,000	2,000	-	747,747	749,747
Restricted	1,690,414	693,976	2,384,390	-	-	2,384,390
Assigned	-	-	-	-	67,401	67,401
Total fund balances	1,690,414	695,976	2,386,390	-	815,148	3,201,538
Total liabilities and fund balances	\$ 1,720,419	1,040,688	2,761,107	-	815,148	3,576,255

METRO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2021

	Special Revenue			Capital Projects	Permanent	Total Nonmajor Governmental Funds
	Smith and Bybee Wetlands	Community Enhancement	Total	Open Spaces	Cemetery Perpetual Care	
REVENUES						
Cemetery revenue surcharge	\$ -	-	-	-	55,300	55,300
Investment income	3,255	5,788	9,043	958	2,971	12,972
Solid waste fees	-	1,126,752	1,126,752	-	-	1,126,752
Total revenues	3,255	1,132,540	1,135,795	958	58,271	1,195,024
EXPENDITURES						
Current:						
Culture and recreation	210,101	1,132,754	1,342,855	1	-	1,342,856
Capital outlay	75,000	-	75,000	23,651	-	98,651
Total expenditures	285,101	1,132,754	1,417,855	23,652	-	1,441,507
Revenues over (under) expenditures	(281,846)	(214)	(282,060)	(22,694)	58,271	(246,483)
Net change in fund balances	(281,846)	(214)	(282,060)	(22,694)	58,271	(246,483)
Fund balances - July 1, 2020	1,972,260	696,190	2,668,450	22,694	756,877	3,448,021
Fund balances - June 30, 2021	\$ 1,690,414	695,976	2,386,390	-	815,148	3,201,538



Budgetary Comparison Schedules

Oregon Administrative Rules 162-010-0050 through 162-010-0330 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, as prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, requires an individual schedule of revenues, expenditures, and changes in fund balance, budget and actual be presented for each fund for which a legally adopted budget is required.

In accordance with GASB Statement No. 34, Metro's General Fund and major special revenue funds, the Affordable Housing Fund, Supportive Housing Services Fund, Parks and Nature Operating Fund are presented as required supplementary information. Budgetary comparisons for all other funds are displayed in the following pages.



Other Major Governmental Funds

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

Debt Service Fund

General Obligation Bond Debt Service Fund

Capital Projects Funds

Oregon Zoo Infrastructure and Animal Welfare Fund

Natural Areas Fund

Parks and Nature Bond Fund

METRO
General Obligation Bond Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
General revenues:				
Taxes:				
Property taxes	\$ 71,001,413	71,001,413	72,792,363	1,790,950
Investment income	200,000	200,000	350,037	150,037
Total revenues	71,201,413	71,201,413	73,142,400	1,940,987
EXPENDITURES				
Debt service:				
Principal	41,290,000	41,290,000	41,290,000	-
Interest	31,411,413	31,411,413	31,411,412	1
Total expenditures	72,701,413	72,701,413	72,701,412	1
Revenues over (under) expenditures	(1,500,000)	(1,500,000)	440,988	1,940,986
Beginning fund balance available for appropriation - July 1, 2020	1,500,000	1,500,000	3,466,965	1,966,965
Unappropriated ending fund balance - June 30, 2021	\$ -	-	3,907,954	3,907,952
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ 440,988	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(46,995)	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ 393,993	

METRO
Oregon Zoo Infrastructure and Animal Welfare Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
Operating grants and contributions:				
Grants	\$ -	14,244	-	(14,244)
Contributions and donations	800,000	800,000	-	(800,000)
General revenues:				
Investment income	52,177	52,177	69,451	17,274
Total revenues	852,177	866,421	69,451	(796,970)
EXPENDITURES				
Oregon Zoo	20,136,172	20,136,172	11,478,189	8,657,983
Contingency	1,053,628	1,067,872	-	1,067,872
Total expenditures	21,189,800	21,204,044	11,478,189	9,725,855
Revenues over (under) expenditures	(20,337,623)	(20,337,623)	(11,408,738)	8,928,885
OTHER FINANCING SOURCES (USES)				
Transfers out	(462,377)	(462,377)	(462,377)	-
Total other financing sources (uses)	(462,377)	(462,377)	(462,377)	-
Revenues and other sources over (under) expenditures and other uses	(20,800,000)	(20,800,000)	(11,871,115)	8,928,885
Beginning fund balance available for appropriation - July 1, 2020	20,800,000	20,800,000	11,871,115	(8,928,885)
Unappropriated ending fund balance - June 30, 2021	\$ -	-	-	-
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ (11,871,115)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(109,853)	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances- governmental funds			\$ (11,980,968)	

METRO
Natural Areas Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ -	-	3,370	3,370
Operating grants and contributions:				
Grants	85,180	296,791	256,033	(40,758)
Capital grants and contributions:				
Capital contributions and donations	-	-	268,456	268,456
General revenues:				
Investment income	325,313	325,313	143,933	(181,380)
Total revenues	410,493	622,104	671,792	49,688
EXPENDITURES				
Parks and nature	7,448,383	7,769,433	5,177,303	2,592,130
Contingency	3,833,379	3,723,940	-	3,723,940
Total expenditures	11,281,762	11,493,373	5,177,303	6,316,070
Revenues over (under) expenditures	(10,871,269)	(10,871,269)	(4,505,511)	6,365,758
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,177,348)	(1,177,348)	(1,177,348)	-
Total other financing sources (uses)	(1,177,348)	(1,177,348)	(1,177,348)	-
Revenues and other sources over (under) expenditures and other uses	(12,048,617)	(12,048,617)	(5,682,859)	6,365,758
Beginning fund balance available for appropriation - July 1, 2020	12,048,617	12,048,617	12,021,650	(26,967)
Unappropriated ending fund balance - June 30, 2021	\$ -	-	6,338,791	6,338,791
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ (5,682,859)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(71,152)	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ (5,754,011)	

METRO
Parks and Nature Bond Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ -	-	2,274	2,274
Operating grants and contributions:				
Grants	-	11,634	11,550	(84)
General revenues:				
Investment income	513,000	513,000	965,826	452,826
Total revenues	513,000	524,634	979,650	455,016
EXPENDITURES				
Parks and nature	30,487,918	31,320,918	7,194,438	24,126,480
Contingency	4,000,000	3,214,634	-	3,214,634
Total expenditures	34,487,918	34,535,552	7,194,438	27,341,114
Revenues under expenditures	(33,974,918)	(34,010,918)	(6,214,788)	27,796,130
OTHER FINANCING SOURCES (USES)				
Transfers out	(629,810)	(593,810)	(593,810)	-
Total other financing sources (uses)	(629,810)	(593,810)	(593,810)	-
Revenues and other sources over (under) expenditures and other uses	(34,604,728)	(34,604,728)	(6,808,598)	27,796,130
Beginning fund balance available for appropriation - July 1, 2020	190,000,000	190,000,000	209,850,443	19,850,443
Unappropriated ending fund balance - June 30, 2021	\$ 155,395,272	155,395,272	203,041,845	47,646,573
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ (6,808,598)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(524,597)	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ (7,333,195)	



Nonmajor Governmental Funds

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

Special Revenue Funds

Smith and Bybee Wetlands Fund

Community Enhancement Fund

Capital Projects Funds

Open Spaces Fund

Permanent Fund

Cemetery Perpetual Care Fund

METRO
Smith and Bybee Wetlands Fund
Schedule of Revenue, Expenditure and Changes in Fund Balances-
Budget and Actuals (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
General revenues:				
Investment income	\$ 51,215	51,215	29,176	(22,039)
Total revenues	51,215	51,215	29,176	(22,039)
EXPENDITURES				
Parks and nature	250,000	250,000	215,194	34,806
Contingency	500,000	500,000	-	500,000
Total expenditures	750,000	750,000	215,194	534,806
Revenues over (under) expenditures	(698,785)	(698,785)	(186,018)	512,767
OTHER FINANCING SOURCES (USES)				
Transfers out	(69,907)	(69,907)	(69,907)	-
Total other financing sources (uses)	(69,907)	(69,907)	(69,907)	-
Revenues and other sources over (under) expenditures and other uses	(768,692)	(768,692)	(255,925)	512,767
Beginning fund balance available for appropriation - July 1, 2020	1,896,842	1,896,842	1,933,855	37,013
Unappropriated ending fund balance - June 30, 2021	\$ 1,128,150	1,128,150	1,677,930	549,780
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ (255,925)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(25,921)	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			\$ (281,846)	

METRO
Community Enhancement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Program revenues:				
Charges for services:				
Solid waste fees	\$ 1,095,106	1,095,106	1,126,753	31,647
General revenues:				
Investment income	12,985	12,985	13,253	268
Total revenues	<u>1,108,091</u>	<u>1,108,091</u>	<u>1,140,006</u>	<u>31,915</u>
EXPENDITURES				
Property and environmental services	1,379,222	1,379,222	1,113,520	265,702
Contingency	69,500	69,500	-	69,500
Total expenditures	<u>1,448,722</u>	<u>1,448,722</u>	<u>1,113,520</u>	<u>335,202</u>
Revenues over (under) expenditures	(340,631)	(340,631)	26,486	367,117
OTHER FINANCING SOURCES (USES)				
Transfers out	(19,235)	(19,235)	(19,235)	-
Total other financing sources (uses)	<u>(19,235)</u>	<u>(19,235)</u>	<u>(19,235)</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	(359,866)	(359,866)	7,251	367,117
Beginning fund balance available for appropriation - July 1, 2020	<u>508,327</u>	<u>508,327</u>	<u>681,507</u>	<u>173,180</u>
Unappropriated ending fund balance - June 30, 2021	<u>\$ 148,461</u>	<u>148,461</u>	<u>688,758</u>	<u>540,297</u>
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ 7,251	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(7,465)	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			<u>\$ (214)</u>	

METRO
Open Spaces Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Parks and nature	\$ 25,000	25,000	23,653	1,347
Total expenditures	25,000	25,000	23,653	1,347
Revenues over (under) expenditures	(25,000)	(25,000)	(23,653)	1,347
Beginning fund balance available for appropriation - July 1, 2020	25,000	25,000	23,653	(1,347)
Unappropriated ending fund balance - June 30, 2021	\$ -	-	-	-
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ (23,653)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			959	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			\$ (22,694)	

METRO
Cemetery Perpetual Care Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General revenues:				
Taxes:				
Cemetery revenue surcharge	\$ 40,000	40,000	55,301	15,301
Investment income	19,820	19,820	12,039	(7,781)
Total revenues	59,820	59,820	67,340	7,520
Beginning fund balance available for appropriation - July 1, 2020	734,063	734,063	741,893	7,830
Unappropriated ending fund balance - June 30, 2021	\$ 793,883	793,883	809,233	15,350
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ 67,340	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(9,068)	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			\$ 58,271	



Proprietary Funds

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

Enterprise Funds

Solid Waste Revenue Fund

Oregon Zoo Operating Fund

MERC Fund

Internal Service Fund

Risk Management Fund

**Reconciliation of Enterprise Fund Fund Balances (Basis of Budgeting) to Statement of Net
Position- Proprietary Funds (GAAP Basis)**

METRO
Solid Waste Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Program revenues:				
Charges for services:				
Government fees	\$ 1,235,850	1,235,850	863,498	(372,352)
Culture and recreation fees	246,400	246,400	246,144	(256)
Solid waste fees	77,753,124	77,753,124	75,916,733	(1,836,391)
Other fees	-	-	225	225
Miscellaneous revenue	102,100	102,100	167,454	65,354
Operating grants and contributions:				
Grants	-	601,738	294,513	(307,225)
Government contributions	-	-	10,000	10,000
General revenues:				
Investment income	997,795	997,795	723,251	(274,544)
Total revenues	80,335,269	80,937,007	78,221,817	(2,715,190)
EXPENDITURES				
Property and environmental services	96,782,452	93,740,212	82,978,171	10,762,041
Contingency	18,043,528	21,354,614	-	21,354,614
Total expenditures	114,825,980	115,094,826	82,978,171	32,116,655
Revenues over (under) expenditures	(34,490,711)	(34,157,819)	(4,756,353)	29,401,466
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	24,800	24,800
Transfers in	352,127	19,235	19,235	-
Transfers out	(7,254,879)	(7,254,879)	(7,237,378)	17,501
Total other financing sources (uses)	(6,902,752)	(7,235,644)	(7,193,343)	42,301
Revenues and other sources over (under) expenditures and other uses	(41,393,463)	(41,393,463)	(11,949,696)	29,443,767
Beginning fund balance available for appropriation - July 1, 2020	52,843,463	52,843,463	48,594,881	(4,248,582)
Unappropriated ending fund balance - June 30, 2021	\$ 11,450,000	11,450,000	36,645,184	25,195,184

METRO
Oregon Zoo Operating Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Program revenues:				
Charges for services:				
Culture and recreation fees	\$ 14,525,531	14,525,531	17,493,511	2,967,980
Other fees	327,293	327,293	44,539	(282,754)
Miscellaneous revenue	7,525,000	7,525,000	55,928	(7,469,072)
Operating grants and contributions:				
Grants	561,533	561,533	1,232,395	670,862
Contributions and donations	2,997,344	2,997,344	4,040,663	1,043,319
General revenues:				
Investment income	15,000	15,000	116,214	101,214
Total revenues	25,951,701	25,951,701	22,983,249	(2,968,452)
EXPENDITURES				
Visitor venues-Oregon Zoo	38,253,208	36,429,320	24,338,172	12,091,148
Contingency	274,423	2,098,311	-	2,098,311
Total expenditures	38,527,631	38,527,631	24,338,172	14,189,459
Revenues over (under) expenditures	(12,575,930)	(12,575,930)	(1,354,923)	11,221,007
OTHER FINANCING SOURCES (USES)				
Transfers in	15,077,459	15,077,459	15,077,459	-
Transfers out	(4,401,529)	(4,401,529)	(4,401,529)	-
Total other financing sources (uses)	10,675,930	10,675,930	10,675,930	-
Revenues and other sources over (under) expenditures and other uses	(1,900,000)	(1,900,000)	9,321,007	11,221,007
Beginning fund balance available for appropriation - July 1, 2020	1,900,000	1,900,000	3,086,185	1,186,185
Unappropriated ending fund balance - June 30, 2021	\$ -	-	12,407,192	12,407,192

METRO
MERC Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Program revenues:				
Charges for services:				
Culture and recreation fees	\$ 27,631,424	8,071,550	4,168,883	(3,902,667)
Other fees	2,371,886	2,092,170	257,430	(1,834,740)
Miscellaneous revenue	131,081	106,387	168,145	61,758
Operating grants and contributions:				
Grants	-	1,615,000	2,146,745	531,745
Local government shared revenue	9,892,791	3,855,000	7,660,868	3,805,868
Government contributions	981,313	4,081,313	4,084,664	3,351
Contributions and donations	4,153,450	2,875,000	3,001,000	126,000
Capital grants and contributions:				
Capital contributions and donations	-	-	40,000	40,000
General revenues:				
Investment income	110,663	287,445	358,209	70,764
<u>Total revenues</u>	<u>45,272,608</u>	<u>22,983,865</u>	<u>21,885,944</u>	<u>(1,097,921)</u>
EXPENDITURES				
MERC	49,229,202	35,432,211	22,945,359	12,486,852
Contingency	6,456,660	10,957,113	-	10,957,113
<u>Total expenditures</u>	<u>55,685,862</u>	<u>46,389,324</u>	<u>22,945,359</u>	<u>23,443,965</u>
Revenues over (under) expenditures	(10,413,254)	(23,405,459)	(1,059,415)	22,346,044
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	610	610
Transfers in	2,122,989	7,075,610	7,075,610	-
Transfers out	(8,093,095)	(8,093,095)	(8,093,095)	-
<u>Total other financing sources (uses)</u>	<u>(5,970,106)</u>	<u>(1,017,485)</u>	<u>(1,016,875)</u>	<u>610</u>
Revenues and other sources over (under) expenditures and other uses	(16,383,360)	(24,422,944)	(2,076,290)	22,346,654
Beginning fund balance available for appropriation - July 1, 2020	16,383,360	24,422,944	24,423,630	686
Unappropriated ending fund balance - June 30, 2021	\$ -	-	22,347,340	22,347,340

METRO
Risk Management Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Program revenues:				
Charges for services:				
Other fees	\$ -	-	232,787	232,787
Internal charges for services	267,657	267,657	180,637	(87,020)
Miscellaneous revenue	10,000	10,000	-	(10,000)
Operating grants and contributions:				
Grants	50,000	368,572	344,935	(23,637)
General revenues:				
Investment income	10,000	10,000	98,284	88,284
Total revenues	337,657	656,229	856,643	200,416
EXPENDITURES				
Finance and regulatory services	4,438,986	4,421,389	2,811,747	1,609,642
Contingency	361,011	697,180	-	697,180
Total expenditures	4,799,997	5,118,569	2,811,747	2,306,822
Revenues over (under) expenditures	(4,462,340)	(4,462,340)	(1,955,104)	2,507,236
OTHER FINANCING SOURCES (USES)				
Transfers in	1,247,403	1,247,403	1,247,403	-
Total other financing sources (uses)	1,247,403	1,247,403	1,247,403	-
Revenues and other sources over (under) expenditures and other uses	(3,214,937)	(3,214,937)	(707,701)	2,507,236
Beginning fund balance available for appropriation - July 1, 2020	3,295,454	3,295,454	4,660,100	1,364,646
Unappropriated ending fund balance - June 30, 2021	\$ 80,517	80,517	3,952,399	3,871,882

METRO**Reconciliation of Enterprise Fund****Fund Balances (Basis of Budgeting) to Statement of Net Position- Proprietary Funds (GAAP Basis)
For the fiscal year ended June 30, 2021**

	<u>Enterprise Funds</u>				<u>Internal Service Fund</u>
	<u>Solid Waste</u>	<u>Oregon Zoo</u>	<u>MERC</u>	<u>Total</u>	<u>Risk Management Fund</u>
Unappropriated ending fund balance on the basis of budgeting:					
Solid Waste Revenue Fund	\$ 36,645,185	-	-	36,645,185	-
Oregon Zoo Operating Fund	-	12,407,192	-	12,407,192	-
Oregon Zoo Asset Management Fund	-	6,582,540	-	6,582,540	-
MERC Fund	-	-	22,347,340	22,347,340	-
General Revenue Bond Fund-MERC	-	-	494	494	-
Risk Management Fund	-	-	-	-	3,952,399
Additional Statement of Net Position items:					
Advances to other funds	1,342,839	-	-	1,342,839	-
Capital assets, net	32,671,563	170,949,918	144,228,087	347,849,568	-
Deferred pension amounts-current	10,071,283	6,545,452	4,112,618	20,729,353	-
Deferred OPEB amounts-current	138,221	157,248	123,572	419,041	-
Other claims	-	238,649	(121,412)	117,237	-
Accrued interest payable	-	-	(9,517)	(9,517)	-
Bonds payable-current	-	-	(920,000)	(920,000)	-
Post-closure costs payable-current	(566,340)	-	-	(566,340)	-
Compensated absences-current	(1,423,241)	(879,727)	(702,309)	(3,005,277)	(28,855)
Bonds payable (net of unamortized premium or discount)	-	-	(3,238,134)	(3,238,134)	-
Advances from other funds	-	(1,342,839)	-	(1,342,839)	-
Net other postemployment benefits	(424,077)	(690,931)	(683,680)	(1,798,688)	-
Post-closure costs payable	(2,410,530)	-	-	(2,410,530)	-
Pollution remediation obligation	-	-	(95,000)	(95,000)	-
Compensated absences	(220,287)	(764,316)	(269,179)	(1,253,782)	(5,831)
Net pension liability	(31,854,602)	(20,702,702)	(13,007,858)	(65,565,162)	-
Deferred pension amounts	(1,262,291)	(820,378)	(515,458)	(2,598,126)	-
Deferred OPEB amounts	(48,279)	(56,385)	(45,296)	(149,960)	-
Adjustments to Statement of Net Position items:					
Cumulative fair value adjustment to Equity in internal cash and investment pool	279,777	160,648	179,650	620,075	30,530
Total net position as reported on the Statement of Net Position- Proprietary Funds	<u>\$ 42,939,221</u>	<u>171,784,369</u>	<u>151,383,918</u>	<u>366,107,508</u>	<u>3,948,243</u>

Other Budgetary Funds

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

General Revenue Bond Fund

This fund is a budgetary fund comprised of three components that are separated and combined with other budgetary funds for reporting under GAAP.

General Asset Management Fund

This fund is a budgetary fund that is combined with another budgetary fund for reporting under GAAP.

Oregon Zoo Asset Management Fund

This fund is a budgetary fund that is combined with another budgetary fund for reporting under GAAP.

METRO
General Revenue Bond Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
Program revenues:				
Operating grants and contributions:				
Local government shared revenue	\$ 3,399,800	3,399,800	3,394,047	(5,753)
General revenues:				
Investment income	22,100	22,100	11,254	(10,846)
Total revenues	3,421,900	3,421,900	3,405,301	(16,599)
EXPENDITURES				
Debt service	6,393,320	6,393,320	6,393,320	-
Total expenditures	6,393,320	6,393,320	6,393,320	-
Revenues over (under) expenditures	(2,971,420)	(2,971,420)	(2,988,019)	(16,599)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,993,520	2,993,520	2,993,520	-
Total other financing sources (uses)	2,993,520	2,993,520	2,993,520	-
Revenues and other sources over (under) expenditures and other uses	22,100	22,100	5,501	(16,599)
Beginning fund balance available for appropriation - July 1, 2020	4,102,413	4,102,413	4,091,416	(10,997)
Unappropriated ending fund balance - June 30, 2021	\$ 4,124,513	4,124,513	4,096,917	(27,596)

Note: This schedule demonstrates compliance with budget at the legal level of control.

METRO
General Asset Management Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ 8,709	8,709	9,007	298
Operating grants and contributions:				
Government contributions	-	-	320,419	320,419
Grants	-	1,637	942,911	941,274
Capital grants and contributions:				
Capital contributions and donations	904,151	904,151	-	(904,151)
General revenues:				
Investment income	705,446	705,446	477,705	(227,741)
<u>Total revenues</u>	<u>1,618,306</u>	<u>1,619,943</u>	<u>1,750,042</u>	<u>130,099</u>
EXPENDITURES				
Asset Management Program	16,356,665	16,558,302	5,669,880	10,888,422
Contingency	6,966,914	6,766,914	-	6,766,914
<u>Total expenditures</u>	<u>23,323,579</u>	<u>23,325,216</u>	<u>5,669,880</u>	<u>17,655,336</u>
Revenues over (under) expenditures	(21,705,273)	(21,705,273)	(3,919,838)	17,785,435
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	350,000	350,000	7,000	(343,000)
Transfers in	2,224,986	2,224,986	2,224,986	-
Transfers out	(305,000)	(305,000)	(305,000)	-
<u>Total other financing sources (uses)</u>	<u>2,269,986</u>	<u>2,269,986</u>	<u>1,926,986</u>	<u>(343,000)</u>
Revenues and other sources over (under) expenditures and other uses	(19,435,287)	(19,435,287)	(1,992,852)	17,442,435
Beginning fund balance available for appropriation - July 1, 2020	29,347,549	29,347,549	32,093,784	2,746,235
Unappropriated ending fund balance - June 30, 2021	\$ 9,912,262	9,912,262	30,100,932	20,188,670

METRO
Oregon Zoo Asset Management Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ -	-	25,339	25,339
Operating grants and contributions:				
Contributions and donations	400,000	400,000	826,185	426,185
Capital grants and contributions:				
Capital contributions and donations	275,000	225,000	1,466,667	1,241,667
General revenues:				
Investment income	-	-	82,181	82,181
Total revenues	675,000	625,000	2,400,372	1,775,372
EXPENDITURES				
Visitor venues-Oregon Zoo	5,137,950	5,087,950	1,813,995	3,273,955
Contingency	250,000	250,000	-	250,000
Total expenditures	5,387,950	5,337,950	1,813,995	3,523,955
Revenues over (under) expenditures	(4,712,950)	(4,712,950)	586,377	5,299,327
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	9,100	9,100
Transfers in	694,317	694,317	694,317	-
Total other financing sources (uses)	694,317	694,317	703,417	9,100
Revenues and other sources over (under) expenditures and other uses	(4,018,633)	(4,018,633)	1,289,794	5,308,427
Beginning fund balance available for appropriation - July 1, 2020	4,018,633	4,018,633	5,292,746	1,274,113
Unappropriated ending fund balance - June 30, 2021	\$ -	-	6,582,540	6,582,540

METRO
General Revenue Bond Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
(Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2021

	General	MERC	Total
REVENUES			
Program revenues:			
Operating grants and contributions:			
Local government shared revenue	\$ 3,394,047	-	3,394,047
General revenues:			
Investment income	11,246	8	11,254
Total revenues	3,405,293	8	3,405,301
EXPENDITURES			
Debt service	5,376,845	1,016,475	6,393,320
Total expenditures	5,376,845	1,016,475	6,393,320
Revenues over (under) expenditures	(1,971,552)	(1,016,467)	(2,988,019)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,977,045	1,016,475	2,993,520
Total other financing sources (uses)	1,977,045	1,016,475	2,993,520
Revenues and other sources over (under) expenditures and other uses	5,493	8	5,501
Beginning fund balance available for appropriation - July 1, 2020	4,090,930	486	4,091,415
Unappropriated ending fund balance - June 30, 2021	\$ 4,096,423	494	4,096,917

Note: This schedule presents the activity of the two components of the fund.



Other Financial Schedules



METRO
Schedule of Property Tax Transactions
and Outstanding Receivable
For the fiscal year ended June 30, 2021

Fiscal Year	Original levy or balance of receivable July 1, 2020	Add (deduct)				Property taxes receivable June 30, 2021
		Discounts	Adjustments	Interest	Collections	
2020-21	\$ 109,569,884	(1,320,597)	(1,887,152)	10,235	(105,001,839)	1,370,531
2019-20	1,613,670	(636)	(82,155)	24,755	(927,119)	628,515
2018-19	426,924	1,751	(13,556)	14,461	(213,476)	216,104
2017-18	188,903	(213)	(5,933)	11,077	(114,672)	79,162
2016-17	70,665	(453)	(1,163)	5,189	(51,976)	22,262
2015-16	16,652	(169)	(642)	867	(5,662)	11,046
2014-15 & prior	86,380	(508)	(3,076)	2,417	(6,717)	78,496
Total	\$ 111,973,078	(1,320,825)	(1,993,677)	69,001	(106,321,461)	2,406,116

Reconciliation to property tax revenue presented in the Statement of Activities:		Governmental Activities
Cash collections July 1, 2020 to June 30, 2021		\$ 106,321,461
Accrual of receivables:		
July 1, 2020 to August 31, 2020		(418,252)
July 1, 2021 to August 31, 2021		416,139
Timing difference between county tax collector and county treasurer		27,355
Payments in lieu of property taxes		173,462
Taxes earned but not available:		
June 30, 2020		(1,984,941)
June 30, 2021		1,989,978
Property tax revenue per Statement of Activities		\$ 106,525,202

METRO
Schedule of Future Bonded Debt Service Requirements
General Obligation Bonds
June 30, 2021

Year of maturity	2012A Series		2012A Series Oregon Zoo Infrastructure and Animal Welfare		2018 Series Natural Areas	
	Natural Areas General Obligation Bonds		General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021-22	\$ 6,045,000	1,840,450	3,665,000	1,471,325	1,835,000	533,250
2022-23	6,840,000	1,538,200	4,000,000	1,288,075	1,975,000	441,500
2023-24	7,690,000	1,196,200	4,360,000	1,088,075	2,125,000	342,750
2024-25	8,590,000	811,700	4,740,000	870,075	2,280,000	236,500
2025-26	9,555,000	382,200	5,145,000	633,075	2,450,000	122,500
2026-27	-	-	5,525,000	427,275	-	-
2027-28	-	-	5,955,000	178,650	-	-
2028-29	-	-	-	-	-	-
2029-30	-	-	-	-	-	-
2030-31	-	-	-	-	-	-
2031-32	-	-	-	-	-	-
2032-33	-	-	-	-	-	-
2033-34	-	-	-	-	-	-
2034-35	-	-	-	-	-	-
2035-36	-	-	-	-	-	-
2036-37	-	-	-	-	-	-
2037-38	-	-	-	-	-	-
2038-39	-	-	-	-	-	-
2039-40	-	-	-	-	-	-
Total	\$ 38,720,000	5,768,750	33,390,000	5,956,550	10,665,000	1,676,500

(1) The principal amount of the bonds is reported net of unamortized premium or discount in governmental activities on the statement of net position.

2018 Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds		2019 Series Affordable Housing General Obligation Bonds		2020 Parks and Nature General Obligation Bonds		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal (1)	Interest
815,000	374,750	16,160,000	20,773,728	16,330,000	4,616,094	44,850,000	29,609,597
890,000	334,000	17,835,000	20,208,129	16,945,000	4,289,494	48,485,000	28,099,398
975,000	289,500	19,600,000	19,583,904	17,425,000	4,104,793	52,175,000	26,605,222
1,060,000	240,750	21,465,000	18,897,904	8,685,000	3,900,921	46,820,000	24,957,850
1,150,000	187,750	23,425,000	18,146,629	3,000,000	3,786,279	44,725,000	23,258,433
1,250,000	130,250	25,435,000	17,385,316	3,000,000	3,741,279	35,210,000	21,684,120
1,355,000	67,750	27,545,000	16,558,679	3,000,000	3,691,779	37,855,000	20,496,858
-	-	29,765,000	15,663,466	3,000,000	3,638,979	32,765,000	19,302,445
-	-	32,020,000	14,770,516	3,000,000	3,583,179	35,020,000	18,353,695
-	-	34,380,000	13,809,916	7,710,000	3,526,179	42,090,000	17,336,095
-	-	36,895,000	12,744,136	8,435,000	3,140,679	45,330,000	15,884,815
-	-	39,535,000	11,591,168	9,205,000	2,718,929	48,740,000	14,310,097
-	-	42,335,000	10,326,048	9,930,000	2,350,729	52,265,000	12,676,777
-	-	45,290,000	8,950,160	10,695,000	1,953,529	55,985,000	10,903,689
-	-	48,410,000	7,455,590	11,395,000	1,632,679	59,805,000	9,088,269
-	-	51,735,000	5,809,650	12,065,000	1,353,501	63,800,000	7,163,151
-	-	55,270,000	3,998,925	12,770,000	1,051,876	68,040,000	5,050,801
-	-	58,985,000	2,064,475	13,510,000	726,241	72,495,000	2,790,716
-	-	-	-	14,285,000	374,981	14,285,000	374,981
<u>7,495,000</u>	<u>1,624,750</u>	<u>626,085,000</u>	<u>238,738,339</u>	<u>184,385,000</u>	<u>54,182,120</u>	<u>900,740,000</u>	<u>307,947,009</u>

METRO
Schedule of Future Bonded Debt Service Requirements
Full Faith and Credit, Dedicated Tax Revenue and Pension Obligation Bonds
June 30, 2021

Year of maturity	Full Faith and Credit Bonds							
	Refunding Bonds 2013 Series (1)		Refunding Bonds 2016 Series (2)		2018 Series (1)		2021 Series (1)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021-22	\$ 1,345,000	44,263	920,000	101,400	-	586,450	11,865,000	169,087
2022-23	1,370,000	15,070	950,000	75,875	-	586,450	11,950,000	84,845
2023-24	-	-	965,000	49,450	1,060,000	586,450	-	-
2024-25	-	-	1,005,000	15,075	1,115,000	533,450	-	-
2025-26	-	-	-	-	1,170,000	477,700	-	-
2026-27	-	-	-	-	1,230,000	419,200	-	-
2027-28	-	-	-	-	1,290,000	357,700	-	-
2028-29	-	-	-	-	1,355,000	293,200	-	-
2029-30	-	-	-	-	1,420,000	225,450	-	-
2030-31	-	-	-	-	1,495,000	154,450	-	-
2031-32	-	-	-	-	1,555,000	94,650	-	-
2032-33	-	-	-	-	1,600,000	48,000	-	-
2033-34	-	-	-	-	-	-	-	-
2034-35	-	-	-	-	-	-	-	-
2035-36	-	-	-	-	-	-	-	-
2036-37	-	-	-	-	-	-	-	-
2037-38	-	-	-	-	-	-	-	-
2038-39	-	-	-	-	-	-	-	-
2039-40	-	-	-	-	-	-	-	-
2040-41	-	-	-	-	-	-	-	-
2041-42	-	-	-	-	-	-	-	-
2042-43	-	-	-	-	-	-	-	-
2043-44	-	-	-	-	-	-	-	-
2044-45	-	-	-	-	-	-	-	-
2045-46	-	-	-	-	-	-	-	-
2046-47	-	-	-	-	-	-	-	-
Total	\$ 2,715,000	59,333	3,840,000	241,800	13,290,000	4,363,150	23,815,000	253,932

(1) The principal amount of the bonds is reported in governmental activities on the statement of net position.

(2) The principal amount of the bonds is reported net of unamortized premium or discount in business-type activities on the statement of net position.

Dedicated Tax Revenue Bonds		Pension Obligation Bonds	
Oregon Convention Center Hotel Project Series 2017 (1)		Metro Limited Tax Pension Obligation Bonds Series 2005 (1)	
Principal	Interest	Principal	Interest
965,000	2,432,600	1,645,000	709,567
1,005,000	2,394,000	1,820,000	627,251
1,055,000	2,343,750	2,010,000	536,179
1,105,000	2,291,000	2,210,000	435,598
1,160,000	2,235,750	2,430,000	325,010
1,220,000	2,177,750	2,660,000	203,413
1,280,000	2,116,750	1,405,000	70,306
1,345,000	2,052,750	-	-
1,410,000	1,985,500	-	-
1,485,000	1,915,000	-	-
1,555,000	1,840,750	-	-
1,635,000	1,763,000	-	-
1,715,000	1,681,250	-	-
1,800,000	1,595,500	-	-
1,895,000	1,505,500	-	-
1,985,000	1,410,750	-	-
2,085,000	1,311,500	-	-
2,190,000	1,207,250	-	-
2,300,000	1,097,750	-	-
2,415,000	982,750	-	-
2,535,000	862,000	-	-
2,660,000	735,250	-	-
2,795,000	602,250	-	-
2,935,000	462,500	-	-
3,080,000	315,750	-	-
3,235,000	161,750	-	-
<u>48,845,000</u>	<u>39,480,350</u>	<u>14,180,000</u>	<u>2,907,324</u>

METRO
Schedule of Long-term Bonded Debt Transactions
General Obligation Bonds
For the fiscal year ended June 30, 2021

	Principal			Outstanding June 30, 2021	Interest Expenditure
	Outstanding July 1, 2020	Issued During Year	Matured and Paid During Year		
DEBT SERVICE FUND					
2012A Series Natural Areas General Obligation Bonds with interest rates from 4.0 to 5.0%, final maturity 6/1/26	\$ 44,020,000	-	5,300,000	38,720,000	1,052,725
2012A Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds with interest rates from 3.0 to 5.0%, final maturity 6/1/28	36,740,000	-	3,350,000	33,390,000	819,413
2018 Series Natural Areas General Obligation Bonds with interest rate of 5.0%, final maturity 6/1/26	12,370,000	-	1,705,000	10,665,000	618,500
2018 Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds with interest rate of 5.0%, final maturity 6/1/28	8,240,000	-	745,000	7,495,000	412,000
2019 Series Affordable Housing General Obligation Bonds with interest rates from 3.0 to 3.5%, final maturity 6/1/39	640,660,000	-	14,575,000	626,085,000	21,283,854
2020 Parks and Nature General Obligation Bonds with interest rates from 1.2 to 5.0%, final maturity 6/1/40	200,000,000	-	15,615,000	184,385,000	5,352,783
Total	\$ 942,030,000	-	41,290,000	900,740,000	29,539,275

METRO
Schedule of Long-term Bonded Debt Transactions
Full Faith and Credit, Dedicated Tax Revenue, and Pension Obligation Bonds
For the fiscal year ended June 30, 2021

	Principal			Outstanding June 30, 2021	Interest Expenditure
	Outstanding July 1, 2020	Issued During Year	Matured and Paid During Year		
GENERAL FUND					
<u>Full Faith and Credit</u>					
Refunding Bonds 2013 Series (MRC) with interest rates from 1.0 to 2.2%, final maturity 8/1/22	\$ 4,035,000	-	1,320,000	2,715,000	70,595
<u>Full Faith and Credit</u>					
2018 Series with interest rates from 3.0 to 5.0%, final maturity 6/1/33	13,290,000	-	-	13,290,000	586,450
<u>Dedicated Tax Revenue</u>					
OCC Hotel Project Series 2017 with interest rates from 3.0 to 5.0%, final maturity 6/15/47	49,775,000	-	930,000	48,845,000	2,469,800
<u>Pension Obligation</u>					
Metro Limited Tax Series 2005 with interest rates from 4.859 to 5.004%, final maturity 6/1/28	15,660,000	-	1,480,000	14,180,000	783,626
<u>Full Faith and Credit</u>					
Supportive Housing Tax 2021 with interest rate of 0.71%, final maturity 6/1/23	-	27,500,000	3,685,000	23,815,000	60,744
Total	\$ 82,760,000	27,500,000	7,415,000	102,845,000	3,971,215
ENTERPRISE FUNDS					
MERC FUND:					
<u>Full Faith and Credit</u>					
Refunding Bonds 2016 Series with interest rates from 1.5 to 5.0%, final maturity 12/1/24	\$ 4,730,000	-	890,000	3,840,000	126,475
Total	\$ 4,730,000	-	890,000	3,840,000	126,475



Statistical Section

This section of Metro's annual comprehensive financial report presents detailed data regarding the current and prior fiscal years for assistance in understanding what the information in the financial statements, note disclosures, and required supplementary information says about Metro's overall financial health.

The information is presented in these categories.

Financial Trends Information

These schedules contain trend information to help the reader understand how Metro's financial performance and well-being have changed over time. 134

Revenue Capacity Information

These schedules contain information to help the reader assess the factors affecting Metro's ability to generate its most significant own-source revenue, solid waste fees..... 146

Debt Capacity Information

These schedules present information to help the reader assess the affordability of Metro's current levels of outstanding debt and Metro's ability to issue additional debt in the future. 150

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which Metro's financial activities take place. 158

Operating Information

These schedules contain information about Metro's operations and resources to help the reader understand how Metro's financial information relates to the services Metro provides and the activities it performs. 160

Additional Information

These schedules present information to meet Metro's continuing disclosure requirements under The Securities and Exchange Commission's Rule 15c2-12 pertaining to governmental debt issuers..... 166

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

METRO
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting), Unaudited

	2012 Restated	2013	2014
GOVERNMENTAL ACTIVITIES			
Net investment in capital assets (1)	\$ 237,849,839	271,978,616	293,851,981
Restricted	49,673,790	43,460,675	60,588,283
Unrestricted	(13,149,913)	(17,127,868)	(24,867,150)
Total governmental activities net position	274,373,716	298,311,423	329,573,114
BUSINESS-TYPE ACTIVITIES			
Net investment in capital assets	186,405,139	182,360,721	179,069,899
Restricted	2,130,034	2,496,996	3,734,868
Unrestricted	47,918,522	53,862,598	56,992,148
Total business-type activities net position	236,453,695	238,720,315	239,796,915
PRIMARY GOVERNMENT			
Net investment in capital assets (1)	418,964,978	454,339,337	472,921,880
Restricted	50,437,907	45,957,671	64,323,151
Unrestricted	40,058,609	36,734,730	32,124,998
Total primary government net position	\$ 509,461,494	537,031,738	569,370,029

(1) Through fiscal year 2012, and again starting in fiscal year 2016, these balances include the result of Metro financing capital assets for the business-type activities through the issuance of general obligation bonds. The amount of long-term debt outstanding on these bonds is reflected as a liability of the governmental activities in which repayment of the bonds occurs, whereas the associated capital assets financed by this debt are reflected with the business-type activities. The primary government totals have been adjusted to match the debt against the assets. These balances increase over time as a result of increases in capital assets, decreases in related long-term debt outstanding, and reductions in the amount of related unspent bond proceeds.

2015	2016	2017	2018	2019	2020	2021
326,328,783	237,716,303	267,856,359	265,925,123	281,246,439	294,848,252	324,068,485
79,540,758	141,591,292	128,141,074	132,860,263	122,522,041	138,330,011	122,154,281
<u>(51,369,202)</u>	<u>(151,660,696)</u>	<u>(141,181,696)</u>	<u>(189,495,054)</u>	<u>(151,303,822)</u>	<u>(130,469,211)</u>	<u>(177,771,010)</u>
<u>354,500,339</u>	<u>227,646,899</u>	<u>254,815,737</u>	<u>209,290,332</u>	<u>252,464,658</u>	<u>302,709,052</u>	<u>268,451,756</u>
175,914,225	311,325,512	310,527,670	311,737,639	321,159,565	338,396,545	343,691,434
8,914,318	19,991,871	24,326,517	24,100,994	38,698,873	6,410,761	7,506,843
<u>61,672,307</u>	<u>53,779,562</u>	<u>55,130,008</u>	<u>60,498,533</u>	<u>24,855,194</u>	<u>22,788,471</u>	<u>12,197,703</u>
<u>246,500,850</u>	<u>385,096,945</u>	<u>389,984,195</u>	<u>396,337,166</u>	<u>384,713,632</u>	<u>367,595,777</u>	<u>363,395,980</u>
502,243,008	501,174,344	533,080,026	532,358,759	570,027,275	591,873,688	621,205,786
88,455,076	161,583,163	152,467,591	156,961,257	161,220,914	144,740,772	129,661,124
<u>10,303,105</u>	<u>(50,013,663)</u>	<u>(40,747,685)</u>	<u>(83,692,518)</u>	<u>(94,069,899)</u>	<u>(66,309,631)</u>	<u>(119,019,174)</u>
<u>601,001,189</u>	<u>612,743,844</u>	<u>644,799,932</u>	<u>605,627,498</u>	<u>637,178,290</u>	<u>670,304,829</u>	<u>631,847,736</u>

METRO
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting), Unaudited

	2012	2013	2014
EXPENSES			
Governmental activities:			
General government operations (1)	\$ 16,417,342	14,704,292	17,216,935
Regional planning and development	13,908,730	11,234,615	11,609,788
Culture and recreation	22,695,565	20,788,176	19,969,697
Zoo (2)	30,064,611	33,662,272	35,660,651
Interest on long-term debt	8,159,660	10,927,415	9,712,521
Total governmental activities expenses	91,245,908	91,316,770	94,169,592
Business-type activities:			
Solid Waste	51,020,053	55,266,458	56,759,612
Oregon Zoo (2)	-	-	-
MERC	49,389,612	51,344,928	53,945,435
Total business-type activities expenses	100,409,665	106,611,386	110,705,047
Total primary government expenses	\$ 191,655,573	197,928,156	204,874,639
PROGRAM REVENUES			
Governmental activities:			
Charges for services:			
General government operations	\$ 1,875,695	1,871,628	1,615,075
Regional planning and development	925,904	1,112,779	1,422,619
Culture and recreation	4,175,114	5,095,656	6,121,579
Zoo (2)	19,745,074	22,538,536	22,082,776
Operating grants and contributions (3)	15,551,926	13,553,316	11,945,779
Capital grants and contributions	1,105,751	2,264,327	3,454,245
Total governmental activities program revenues	43,379,464	46,436,242	46,642,073
Business-type activities:			
Charges for services:			
Solid Waste	52,989,049	55,661,225	58,583,492
Oregon Zoo (2)	-	-	-
MERC	33,231,703	36,670,638	35,091,155
Operating grants and contributions (4)	1,620,989	1,382,789	17,183,489
Capital grants and contributions	123,574	-	-
Total business-type activities program revenues	87,965,315	93,714,652	110,858,136
Total primary government program revenues	\$ 131,344,779	140,150,894	157,500,209

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
14,121,383	21,833,274	16,571,054	92,414,695	18,419,574	26,670,161	-
12,164,998	16,311,836	18,252,248	18,694,103	26,623,652	29,178,474	79,863,702
23,281,061	29,221,523	33,156,498	34,237,180	31,389,370	33,858,568	36,625,998
32,483,204	-	-	-	-	-	-
<u>6,736,232</u>	<u>7,071,050</u>	<u>6,766,723</u>	<u>8,150,951</u>	<u>11,408,272</u>	<u>29,756,452</u>	<u>32,096,042</u>
<u>88,786,878</u>	<u>74,437,683</u>	<u>74,746,523</u>	<u>153,496,929</u>	<u>87,840,868</u>	<u>119,463,655</u>	<u>148,585,742</u>
57,279,945	64,542,514	67,359,647	70,581,702	76,879,522	84,882,301	-
-	51,633,613	46,636,849	51,803,762	47,446,196	50,169,271	-
<u>54,868,782</u>	<u>69,110,637</u>	<u>69,090,836</u>	<u>74,435,547</u>	<u>106,849,882</u>	<u>84,868,082</u>	<u>29,584,071</u>
<u>112,148,727</u>	<u>185,286,764</u>	<u>183,087,332</u>	<u>196,821,011</u>	<u>231,175,600</u>	<u>219,919,654</u>	<u>29,584,071</u>
<u>200,935,605</u>	<u>259,724,447</u>	<u>257,833,855</u>	<u>350,317,940</u>	<u>319,016,468</u>	<u>339,383,309</u>	<u>178,169,813</u>
1,501,207	2,132,646	3,133,150	2,764,649	4,942,275	3,677,685	4,954,137
1,180,754	789,058	1,485,757	1,172,496	1,562,666	2,287,732	2,012,481
7,444,771	8,851,083	9,616,244	10,483,073	10,922,080	9,998,063	7,598,326
21,546,136	-	-	-	-	-	-
22,495,818	13,145,776	16,845,537	18,750,842	26,137,387	25,671,383	23,297,033
<u>7,141,282</u>	<u>261,290</u>	<u>313,816</u>	<u>7,675,000</u>	<u>425,138</u>	<u>338,894</u>	<u>693,456</u>
<u>61,309,968</u>	<u>25,179,853</u>	<u>31,394,504</u>	<u>40,846,060</u>	<u>43,989,546</u>	<u>41,973,757</u>	<u>38,555,433</u>
62,743,167	68,196,150	70,798,890	71,897,428	74,185,046	72,174,379	77,213,288
-	23,741,859	26,062,207	29,390,534	29,994,324	23,013,687	-
42,892,276	50,972,855	47,876,192	51,011,674	56,921,768	37,937,166	4,594,458
19,974,313	23,414,591	28,801,808	27,284,520	30,313,581	27,786,467	-
<u>200,000</u>	<u>609,917</u>	<u>1,293,000</u>	<u>1,687,660</u>	<u>1,595,833</u>	<u>788,333</u>	<u>1,506,667</u>
<u>125,809,756</u>	<u>166,935,372</u>	<u>174,832,097</u>	<u>181,271,816</u>	<u>193,010,552</u>	<u>161,700,032</u>	<u>83,314,413</u>
<u>187,119,724</u>	<u>192,115,225</u>	<u>206,226,601</u>	<u>222,117,876</u>	<u>237,000,098</u>	<u>203,673,789</u>	<u>121,869,846</u>

(Continued)

METRO
Changes in Net Position, *continued*
Last Ten Fiscal Years
(accrual basis of accounting), Unaudited

	2012	2013	2014
NET (EXPENSE)/REVENUE			
Governmental activities	(47,866,444)	(44,880,528)	(47,527,519)
Business-type activities	(12,444,350)	(12,896,734)	153,089
Total primary government net expense	<u>\$ (60,310,794)</u>	<u>(57,777,262)</u>	<u>(47,374,430)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities:			
Property taxes	\$ 39,609,807	51,609,216	59,506,228
Personal and business income taxes	-	-	-
Excise taxes	14,410,951	15,354,852	15,999,908
Construction excise tax	1,765,024	2,349,487	2,537,894
Cemetery revenue surcharge	33,619	28,792	49,581
Unrestricted local government shared revenues	466,123	555,198	-
Unrestricted investment earnings	506,774	754,672	1,202,458
Transfers	2,439,096	(596,564)	(506,859)
Total governmental activities	<u>59,231,394</u>	<u>70,055,653</u>	<u>78,789,210</u>
Business-type activities:			
Unrestricted local government shared revenues (4)	12,581,998	14,463,987	-
Unrestricted investment earnings	391,598	231,302	416,652
Transfers	(2,439,096)	596,564	506,859
Total business-type activities	<u>10,534,500</u>	<u>15,291,853</u>	<u>923,511</u>
Total primary government	<u>\$ 69,765,894</u>	<u>85,347,506</u>	<u>79,712,721</u>
CHANGE IN NET POSITION			
Governmental activities	\$ 11,364,950	25,175,125	31,261,691
Business-type activities	(1,909,850)	2,395,119	1,076,600
Total primary government	<u>\$ 9,455,100</u>	<u>27,570,244</u>	<u>32,338,291</u>
Prior period adjustment/cumulative change in accounting principle	<u>\$ (1,365,917)</u>	<u>-</u>	<u>-</u>

(1) The large change in General government operations governmental activities expense between fiscal years 2017 and 2018 is due to the approximately \$74 million Convention Center Hotel project bond proceeds which were transferred to the developer of the project in fiscal year 2018.

(2) In fiscal year 2016, Metro began reporting the activities of the Zoo in the Oregon Zoo enterprise fund. Prior to this, activities of the Zoo were reported as part of the General Fund, a governmental fund.

(3) Changes in governmental activities operating grants and contribution revenue between fiscal years 2014 and 2015 is due primarily to the receipt in fiscal year 2015 of one-time grants of approximately \$15 million for the Willamette Falls Legacy and Convention Center Hotel projects.

(4) Changes in business-type activities operating grants and unrestricted local government shared revenues between fiscal years 2013 and 2014 is due to a change in classification in fiscal year 2014 of MERC transient lodging taxes received from Multnomah County.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
(27,476,910)	(49,257,830)	(43,352,019)	(112,650,869)	(43,851,322)	(77,489,898)	(132,803,292)
13,661,029	(18,351,392)	(8,255,235)	(15,549,195)	(38,165,048)	(58,219,622)	(38,571,684)
<u>(13,815,881)</u>	<u>(67,609,222)</u>	<u>(51,607,254)</u>	<u>(128,200,064)</u>	<u>(82,016,370)</u>	<u>(135,709,520)</u>	<u>(171,374,976)</u>
61,957,344	55,546,801	59,711,015	64,162,251	78,203,583	114,176,644	106,525,202
-	-	-	-	-	-	1,524,473
16,584,669	18,144,766	18,830,032	18,343,257	18,587,682	16,916,905	18,704,633
2,669,188	3,338,479	3,561,675	3,792,595	3,583,092	3,627,232	3,318,783
48,335	46,711	47,095	51,479	39,854	45,533	55,300
-	-	-	-	-	-	-
904,399	1,383,708	857,777	1,711,821	9,205,677	30,268,742	2,750,741
<u>(701,266)</u>	<u>(156,056,075)</u>	<u>(12,486,737)</u>	<u>(20,896,055)</u>	<u>(22,594,240)</u>	<u>(37,300,764)</u>	<u>(34,333,138)</u>
<u>81,462,669</u>	<u>(77,595,610)</u>	<u>70,520,857</u>	<u>67,165,348</u>	<u>87,025,648</u>	<u>127,734,292</u>	<u>98,545,994</u>
-	-	-	-	-	-	-
425,728	891,412	655,748	1,182,066	3,947,274	3,801,003	38,749
<u>701,266</u>	<u>156,056,075</u>	<u>12,486,737</u>	<u>20,896,055</u>	<u>22,594,240</u>	<u>37,300,764</u>	<u>34,333,138</u>
<u>1,126,994</u>	<u>156,947,487</u>	<u>13,142,485</u>	<u>22,078,121</u>	<u>26,541,514</u>	<u>41,101,767</u>	<u>34,371,887</u>
<u>82,589,663</u>	<u>79,351,877</u>	<u>83,663,342</u>	<u>89,243,469</u>	<u>113,567,162</u>	<u>168,836,059</u>	<u>132,917,881</u>
53,985,759	(126,853,440)	27,168,838	(45,485,521)	43,174,326	50,244,394	(34,257,298)
14,788,023	138,596,095	4,887,250	6,528,927	(11,623,534)	(17,117,855)	(4,199,797)
<u>68,773,782</u>	<u>11,742,655</u>	<u>32,056,088</u>	<u>(38,956,594)</u>	<u>31,550,792</u>	<u>33,126,539</u>	<u>(38,457,095)</u>
<u>(8,084,088)</u>	<u>-</u>	<u>-</u>	<u>(215,840)</u>	<u>-</u>	<u>-</u>	<u>-</u>

METRO
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting), Unaudited

	2012	2013	2014
General Fund			
Nonspendable	\$ 181,891	157,544	1,434,164
Restricted	16,962,147	20,175,302	23,335,910
Committed	4,169,918	5,427,647	5,836,553
Assigned	-	-	-
Unassigned	27,269,809	25,530,229	21,358,970
Total General Fund	48,583,765	51,290,722	51,965,597
All other governmental funds			
Nonspendable	355,441	384,121	436,202
Restricted (1)	193,949,944	154,652,128	124,685,440
Assigned	26,330	27,671	30,336
Reserved	-	-	-
Total all other governmental funds	\$ 194,331,715	155,063,920	125,151,978

(1) Changes in Restricted fund balance of all other governmental funds between 2011 and 2012, between 2017 and 2018, and between 2018 and 2019 is due primarily to the issuance of bonds in 2012, 2018, and 2019; subsequent years changes are primarily due to the spend down of the proceeds.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1,413,353	1,013,709	798,952	42,693	186,438	296,426	228,507
38,197,509	37,683,525	42,309,999	52,899,445	64,016,351	63,313,745	65,824,929
5,626,594	11,135,969	12,316,557	10,522,814	12,493,221	14,740,429	-
-	-	-	-	15,529,940	-	306,762
<u>16,093,516</u>	<u>17,162,433</u>	<u>21,133,911</u>	<u>29,180,618</u>	<u>9,988,598</u>	<u>24,836,760</u>	<u>25,371,310</u>
<u>61,330,972</u>	<u>66,995,636</u>	<u>76,559,419</u>	<u>92,645,570</u>	<u>102,214,548</u>	<u>103,187,360</u>	<u>91,731,508</u>
482,037	528,748	555,580	607,059	647,996	15,735,447	15,724,487
86,346,886	89,903,244	62,107,158	86,678,277	725,292,232	910,772,093	867,763,458
32,839	37,398	60,859	16,612	36,772	64,430	-
-	-	-	-	-	-	67,401
<u>86,861,762</u>	<u>\$ 90,469,390</u>	<u>62,723,597</u>	<u>87,301,948</u>	<u>\$ 725,977,000</u>	<u>926,571,970</u>	<u>883,555,346</u>

METRO
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting), Unaudited

	2012	2013	2014
REVENUES			
Property taxes	\$ 39,333,293	51,517,060	59,245,166
Excise taxes	14,413,338	15,357,373	16,002,790
Business income tax	-	-	-
Personal income tax	-	-	-
Construction excise tax	1,765,024	2,349,487	2,537,894
Cemetery revenue surcharge	33,195	28,680	49,581
Investment income	488,586	742,206	1,180,790
Government fees	109,500	127,590	99,809
Culture and recreation fees (1)	19,553,150	22,172,112	23,306,808
Solid waste fees	270,856	301,902	317,949
Other fees	3,452,403	3,471,424	3,470,826
Internal charges for services	2,740,228	3,623,649	3,223,107
Licenses and permits	373,675	375,160	369,855
Miscellaneous revenue	221,974	477,361	365,234
Grants	9,743,878	10,390,062	8,056,565
Local government shared revenues	466,123	555,198	621,111
Government contributions	4,427,539	2,992,196	2,975,000
Contributions and donations	862,141	689,428	293,104
Capital grants	38,334	26,876	842,564
Capital contributions and donations	1,027,495	2,011,176	2,611,681
Total revenues	99,320,732	117,208,940	125,569,834
EXPENDITURES			
General government operations	14,142,072	12,883,851	15,189,343
Regional planning and development	13,904,294	11,263,128	11,598,462
Culture and recreation	19,350,637	18,618,034	18,866,771
Zoo (1)	27,860,285	30,978,416	31,274,828
Debt service:			
Principal	24,980,000	39,675,000	27,320,000
Interest	9,093,066	13,907,089	12,428,417
Capital outlay	28,910,761	26,777,135	39,647,950
Total expenditures	138,241,115	154,102,653	156,325,771
Excess of revenues over (under) expenditures	(38,920,383)	(36,893,713)	(30,755,937)

2015	2016	2017	2018	2019	2020	2021
61,790,541	55,397,507	59,562,937	64,369,020	79,370,064	114,101,431	106,520,166
16,587,938	18,144,768	18,830,032	18,343,257	18,587,682	16,916,905	18,704,633
-	-	-	-	-	-	1,350,598
-	-	-	-	-	-	173,875
2,669,188	3,338,479	3,561,675	3,792,595	3,583,093	3,627,232	3,318,783
48,335	46,711	47,095	51,479	39,854	45,534	55,300
888,088	1,358,919	846,966	1,688,487	9,072,979	30,084,653	2,728,902
95,725	76,236	85,353	96,500	83,043	85,692	71,874
24,856,959	4,592,527	4,612,352	4,821,013	5,156,720	4,066,569	4,530,790
340,912	985,486	1,033,211	1,053,525	1,077,086	1,086,468	1,126,754
3,271,705	1,485,642	1,951,142	1,985,501	1,971,267	1,975,668	865,159
1,812,342	3,969,961	5,477,184	5,145,553	7,989,975	7,079,106	6,284,090
393,796	507,560	558,504	593,228	577,621	583,115	587,595
540,467	177,329	540,483	730,850	579,426	1,092,948	869,588
17,840,916	8,569,740	11,733,942	11,595,479	9,130,571	11,539,100	12,167,332
773,657	761,253	766,318	3,954,656	3,863,885	4,185,973	4,263,289
3,370,903	3,814,143	4,345,277	3,200,708	13,142,245	9,917,660	334,919
510,343	640	-	-	-	28,650	-
18,740	238,790	107,046	175,000	261,638	44,334	268,456
7,122,542	22,500	206,770	7,500,000	178,510	294,560	-
142,933,097	103,488,191	114,266,287	129,096,851	154,665,659	206,755,598	164,222,103
16,506,570	12,583,030	13,885,115	88,524,517	15,877,682	20,930,455	12,877,761
13,888,509	13,304,049	16,814,210	17,666,404	25,444,323	27,184,653	75,449,202
22,358,773	24,568,215	28,730,153	30,295,557	28,049,868	28,746,257	26,683,691
31,967,441	-	-	-	-	-	-
29,665,000	23,770,000	24,315,000	30,165,000	40,740,000	56,290,000	48,705,000
9,722,466	9,354,224	10,321,223	11,131,207	12,780,341	33,513,011	35,382,628
46,140,996	30,098,540	29,097,093	16,635,087	25,515,599	35,181,744	24,984,317
170,249,755	113,678,058	123,162,794	194,417,772	148,407,813	201,846,120	224,082,599
(27,316,658)	(10,189,867)	(8,896,507)	(65,320,921)	6,257,846	4,909,478	(59,860,496)

(Continued)

METRO
Changes in Fund Balances, Governmental Funds, *continued*
Last Ten Fiscal Years
(modified accrual basis of accounting), Unaudited

	2012	2013	2014
OTHER FINANCING SOURCES (USES)			
Bonds issued	140,000,000	-	-
Refunding bonds issued	27,575,000	12,600,000	-
Premium on bonds issued	27,903,859	42,577	-
Sale of capital assets	440,934	531,116	1,743,987
Transfers in	5,343,680	355,757	281,742
Payment to refunded bond escrow agent	(29,679,329)	(12,515,811)	-
Transfers out	(2,032,834)	(680,764)	(506,859)
Total other financing sources (uses)	169,551,310	332,875	1,518,870
Net change in fund balances	\$ 130,630,927	(36,560,838)	(29,237,067)
Debt service as a percentage of noncapital expenditures	31.2%	42.2%	34.1%

(1) In fiscal year 2016, Metro began reporting the activities of the Zoo in the Oregon Zoo enterprise fund. Prior to this, activities of the Zoo were reported as part of the General Fund, a governmental fund.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
-	30,000,000	-	103,655,000	652,800,000	200,000,000	27,500,000
57,955,000	-	-	-	-	-	-
6,780,891	3,479,164	-	14,710,080	2,630,335	10,922,405	-
23,361	348,744	430,096	933,046	64,909	23,655	9,800
964,282	5,779,685	6,815,333	2,485,448	1,904,259	1,449,821	3,732,520
(65,967,620)	-	-	-	-	-	-
<u>(1,364,097)</u>	<u>(20,145,434)</u>	<u>(16,530,932)</u>	<u>(15,798,151)</u>	<u>(15,413,317)</u>	<u>(15,737,577)</u>	<u>(25,854,300)</u>
<u>(1,608,183)</u>	<u>19,462,159</u>	<u>(9,285,503)</u>	<u>105,985,423</u>	<u>641,986,186</u>	<u>196,658,304</u>	<u>5,388,020</u>
<u>(28,924,841)</u>	<u>9,272,292</u>	<u>(18,182,010)</u>	<u>40,664,502</u>	<u>648,244,032</u>	<u>201,567,782</u>	<u>(54,472,476)</u>
31.8%	39.6%	36.8%	23.2%	43.5%	53.9%	42.2%

METRO
Solid Waste Tonnage by Waste Type and Destination (1)
Last Ten Fiscal Years
Unaudited

Fiscal year ended June 30,	Waste (2)				Organic (3)	ECU (4)	Regional Total
	Metro-Owned Facilities	Total Per Ton Rate	Privately-Owned Facilities	Total Per Ton Rate	Metro-Owned Facilities	Privately-Owned Facilities	All Waste Types
2012	422,746	89.53	599,457	29.44	84,375	191,257	1,297,835
2013	398,133	93.84	635,798	30.75	101,386	237,975	1,373,292
2014	428,788	94.33	651,912	30.85	91,843	259,120	1,431,663
2015	471,727	93.33	664,214	29.97	86,753	346,772	1,569,466
2016	509,286	94.98	769,684	29.87	76,970	348,428	1,704,368
2017	523,199	96.25	827,891	30.24	79,533	384,283	1,814,906
2018	532,333	94.95	888,129	28.93	74,525	279,730	1,774,717
2019	549,143	97.45	915,423	30.22	77,630	196,651	1,738,847
2020	495,164	97.45	919,160	30.15	83,610	290,444	1,788,378
2021	544,510	98.35	911,497	31.05	86,246	229,645	1,771,898

(1) Waste generated in the Metro region and delivered to solid waste facilities for disposal. The figures represent tons of solid waste from which Metro derives revenue.

(2) "Waste" is mixed solid waste on which Metro levies a Public Goods Charge that generates revenue for the Solid Waste Fund and pays for solid waste programs, and on which an Excise Tax that generates revenue for the General Fund is levied. Waste delivered to Metro's own transfer stations also incurs a user charge that is deposited in the Solid Waste Revenue Fund to pay for station operation, transport, and disposal.

(3) "Organic" is source-separated wood waste, yard debris and compostable food wastes delivered to Metro's own transfer stations. Metro levies a user charge and host fee only on the food waste portion of this group of wastes.

(4) "ECU" or "Environmental Clean-Up" material is soil and cleanup media contaminated by hazardous substances (though not itself a hazardous waste), including petroleum contaminated soils. Metro levies a reduced-rate Public Goods Charge and Excise Tax only on ECU.

Source: Metro Property and Environmental Services Department, solid waste information system. Data reflects revisions to previous years and therefore may not match previously published reports.

METRO
Solid Waste Disposal Rates
Last Ten Fiscal Years
Unaudited

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
METRO FACILITIES										
Disposal fee	\$ 58.35	61.35	61.74	61.62	62.87	63.19	63.20	64.41	64.41	64.41
Regional system fee	17.64	18.56	18.56	18.21	18.39	18.48	18.12	17.81	18.58	18.58
Excise tax	11.80	12.19	12.29	11.76	11.48	11.76	10.81	12.41	11.57	12.47
Community & enhancement/host fee	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	1.00	1.00
DEQ fees - orphan sites	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
DEQ fees - promotion	1.11	1.11	1.11	1.11	1.11	1.69	1.69	1.69	1.76	1.76
Total rate per ton (1)	\$ 89.53	93.84	94.33	93.33	94.98	96.25	94.95	97.45	97.45	98.35
Transaction fee-scalehouse	\$ 12.00	12.00	12.00	12.00	12.00	10.00	10.00	10.00	10.00	10.00
Transaction fee-automated	\$ 3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00
PRIVATELY-OWNED FACILITIES										
Regional system fee	\$ 17.64	18.56	18.56	18.21	18.39	18.48	18.12	17.81	18.58	18.58
Excise tax	11.80	12.19	12.29	11.76	11.48	11.76	10.81	12.41	11.57	12.47
Total rate per ton	\$ 29.44	30.75	30.85	29.97	29.87	30.24	28.93	30.22	30.15	31.05

(1) Rates are per ton of mixed waste disposal. For fiscal year 2021, minimum charge is \$28.00 for 380 pounds or less.
 DEQ rates are set by the State of Oregon Department of Environmental Quality.

Source: Metro Property and Environmental Services Department.

METRO
Principal Solid Waste Fee Payers
Current Year and Nine Years Ago
Unaudited

Customer/Payer	2021			2012		
	Fees Paid (1)	Rank	Percentage of Total Solid Waste Fee Revenue	Fees Paid (1)	Rank	Percentage of Total Solid Waste Fee Revenue
Waste Management of Oregon	\$ 14,284,005	1	19.08%	\$ 10,334,869	1	21.34%
Miller's Sanitary Service Inc	4,123,072	2	5.51	-	-	-
Oregon City Garbage Company	3,930,466	3	5.25	2,504,726	4	5.17
Heiberg Garbage Service	3,119,213	4	4.17	1,445,912	7	2.99
Arrow Sanitary Services	2,494,132	5	3.33	1,691,540	6	3.49
Allied Waste Services of Portland	2,223,120	6	2.97	-	-	-
Portland Disposal & Recycling	2,090,017	7	2.79	3,124,031	2	6.45
City Sanitary Service	1,489,116	8	1.99	-	-	-
AGG Recology Inc.	1,387,831	9	1.85	2,667,835	3	5.51
Walker Garbage Services Inc.	1,362,679	10	1.82	931,798	10	1.92
Trashco Services Inc.	-	-	-	1,799,142	5	3.71
Oak Grove Disposal Company Inc.	-	-	-	1,201,195	8	2.48
Keller Drop Box Inc.	-	-	-	1,199,799	9	2.48
Total	\$ 36,503,651		48.76%	26,900,847		55.54%

(1) Customers pay a per ton rate for solid waste disposal. The per ton rate includes various fee components which change each fiscal year. See Solid Waste Disposal Rates table for rate detail.

Sources: Metro Property and Environmental Services Department and Metro Accounting Division.



METRO
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal year ended June 30,	Governmental Activities				
	General Obligation Bonds	Full Faith and Credit Refunding Bonds	Dedicated Tax Revenue Bonds	Pension Obligation Bonds	Loans Payable
2012	\$ 304,897,649	\$ 13,378,722	\$ -	\$ 22,638,291	\$ -
2013	265,579,168	13,985,000	-	22,300,000	-
2014	237,456,537	12,495,000	-	21,685,000	2,136
2015	209,240,729	10,900,000	-	20,975,000	-
2016	217,472,440	9,125,000	-	20,155,000	-
2017	191,285,127	7,880,000	-	19,225,000	-
2018	202,515,540	21,721,580	60,048,719	18,170,000	-
2019	816,251,155	20,319,463	58,889,720	16,985,000	-
2020	970,079,966	18,902,344	57,700,721	15,660,000	-
2021	925,901,419	41,275,229	56,476,722	14,180,000	-

(1) See Demographic and Economic Statistics table for personal income and population data.
 Data reflects revisions to previous years and therefore may not match previously published reports.

* Not available

Business-type Activities			Total Primary Government	Percentage of Personal Income (1)	Capita (1)
Revenue Bonds	Full Faith and Credit Bonds	Loans Payable			
\$ -	\$ 11,108,835	\$ -	\$ 352,023,497	0.35	210.42
-	11,079,730	-	312,943,898	0.31	184.78
-	10,357,673	-	281,996,346	0.26	164.16
-	9,605,617	-	250,721,346	0.21	143.65
-	8,988,560	-	255,741,000	0.21	143.74
-	7,895,584	-	226,285,711	0.17	124.89
-	7,017,472	-	309,472,911	0.22	168.28
-	6,099,360	-	918,544,698	0.63	494.22
-	5,141,247	-	1,067,484,278	0.68	580.35
-	4,158,135	-	1,041,991,505	N/A *	562.93

METRO
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal year ended June 30,	General Bonded Debt Outstanding				Real Market Value (1)	Percentage of Actual Real Market Value of Property	Per Capita (2)
	General Obligation Bonds	Pension Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt			
2012	\$ 304,897,649	\$ 22,638,291	\$ 11,134,999	\$ 316,400,941	\$ 186,113,692,723	0.17%	\$ 189.13
2013	265,579,168	22,300,000	632,127	287,247,041	182,115,877,804	0.16	169.61
2014	237,456,537	21,685,000	1,107,953	258,033,584	191,403,168,645	0.13	150.21
2015	209,240,729	20,975,000	1,270,502	228,945,227	211,844,217,262	0.11	131.17
2016	217,472,440	20,155,000	495,726	237,131,714	232,729,794,715	0.10	133.28
2017	191,285,127	19,225,000	814,903	209,695,224	266,256,751,631	0.08	115.73
2018	202,515,140	18,170,000	847,417	219,837,723	299,124,101,408	0.07	119.54
2019	816,251,155	16,985,000	3,178,629	830,057,526	326,072,241,004	0.25	446.61
2020	970,079,966	15,660,000	3,539,568	982,200,398	336,012,820,952	0.29	533.98
2021	925,901,419	14,180,000	3,933,561	936,147,858	353,506,458,459	0.26	505.75

Sources:

(1) The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington counties.

(2) See Demographic and Economic Statistics table for population data.

METRO
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021
Unaudited

Overlapping government	Net property tax backed debt	Percent within Metro	Share of Overlapping Debt
Banks Fire District 13	\$ 3,665,000	0.04%	\$ 1,455
City of Beaverton	33,173,396	99.87	33,181,830
City of Cornelius	2,410,812	94.52	2,278,600
City of Fairview	6,630,607	100.00	6,630,607
City of Gladstone	3,532,601	100.00	3,532,601
City of Gresham	51,438,377	100.00	51,438,377
City of Hillsboro	69,220,000	98.63	68,270,232
City of Lake Oswego	85,700,000	100.00	85,700,000
City of Milwaukie	34,997,454	100.00	34,997,454
City of Oregon City	13,105,000	99.90	13,091,528
City of Portland	423,863,607	100.00	423,861,064
City of Sherwood	23,721,527	99.71	23,652,877
City of Tigard	19,107,023	99.74	19,056,791
City of Troutdale	10,230,000	100.00	10,230,000
City of Tualatin	23,469,836	100.00	23,469,836
City of West Linn	29,275,000	100.00	29,275,000
City of Wilsonville	24,820,200	99.97	24,273,207
City of Wood Village	3,435,000	100.00	3,435,000
Clackamas Community College	84,925,428	74.27	63,078,022
Clackamas County	125,400,000	74.16	92,995,511
Clackamas County ESD	23,805,136	74.31	17,689,858
Clackamas County RFPD 1	26,735,165	86.10	23,017,667
Clackamas County SD 115 (Gladstone)	31,257,092	100.00	31,257,092
Clackamas County SD 12 (North Clackamas)	693,051,684	98.60	683,351,040
Clackamas County SD 3J (West Linn-Wilsonville)	348,463,289	95.04	331,163,132
Clackamas County SD 46 (Oregon Trail)	80,032,758	6.37	5,094,405
Clackamas County SD 62 (Oregon City)	201,596,986	71.11	143,351,383
Clackamas County SD 7J (Lake Oswego)	255,972,910	100.00	255,972,910
Clackamas County SD 86 (Canby)	113,244,037	11.88	13,454,977
Clackamas Soil & Water Conservation	6,144,000	74.16	4,556,329
Columbia County SD 1J (Scappoose)	21,315,000	6.64	1,416,147
Corbett Water District	572,682	22.80	130,580
Lusted Water District	555,000	97.18	539,349
Mt. Hood Community College	19,160,000	86.52	16,576,561
Multnomah County	690,660,604	99.15	684,807,946
Multnomah County RFPD 10	1,423,323	84.36	1,200,764
Multnomah County SD 10J (Gresham-Barlow)	322,924,553	95.61	308,763,343
Multnomah County SD 1J (Portland)	1,450,005,667	99.70	1,445,588,950
Multnomah County SD 28J (Centennial)	64,567,710	100.00	64,567,710
Multnomah County SD 3 (Parkrose)	68,335,714	100.00	68,335,714
Multnomah County SD 39 (Corbett)	5,654,378	13.88	784,913
Multnomah County SD 40 (David Douglas)	62,857,481	100.00	62,857,481
Multnomah County SD 51J (Riverdale)	15,411,034	100.00	15,411,034
Multnomah County SD 7 (Reynolds)	181,521,115	100.00	181,521,115
Oak Lodge Sanitary District	966,000	100.00	966,000
Pleasant Home Water District	1,305,000	56.96	743,285
Portland Community College	545,535,000	92.72	505,814,051
Rivergrove Water District 14J	469,858	100.00	469,858
Tualatin Hills Park & Recreation District	61,463,970	99.92	61,412,525
Tualatin Valley Fire & Rescue District	17,325,000	90.25	15,636,090
Valley View Water District	1,233,398	100.00	1,233,398

(Continued)

METRO
Direct and Overlapping Governmental Activities Debt, *continued*
As of June 30, 2021
Unaudited

<u>Overlapping government</u>	<u>Net property tax backed debt</u>	<u>Percent within Metro</u>	<u>Share of Overlapping Debt</u>
Washington County	\$ 196,818,344	93.77	\$ 184,563,253
Washington County SD 13 (Banks)	8,796,137	0.03	2,964
Washington County SD 15 (Forest Grove)	69,693,058	80.52	56,118,523
Washington County SD 1J (Hillsboro 7 Bond)	263,751	86.26	227,508
Washington County SD 1J (Hillsboro)	556,907,167	86.26	480,408,728
Washington County SD 23J (Tigard-Tualatin)	322,883,542	99.74	322,049,211
Washington County SD 48J (Beaverton)	957,104,907	99.90	956,101,861
Washington County SD 88J (Sherwood)	312,546,518	82.91	259,138,882
Subtotal, overlapping debt	<u>8,810,699,836</u>		8,218,746,529
Metro direct debt			<u>1,037,833,367</u>
Total direct and overlapping debt			<u>\$ 9,256,579,896</u>

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of Metro. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Metro. "Net property tax backed debt" is gross property tax backed debt less self-supporting unlimited-tax general obligation, self-supporting full faith and credit debt, and revenue bonds.

Source: The Municipal Debt Advisory Commission, State of Oregon.

METRO
Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Debt limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to the limit as a percentage of the debt limit
2012	\$ 18,611,369,272	\$ 273,485,000	\$ 18,337,884,272	1.47%
2013	18,211,587,780	235,675,000	17,975,912,780	1.29
2014	19,140,316,865	210,460,000	18,929,856,865	1.10
2015	21,184,421,726	182,305,000	21,002,116,726	0.86
2016	23,272,979,472	190,565,000	23,082,414,472	0.82
2017	26,625,675,163	168,425,000	26,457,250,163	0.63
2018	29,912,410,141	179,415,000	29,732,995,141	0.60
2019	32,607,224,100	794,805,000	31,812,419,100	2.44
2020	33,781,364,510	942,030,000	32,839,334,510	2.79
2021	35,350,645,846	900,740,000	34,449,905,846	2.55

Legal Debt Margin Calculation for Fiscal Year 2021

True cash value		\$ 353,506,458,459
Debt limit (10% of true cash value)		35,350,645,846
Debt applicable to limit:		
Gross bonded debt principal	\$ 1,007,425,000	
Less legal deductions from debt limit:		
Full Faith and Credit Refunding Bonds 2013 Series (MRC)	(2,715,000)	
Full Faith and Credit Refunding Bonds 2016 Series	(3,840,000)	
Full Faith and Credit Bonds 2018 Series	(13,290,000)	
Full Faith and Credit Bonds 2021 Series	(23,815,000)	
Dedicated Tax Revenue OCC Hotel Project Bonds 2017 Series	(48,845,000)	
Metro Limited Tax Pension Obligation Bonds Series 2005	(14,180,000)	
Total net debt applicable to limit		900,740,000
Legal debt margin		\$ 34,449,905,846

Note: ORS 268.520 sets a debt limit of 10% of the true cash value of all taxable property within the district.

Source: The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington Counties.

METRO
Revenue Support for Dedicated Tax Revenue Bonds, Series 2017 (OCC Hotel Project)
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Multnomah County Transient Lodging Tax (TLT) Collections		Visitor Facilities Trust Account (VFTA) TLT Net Revenue			
	3% Excise Tax Fund (ETF) TLT(1)	2.5% VFTA TLT(2)	VFTA TLT Net Revenue (3)	City of Portland Bonds VFTA Existing Debt Service (4)	VFTA Payments Available for Series 2017 Bonds (5) (7)	VFTA Payments Transferred to Metro (5)
2012	\$ 10,937,682	\$ 9,114,735	\$ 9,077,577	\$ 7,410,481	\$ 1,667,096	\$ -
2013	11,708,823	9,754,922	9,716,872	7,716,076	2,000,796	-
2014	13,237,477	11,030,282	10,989,687	7,843,453	3,146,234	-
2015	16,187,084	13,489,237	13,447,078	7,987,333	5,459,745	-
2016	18,713,326	15,594,438	15,587,195	8,480,753	7,106,442	-
2017	19,193,769	15,999,832	15,999,832	9,574,819	6,425,013	6,425,013
2018	18,978,594	15,800,071	15,800,071	8,777,222	7,022,849	6,963,788
2019	22,251,356	18,515,110	18,515,110	9,030,659	9,484,451	4,942,458
2020	17,283,587	14,381,807	14,381,807	9,306,196	5,075,611	5,842,244
2021	6,996,146	5,824,674	5,824,674	8,571,735	(2,747,061)	3,885,047

(1) A component of 3% ETF TLT transferred by Multnomah County to Metro for OCC operating support, including the payment of debt service of the Series 2017 Bonds, defined as "ETF Payments."

(2) A component of 2.5% VFTA TLT transferred by Multnomah County to Metro for payment of debt service of the Series 2017 Bonds, defined as "VFTA Payments."

(3) Excludes VFTA Vehicle Registration Tax (VRT) Revenue.

(4) Debt service on the City of Portland OCC and Stadium bonds and Full Faith and Credit Loan Agreement (PCPA Refunding, defeased in Fiscal Year 2016).

(5) Pledged for repayment of the Series 2017 Bonds, effective date of issuance fiscal year 2018.

(6) Debt service begins fiscal year 2018.

(7) Negative amounts represent the use of reserves for the VFTA payments.

	ETF Payments to Metro (5)	Total Pledged Revenue (VFTA Payments plus ETF Payments) (5)	Pledged Revenue Used to Pay Debt Service (6)	Debt Service Requirements		
				Principal	Interest	Coverage
\$	7,770,739	\$ -	\$ -	\$ -	\$ -	-
	8,314,691	-	-	-	-	-
	8,896,719	-	-	-	-	-
	9,519,489	-	-	-	-	-
	10,185,853	-	-	-	-	-
	10,898,863	17,323,876	-	-	-	-
	11,193,132	18,215,981	2,896,215	725,000	2,171,215	6.29
	11,634,142	21,118,593	3,396,550	865,000	2,531,550	6.22
	12,448,532	17,524,143	3,400,600	895,000	2,505,600	5.15
	12,805,464	10,058,403	3,399,800	930,000	2,469,800	2.96

METRO
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal year ended June 30,	Population (1)	Total Personal income (in thousands) (2)	Per capita personal income (2)	Portland metropolitan unemployment rate (2)
2012	1,672,970	\$ 101,586,721	\$ 44,391	8.0%
2013	1,693,600	103,018,264	44,577	7.1
2014	1,717,765	110,791,572	47,266	6.1
2015	1,745,385	119,239,395	50,065	5.2
2016	1,779,245	125,385,359	51,672	4.6
2017	1,811,860	133,392,595	54,339	3.9
2018	1,839,005	143,214,639	57,903	3.8
2019	1,858,560	149,346,827	59,921	3.5
2020	1,839,390 (4)	157,150,249	62,603	7.8
2021	1,851,024 (3)	N/A*	N/A*	N/A*

* Not available

(1) For Clackamas, Multnomah and Washington counties.

(2) Portland-Vancouver-Hillsboro OR-WA MSA

(3) Preliminary estimate

(4) Population estimate was updated

Sources:

Population Research Center, Portland State University.

Oregon Employment Department.

U.S. Department of Commerce, Bureau of Economic Analysis (BEA).

METRO
Principal Employers (1)
Current Year and Nine Years Ago
Unaudited

Employer	2021			2012		
	Employees	Rank	Percentage of Total Metropolitan Area Employment	Employees	Rank	Percentage of Total Metropolitan Area Employment
Intel Corporation	21,000	1	1.84%	15,636	3	1.57%
Providence Health System	21,000	2	1.84	14,089	4	1.42
US Government	18,500	3	1.62	17,100	2	1.72
Oregon Health & Science University	18,048	4	1.58	12,000	5	1.21
Nike, Inc.	13,964	5	1.22	7,000	10	0.70
State Government	13,600	6	1.19	23,100	1	2.33
Legacy Health System	13,120	7	1.15	9,732	7	0.98
Kaiser Permanente	11,163	8	0.98	9,039	8	0.91
Fred Meyer Stores	9,525	9	0.83	9,858	6	0.99
Portland Public Schools	6,847	10	0.60	-	-	-
City of Portland	-	-	-	8,879	9	0.89
Total	146,767		12.85%	126,433		12.72%

(1) Portland-Vancouver-Hillsboro OR-WA MSA

Sources: <https://www.bizjournals.com/portland/subscriber-only/2021/09/17/largest-employers-in-the-portland-metro.html>

METRO
Full-Time Equivalent Employees by Function/Program
Last Ten Fiscal Years
Unaudited

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
FUNCTIONS/PROGRAMS										
Primary Government:										
Governmental activities:										
General government operations	176.15	174.04	175.79	181.80	183.20	170.85	175.77	179.66	193.40	177.00
Regional planning and development	87.43	76.05	72.15	75.65	76.30	85.30	84.80	93.06	93.80	90.50
Culture and recreation	53.20	58.30	76.75	83.55	92.10	99.80	103.95	112.06	121.90	135.90
Zoo (1)	159.31	168.20	174.85	187.15	-	-	-	-	-	-
Total governmental activities	476.09	476.59	499.54	528.15	351.60	355.95	364.52	384.78	409.10	403.40
Business-type activities:										
Solid Waste	93.55	91.05	90.75	101.30	107.45	114.16	121.79	139.96	179.76	181.96
Oregon Zoo (1)	-	-	-	-	198.65	200.60	207.60	209.25	209.00	186.55
MERC	185.85	181.50	175.50	182.35	186.35	189.95	195.65	200.97	201.70	194.95
Total business-type activities	279.40	272.55	266.25	283.65	492.45	504.71	525.04	550.18	590.46	563.46
Total primary government	755.49	749.14	765.79	811.80	844.05	860.66	889.56	934.96	999.56	966.86
				(2)	(3)		(4)	(5)	(6)	(7)

(1) In fiscal year 2016, Metro began reporting the activities of the Zoo in the Oregon Zoo enterprise fund. Prior to this, activities of the Zoo were reported as part of the General Fund, a governmental fund.

(2) Increase over previous fiscal year is due primarily to first time tracking of part-time personnel and the conversion of temporary to permanent positions. Increased service also led to the addition of staff.

(3) Increase over previous fiscal year is due to conversion of temporary to permanent positions. Increased service demands at the venues and in parks management also led to the addition of staff.

(4) Increase over previous fiscal year is primarily due to an increase in service demand for visitor venues, central services, solid waste operations and parks management.

(5) Increase over previous fiscal year is due to planning staff needed for the Affordable Housing Bond projects, increase in service demand for solid waste operations, and MetroPaint staff converted from contracted to permanent positions.

(6) General Fund increases are primarily due to new Parks and Nature Bond passing.

(7) There were four major changes that influenced FTE as follows:

a. COVID impacted the organization and nearly every department had to make personnel reductions, eliminate vacant FTE, or opt to share single FTE's. Additionally, COVID had a substantial impact on visit venues, specifically the Zoo.

b. Parks and Nature issued a new bond and brought on numerous new positions to perform the work associate with the bond.

c. The Supportive Housing Services measure passed and Planning and Development hired new staff to perform this work.

d. Capital Asset Management was stood up as an independent department within Metro. This was done without hiring new staff explicitly for this department which led to interdepartmental transfers between Council Offices, Waste Prevention & Environmental Services, and Parks & Nature.

Source: Metro Adopted Budget documents.



METRO
Operating Indicators by Functions/Programs
Last Ten Fiscal Years
Unaudited

	2012	2013	2014
FUNCTIONS/PROGRAMS			
Primary Government:			
<i>Governmental activities:</i>			
General government operations:			
Business licenses issued	2,768	2,779	2,739
Live broadcast of Metro Council meetings	N/A	N/A	N/A
Presentations to citizens, business, and other groups by Councilors and COO	N/A	N/A	N/A
Percentage of public meetings and events that have materials posted on line	1	1	1
General obligation bond rating:			
Moody's	Aaa	Aaa	Aaa
Standard and Poor's	AAA	AAA	AAA
Regional planning and development:			
Data Resource Center sales of maps and aerials	\$ 73,091	75,279	78,635
Culture and recreation:			
Visitors to Blue Lake Park, Oxbow Park and Chinook Landing (6)	754,351	813,194	739,324
Volunteer visits	4,248	3,188	3,034
Volunteer hours	15,664	10,357	9,384
Acres acquired in Open Spaces and Natural Areas land target areas	1,117	398	234
<i>Business-type activities:</i>			
Solid Waste:			
Recycling Information Center calls/hits on website (4)	138,438	130,110	147,389
Students reached in elementary and secondary school presentations (7)	46,636	31,636	26,591
Regional recovery rate (1)	59.3%	62.2%	64.2%
Hazardous waste net cost per pound	\$ 0.93	0.93	0.89
Gallons of recycled paint produced	157,957	158,421	199,192
Latex paint revenue	\$ 997,290	1,147,907	1,258,303
PaintCare revenue (management of post-consumer paint) (5)	\$ 1,382,882	1,303,797	1,131,360
Oregon Zoo (2):			
Adult admission price (peak & off season)	\$ 10.50	11.50	11.50
Annual attendance	1,597,475	1,683,442	1,514,192
Volunteer hours	150,035	130,993	158,551
Enterprise revenue as percentage of operating revenue	64.1%	62.4%	60.4%
Contributions and donations as percent of total revenue	4.0%	3.0%	2.4%
MERC:			
Annual attendance			
Oregon Convention Center (8)	732,982	661,283	581,195
Portland Expo Center	506,508	429,613	466,213
Portland's Centers for the Arts (3) (8)	844,750	785,277	743,560
Number of events/performances			
Oregon Convention Center (8)	80	95	88
Portland Expo Center	114	110	154
Portland's Centers for the Arts (3) (8)	878	952	906
Capacity			
Occupancy rate (75% considered maximum)			
Oregon Convention Center (8)	42%	46%	44%

*Not available

(1) Regional recovery rate is calculated by taking total waste generated in the region divided by amount recycled plus DEQ credits up to 6% for waste prevention, reuse, and home composting. 2016 rate reflects DEQ no longer adding the 6% in recovery credits.

(2) In fiscal year 2016, Metro began reporting the activities of the Zoo in the Oregon Zoo enterprise fund. Prior to this, activities of the Zoo were reported as part of the General Fund, in governmental activities.

(3) Was renamed from Portland Center for the Performing Arts in 2014.

(4) In November 2018, the Recycling Information updated the phone system moving from a Cisco-VOIP system supported by Metro's information services department to a cloud-based hosted service (aka interaction routing strategy) managed by CenturyLink. The data tracking for the year was split between the two systems and tracked similarly with some differences.

(5) PaintCare revenues derived from a newly established pilot project for the management of post-consumer paint.

(6) Car counter was not in place at Blue Lake from January 2015 thru June 2015 due to new entry construction.

(7) The Metro Youth Education team adapted to distance learning by continuing to reach youth virtually over the 2020-21 school year.

(8) Oregon Convention Center and Portland's had no activity to report for fiscal year 2021 as the venues were shuttered due to COVID.

Source: Various Metro departments.

2015	2016	2017	2018	2019	2020	2021
2,918	3,079	3,019	3,207	3,122	3,152	3,176
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
AAA	AAA	AAA	AAA	AAA	AAA	AAA
81,943	70,467	65,305	77,675	67,245	64,095	64,215
719,804	850,623	847,453	1,027,604	993,133	841,942	727,144
4,472	3,370	5,508	2,841	3,459	1,865	234
14,385	15,349	15,083	12,080	10,576	5,703	887
361	180	507	183	246	213	101
147,875	146,708	169,444	184,084	231,000	224,380	220,535
44,482	45,150	51,519	54,723	42,998	24,642	11,405
59.8%	60.4%	46.6%	44.7%	46.1%	N/A*	N/A*
0.97	1.04	1.04	1.13	0.99	1.36	1.39
243,341	220,016	203,421	176,489	201,895	161,041	145,035
1,360,872	1,286,638	1,149,852	1,064,213	1,205,964	941,447	876,610
1,521,246	1,567,449	1,481,844	1,650,050	1,792,651	1,459,255	1,635,153
11.50	14.95 & 9.95	14.95 & 9.95	17.95	22.95	17.95	24.00
1,560,035	1,494,316	1,549,394	1,704,918	1,529,078	977,639	901,315
130,065	98,722	91,911	93,714	78,113	65	6,665
61.2%	59.5%	62.6%	70.2%	68.5%	54.9%	60.7%
2.0%	3.8%	6.2%	6.2%	4.9%	9.3%	17.6%
633,047	632,823	624,538	619,068	697,923	435,612	-
381,169	398,705	385,184	392,760	471,400	247,815	60,462
876,819	928,151	946,691	958,064	917,425	672,246	-
81	74	70	77	70	46	-
112	121	109	114	121	90	83
967	964	971	946	983	648	-
51%	58%	48%	45%	51%	47%	0%

METRO
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Unaudited

	2012	2013	2014
FUNCTIONS/PROGRAMS			
Primary Government:			
<i>Governmental activities:</i>			
General government operations:			
Regional Center facilities	1	1	1
Square footage	110,000	110,000	110,000
Parking spaces - Regional Center garage	162	162	162
Parking spaces - Irving Street garage	485	485	485
Culture and recreation:			
Regional park facilities	8	8	8
Acres (including acres acquired using Natural areas bond proceeds)	2,207	2,207	2,207
Cemeteries	14	14	14
Acres	67	67	67
Golf facilities	1	1	1
Acres	232	232	232
18-hole courses	2	2	2
Marine facilities	3	3	3
Natural areas acquired from Multnomah County	7	7	7
Acres	2,422	2,422	2,422
Open Spaces land target areas	20	20	20
Acres	7,668	7,668	7,684
Natural areas acquired using bond proceeds	27	27	27
Acres	4,032	4,430	4,647
<i>Business-type activities:</i>			
Solid Waste:			
Transfer stations (including hazardous waste facilities)	2	2	2
Latex paint facilities	1	1	1
Closed landfills maintained	1	1	1
Oregon Zoo (1):			
Acres	65	65	65
Buildings and exhibits	73	71	67
Railways	1	1	1
MERC:			
Convention Centers	1	1	1
Square footage	907,000	907,000	907,000
Parking spaces	800	800	800
Exposition Centers	1	1	1
Square footage	330,000	330,000	330,000
Parking spaces	2,200	2,256	2,256

Note: No capital asset indicators are available for the regional planning and development function.

(1) In fiscal year 2016, Metro began reporting the activities of the Zoo in the Oregon Zoo enterprise fund. Prior to this, activities of the Zoo were reported as part of the General Fund, in governmental activities.

Source: Various Metro departments.

2015	2016	2017	2018	2019	2020	2021
1	1	1	1	1	1	1
110,000	110,000	196,960	196,960	196,960	196,960	196,960
162	162	162	162	162	162	162
485	485	485	485	485	485	485
8	8	8	8	8	8	8
2,305	2,305	2,305	2,305	2,305	2,305	2,305
14	14	14	14	14	14	14
67	67	67	67	67	67	67
1	1	1	1	1	1	1
232	232	232	232	232	232	232
2	2	2	2	2	2	2
3	3	3	3	3	3	3
7	7	7	7	7	7	7
2,422	2,422	2,422	2,422	2,422	2,422	2,422
20	20	20	20	20	20	20
7,684	7,684	7,684	7,684	7,684	7,684	7,684
27	27	27	27	27	27	27
4,910	5,090	5,596	5,778	6,024	6,237	6,338
2	2	2	2	2	2	2
1	1	1	1	1	1	1
1	1	1	1	1	1	1
65	65	65	65	65	65	65
67	67	68	68	68	68	68
2	2	2	2	2	2	2
1	1	1	1	1	1	1
907,000	907,000	907,000	907,000	907,000	907,000	907,000
800	716	716	791	791	791	791
1	1	1	1	1	1	1
330,000	330,000	333,000	333,000	333,000	333,000	333,000
2,256	2,256	2,556	2,556	2,556	2,556	2,556

METRO
Property Tax Levies and Collections (1)
Last Ten Fiscal Years
Unaudited

Fiscal year ended June 30,	Total tax levy for fiscal year	Collected within the fiscal year of the levy		Collections in subsequent fiscal years	Total collections to date		Total uncollected taxes for the fiscal year
		Tax collections	Percentage of levy		Tax collections	Percentage of levy	
2012	\$ 40,461,529	\$ 38,168,544	94.3%	\$ 860,005	\$ 39,028,549	96.5%	\$ 2,718,087
2013	53,097,952	50,317,145	94.8	1,792,208	52,109,353	98.1	2,846,442
2014	61,068,522	57,913,674	94.8	1,374,922	59,288,596	97.1	3,122,857
2015	63,625,056	60,524,636	95.1	1,251,065	61,775,701	97.1	3,256,373
2016	56,981,126	54,251,668	95.2	894,394	55,146,062	96.8	3,355,651
2017	61,417,731	58,526,399	95.3	831,880	59,358,279	96.6	3,523,722
2018	66,623,193	63,459,709	95.3	767,853	64,227,562	96.4	3,392,641
2019	80,232,825	76,823,359	95.8	817,198	77,640,557	96.8	2,184,005
2020	118,129,185	112,972,917	95.6	927,119	113,900,037	96.4	2,403,194
2021	109,569,884	105,001,839	95.8	-	105,001,839	95.8	2,406,117

(1) Property tax levies provide operating revenue for the General Fund and the Parks and Nature Operating Fund and debt service for Metro's general obligation bonds.

METRO
Taxable Property Values
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Real Market Value (1)	Total Assessed Valuation (AV)	Urban Renewal Excess	AV used to Calculate Rates (2)
Metro – Total Area				
2012	\$ 186,113,692,723	134,726,718,334	6,813,436,761	127,913,281,573
2013	182,115,877,804	137,952,858,654	7,117,486,446	130,835,372,208
2014	191,403,168,645	143,016,215,233	6,911,680,698	136,104,534,535
2015	211,844,217,262	149,658,475,167	7,196,823,537	142,461,651,630
2016	232,729,794,715	157,332,876,813	7,692,366,115	149,640,510,698
2017	266,256,751,631	164,726,153,314	8,800,597,517	15,592,555,797
2018	299,124,101,408	173,009,992,753	9,598,803,019	163,411,189,734
2019	326,072,241,004	179,748,438,545	10,330,532,400	169,417,906,145
2020	336,012,820,952	187,871,290,559	11,037,634,600	176,833,655,959
2021	353,506,458,459	196,522,905,777	11,731,215,064	184,791,690,713
Portion of Metro Located in Multnomah County				
2012	\$ 94,398,806,299	61,937,120,961	5,151,161,165	56,785,959,796
2013	92,813,634,950	63,238,726,207	5,323,183,349	57,915,542,858
2014	97,169,032,640	65,397,982,385	5,552,059,852	59,845,922,533
2015	107,182,217,862	68,400,496,894	5,690,908,219	62,709,588,675
2016	118,439,572,417	71,365,034,261	6,080,696,726	65,284,337,535
2017	138,109,555,282	74,755,397,687	6,804,941,684	67,950,456,003
2018	157,192,504,703	78,638,078,635	7,438,667,311	71,199,411,324
2019	171,296,770,318	81,401,405,120	7,939,555,685	73,461,849,435
2020	175,102,627,961	84,962,241,690	8,295,865,811	76,666,375,879
2021	182,501,863,490	88,820,136,360	8,672,590,819	80,147,545,541
Portion of Metro Located in Washington County				
2012	\$ 58,085,653,520	44,766,571,918	201,432,245	44,565,139,673
2013	56,826,665,878	46,038,212,248	213,290,719	45,824,921,529
2014	60,172,881,111	47,774,596,085	278,476,700	47,496,119,385
2015	66,641,438,168	49,956,068,958	328,606,130	49,627,462,828
2016	72,210,640,850	53,190,401,212	308,315,912	52,882,085,300
2017	80,476,887,028	55,606,866,466	528,351,591	55,078,514,875
2018	89,533,841,339	58,356,654,076	660,442,801	57,696,211,275
2019	97,859,133,163	60,798,329,166	802,404,836	59,995,924,330
2020	102,088,763,082	63,665,739,901	1,020,055,114	62,645,684,787
2021	107,528,977,578	66,677,697,092	1,177,844,163	65,499,852,929
Portion of Metro Located in Clackamas County				
2012	\$ 33,629,232,904	28,023,025,455	1,460,843,351	26,562,182,104
2013	32,475,576,976	28,675,920,199	1,581,012,378	27,094,907,821
2014	34,061,254,894	29,843,636,763	1,081,144,146	28,762,492,617
2015	38,020,561,232	31,301,909,315	1,177,309,188	30,124,600,127
2016	42,079,581,448	32,777,441,340	1,303,353,477	31,474,087,863
2017	47,670,309,321	34,363,889,161	1,467,304,242	32,896,584,919
2018	52,397,755,368	36,015,260,042	1,303,353,907	34,515,567,135
2019	56,916,337,523	37,548,704,259	1,588,571,879	35,960,132,380
2020	58,821,429,909	39,243,308,968	1,721,713,675	37,521,595,293
2021	63,475,617,391	41,025,072,325	1,880,780,082	39,144,292,243

(1) Value represents the Real Market Value of taxable properties, including the reduction in Real Market Value of specially assessed properties such as farm and forestland. This value is also commonly referred to as the Measure 5 Real Market Value by county assessors.

(2) Assessed value of property in Metro on which the Permanent Rate is applied to derive ad valorem property taxes, excluding urban renewal, exempt property within enterprise zones and any other offsets.

Source: Multnomah, Washington, and Clackamas Counties Departments of Assessment and Taxation.

METRO
Property Tax Rates by Type of Levy
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Permanent Rate	Local Option Levy Rate	General Obligation Bond Levy Rate (1)	Total Rate
2012	\$ 0.0966	\$ -	\$ 0.2202	\$ 0.3168
2013	0.0966	-	0.4140	0.5106
2014	0.0966	0.0960	0.2768	0.4694
2015	0.0966	0.0960	0.2683	0.4609
2016	0.0966	0.0960	0.1982	0.3908
2017	0.0966	0.0960	0.2057	0.3983
2018	0.0966	0.0960	0.2203	0.4129
2019	0.0966	0.0960	0.2827	0.4753
2020	0.0966	0.0960	0.4806	0.6732
2021	0.0966	0.0960	0.4071	0.5997

(1) General obligation (GO) bond levy rate is a calculation of total GO levy divided by Assessed Value used to calculate rates.

METRO
Principal Property Tax Taxpayers Within the District by County
 (amounts expressed in thousands)
 June 30, 2021
 Unaudited

Taxpayer account	Type of business	Assessed valuation	Percent of total valuation
MULTNOMAH COUNTY			
Portland General Electric Co.	Electric utility	\$ 734,758	0.92%
Port of Portland	Marine and aviation facilities	678,525	0.85
Pacificorp (PP&L)	Electric utility	550,506	0.69
Alaska Airlines, Inc.	Air travel	432,256	0.54
Centurylink	Telecommunications	347,954	0.43
Boeing Company	Aircraft manufacturing	343,713	0.43
Weston Investment Co. LLC	Nonresidential construction	290,995	0.36
Comcast Corporation	Telecommunications	260,951	0.33
Delta Airlines Inc.	Air travel	238,960	0.30
Southwest Airlines Co.	Air travel	227,000	0.28
All other taxpayers	-	76,041,928	94.88
	Total	\$ 80,147,546	100.00%
WASHINGTON COUNTY			
Intel Corporation	Computer electronics	\$ 1,941,050	2.96%
Nike, Inc.	Athletic apparel	1,435,298	2.19
Portland General Electric Co.	Electric utility	819,112	1.25
Pacific Realty Associates	Real estate	417,932	0.64
Northwest Natural Gas Co.	Natural gas utility	408,827	0.62
Verizon Communications	Telecommunications	299,376	0.46
Genentech, Inc.	Biotechnology	273,304	0.42
Comcast Corporation	Telecommunications	263,248	0.40
Lam Research Corporation	Semiconductor production equipment	198,543	0.30
BV Central LLC	Real estate	155,910	0.24
All other taxpayers	-	59,287,253	90.52
	Total	\$ 65,499,853	100.00%
CLACKAMAS COUNTY			
Portland General Electric Co.	Electric utility	439,757	1.12%
General Growth Properties, Inc.	Real estate	283,648	0.72
Shorenstein Properties LLC	Real estate	227,065	0.58
PCC Structural, Inc.	Metal castings and machining	219,410	0.56
Fred Meyer, Inc.	Retailer	197,701	0.51
Northwest Natural Gas Co.	Natural gas utility	150,780	0.39
Comcast Corporation	Telecommunications	85,797	0.22
Lumen Technologies, Inc.	Telecommunications	80,470	0.21
Meadows Road LLC	Real estate	74,169	0.19
Kaiser Foundation Hosp.	Healthcare	70,615	0.18
All other taxpayers	-	37,314,880	95.33
	Total	\$ 39,144,292	100.00%

Source: The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington counties.



AUDIT COMMENTS AND DISCLOSURES

REQUIRED BY STATE AND FEDERAL REGULATIONS

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE AND FEDERAL REGULATIONS

Oregon Administrative Rules 162-010-0000 through 162-010-0330 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, as prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required financial statements and schedules are set forth in the preceding sections of this report.

Metro is the recipient of Federal Grant Awards and requires an audit subject to the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As a result, Metro's audit is also required to be performed in compliance with Generally Accepted Government Audit Standards.

Comments and disclosures required by the above rules and regulations are set forth on the following pages.



Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Oregon Minimum Audit Standards*

Metro Council and Metro Auditor
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the provision of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 29, 2021. Our report includes a reference to other auditors who audited the financial statements of The Oregon Zoo Foundation, a discretely presented component unit, as described in our report on Metro's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Metro's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules (OAR) 162-10-0000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect of the financial statements:

- The accounting records and related internal control structure.
- The use of various depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption, and execution of the annual budgets for fiscal years 2022 and 2021.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.

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

Internal Control Over Financial Reporting

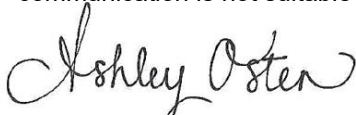
In planning and performing our audit of the financial statements, we considered Metro's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements,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

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

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

Purpose of this Report

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



For Moss Adams LLP
Portland, Oregon
November 29, 2021



Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Metro Council and Metro Auditor
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 29, 2021. Our report includes a reference to other auditors who audited the financial statements of The Oregon Zoo Foundation, as described in our report on Metro's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of The Oregon Zoo Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Moss Adams LLP

Portland, Oregon
November 29, 2021



Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Metro Council and Metro Auditor
Portland, Oregon

Report on Compliance for the Major Federal Program

We have audited Metro's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on Metro's major federal program for the year ended June 30, 2021. Metro's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Metro's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Metro's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, Metro complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Moss Adams LLP

Portland, Oregon
November 29, 2021

METRO
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2021

Grantor and Program Title	Assistance Listing Number	Grant/Pass Through Number	Federal Expenditures
U. S. DEPARTMENT OF AGRICULTURE			
Forest Service-			
Direct Programs:			
Columbia River Gorge National Scenic Area	N/A	18-PA-11062200-005	\$ 3,600
Passed through Oregon Watershed Enhancement Board/Clackamas River:	N/A	N/A	133,997
Total U. S. Department of Agriculture			137,597
U. S. DEPARTMENT OF COMMERCE			
Direct Programs:			
Economic Development Administration			
Albina Redevelopment Feasibility Study	11.307	07-69-07716	218
Total U. S. Department of Commerce			218
U.S. DEPARTMENT OF DEFENSE			
Department of the Army, Office of the Chief of Engineers-			
Passed through Washington Department of Fish & Wildlife:			
Planning Assistance to States - Water Resources Development Act	12.110	WDFW #20-12868	16,843
Total U.S. Department of Defense			16,843
U. S. DEPARTMENT OF THE INTERIOR			
Fish and Wildlife Service-			
Direct Programs:			
Fish and Wildlife Management Assistance	15.608	F19AP00251-0001-NCDO	49,396
Endangered Species Conservation-Recovery Implementation Funds	15.657	F21AP00532-00	85,192
Endangered Species Conservation-Recovery Implementation Funds	15.657	F20AP10632-00	20,000
Endangered Species Conservation-Recovery Implementation Funds	15.657	140F0120P0105	73,660
Endangered Species Conservation-Recovery Implementation Funds	15.657	F17AP00909	20,000
Subtotal Endangered Species Conservation-Recovery Implementation Funds			198,852
Youth Engagement, Education & Employment Program	15.676	F20AP00208	4,225
Fish and Wildlife Service-			
Passed through The Peregrine Fund Inc and Oregon Department of Fish & Wildlife:			
Wildlife Restoration Grant Program	15.611	ODFW #351-17	101,773
Passed through Oregon Department of Fish and Wildlife:			
Sport Fish Restoration Fund	15.605	F19AF01061	393,907
Total Fish and Wildlife Cluster			495,680
Passed through Oregon Department of Parks and Recreation:			
Cooperative Endangered Species Conservation Fund	15.615	FY19-E28TW13OZ	31,357
Cooperative Endangered Species Conservation Fund	15.615	FY20-E28TW17 OZ	14,384
Cooperative Endangered Species Conservation Fund	15.615	FY19-E6-72	15,144
Subtotal Cooperative Endangered Species Conservation Fund			60,885
Passed through Oregon State Marine Board:			
Clean Vessel Act	15.616	N/A	1,800
Clean Vessel Act	15.616	Agreement No. 1642	433,604
Subtotal Clean Vessel Act			435,404
Sport Fishing & Boating Safety Act	15.622	F18AP00248	6,500
Passed through Ducks Unlimited:			
North American Wetlands Conservation Fund	15.623	F13AP00369	117,836
Passed through Center for Natural Lands Management:			
State Wildlife Grants	15.634	WA-S-2018-009-0	28,000
Total U. S. Department of the Interior			1,396,778

(Continued)

METRO
Schedule of Expenditures of Federal Awards, *continued*
For the year ended June 30, 2021

Grantor and Program Title	Assistance Listing Number	Grant/Pass Through Number	Federal Expenditures
U. S. DEPARTMENT OF TRANSPORTATION			
Federal Highway Administration-			
Highway Planning and Construction Cluster-			
Passed through Oregon Department of Transportation:			
PL Funds - Lead (federal share)	20.205	ODOT # 34309	2,267,167
STBG Funds	20.205	ODOT # 34309	1,291,282
Section 5303 Funds	20.205	ODOT # 34309	415,619
Next Corridor STBG Funds	20.205	ODOT # 34309	117,016
TSMO STBG Funds	20.205	ODOT # 34309	111,860
Delivering Transportation Options (aka ODOT RTO 4)	20.205	ODOT # 32516	144,632
2020 TSMO Strategy Planning Update	20.205	ODOT # 33081	38,270
Congestion Pricing Modeling Support	20.205	ODOT # 33518	149,543
Regional Dockless Dashboard	20.205	ODOT # 33628	6,805
Total Highway Planning and Construction Cluster			4,542,194
Federal Transit Administration-			
Federal Transit - Capital Investment Grants-			
Direct Programs:			
Montgomery Park to Hollywood HCT Development Strategy	20.500	OR-2020-006	592,213
Passed through to subrecipients:			
City of Portland			328,032
Federal Transit Formula Grants-			
Direct Programs:			
Regional Travel Options	20.507	OR-2020-004	2,093,984
Passed through to subrecipients:			
City of Gresham			22,919
City of Oregon City			59,195
City of Portland			409,742
City of Wilsonville			24,710
Clackamas Community College			44,683
Clackamas Cycling Center			46,910
Forth			45,665
Oregon Walks			31,360
Pear			27,680
Portland Community College			24,160
Ride Connection Inc			127,003
The Street Trust Community Fund			29,590
Tri Met			339,813
Washington Park Transportation			20,043
Westside Transportation Alliance Inc			99,103
Safe Routes to Schools (SRTS)	20.507	OR-2019-028	441,128
Passed through to subrecipients:			
Beaverton School District 48			18,045
City of Hillsboro			80,285
City of Portland			10,286
City of Tigard			93,894
Clackamas County			13,684
Community Cycling Center			141,617
Total Federal Transit Cluster			3,127,325
Alternative Analysis-			
Direct Programs:			
Streetcar/Eastside/LO-PDX (Sec 5339)	20.522	OR-39-0002	43,390
Total U.S. Department of Transportation			7,712,909

(Continued)

METRO
Schedule of Expenditures of Federal Awards, *continued*
For the year ended June 30, 2021

Grantor and Program Title	Assistance Listing Number	Grant/Pass Through Number	Federal Expenditures
U. S. DEPARTMENT OF THE TREASURY			
Passed through State of Oregon COVID-19 Coronavirus Relief Fund	21.019	Agreement #3100	3,585,208
Passed through City of Portland COVID-19 Coronavirus Relief Fund	21.019	Contract #30007579	1,568,077
Total U.S. Department of Treasury			5,153,285
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Metro Coalition Assessment Grant FY17	66.818	BF-01J23701-0	109,156
Metro Coalition Assessment Grant	66.818	BF-01J86401-0	73,703
Total U.S. Environmental Protection Agency			182,859
U. S. DEPARTMENT OF HOMELAND SECURITY, Federal Emergency Management Agency (FEMA)			
Passed through the City of Portland Regional Emergency Transportation Routes Update	97.067	32001914	37,901
Social Vulnerability Tools	97.067	32002271	100,655
Total U. S. Department of Homeland Security			138,556
Total Expenditures of Federal Awards			\$ 14,739,045

The accompanying notes are an integral part of this schedule.

METRO
Notes to Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes all federal grant activity of Metro, under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because this Schedule presents only a selected portion of the operations of Metro, it is not intended to and does not present the financial position, changes in net position or cash flows of Metro.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in note II.C to Metro's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenses are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where applicable. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – ELECTION OF DE MINIMUS INDIRECT RATE

During the current year end, June 30, 2021, Metro did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Metro
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs and type of auditor’s report issued on compliance for major federal programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for Major Federal Programs</i>
21.019	COVID-19 Coronavirus Relief Fund	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None noted

Metro
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021

No findings identified in the prior year.





Report of Independent Auditors

Metro Council and Metro Auditor
Portland, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Metro's basic financial statements. The other supplementary information and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (collectively, "supplementary information") is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2021, on our consideration of Metro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Metro's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Metro's internal control over financial reporting and compliance.

Other Reporting Required by *Minimum Standards for Audits of Oregon Municipal Corporations*

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated November 29, 2021, on our consideration of Metro's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Moss Adams LLP
Portland, Oregon
November 29, 2021



Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Metro Council and Metro Auditor
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 29, 2021. Our report includes a reference to other auditors who audited the financial statements of The Oregon Zoo Foundation, as described in our report on Metro's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of The Oregon Zoo Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Moss Adams LLP

Portland, Oregon
November 29, 2021



November 29, 2021

Marissa Madrigal, Chief Operating Officer
Brian Kennedy, Director, Finance & Regulatory Services
Metro
600 NE Grand Avenue
Portland, Oregon 97232

We have completed our audit of the financial statements of Metro for the year ended June 30, 2021 and have issued our report thereon dated November 29, 2021. In planning and performing our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America, we considered Metro's internal control over financial reporting (internal control) as a basis for designing our auditing procedures and for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control. Accordingly, we do not express an opinion on the effectiveness of Metro's internal control.

During the course of the audit, we noted certain other matters involving the internal control structure, operations, and financial reporting that are presented for your consideration which are reported to you below. The following does not include the observations and recommendations related to the Information Technology (IT) Controls Assessment which was performed during the year. Please refer to the *IT General Controls Assessment 2021 Fiscal Year Fieldwork Debrief Memo* which has been included as an attachment to this letter. Our comments and recommendations have been discussed with appropriate members of management and are intended to improve the internal control structure or result in other operating efficiencies. We would be pleased to discuss these comments in further detail at your convenience, and to perform any desired additional study of these matters.

Our comments are as follows:

Accounts Receivable

Observation – We noted an item recorded in accounts receivable that was received prior to year-end.

Recommendation – We recommend that management ensure amounts recorded in accounts receivable are not yet received as year end to ensure accuracy of reporting.

Management Response – Thank you for bringing this to our attention. We have trained staff to review cutoff entries between systems are ensure proper recording into the appropriate year.

Payroll Timecard Approval

Observation – We noted timecards were not appropriately reviewed within the Planning Department as presented by management.



Recommendation – We recommend timecards be reviewed and approved by the employee’s supervisor prior to the submission of payroll for payment and documentation of such review be maintained for each payroll period.

Management Response – We agree management approval to time is key to representing the accuracy of our time costing, as well as crucial to our control environment in how management communicates this importance to staff. We have responded immediately with communication from Metro’s highest level of management to those parties identified to ensure compliance with Metro’s timekeeping policies is consistently adhered to going forward. We are also following up on the monitoring function to ensure future identified non-compliance is communicated to the Payroll Division and, when necessary, the Deputy CFO and CFO to address non-compliance in a timely manner. We are reviewing training options for managers to ensure comprehension of the legal requirements and commitments made by Metro when accepting federal grant awards.

Expenditure Approval (Repeat from Prior Year)

Observation – As part of our federal grant compliance procedures, we reviewed the controls over Metro’s approval of general expenditures. We noted that while review of the expenditures was being performed, formal documentation of the review was not consistently retained.

Recommendation – We recommended that documentation of review of general disbursements be documented and retained.

Management Response – We agree with this recommendation. Though department specific efforts were made to address this comment in the past, we will make a concerted effort to communicate these best practices across all Metro departments.

Prior Year Observations and Recommendations

Capital Assets

Observation – During our procedures over capital assets in 2019, we noted that no physical count of capital assets had been performed in either the current or the prior fiscal year. In 2020, we noted management had performed an inventory of physical assets for a portion of Metro’s operations with the remainder to be subject to physical inventory in 2021.

Recommendation – We recommended that management perform a periodic count of capital assets to ensure the existence of assets.



Current year status – In the current year, we noted management performed a full inventory of physical assets. As such, we consider this matter resolved.

We wish to thank you, Caleb Ford, Somer Erickson, Erica Gallucci, and the rest of the Metro staff for their support and assistance during our audit, as well as Brian Evans, Metro Auditor, who were all very professional and pleasant to work with regarding the administration of our audit contract with Metro.

Very truly yours,

Moss Adams LLP

Moss Adams LLP

cc: Brian Evans, Metro Auditor

Enclosures



METRO

IT GENERAL CONTROLS ASSESSMENT 2021 FISCAL YEAR FIELDWORK DEBRIEF MEMO NOVEMBER 29, 2021

As part of the financial audit process, Moss Adams (“we”) obtained a high-level understanding of the technology environment at Metro (“Company” or “Metro”). This review was obtained in order to gain an understanding of the Company’s technology environment for purposes of determining the level of reliance to place on internal controls over the key financial systems and supporting infrastructure.

The specific applications reviewed during this process included PeopleSoft Financials, PeopleSoft Human Resource Management System (HRMS), Ungerboeck (USI), and Weighmaster (new for FY2021), as well as relevant aspects of the infrastructure involved in securing access to these applications.

These observations represent our preliminary findings. As such, Company management should review our findings and associated recommendations for factual accuracy and suggest corrections as needed. A management response may be provided for each observation to document any comments or mitigation plans but is not required. These comments, if provided, will be considered in the final report to the financial audit team and Company management.

Rachel Coe, CIO, provided the management responses indicated below on 10/20/2021.

A. FY2021 OBSERVATIONS

1. USER ACCESS REVIEW (HIGH PRIORITY)

OBSERVATIONS:

[Updated from FY2020] We noted that progress was made to establish the USI user access review during the FY2021 audit period; however, the full review was not completed within a reasonable time period. Management noted that the review could not be completed due to personnel constraints.

[New to FY2021] We noted a user access review for Weighmaster has not been designed and implemented as of the conclusion of the FY2021 audit period. This was a new system in-scope for FY2021.

RECOMMENDATIONS:

Management should ensure at least an annual review of all user access permissions to financially significant systems is conducted, and supporting documentation is retained to demonstrate all users and their assigned edit-level access permissions have been reviewed.



Attributes of a user access review that represent the best practices which we typically measure control design and operating effectiveness by include the following:

- The review is documented thoroughly, capturing all users, their assigned access, who is reviewing each, the date of review, and conclusions on each specific access permission granted.
- An individual performing a review should not review their own access; another member of management with authority and knowledge of the specific area, should confirm the reviewers' assigned access.
- Action to complete any noted changes is documented (via confirmation to the reviewer and evidence supporting the change was fully processed as noted in the review).
- Management should keep evidence which demonstrates the reports used to perform this review are complete and accurate.
- Management should perform the review within the relevant fiscal period. The ideal timing of the review is the Q4 period. If that cannot be achieved, the data supporting the review should be captured from within the relevant fiscal period and the review completed within two months of the fiscal period end. Any access changes noted should be resolved within one month of the review completion, and a look-back analysis should be considered to evaluate whether any unauthorized activity occurred.

METRO RESPONSE: Information Services made significant improvements in the user access review process in FY 2021. The PeopleSoft HCM and Finance reviews were sent at the same time and streamlined to make the review process easier for approvers. This change helped greatly to overcome the difficulty in getting forms back from approvers on a timely basis. In FY 2021, USI introduced a new set of approvers to the review process. Due to significant cutbacks in the wake of the pandemic, approvers who were overtaxed and sometimes absent, took a greater than expected time to return documentation. Because this was the first year for USI to follow a formal access review, IS expects this to be much smoother process going forward. Weighmaster approvals will be added in FY2022.



2. ADMINISTRATIVE PERMISSIONS (HIGH PRIORITY)

OBSERVATION:

[Updated from FY2020] The following user accounts are identified to have administrative-level access to Production (through the indicated roles). Although not often, there are occasions when internal development activities are conducted, thus creating the conflict of developer access to production. We noted that management has implemented auditing of certain fields in the PeopleSoft Financials and HRMS systems; however, active monitoring of these audit logs is not currently performed and documented.

PeopleSoft Financials:

User Account	Purpose for Access	PeopleSoft Administrator	System Administrator	ADMINISTRATOR	PeopleTools
Joseph Stennick	Primary Support	X	X	X	X
Nancy Somerville	Backup Support	X	X	X	X
Jeffrey Andrews	Backup Support	X	X	X	X
Charlotte Wilson	Primary Support	X	X	X	X
VP1	Delivered Account	X		X	X

PeopleSoft HRMS:

User Account	Purpose for Access	PeopleSoft Administrator
Joseph Stennick	Backup Support	X
Nancy Somerville	Primary Support	X
Jeffrey Andrews	Primary Support	X
Charlotte Wilson	Backup Support	X
PS	Delivered Account	X

RECOMMENDATIONS:

We recommend Management look for opportunities to reduce the assignment of these administrative-level roles, as follows:

- Where management is unable to eliminate access, management should implement formal monitoring efforts (including capturing documentation to support the monitoring performed) over activity that is deemed key to financial reporting or activity which would impact the reliability of the systems. Although not an all-inclusive list, specific areas of importance for



monitoring will likely include activity around journal entries, master data maintenance (vendors, employees, customers, etc.), and modification of system configurations.

- The VP1 and PS accounts are moved to an “enabled as needed” state to reduce the opportunity for high risk activities to occur under a generic account for which accountability could be difficult to ascertain. The password to these accounts should be high protected, and accounts should be activated only in the event of emergency or for otherwise vendor-recommended purposes. Activity related to the activation and use of these accounts should be documented, including authorization for use and activity reviews, where possible.

METRO RESPONSE: Information Services supports a total of nine separate PeopleSoft modules in both test and production environments with only four primary staff members. This presents a challenge in removing administrative access. Where significant financial or personnel-related activities occur, logging is enabled. Additionally, PeopleSoft maintains records on system and configuration changes and any customizations are reviewed by the Applications Manager before being moved into the production environment for PeopleSoft modules.

3. PASSWORD CONFIGURATIONS (MODERATE PRIORITY)

OBSERVATION:

[Reissued from FY2020] Password configurations for the PeopleSoft Financials and HRMS systems are weak and do not meet or exceed password parameters set for the network, including parameters mandating a 6-character minimum and only 1 digit required for complexities. We noted that these systems are not available outside the network; however, weak passwords are known to be exploited from even internal sources and thus the risk to systems and data integrity is still present. This is particularly of greater concern considering the Administrative Access observation noted above.

RECOMMENDATION:

We recommend that PeopleSoft system password configurations are strengthened further to mirror or exceed the Default Domain Policy.

METRO RESPONSE: This recommendation will be enabled.



B. PROGRESS ON PRIOR YEAR OBSERVATIONS

The following observations were identified in FY2020, and we noted progress has been made as of the FY2021 audit.

1. ADMINISTRATIVE PERMISSIONS

MA FY2021 NOTES: We noted that access has been reduced through the removal of administrator access for Runar Gareyev from both the PeopleSoft Financials and PeopleSoft HRMS systems, and the removal of the 'MIS Administrator' role within PeopleSoft HRMS (was assigned only to Amy Padilla). Reference the current audit period observation above for details and recommendations on other administrative permissions identified.

2. USER ACCESS REVIEW TIMELINESS

MA FY2021 NOTES: We noted that PeopleSoft HRMS and Financials reviews were completed within the audit period and in a timely manner based on the individual manager's response time and communication of changes. Although reviews for both systems take 1-3 months to accomplish, there appears to be reasonable tracking and monitoring by system owners to help ensure review completion by individual managers over their reporting users in a timely manner.

3. SYSTEM DEVELOPMENT PROJECT MANAGEMENT

MA FY2021 NOTES: There were no new system implementation activities completed in FY2021 to measure progress against the FY2020 observation. As a result, the FY2020 observation and corresponding recommendations are not considered resolved, and progress will be evaluated upon future system development or implementation projects.



Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Metro Council and Metro Auditor
Portland, Oregon

Report on Compliance for the Major Federal Program

We have audited Metro's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on Metro's major federal program for the year ended June 30, 2021. Metro's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Metro's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Metro's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, Metro complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Moss Adams LLP

Portland, Oregon
November 29, 2021



Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Oregon Minimum Audit Standards*

Metro Council and Metro Auditor
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the provision of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 29, 2021. Our report includes a reference to other auditors who audited the financial statements of The Oregon Zoo Foundation, a discretely presented component unit, as described in our report on Metro's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Metro's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules (OAR) 162-10-0000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect of the financial statements:

- The accounting records and related internal control structure.
- The use of various depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption, and execution of the annual budgets for fiscal years 2022 and 2021.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.

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

Internal Control Over Financial Reporting

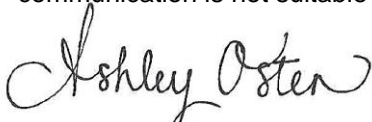
In planning and performing our audit of the financial statements, we considered Metro's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements,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

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

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

Purpose of this Report

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



For Moss Adams LLP

Portland, Oregon

November 29, 2021

Metro
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs and type of auditor’s report issued on compliance for major federal programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for Major Federal Programs</i>
21.019	COVID-19 Coronavirus Relief Fund	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None noted



Report of Independent Auditors

Metro Council and Metro Auditor
Portland, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 29, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that Metro failed to comply with the provisions in Exhibit A to Resolution No. 18-4898 with regard to the Affordable Housing General Obligation Bonds, Series 2019. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Metro's noncompliance with the above-referenced resolution provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of Metro and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Portland, Oregon
November 29, 2021



November 29, 2021

Marissa Madrigal, Chief Operating Officer
Brian Kennedy, Director, Finance & Regulatory Services
Metro
600 NE Grand Avenue
Portland, Oregon 97232

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Recommendation – We recommend that management ensure amounts recorded in accounts receivable are not yet received as year end to ensure accuracy of reporting.

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Recommendation – We recommended that management perform a periodic count of capital assets to ensure the existence of assets.



Current year status – In the current year, we noted management performed a full inventory of physical assets. As such, we consider this matter resolved.

We wish to thank you, Caleb Ford, Somer Erickson, Erica Gallucci, and the rest of the Metro staff for their support and assistance during our audit, as well as Brian Evans, Metro Auditor, who were all very professional and pleasant to work with regarding the administration of our audit contract with Metro.

Very truly yours,

Moss Adams LLP

Moss Adams LLP

cc: Brian Evans, Metro Auditor

Enclosures



METRO

IT GENERAL CONTROLS ASSESSMENT 2021 FISCAL YEAR FIELDWORK DEBRIEF MEMO NOVEMBER 29, 2021

As part of the financial audit process, Moss Adams (“we”) obtained a high-level understanding of the technology environment at Metro (“Company” or “Metro”). This review was obtained in order to gain an understanding of the Company’s technology environment for purposes of determining the level of reliance to place on internal controls over the key financial systems and supporting infrastructure.

The specific applications reviewed during this process included PeopleSoft Financials, PeopleSoft Human Resource Management System (HRMS), Ungerboeck (USI), and Weighmaster (new for FY2021), as well as relevant aspects of the infrastructure involved in securing access to these applications.

These observations represent our preliminary findings. As such, Company management should review our findings and associated recommendations for factual accuracy and suggest corrections as needed. A management response may be provided for each observation to document any comments or mitigation plans but is not required. These comments, if provided, will be considered in the final report to the financial audit team and Company management.

Rachel Coe, CIO, provided the management responses indicated below on 10/20/2021.

A. FY2021 OBSERVATIONS

1. USER ACCESS REVIEW (HIGH PRIORITY)

OBSERVATIONS:

[Updated from FY2020] We noted that progress was made to establish the USI user access review during the FY2021 audit period; however, the full review was not completed within a reasonable time period. Management noted that the review could not be completed due to personnel constraints.

[New to FY2021] We noted a user access review for Weighmaster has not been designed and implemented as of the conclusion of the FY2021 audit period. This was a new system in-scope for FY2021.

RECOMMENDATIONS:

Management should ensure at least an annual review of all user access permissions to financially significant systems is conducted, and supporting documentation is retained to demonstrate all users and their assigned edit-level access permissions have been reviewed.



Attributes of a user access review that represent the best practices which we typically measure control design and operating effectiveness by include the following:

- The review is documented thoroughly, capturing all users, their assigned access, who is reviewing each, the date of review, and conclusions on each specific access permission granted.
- An individual performing a review should not review their own access; another member of management with authority and knowledge of the specific area, should confirm the reviewers' assigned access.
- Action to complete any noted changes is documented (via confirmation to the reviewer and evidence supporting the change was fully processed as noted in the review).
- Management should keep evidence which demonstrates the reports used to perform this review are complete and accurate.
- Management should perform the review within the relevant fiscal period. The ideal timing of the review is the Q4 period. If that cannot be achieved, the data supporting the review should be captured from within the relevant fiscal period and the review completed within two months of the fiscal period end. Any access changes noted should be resolved within one month of the review completion, and a look-back analysis should be considered to evaluate whether any unauthorized activity occurred.

METRO RESPONSE: Information Services made significant improvements in the user access review process in FY 2021. The PeopleSoft HCM and Finance reviews were sent at the same time and streamlined to make the review process easier for approvers. This change helped greatly to overcome the difficulty in getting forms back from approvers on a timely basis. In FY 2021, USI introduced a new set of approvers to the review process. Due to significant cutbacks in the wake of the pandemic, approvers who were overtaxed and sometimes absent, took a greater than expected time to return documentation. Because this was the first year for USI to follow a formal access review, IS expects this to be much smoother process going forward. Weighmaster approvals will be added in FY2022.



2. ADMINISTRATIVE PERMISSIONS (HIGH PRIORITY)

OBSERVATION:

[Updated from FY2020] The following user accounts are identified to have administrative-level access to Production (through the indicated roles). Although not often, there are occasions when internal development activities are conducted, thus creating the conflict of developer access to production. We noted that management has implemented auditing of certain fields in the PeopleSoft Financials and HRMS systems; however, active monitoring of these audit logs is not currently performed and documented.

PeopleSoft Financials:

User Account	Purpose for Access	PeopleSoft Administrator	System Administrator	ADMINISTRATOR	PeopleTools
Joseph Stennick	Primary Support	X	X	X	X
Nancy Somerville	Backup Support	X	X	X	X
Jeffrey Andrews	Backup Support	X	X	X	X
Charlotte Wilson	Primary Support	X	X	X	X
VP1	Delivered Account	X		X	X

PeopleSoft HRMS:

User Account	Purpose for Access	PeopleSoft Administrator
Joseph Stennick	Backup Support	X
Nancy Somerville	Primary Support	X
Jeffrey Andrews	Primary Support	X
Charlotte Wilson	Backup Support	X
PS	Delivered Account	X

RECOMMENDATIONS:

We recommend Management look for opportunities to reduce the assignment of these administrative-level roles, as follows:

- Where management is unable to eliminate access, management should implement formal monitoring efforts (including capturing documentation to support the monitoring performed) over activity that is deemed key to financial reporting or activity which would impact the reliability of the systems. Although not an all-inclusive list, specific areas of importance for



monitoring will likely include activity around journal entries, master data maintenance (vendors, employees, customers, etc.), and modification of system configurations.

- The VP1 and PS accounts are moved to an “enabled as needed” state to reduce the opportunity for high risk activities to occur under a generic account for which accountability could be difficult to ascertain. The password to these accounts should be high protected, and accounts should be activated only in the event of emergency or for otherwise vendor-recommended purposes. Activity related to the activation and use of these accounts should be documented, including authorization for use and activity reviews, where possible.

METRO RESPONSE: Information Services supports a total of nine separate PeopleSoft modules in both test and production environments with only four primary staff members. This presents a challenge in removing administrative access. Where significant financial or personnel-related activities occur, logging is enabled. Additionally, PeopleSoft maintains records on system and configuration changes and any customizations are reviewed by the Applications Manager before being moved into the production environment for PeopleSoft modules.

3. PASSWORD CONFIGURATIONS (MODERATE PRIORITY)

OBSERVATION:

[Reissued from FY2020] Password configurations for the PeopleSoft Financials and HRMS systems are weak and do not meet or exceed password parameters set for the network, including parameters mandating a 6-character minimum and only 1 digit required for complexities. We noted that these systems are not available outside the network; however, weak passwords are known to be exploited from even internal sources and thus the risk to systems and data integrity is still present. This is particularly of greater concern considering the Administrative Access observation noted above.

RECOMMENDATION:

We recommend that PeopleSoft system password configurations are strengthened further to mirror or exceed the Default Domain Policy.

METRO RESPONSE: This recommendation will be enabled.



B. PROGRESS ON PRIOR YEAR OBSERVATIONS

The following observations were identified in FY2020, and we noted progress has been made as of the FY2021 audit.

1. ADMINISTRATIVE PERMISSIONS

MA FY2021 NOTES: We noted that access has been reduced through the removal of administrator access for Runar Gareyev from both the PeopleSoft Financials and PeopleSoft HRMS systems, and the removal of the 'MIS Administrator' role within PeopleSoft HRMS (was assigned only to Amy Padilla). Reference the current audit period observation above for details and recommendations on other administrative permissions identified.

2. USER ACCESS REVIEW TIMELINESS

MA FY2021 NOTES: We noted that PeopleSoft HRMS and Financials reviews were completed within the audit period and in a timely manner based on the individual manager's response time and communication of changes. Although reviews for both systems take 1-3 months to accomplish, there appears to be reasonable tracking and monitoring by system owners to help ensure review completion by individual managers over their reporting users in a timely manner.

3. SYSTEM DEVELOPMENT PROJECT MANAGEMENT

MA FY2021 NOTES: There were no new system implementation activities completed in FY2021 to measure progress against the FY2020 observation. As a result, the FY2020 observation and corresponding recommendations are not considered resolved, and progress will be evaluated upon future system development or implementation projects.



Report of Independent Auditors

Metro Council and Metro Auditor
Portland, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 29, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that Metro failed to comply with the provisions in Exhibit A to Resolution No. 06-3672B with regard to the Natural Areas General Obligation Bonds, Series 2012A and Series 2018. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Metro's noncompliance with the above-referenced resolution provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of Metro and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Portland, Oregon
November 29, 2021



Report of Independent Auditors

Metro Council and Metro Auditor
Portland, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 29, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that Metro failed to comply with the provisions in Exhibit A to Resolution No. 08-3945 with regard to the Oregon Zoo General Obligation Bonds, Series 2012A, Series 2016 and Series 2018. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Metro's noncompliance with the above-referenced resolution provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of Metro and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Portland, Oregon
November 29, 2021



Report of Independent Auditors

Metro Council and Metro Auditor
Portland, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 29, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that Metro failed to comply with the provisions in Exhibit A to Resolution No. 19-4988 with regard to the Parks and Nature General Obligation Bonds, Series 2020A and 2020B. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Metro's noncompliance with the above-referenced resolution provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of Metro and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Portland, Oregon
November 29, 2021

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 21-5221 FOR THE PURPOSE OF METRO COUNCIL'S ACCEPTANCE OF THE RESULTS OF THE INDEPENDENT AUDIT FOR FINANCIAL ACTIVITY DURING FISCAL YEAR ENDING JUNE 30, 2021

Date: 11/18/2021

Prepared by: Brian Evans
Metro Auditor
503-797-1891

BACKGROUND

Oregon Revised Statute provision 297.425 requires an annual independent audit of Metro's financial statements. The current contract (No. 936766) was awarded to Moss Adams LLP for audit services and is effective May 1, 2020 through April 30, 2023.

Metro Code Chapter 2.15 specifies at Section 2.15.080 that the Auditor shall appoint external certified public accountants to conduct certified financial statement audits. Metro Charter Section 18 also specifies that the auditor shall be responsible for financial auditing of all aspects of Metro's operations.

The Annual Comprehensive Financial Report (ACFR) has been completed by Metro Finance and Regulatory Services. Moss Adams LLP has audited the financial statements and issued an opinion that these statements fairly represent Metro's financial position as of June 30, 2021. The results have been reviewed by the Metro Auditor and Metro Audit Committee members.

ANALYSIS/INFORMATION

1. **Known Opposition** None

2. **Legal Antecedents**

Oregon Revised Statute provision 297.425 requires an annual independent audit of Metro's financial statements. Metro contract No. 936766 with Moss Adams LLP for audit services will expire on April 30, 2023.

Metro Code Chapter 2.15 specifies at Section 2.15.080 that the Auditor shall appoint external certified public accountants to conduct certified financial statement audits. The Metro Charter Section 18 also specifies that the auditor shall be responsible for financial auditing of all aspects of Metro's operations.

3. **Anticipated Effects**

Finance and Regulatory Services management and staff will review and implement the best practices suggestions as appropriate.

4. **Budget Impacts** None known at this time.

RECOMMENDED ACTION

The Metro Auditor recommends approval of Resolution No. 21-5221.