

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF METRO COUNCIL’S )	RESOLUTION NO. 22-5300
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, 2022 )	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, 2022 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, 2022 (Exhibit A).

ADOPTED by the Metro Council this 8<sup>TH</sup> day of December 2022.

Approved as to Form:



\_\_\_\_\_  
Lynn Peterson, Council President



\_\_\_\_\_  
Carrie MacLaren, Metro Attorney



# Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2022

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

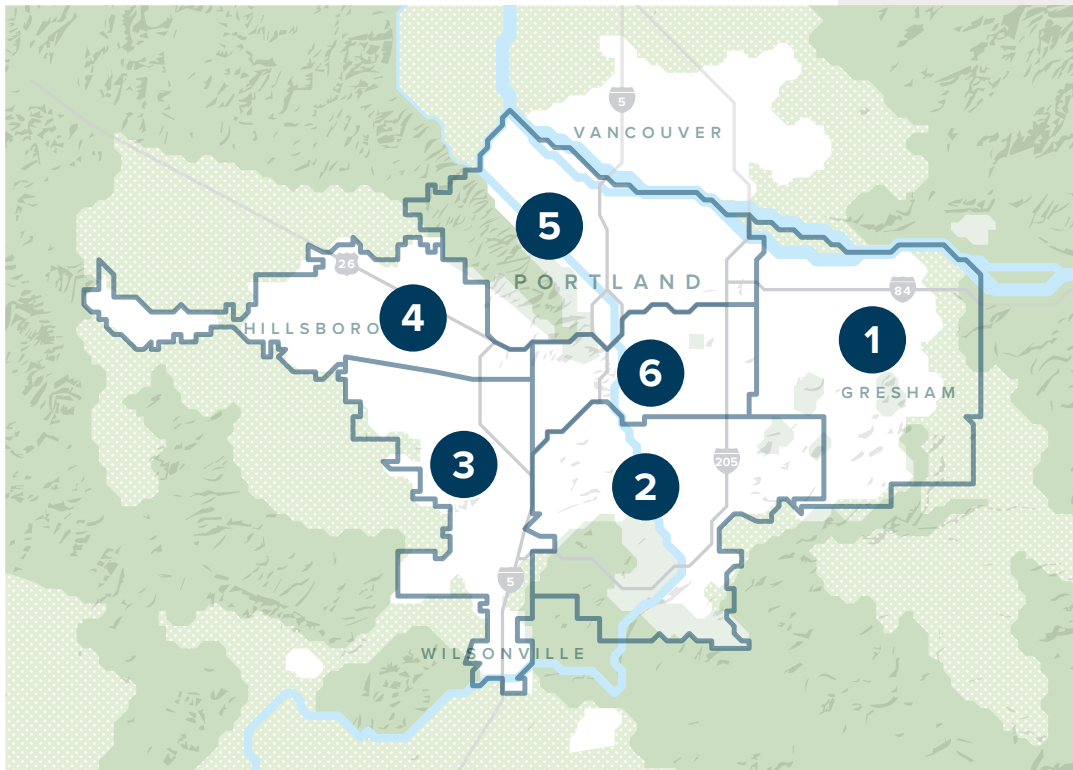
Juan Carlos González, District 4

Mary Nolan, District 5

Duncan Hwang, District 6

**Auditor**

Brian Evans





# **Annual Comprehensive Financial Report**

For the fiscal year ended June 30, 2022

## **Finance and Regulatory Services Department**

Chief Financial Officer  
Brian Kennedy

Deputy Chief Financial Officer  
W. Caleb Ford, CPFO

Prepared by  
Accounting Services Division

Controller  
Melissa Weber, CPA



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# Introductory Section

THE BACK  
PORTLAND SIGN

ARLENE SCHNITZER CONCERT HALL





600 NE Grand Ave.  
Portland, OR 97232-2736  
oregonmetro.gov

November 28, 2022

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, 2022, 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, 2022. 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, 2022 (see pages 13-16). 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 1.8 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 transit funds for the region, facilitates the creation of affordable and supportive housing, and conducts all regional transit and light rail planning. Coordinates data and research activities with governmental partners and develops regional economic and travel forecasts.
- **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.

**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 modified accrual basis of accounting and 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. The legal level of budgetary control for each fund is set by department, with separate designations within the fund for the categories of debt service, interfund transfers and contingency. 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 1.8 million of those residing within the Metro boundary. The Portland MSA ranks 25th in the nation of large U.S. metropolitan areas; regional population shrunk by 0.1% in 2021 (U.S. Census Bureau).

The economic region is comprised of five counties in Oregon and two 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 Metro Area unemployment rate was 4% in August 2022 and, despite being historically low, the fact that the Portland Metro Area ranks 37th out of the 50 largest metro areas in unemployment is evidence of an overheated labor market.

The region continues to bounce back from a record-setting economic downturn beginning with the initial pandemic impact in early 2020. While the ensuing recovery started out slightly better than expected, parts of the economy will take longer to recover. Industries like leisure and hospitality will eventually return and so will many urban areas, but there will be some significant changes to the demand for land, office, space, and other uses in cities. Commercial activity remains strong, as many consumers are unwinding some of the “forced” savings that occurred during the pandemic. That activity remains 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 the market returning to pre-pandemic employment levels in August 2022.

**Economic outlook.** Broad economic data remain positive, though it should be noted that within that 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.

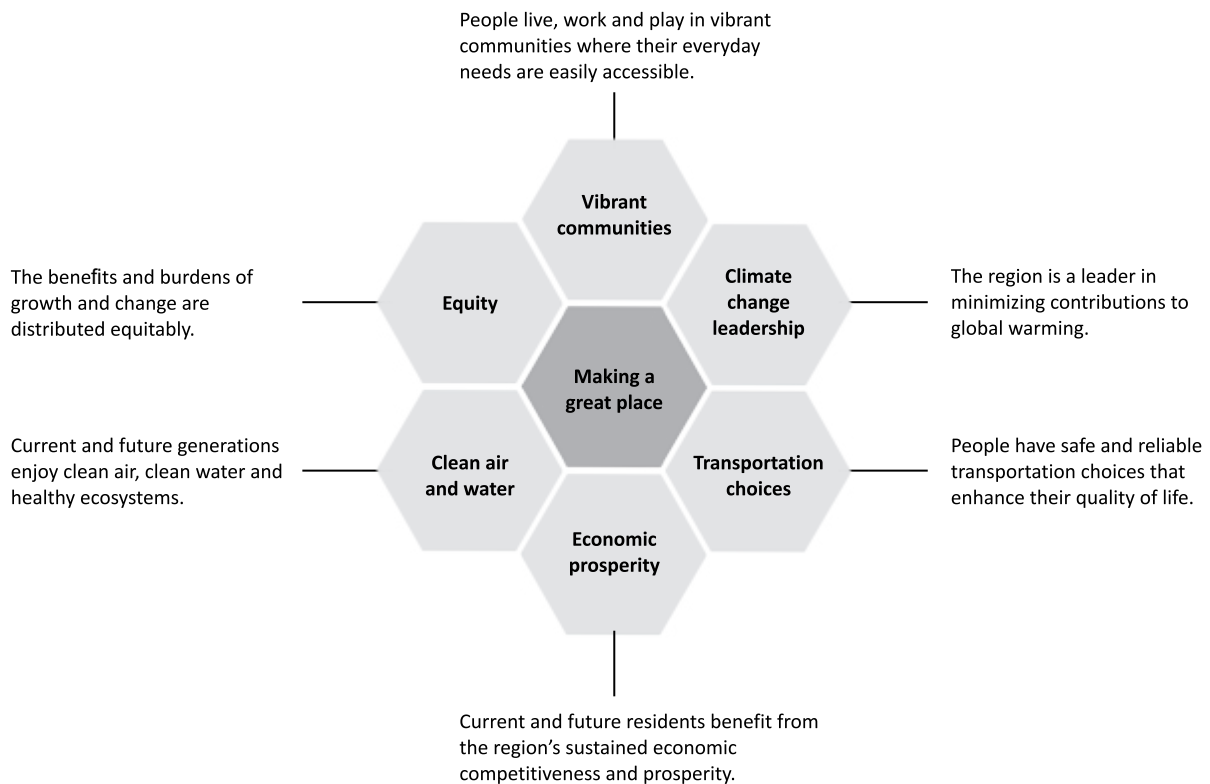
Concerns around labor market instability and inflation remain despite substantial efforts by the Federal Reserve Bank to slow down the overheated economy. Unfortunately, the tools that the fed has – which essentially makes investment and purchasing more or less expensive – may not be what is necessary to avoid recession. 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 geopolitical instability, may mean that the economy needs at least some additional diplomatic and/or regulatory help from Congress and the President to avoid a recession.

In spite of the negative news, base economic data remains largely positive, even if a little “too” positive in certain sectors. Workers are demanding and getting higher wages, which, in turn, will generally increase inflationary pressures as long as they are willing or have to spend those raises. Thus far, consumers have shown that they will, even if it means returning to the low pre-pandemic savings rate. The bottom line is that the regional economic outlook is showing some cracks, but the solutions to those cracks are largely national or global in scope. The global economy can operate in these conditions for a short period of time, but the longer the instability stays, the more likely that the case that a recession will be necessary to fix it. This will likely lead to continued uneven growth as many of these factors 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 Parks and Nature Operating 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.

Significant effort goes into revenue projections, ensuring a balanced budget. Property taxes are a significant component, funding general government and parks operations as well as debt service. Metro is subject to tax abatements granted by the three counties in which Metro operates; more detail is available in Note II.Q to the financial statements. Metro’s abated property taxes total \$9,149,920 for fiscal year 2021-22 and had no material effect on financial stability or service delivery.

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.

**Major initiatives.** The budget for fiscal year 2022 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. Metro focused its efforts on recovery, both from the cuts experienced across the agency in response to pandemic-related economic impacts and from the pandemic itself. The budget reflects an almost status quo continuation of the spending levels achieved at the end of calendar year 2020. The 2021-22 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-owned, women-owned, and emerging small 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.

***Regional recovery.*** Specific programs were expanded during the year to address acute needs in the region. The Regional Illegal Dumping program increased the number of crews from two to six to help address the substantially increased need. Staffing in the affordable and supportive housing services programs was expanded to ensure speed and precision in distributing funds to our area partners.

**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 16, 2022 (Resolution No. 22-5263), as published in the 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 annually prepare 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. Metro's policies historically called 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. That target provided a 90 percent confidence level that revenues would only dip below this amount once every ten years. After weathering the economic impact from the COVID pandemic, the general fund reserved 9 percent of operating revenues and updated our financial policies setting 16.5 percent as our reserve requirement in future years.

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 2022-23 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, 2021. This was the thirtieth 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 Melissa Weber, 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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

A handwritten signature in black ink that reads "Christopher P. Morill".

Executive Director/CEO

## METRO

### Elected Officials (as of June 30, 2022)

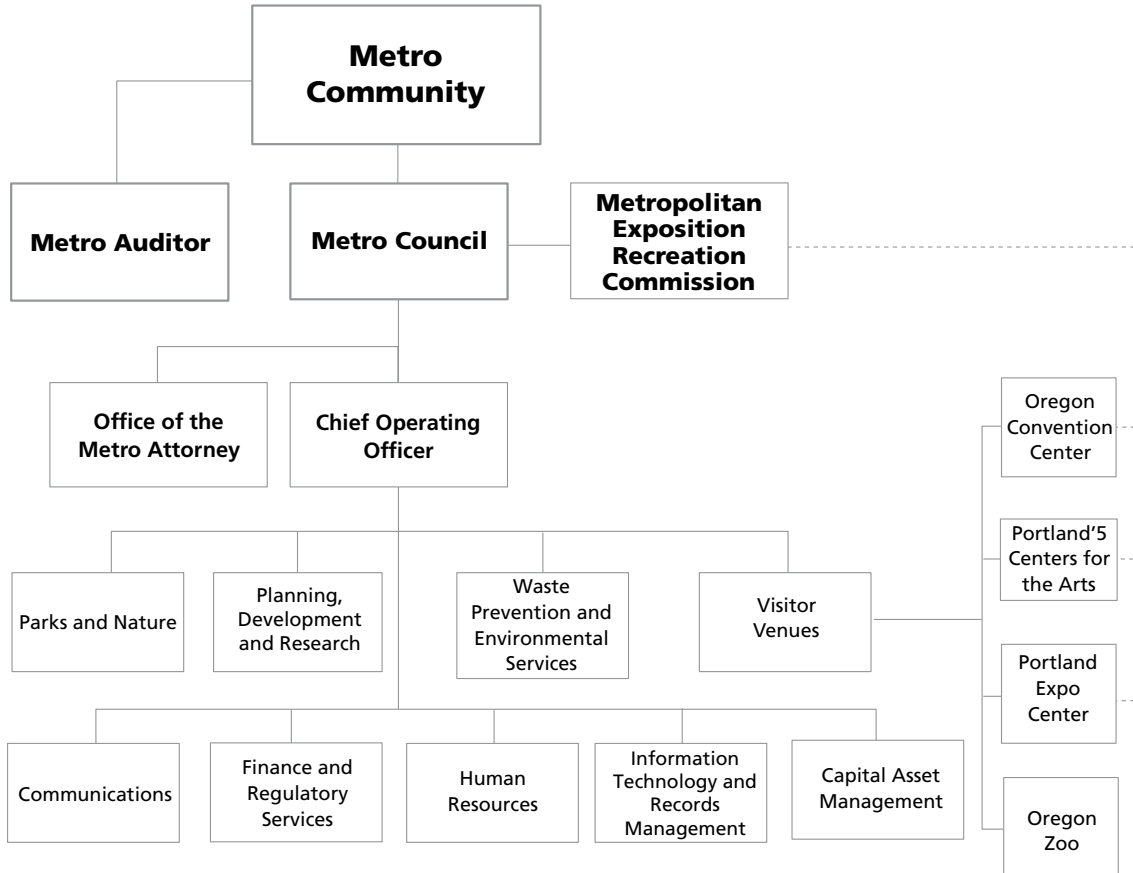
<b>Name</b>	<b>Position</b>	<b>Term expires</b>
Lynn Peterson	Metro Council President	January 2023
Shirley Craddick	Councilor-District 1	January 2023
Christine Lewis	Councilor-District 2	January 2023
Gerritt Rosenthal	Councilor-District 3	January 2025
Juan Carlos Gonzalez	Councilor-District 4	January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

### Appointed Officials

<b>Name</b>	<b>Position</b>
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
Ryan Kinsella	Capital Asset Management Director
Neil Simon	Communications Director
Rachel Coe	Information Services Director
Heidi Rahn	Oregon Zoo Director
Elissa Gertler	Planning and Development Director
Marta McGuire	Waste Prevention and Environmental Services Director
Jon Blasher	Parks and Nature Director
Steve Faulstick	General Manager of Visitor Venues
Craig Stroud	Oregon Convention Center Director
Matthew Rotchford	Portland Expo Center Director
Robyn Williams	Portland's Centers for the Arts Director

# Organizational Structure

as of June 30, 2022





**Brian Evans**  
**Metro Auditor**

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

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November 28, 2022

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, 2022. 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, 2022 are included in the last section of this report, Audit Comments and Disclosures Required by State and Federal Regulations.

I appreciate the work by Metro and Moss Adams employees to make the audit process run smoothly and I want to thank them for completing the audit on time.

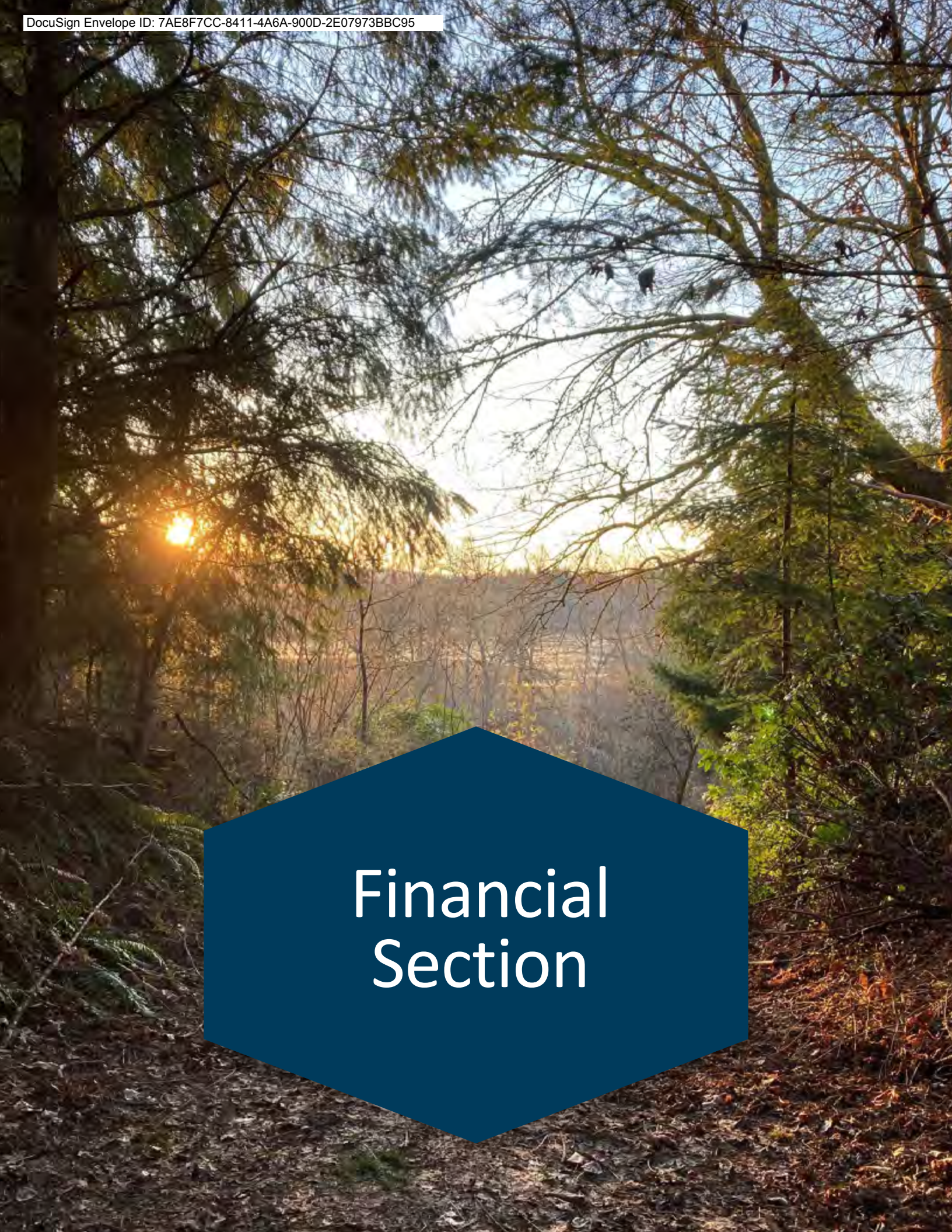
Respectfully submitted,

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

Brian Evans  
Metro Auditor







Financial  
Section





## Report of Independent Auditors

The Metro Council and Metro Auditor  
Metro

Report on the Audit of the Financial Statements

### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of June 30, 2022, 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.

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.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Metro and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of The Oregon Zoo Foundation were not audited in accordance with *Government Auditing Standards*.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Metro's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Metro's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that 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 is the responsibility of management and, 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.

*Supplementary Information*

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

*Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

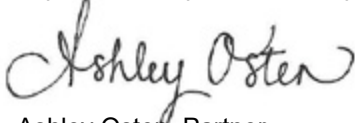
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2022, 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 the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated November 28, 2022, on our consideration of Metro's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of *the Minimum Standards for Audits of Oregon Municipal Corporations*. 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.



Ashley Oster, Partner,  
For Moss Adams LLP  
Portland, Oregon  
November 28, 2022



# Management's Discussion and Analysis

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, 2022. 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 - 6 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 \$793,881,842 at June 30, 2022, which reflects an increase of 25.6 percent or \$162,034,106 over the prior fiscal year.
- Metro completed the fiscal year with its governmental funds reporting *combined* fund balances of \$1,053,886,593. Of the total amount of governmental combined fund balance, \$34,070,647 or 3.2 percent, is considered available for spending at Metro's discretion (*unassigned* fund balance).
- At the end of fiscal year 2022, unrestricted spendable fund balance (the total of the *committed*, *assigned* and *unassigned* components of fund balance) in the general fund totaled \$47,685,183 and represents 86.0 percent of total general fund expenditures.
- Metro's total outstanding long-term liabilities decreased \$103,896,126 or 8.7 percent during the current fiscal year. This reflects no debt issuance during the fiscal year, repayment on existing debt, and a reduction in net pension liabilities.
- Voters approved a new regional supportive housing services program in May 2020, funded by personal and business income taxes. This income tax generated \$242,650,036 in revenue in this fiscal year and represents a significant increase in general government revenues.
- Program revenues of Metro's business-type activities (Solid Waste, Oregon Zoo and MERC operations) totaled \$195,159,841, up \$70,667,337 or 56.8 percent, attributable to the increased activity following necessary pandemic-related closures in the prior year.

## 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.

## FINANCIAL SECTION

### Management Discussion and Analysis

For the fiscal year ended June 30, 2022

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* 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 stations 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 33 - 35 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 eleven 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 seven funds considered major: General, Parks and Nature Operating, Affordable Housing, Supporting Housing Services, General Obligation Bond Debt Service, Natural Areas and Parks and Nature Bond funds. Data from the other four governmental funds (Smith and Bybee Wetlands, Community Enhancement, Oregon Zoo Infrastructure and Animal Welfare 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 39 - 45 of this report.

- **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 46 - 51 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 52 - 96 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 funds, and pension and post-employment benefit disclosures. RSI can be found on pages 98 - 112.

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 115 - 139.

## 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 \$793,881,842 at June 30, 2022. 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 \$408,252,328, or 51.4 percent, whereas business-type activities account for \$385,629,514 or 48.6 percent.

Of Metro's total net position, 78.6 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

## FINANCIAL SECTION

### Management Discussion and Analysis

For the fiscal year ended June 30, 2022

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 (43.1 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 increased \$212,745,296 or 164.1 percent from the amount at June 30, 2021, reflecting income taxes revenue restricted to supportive housing services received by Metro but not yet distributed to partner agencies, as well as funds distributed to partner agencies but not yet spent.

#### Metro's Net Position

	Governmental Activities		Business-type Activities		Total - Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 1,085,367,122	1,012,272,280	134,630,215	96,714,029	1,219,997,337	1,108,986,309
Capital assets	388,865,314	377,265,388	351,994,984	347,849,568	740,860,298	725,114,956
<b>Total assets</b>	<u>\$ 1,474,232,436</u>	<u>1,389,537,668</u>	<u>486,625,199</u>	<u>444,563,597</u>	<u>1,960,857,635</u>	<u>1,834,101,265</u>
<b>Total deferred outflows of resources</b>	<u>23,520,217</u>	<u>23,883,729</u>	<u>20,618,740</u>	<u>21,148,395</u>	<u>44,138,957</u>	<u>45,032,124</u>
Long-term liabilities outstanding	1,030,858,747	1,118,777,274	63,232,071	79,209,670	1,094,090,818	1,197,986,944
Other liabilities	21,876,470	23,148,372	27,023,529	20,358,255	48,899,999	43,506,627
<b>Total liabilities</b>	<u>1,052,735,217</u>	<u>1,141,925,646</u>	<u>90,255,600</u>	<u>99,567,925</u>	<u>1,142,990,817</u>	<u>1,241,493,571</u>
<b>Total deferred inflows of resources</b>	<u>36,765,108</u>	<u>3,043,995</u>	<u>31,358,825</u>	<u>2,748,087</u>	<u>68,123,933</u>	<u>5,792,082</u>
Net position:						
Net investment in capital assets	331,538,185	324,068,485	333,384,655	343,691,434	623,668,341	621,205,786
Restricted	334,925,580	122,154,281	7,480,840	7,506,843	342,406,420	129,661,124
Unrestricted	(258,211,437)	(177,771,010)	44,764,019	12,197,703	(172,192,919)	(119,019,174)
<b>Total net position</b>	<u>\$ 408,252,328</u>	<u>268,451,756</u>	<u>385,629,514</u>	<u>363,395,980</u>	<u>793,881,842</u>	<u>631,847,736</u>

The remaining \$172,192,919 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, \$44,764,019 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 \$80,440,427 (to a total deficit of \$258,211,437) in governmental activities primarily due to 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 Note V.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 increased \$32,566,316 or 267.0 percent which is explained later in this analysis.



**Changes in net position.** Overall, Metro's net position increased 25.6 percent or \$162,034,106 over the prior fiscal year. Governmental activities' net position increased \$139,800,572, while business-type activities' net position increased \$22,233,534 for the fiscal year ended June 30, 2022. 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 increased \$5,807,322 or 14.6% and totaled \$45,537,389. This was a combination of a \$10,331,281 increase in operating grants, primarily in the regional planning function and a decrease of \$3,865,258 in charges for services. Metro determined that it would not fully recover indirect costs incurred by the general fund from the visitor venues to help stabilize their budgets.

### Metro's Changes in Net Position

	Governmental Activities		Business-type Activities		Total - Primary Government	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 10,699,686	14,564,944	156,105,000	99,688,804	166,804,686	114,253,748
Operating grants and contributions	34,802,948	24,471,667	38,683,686	23,297,033	73,486,634	47,768,700
Capital grants and contributions	34,755	693,456	371,155	1,506,667	405,910	2,200,123
General revenues						
Property taxes	108,386,146	106,525,202	-	-	108,386,146	106,525,202
Excise taxes	21,631,175	18,704,633	-	-	21,631,175	18,704,633
Personal and business income taxes	242,650,036	1,524,473	-	-	242,650,036	1,524,473
Other	(12,174,204)	6,124,824	(2,305,304)	38,749	(14,479,508)	6,163,573
<b>Total revenues</b>	<b>406,030,542</b>	<b>172,609,199</b>	<b>192,854,537</b>	<b>124,531,253</b>	<b>598,885,079</b>	<b>297,140,452</b>
<b>Expenses:</b>						
General government operations	10,172,047	23,947,617	-	-	10,172,047	23,947,617
Regional planning and development	167,988,989	79,863,702	-	-	167,988,989	79,863,702
Culture and recreation	43,987,029	36,625,998	-	-	43,987,029	36,625,998
Interest on long-term debt	29,286,520	32,096,042	-	-	29,286,520	32,096,042
Solid Waste	-	-	91,608,851	95,968,724	91,608,851	95,968,724
Oregon Zoo	-	-	37,814,691	37,511,393	37,814,691	37,511,393
MERC	-	-	55,992,846	29,584,071	55,992,846	29,584,071
<b>Total expenses</b>	<b>251,434,585</b>	<b>172,533,359</b>	<b>185,416,388</b>	<b>163,064,188</b>	<b>436,850,973</b>	<b>335,597,547</b>
Increase in net position before transfers	154,595,957	75,840	7,438,149	(38,532,935)	162,034,106	(38,457,095)
Transfers	(14,795,385)	(34,333,138)	14,795,385	34,333,138	-	-
<b>Increase in net position</b>	<b>139,800,572</b>	<b>(34,257,298)</b>	<b>22,233,534</b>	<b>(4,199,797)</b>	<b>162,034,106</b>	<b>(38,457,095)</b>
<b>Net Position, July 1</b>	<b>268,451,756</b>	<b>302,709,054</b>	<b>363,395,980</b>	<b>367,595,777</b>	<b>631,847,736</b>	<b>670,304,831</b>
<b>Net Position, June 30</b>	<b>\$ 408,252,328</b>	<b>268,451,756</b>	<b>385,629,514</b>	<b>363,395,980</b>	<b>793,881,842</b>	<b>631,847,736</b>

Metro's general government operations expenses totaled \$10,172,047 or 2.3 percent of Metro's total program expenses, which was a decrease of \$13,775,570 or 57.5 percent from that reported in the prior fiscal year. This is reflective of a smaller current year adjustment to pension-related items for the year-end valuation compared to the prior fiscal year. Metro's regional planning and development program had total costs of \$167,988,989, up \$88,125,287 or a 110.3 percent increase from the prior fiscal year. Funding projects and administrative costs for the Affordable and Supportive Housing programs drove this increase.

Interest on long-term debt decreased by \$2,809,522 or 8.8 percent from the prior fiscal year and totaled \$29,286,520 or 6.7 percent of Metro's total program costs, down from 9.6 percent in the prior fiscal year, reflecting a relatively stable amount of debt and its corresponding repayment.



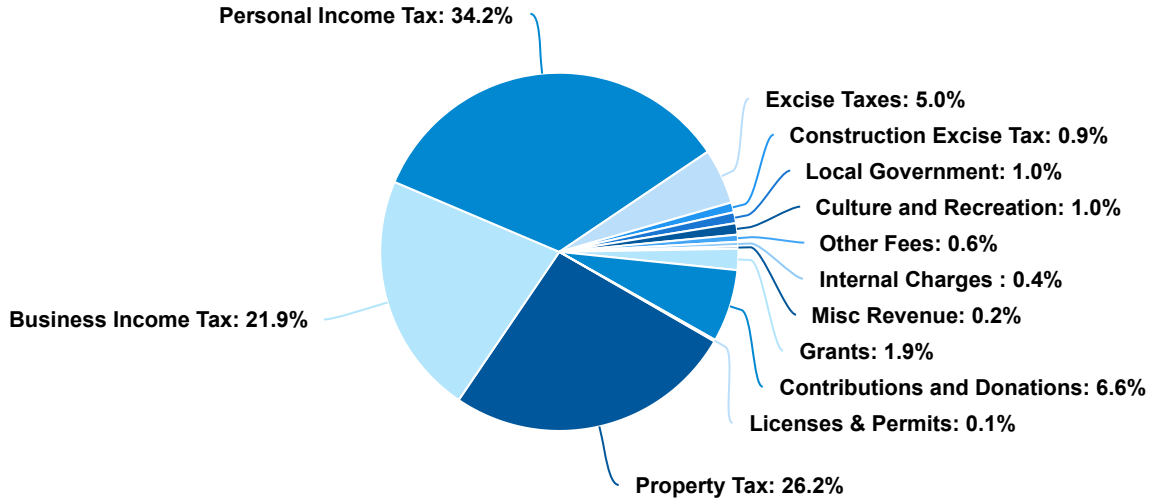
## FINANCIAL SECTION

### Management Discussion and Analysis

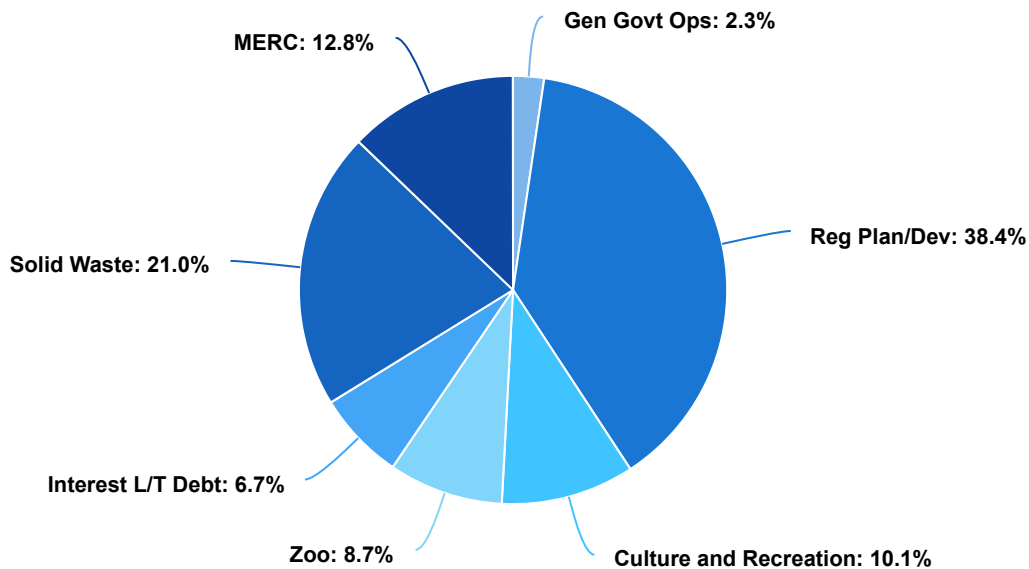
For the fiscal year ended June 30, 2022

#### Metro Governmental Activities Sources of Revenue

Note: negative investment income is excluded from this chart



#### Metro Function/Program Expenses



**Business-type activities.** Program revenues of Metro's business-type activities (Solid Waste, the Oregon Zoo and MERC operations) totaled \$195,159,841, up \$70,667,337 or 56.8 percent. Metro's business-type activities were the most directly impacted area by the COVID-19 pandemic. The Zoo and MERC facilities were limited in allowable capacity for part of the year in compliance with directives from the state and county governments. Tonnage at Metro owned facilities increased 5.6 percent over the prior year and rates increased 17.1%, to \$115.15 per ton. The Regional System Fee increased from \$18.58 to 25.65; corresponding with those increases,

fee revenue increased \$19.4 million, or 25.2 percent. The Oregon Zoo had a 33.2 percent increase in fee revenue, amounting to \$5.9 million dollars, as well as \$6.5 million in additional operating grant revenue, primarily from the Shuttered Venues Operating Grant (SVOG) program run by the Small Business Administration. The MERC fund had a \$31.1 million increase in charges for services (676% increase), reflecting reopening of the venues and return of activity. Additionally, Portland's Centers for the Arts also received an SVOG grant, explaining the \$9.2 million increase in operating grant revenue.

Total expenses increased \$22,352,200 or 13.7 percent to a total of \$185,416,388. Solid Waste program expenses decreased \$4,359,873, or 4.5 percent, due to lower than typical capital spending. Oregon Zoo program expenses were effectively flat, reflecting the cost cutting measures that were enacted in the prior year. MERC expenses increased \$26,408,775, or 89.3 percent, evidence of the reopening and return of activity at the venues.

**General revenues.** Historically, the most significant general revenue, property taxes, accounts for 18.1 percent of all primary government 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. The total amount of property taxes increased \$1,860,944 or 1.7 percent. Metro began to receive personal and business income tax revenue in the fiscal year ending June 30, 2021 and receipts, as anticipated, grew substantially in the fiscal year ending June 30, 2022 with tax returns first submitted in April 2022. The prior year had only \$1,524,473 recorded, from estimated tax payments in the first and second quarter of the calendar year 2021. Current year receipts jumped to \$242,650,036. This type of variation is not expected in the future, but some fluctuations are anticipated due to the nature of income taxes.

## 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, 2022, Metro's governmental funds reported *combined* fund balances of \$1,053,886,593. This is up \$78,599,739 or 8.1 percent. The increase is due to a combined distribution of Affordable Housing bond proceeds, leading to a reduction of \$83,005,525 of restricted and non-spendable fund balances, and the collection of income tax proceeds for Supportive Housing services, an increase of restricted and non-spendable fund balances in the amount of \$158,588,059. A total of \$223,197,726 is recorded as advances in those two funds, reflecting the transfer of resources to our regional partners. Of the total amount of governmental combined fund balance above, \$34,070,647 or 3.2 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 \$224,195,101 at June 30, 2022. 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 \$782,016,538. Metro has \$12,167,202 of fund balance *committed* by Metro Council resolution and consists of proceeds from the Coronavirus Response and Relief Supplemental Appropriation Act. *Assigned* fund balance totaled \$1,437,105 and is reflected in Metro's permanent fund dedicated to cemetery programs, information technology reserves and encumbered fund balance.

## FINANCIAL SECTION

### Management Discussion and Analysis

For the fiscal year ended June 30, 2022

Note II.D.14 and Note V.O 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 2022, unassigned fund balance of the general fund was \$34,080,876. Total fund balance increased \$29,393,245 to a total of \$121,124,753 at June 30, 2022. 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 61.5 percent of total general fund expenditures, while total fund balance represents 218.7 percent of that same amount.

The General Fund expended \$6,937,209 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 Technology. Expenditures were \$5,940,553 lower than the prior year, primarily due to a smaller adjustment for pension-related items.

Metro collected \$3,877,675 in CET during the fiscal year ended June 30, 2022, up \$558,892 or 16.8 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. Collections 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 \$883,487,945 to \$932,772,069, or an increase of \$49,284,124. As discussed earlier, reduction in restricted funds in the Affordable Housing account offset increased balances in Supportive Housing. Local partners have been able to fund affordable housing projects, while the Supportive Housing program was only in its first full year and partners have been building staffing and program capacity. Future balances are anticipated to decrease as our partners expand their programs.

Metro's other major governmental funds also include the Parks and Nature Operating Fund, Affordable Housing, Supportive Housing Services, the General Obligation Bond Debt Service Fund, Natural Areas, and Parks and Nature Bond 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 Affordable Housing Fund, from \$40.5 million to \$76.0 million. Supportive Housing Services also had substantially higher activity, with expenditures amounting to \$71.5 million, as the tax collection system was put in place and regional partners started to ramp up their programs addressing the housing crisis.

The Natural Areas Fund is winding down; there was 71.2 percent fewer expenditures in the current fiscal year and a remaining fund balance of \$4,506,462. The Parks and Nature Bond, however, was passed in November 2019 and has a substantial fund balance (\$179.6 million) and bond authorization remaining. Expenditures increased 130.0 percent and will continue to increase in future years as capital projects complete planning and start construction.

**Proprietary funds.** Metro's proprietary fund statements provide the same type of information found in the government-wide financial statements on pages 46 -51, but in more detail.

At the end of fiscal year 2022, *unrestricted net position* of the Solid Waste Fund, Oregon Zoo Fund, and MERC Fund amounted to \$14,544,700, \$13,065,929, and \$20,849,717, respectively. The total change in *unrestricted net position* for each fund equaled increases of \$4,277,042, \$19,658,321, and \$9,615,752, respectively. Solid Waste increased their rates in line with program expenditures. The Oregon Zoo and MERC venues all aggressively reduced their expenditures in response to the pandemic in order to preserve fund balance reserves. Additionally,

the Oregon Zoo and one of the MERC venues (Portland's Centers for the Performing Arts) received \$10.0 million each in relief grants from the Small Business Administration.

## BUDGETARY HIGHLIGHTS

As noted earlier, Metro's General Fund is used to account for general government operations and the programs of Planning and Parks and Nature. Over the course of the fiscal year, the Metro Council revised the budget for the General Fund four times, and total appropriations came to \$139,045,749. The total budgeted appropriation for expenditures and transfers increased \$2,065,829 as the agency recovered from the economic impacts of the pandemic.

Revenue from government contributions were \$28,348,993, but budgeted at \$5,543,518; this is a combination of annual support from TriMet for TOD and transportation planning was not received within 60 days of last fiscal year end and a grant award of \$12.2 million from the Coronavirus Response and Relief Supplemental Appropriations Act. Expenditures in Planning and Development were \$10,727,808 less than budgeted; Metro routinely budgets in a manner to 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 received \$36,857,679 compared to a budgeted \$23,045,303 in total revenues, a positive variance of 59.9 percent. This reflects a very conservative budget, anticipating further pandemic-related capacity restrictions, and the unanticipated SVOG grant in the amount of \$10.0 million. Expenditures were a restrained \$25,876,206 on a budget of \$37,567,843, as the department sought to keep spending as low as possible in the face of uncertainty. Similarly, the MERC Fund exceeded the budgeted \$46,175,182 in revenues by \$15,905,111, and spent \$13,485,599 less than the budgeted \$51,835,261 in expenditures. MERC leadership sought to maintain as much flexibility as possible and was judicious in adding back staff and programs.

Year over year, total revised budget across all funds was \$1,566,181,759, up 5.8% from Fiscal Year 2020-21. 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.

### Metro's Capital Assets (Net of accumulated depreciation and amortization)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 311,457,111	306,482,354	21,045,160	21,045,160	332,502,271	327,527,514
Leased land	-	-	8,817,907	-	8,817,907	-
Intangible - easements	12,248,393	12,248,393	-	-	12,248,393	12,248,393
Artwork	274,486	274,486	1,184,358	1,184,358	1,458,844	1,458,844
Buildings and exhibits	22,740,173	22,122,939	271,999,866	281,272,618	294,740,039	303,395,557
Leased buildings and exhibits	603,157	-	6,429,518	-	7,032,675	-
Improvements	28,209,890	15,415,806	19,734,623	20,877,481	47,944,513	36,293,287
Equipment and vehicles	2,806,538	1,952,575	14,941,083	14,593,160	17,747,621	16,545,735
Leased equipment and vehicles	140,191	-	-	-	140,191	-
Intangible - software	1,104,237	922,766	120,263	306,826	1,224,500	1,229,592
Office furniture/equip	480,670	417,539	491,247	584,580	971,917	1,002,119
Railroad equip/facilities	-	-	1,418,781	1,772,397	1,418,781	1,772,397
Construction in progress	8,800,468	17,428,530	5,812,178	6,212,988	14,612,646	23,641,518
Total	\$ 388,865,314	377,265,388	351,994,984	347,849,568	740,860,298	725,114,956

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets.** Metro's capital assets for its governmental and business-type activities totals \$740,860,298 (net of accumulated depreciation and amortization) as of June 30, 2022.

## FINANCIAL SECTION

### Management Discussion and Analysis

For the fiscal year ended June 30, 2022

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 \$15,745,342 or 2.2 percent, net of accumulated depreciation and amortization. Metro reflects an increase of \$11,599,926 or 3.1 percent in capital assets attributable to governmental activities and an increase of \$4,145,416 or 1.2 percent in business-type activity capital assets (additional capital assets, less increases in accumulated depreciation and amortization). Additional information on Metro's capital assets can be found in Note V.D to the financial statements.

Metro implemented GASB Statement No. 87 Leases in the current year. The implementation required the recognition of contracts that transfer the rights to use another entity's asset for a specific period of time in an exchange or exchange-like transaction. Additional information on Metro's leased assets can be found in Notes V.D and V.J to the financial statements.

**Long-term debt.** At the end of the current fiscal year, Metro had total bonded debt outstanding of \$977,003,725 net of unamortized premiums and discounts. Of this amount, \$878,162,868 comprises debt backed by property tax assessments and the remainder of \$98,840,857 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 below 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 \$64,987,780 or 6.2 percent during the current fiscal year. This is reflective of the scheduled debt repayment.

#### Metro's Outstanding Debt

	Governmental Activities		Business-type activities		Total - Primary Government	
	2022	2021	2022	2021	2022	2021
General Obligation bonds	\$ 878,162,868	925,901,419	-	-	878,162,868	925,901,419
Full Faith & Credit/Revenue	95,695,835	111,931,951	3,145,022	4,158,135	98,840,857	116,090,086
Total	<u>\$ 973,858,703</u>	<u>1,037,833,370</u>	<u>3,145,022</u>	<u>4,158,135</u>	<u>977,003,725</u>	<u>1,041,991,505</u>

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. In April 2022, Moody's revised the outlook to stable, reflecting strong management, solid reserves, and an expectation that hotel tax revenue will likely improve as business travel and tourism resume.

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 \$37,689,714,078, 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 V.K through V.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 2022-23 totals \$1,630,360,038, up 4.6 percent from Fiscal Year 2021-22. A detailed discussion can be found in Metro's 2022-23 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 2022-23 is the fifth year of the second five-year local option levy approved for renewal approved 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 expected to increase as the region continues to recover 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 increased by 24 percent. The increase is mainly related to staff additions needed to provide quality services for internal and external stakeholders. A large percentage of Metro staff are represented and salary increases are based on specific collective bargaining agreements, contributing to the personnel services cost increase.
- The number of authorized positions increased in the adopted fiscal year 2022-23 budget from the amended 2021-22 budget by a net 46.9 FTE to a total of 1,074.1 FTE, as programs are being restored from pandemic-related reductions-in-force, additional staff need identified to support the housing program, and as other programs grew, such as illegal dumping enforcement.
- Voters in greater Portland approved a supportive housing services tax in May 2020, 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 \$225.0 million in revenues and \$216.1 million in payments to other governmental agencies for the implementation of the supportive housing services program, related tax collection, and program administration and oversight.
- Significant capital and bond project expenditures in fiscal year 2023 include: \$250 million to local partners for approved affordable housing projects and \$24.0 million for Metro's site acquisition program, \$27 million in payments to grantees and other governmental agencies for parks and natural area projects, \$14.6 million for infrastructure related work at Metro parks and natural areas, \$7.0 million for land acquisition to protect and restore natural areas, and \$3.0 million for organics processing upgrades at Metro Central Transfer Station.

Metro's financial policies are the backbone of Metro's financial accountability and transparency. The fiscal year 2022-23 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 Statements

METRO | Annual Comprehensive Financial Report 2022









# **Government-Wide Financial Statements**

## FINANCIAL SECTION

## Basic Financial Statements

**METRO**  
**Statement of Net Position**  
**June 30, 2022**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Oregon Zoo Foundation
<b>ASSETS</b>				
Equity in internal cash and investment pool	\$ 39,711,760	113,232,292	152,944,052	2,457,221
Investments	-	-	-	15,474,313
Receivables (net of allowance for uncollectibles):				
Property taxes	409,578	-	409,578	-
Trade	10,974	12,154,170	12,165,144	322,884
Other	12,115,446	10,437,756	22,553,202	462,704
Interest	237,972	270,325	508,297	-
Grants	3,266,989	221,218	3,488,207	-
Internal balances	3,696,327	(3,696,327)	-	-
Lease receivable	1,207,502	-	1,207,502	-
Inventories	-	937,416	937,416	-
Prepaid items	915,339	201,917	1,117,256	-
Net OPEB asset	693,179	621,358	1,314,537	-
Other assets	529,135	35,000	564,135	110,020
Restricted assets:				
Equity in internal cash and investment pool	143,992,471	215,090	144,207,561	-
Investments	610,523,529	-	610,523,529	-
Receivables (net of allowance for uncollectibles):				
Property taxes	2,008,457	-	2,008,457	-
Personal and business income taxes	27,472,340	-	27,472,340	-
Trade	150,705	-	150,705	-
Other	121,059	-	121,059	-
Interest	1,471,367	-	1,471,367	-
Assets held for resale	12,515,567	-	12,515,567	-
Advances	223,197,726	-	223,197,726	-
Prepaid items	49,682	-	49,682	-
Loans receivable	1,070,018	-	1,070,018	-
Capital assets:				
Land, intangibles, artwork and construction in progress	332,780,458	28,041,696	360,822,154	-
Other capital assets (net of accumulated depreciation and amortization)	56,084,856	323,953,288	380,038,144	19,500
Total assets	1,474,232,436	486,625,199	1,960,857,635	18,846,642
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	12,792	-	12,792	-
Deferred pension amounts	23,292,452	20,373,437	43,665,889	-
Deferred OPEB amounts	214,973	245,303	460,276	-
Total deferred outflows of resources	23,520,217	20,618,740	44,138,957	-
<b>LIABILITIES</b>				
Accounts payable	14,918,961	14,323,059	29,242,020	31,491
Accrued salaries and benefits	3,405,529	3,447,369	6,852,898	-
Contracts payable	70,404	756,921	827,325	1,738,271
Accrued interest payable	2,447,016	38,783	2,485,799	-
Accrued self-insurance claims	637,000	-	637,000	-
Unearned revenue	362,899	5,066,788	5,429,687	294,495
Deposits payable	26,303	3,283,252	3,309,555	-
Other liabilities	8,358	107,357	115,715	-

(Continued)

**METRO**  
**Statement of Net Position, *continued***  
**June 30, 2022**

	Primary Government			Component Unit Oregon Zoo Foundation
	Governmental Activities	Business-type Activities	Total	
<b>LIABILITIES, Continued</b>				
Non-current liabilities:				
Due within one year:				
Leases payable	\$ 245,253	694,570	939,823	
Bonds payable	64,630,000	950,000	65,580,000	-
Post-closure costs payable	-	682,128	682,128	-
Compensated absences	4,577,869	3,826,254	8,404,123	-
Due in more than one year:				
Leases payable	478,343	14,770,735	15,249,078	
Bonds payable (net of unamortized premium or discount)	909,228,703	2,195,022	911,423,725	-
Other postemployment benefits obligation	988,611	1,310,334	2,298,945	-
Post-closure costs payable	-	2,214,504	2,214,504	-
Pollution remediation obligation	9,042,942	95,000	9,137,942	-
Compensated absences	13,452	59,985	73,437	-
Net pension liability	41,653,574	36,433,539	78,087,113	-
Total liabilities	1,052,735,217	90,255,600	1,142,990,817	2,064,257
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred lease amounts	1,187,119	-	1,187,119	-
Deferred pension amounts	34,844,788	30,478,032	65,322,820	-
Deferred OPEB amounts	733,201	880,793	1,613,994	-
Total deferred inflows of resources	36,765,108	31,358,825	68,123,933	-
<b>NET POSITION</b>				
Net investment in capital assets (1)	331,538,185	333,384,655	623,668,341	19,500
Restricted for:				
Parks and natural areas operations	11,942,442	-	11,942,442	-
Supportive housing services	176,736,591	-	176,736,591	-
Transit oriented development projects	24,130,412	-	24,130,412	-
Planning projects	27,968,581	-	27,968,581	-
Smith and Bybee Wetlands management plan	1,412,007	-	1,412,007	-
Community enhancement	1,575,529	-	1,575,529	-
Willamette Falls Legacy project	14,963,662	-	14,963,662	-
Debt service	3,637,603	-	3,637,603	-
Capital projects	71,811,006	7,480,840	79,291,846	-
Perpetual care: Non-expendable	747,747	-	747,747	-
Unrestricted	(258,211,437)	44,764,019	(172,192,919)	16,762,885
Total net position	\$ 408,252,328	385,629,514	793,881,842	16,782,385

(1) See Note II.D.14 in the notes to the financial statements

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

## FINANCIAL SECTION

## Basic Financial Statements

**METRO**  
**Statement of Activities**  
**For the fiscal year ended June 30, 2022**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>FUNCTIONS/PROGRAMS</b>				
<b>Primary Government:</b>				
Governmental activities:				
General government operations	\$ 10,172,047	744,833	3,608,072	-
Regional planning and development	167,988,989	2,640,799	30,343,745	-
Culture and recreation	43,987,029	7,314,054	851,131	34,755
Interest on long-term debt	29,286,520	-	-	-
<b>Total governmental activities</b>	<b>251,434,585</b>	<b>10,699,686</b>	<b>34,802,948</b>	<b>34,755</b>
Business-type activities:				
Solid Waste	91,608,851	96,647,343	14,000	-
Oregon Zoo	37,814,691	23,809,146	12,561,278	371,155
MERC	55,992,846	35,648,511	26,108,408	-
<b>Total business-type activities</b>	<b>185,416,388</b>	<b>156,105,000</b>	<b>38,683,686</b>	<b>371,155</b>
<b>Total primary government</b>	<b>\$ 436,850,973</b>	<b>166,804,686</b>	<b>73,486,634</b>	<b>405,910</b>
<b>Component Unit:</b>				
Oregon Zoo Foundation	\$ 8,077,117	5,824,321	4,053,783	-
		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, 2021		
		Net position - June 30, 2022		

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

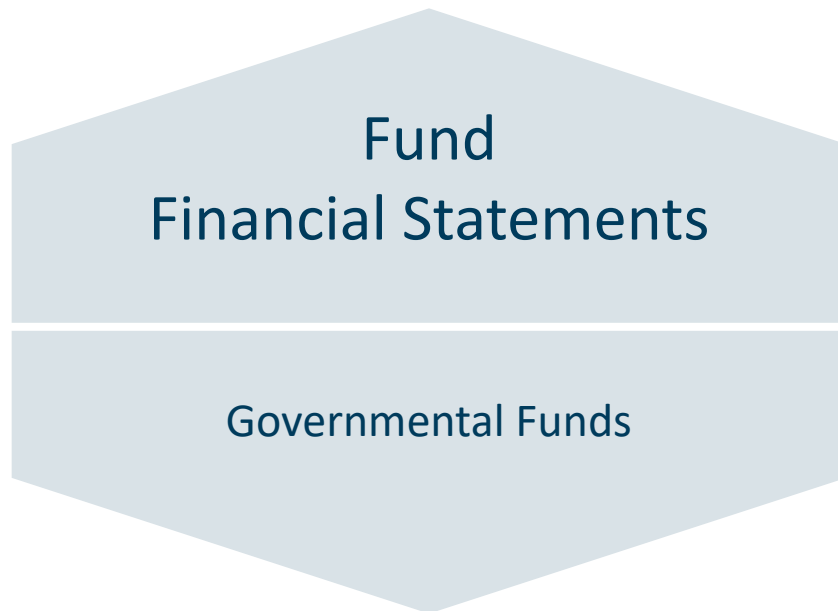
Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Oregon Zoo Foundation
(5,819,142)	-	(5,819,142)	
(135,004,445)	-	(135,004,445)	
(35,787,089)	-	(35,787,089)	
(29,286,520)	-	(29,286,520)	
(205,897,196)	-	(205,897,196)	
-	5,052,492	5,052,492	
-	(1,073,112)	(1,073,112)	
-	5,764,073	5,764,073	
-	9,743,453	9,743,453	
(205,897,196)	9,743,453	(196,153,743)	
			1,800,987
108,386,146	-	108,386,146	-
242,650,036	-	242,650,036	-
21,631,175	-	21,631,175	-
3,877,675	-	3,877,675	-
67,195	-	67,195	-
(16,119,074)	(2,305,304)	(18,424,378)	(2,256,703)
(14,795,385)	14,795,385	-	-
345,697,768	12,490,081	358,187,849	(2,256,703)
139,800,572	22,233,534	162,034,106	(455,716)
268,451,756	363,395,980	631,847,736	17,238,101
\$ 408,252,328	385,629,514	793,881,842	16,782,385





# Fund Financial Statements





## **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, Capital Asset Management (construction project management and Metro Regional Center building operations components), Parks and Nature, Planning and Development (land use, urban growth management, research, and environmental and transportation planning), 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**

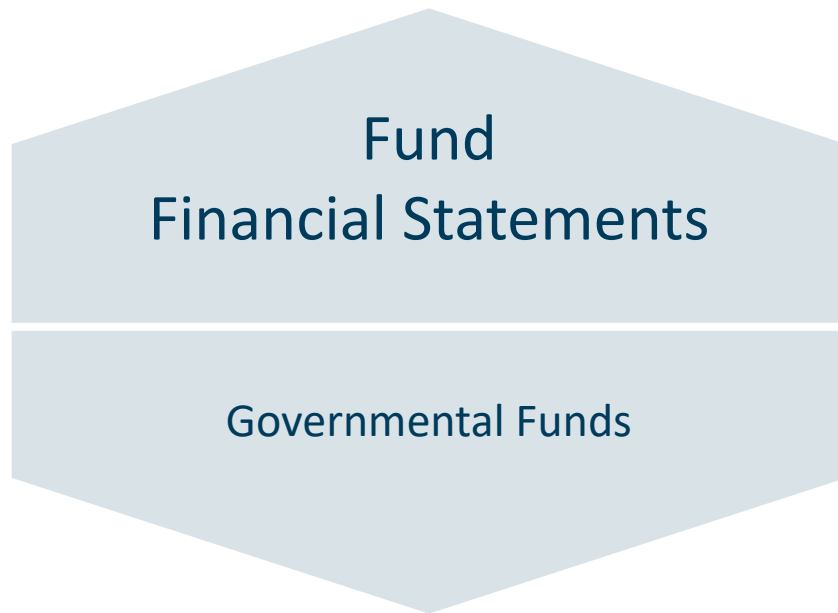
This fund accounts for a dedicated local option levy and other funding that is used to improve water quality and restore wildlife habitat, wetlands, and floodplains in the region, as well as needed upkeep to parks, nature education and community partnerships throughout the region.

#### **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.



**Major Funds**  
**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.

**Capital Projects Funds**

**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.

**Nonmajor Funds**  
**Other Governmental Funds**

Other governmental funds include Smith and Bybee Wetlands Fund, Community Enhancement Fund, Zoo Infrastructure and Animal Welfare Fund, and Cemetery Perpetual Care Fund.

## FINANCIAL SECTION

## Basic Financial Statements

**METRO**  
**Balance Sheet and Reconciliation to Statement of Net Position**  
**Governmental Funds**  
**June 30, 2022**

	General	Special Revenue		
		Parks and Nature Operating	Affordable Housing	Supportive Housing Services
<b>ASSETS</b>				
Equity in internal cash and investment pool	\$ 106,937,539	14,719,450	2,371,776	18,300,370
Investments	-	-	454,861,224	-
Receivables:				
Property taxes	409,578	379,406	-	-
Personal and business income taxes	-	-	-	27,472,340
Trade	10,974	129,205	-	-
Other	12,115,446	47,091	-	-
Interest	268,218	36,731	652,326	35,179
Grants	3,266,989	-	-	-
Lease receivable	1,108,798	98,704	-	-
Assets held for resale	6,515,567	-	6,000,000	-
Advances	-	-	90,037,278	133,160,448
Prepaid items	199,946	49,682	-	-
Other assets	201,200	49,213	-	200,000
Loans receivable	1,070,018	-	-	-
Restricted assets:				
Equity in internal cash and investment pool	3,378,540	-	-	-
<b>Total assets</b>	<b>\$ 135,482,813</b>	<b>15,509,482</b>	<b>553,922,604</b>	<b>179,168,337</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 8,272,314	2,050,002	55,307	2,343,584
Accrued salaries and benefits	2,383,964	651,183	59,466	52,071
Contracts payable	59,107	-	-	-
Unearned revenue	230,871	132,028	-	-
Deposits payable	9,853	850	15,600	-
Other liabilities	5,242	2,646	-	-
<b>Total liabilities</b>	<b>10,961,351</b>	<b>2,836,709</b>	<b>130,373</b>	<b>2,395,655</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	360,940	331,928	-	-
Unavailable revenue-other	1,946,988	46,902	-	-
Deferred lease amounts	1,088,781	98,338	-	-
<b>Total deferred inflows of resources</b>	<b>3,396,709</b>	<b>477,168</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	199,946	49,682	90,037,278	133,160,448
Restricted	73,239,624	12,145,923	463,754,953	43,612,234
Committed	12,167,202	-	-	-
Assigned	1,437,105	-	-	-
Unassigned	34,080,876	-	-	-
<b>Total fund balances</b>	<b>121,124,753</b>	<b>12,195,605</b>	<b>553,792,231</b>	<b>176,772,682</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 135,482,813</b>	<b>15,509,482</b>	<b>553,922,604</b>	<b>179,168,337</b>

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.

General Obligation Bond Debt Service	Capital Projects		Other Governmental Funds	Total Governmental Funds
	Natural Areas	Parks and Nature Bond		
2,631,061	4,655,321	24,237,628	3,323,406	177,176,551
-	-	155,662,305	-	610,523,529
1,629,051	-	-	-	2,418,035
-	-	-	-	27,472,340
-	21,500	-	-	161,679
-	-	2,052	71,916	12,236,505
4,462	11,519	685,231	7,999	1,701,665
-	-	-	-	3,266,989
-	-	-	-	1,207,502
-	-	-	-	12,515,567
-	-	-	-	223,197,726
-	-	-	-	249,628
-	-	8,722	-	459,135
-	-	-	-	1,070,018
7	-	-	-	3,378,547
<u>4,264,581</u>	<u>4,688,340</u>	<u>180,595,938</u>	<u>3,403,321</u>	<u>1,077,035,416</u>
-	161,405	751,223	350,965	13,984,800
-	15,524	224,971	-	3,387,179
-	4,949	6,348	-	70,404
-	-	-	-	362,899
-	-	-	-	26,303
-	-	470	-	8,358
-	<u>181,878</u>	<u>983,012</u>	<u>350,965</u>	<u>17,839,943</u>
1,435,003	-	-	-	2,127,871
-	-	-	-	1,993,890
-	-	-	-	1,187,119
<u>1,435,003</u>	-	-	-	<u>5,308,880</u>
-	-	-	747,747	224,195,101
2,829,578	4,506,462	179,612,926	2,314,838	782,016,538
-	-	-	-	12,167,202
-	-	-	-	1,437,105
-	-	-	(10,229)	34,070,647
<u>2,829,578</u>	<u>4,506,462</u>	<u>179,612,926</u>	<u>3,052,356</u>	<u>1,053,886,593</u>
<u>4,264,581</u>	<u>4,688,340</u>	<u>180,595,938</u>	<u>3,403,321</u>	
				388,865,314
				(53,205,910)
				(813,660)
				4,121,761
				6,022,365
				(990,624,135)
				<u>\$ 408,252,328</u>

## FINANCIAL SECTION

## Basic Financial Statements

**METRO**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the fiscal year ended June 30, 2022**

	General	Special Revenue		
		Parks and Nature Operating	Affordable Housing	Supportive Housing Services
<b>REVENUES</b>				
Property taxes	\$ 17,928,596	17,117,388	-	-
Excise taxes	21,631,175	-	-	-
Personal and business income taxes	-	-	-	242,650,036
Construction excise tax	3,877,675	-	-	-
Cemetery revenue surcharge	67,195	-	-	-
Investment income	(2,265,024)	(308,704)	(7,018,655)	(460,221)
Government fees	60,938	7,335	-	-
Culture and recreation fees	3,664,374	822,756	-	-
Solid waste fees	-	-	-	-
Other fees	795,853	646,891	-	-
Internal charges for services	1,686,208	89,521	-	-
Licenses and permits	583,490	-	-	-
Miscellaneous revenue	281,534	671,745	-	-
Grants	8,106,991	64,175	-	-
Local government shared revenues	3,614,967	642,633	-	-
Government contributions	28,376,493	50,000	-	-
Capital grants	-	-	-	-
<b>Total revenues</b>	<b>88,410,465</b>	<b>19,803,740</b>	<b>(7,018,655)</b>	<b>242,189,815</b>
<b>EXPENDITURES</b>				
Current:				
General government operations	6,937,209	-	-	-
Regional planning and development	23,133,119	-	75,966,188	71,553,577
Culture and recreation	3,787,014	20,816,225	-	-
Debt service:				
Principal	15,820,000	-	-	-
Interest	3,941,966	-	-	-
Capital outlay	1,776,779	797,352	-	-
<b>Total expenditures</b>	<b>55,396,087</b>	<b>21,613,577</b>	<b>75,966,188</b>	<b>71,553,577</b>
<b>Revenues over (under) expenditures</b>	<b>33,014,378</b>	<b>(1,809,837)</b>	<b>(82,984,843)</b>	<b>170,636,238</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases (as lessee)	-	544,173	-	-
Sale of capital assets	77,607	14,200	-	-
Transfers in	14,561,014	2,336,839	-	-
Transfers out	(18,259,754)	(700,587)	(19,682)	(12,048,179)
<b>Total other financing sources (uses)</b>	<b>(3,621,133)</b>	<b>2,194,625</b>	<b>(19,682)</b>	<b>(12,048,179)</b>
<b>Net change in fund balances</b>	<b>29,393,245</b>	<b>384,788</b>	<b>(83,004,525)</b>	<b>158,588,059</b>
Fund balances - July 1, 2021	91,731,508	11,810,817	636,796,756	18,184,623
<b>Fund balances - June 30, 2022</b>	<b>\$ 121,124,753</b>	<b>12,195,605</b>	<b>553,792,231</b>	<b>176,772,682</b>

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

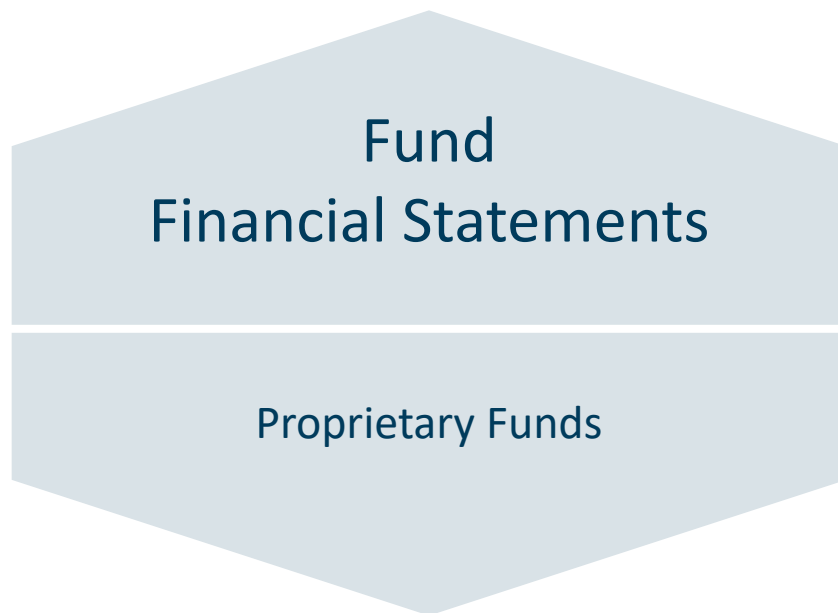
General Obligation Bond Debt Service	Capital Projects		Other Governmental Funds	Total Governmental Funds
	Natural Areas	Parks and Nature Bond		
73,202,268	-	-	-	108,248,252
-	-	-	-	21,631,175
-	-	-	-	242,650,036
-	-	-	-	3,877,675
-	-	-	-	67,195
153,347	(109,392)	(5,960,854)	(73,976)	(16,043,479)
-	-	-	-	68,273
-	-	-	-	4,487,130
-	-	-	1,275,830	1,275,830
-	-	-	-	1,442,744
-	-	-	-	1,775,729
-	-	-	-	583,490
-	500	5,000	-	958,779
-	21,500	-	-	8,192,666
-	-	-	-	4,257,600
-	-	-	-	28,426,493
-	34,755	-	-	34,755
<u>73,355,615</u>	<u>(52,637)</u>	<u>(5,955,854)</u>	<u>1,201,854</u>	<u>411,934,343</u>
-	-	-	-	6,937,209
-	-	-	-	170,652,884
-	(52,903)	6,353,431	1,289,551	32,193,318
44,850,000	-	-	-	60,670,000
29,609,598	-	-	-	33,551,564
-	1,875,412	11,446,365	-	15,895,908
<u>74,459,598</u>	<u>1,822,509</u>	<u>17,799,796</u>	<u>1,289,551</u>	<u>319,900,883</u>
<u>(1,103,983)</u>	<u>(1,875,146)</u>	<u>(23,755,650)</u>	<u>(87,697)</u>	<u>92,033,460</u>
-	-	399,388	-	943,561
-	-	-	-	91,807
-	-	-	-	16,897,853
-	(6,998)	(270,257)	(61,485)	(31,366,942)
-	(6,998)	129,131	(61,485)	(13,433,721)
<u>(1,103,983)</u>	<u>(1,882,144)</u>	<u>(23,626,519)</u>	<u>(149,182)</u>	<u>78,599,739</u>
<u>3,933,561</u>	<u>6,388,606</u>	<u>203,239,445</u>	<u>3,201,538</u>	<u>975,286,854</u>
<u>2,829,578</u>	<u>4,506,462</u>	<u>179,612,926</u>	<u>3,052,356</u>	<u>1,053,886,593</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, 2022**

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

Net change in fund balances-total governmental funds	\$	78,599,739
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 and amortization		
Expenditures for capital assets	15,070,748	
Less current year depreciation and amortization	<u>(3,977,395)</u>	11,093,353
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.		
		(292,201)
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	137,893	
Change in unavailable revenue-other	<u>(5,966,101)</u>	(5,828,208)
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.		
		(637,405)
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.		
Principal payments on bonds	60,670,000	
Amortization of unamortized premium or discount	<u>3,304,667</u>	63,974,667
Expenses in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds.		
Pollution remediation liability	(8,156,442)	
Other postemployment benefits	(181,642)	
Compensated absences	(132,036)	
Amortization of deferred charge on refunding	(153,503)	
Accruals associated with pension related obligations	325,788	
Leases payable	74,577	
Accrued interest on long-term debt	<u>1,113,885</u>	<u>(7,109,373)</u>
Change in net position of governmental activities	\$	<u>139,800,572</u>

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



## **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 5. 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**

### **Major Funds**

#### **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.



## FINANCIAL SECTION

## Basic Financial Statements

**METRO**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Fund
	Solid Waste	Oregon Zoo	MERC	Total	Risk Management
<b>ASSETS</b>					
Current assets:					
Equity in internal cash and investment pool	\$ 38,850,837	39,284,882	35,096,573	113,232,292	3,149,133
Receivables:					
Trade	5,700,706	493,324	5,960,140	12,154,170	-
Other	2,564,630	308,225	7,564,901	10,437,756	-
Interest	92,414	93,495	84,416	270,325	7,676
Grants	-	123,100	98,118	221,218	-
Due from other funds	419,000	-	-	419,000	-
Inventories	937,416	-	-	937,416	-
Prepaid items	138,472	8,462	54,983	201,917	715,393
Other assets	-	35,000	-	35,000	70,000
Total current assets	48,703,475	40,346,488	48,859,131	137,909,094	3,942,202
Noncurrent assets:					
Advances to other funds	513,839	-	-	513,839	-
Restricted equity in internal cash and investment pool	-	-	215,090	215,090	-
OPEB asset	216,070	222,464	182,824	621,358	-
Capital assets, net	38,756,887	164,927,154	148,310,943	351,994,984	-
Total noncurrent assets	39,486,796	165,149,618	148,708,857	353,345,271	-
Total assets	88,190,271	205,496,106	197,567,988	491,254,365	3,942,202
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred pension amounts	8,613,602	5,806,347	5,953,488	20,373,437	-
Deferred OPEB amounts	87,196	85,347	72,760	245,303	-
Total deferred outflows of resources	8,700,798	5,891,694	6,026,248	20,618,740	-
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	8,558,951	1,964,524	3,799,584	14,323,059	934,169
Accrued salaries and benefits	1,256,987	1,175,899	1,014,483	3,447,369	18,349
Contracts payable	355,171	153,821	247,929	756,921	-
Accrued interest payable	10,050	-	28,733	38,783	-
Accrued self-insurance claims	-	-	-	-	637,000
Unearned revenue	-	596,102	4,470,686	5,066,788	-
Deposits payable	19,124	104,831	3,159,297	3,283,252	-
Other liabilities	385	4,506	102,466	107,357	-
Due to other funds	-	419,000	-	419,000	-
Leases payable-current	590,848	-	103,722	694,570	-
Bonds payable-current	-	-	950,000	950,000	-
Post-closure costs payable-current	682,128	-	-	682,128	-
Compensated absences-current	1,407,511	1,364,281	1,054,462	3,826,254	26,646
Total current liabilities	12,881,155	5,782,964	14,931,362	33,595,481	1,616,164

(Continued)

**METRO**  
**Statement of Net Position**  
**Proprietary Funds, *continued***  
**June 30, 2022**

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Fund Risk Management
	Solid Waste	Oregon Zoo	MERC	Total	
<b>LIABILITIES, <i>continued</i></b>					
Noncurrent liabilities:					
Leases payable	\$ 5,984,211	-	8,786,524	14,770,735	-
Bonds payable (net of unamortized premium or discount)	-	-	2,195,022	2,195,022	-
Advances from other funds	-	513,839	-	513,839	-
Net other postemployment benefits obligation	470,931	449,153	390,250	1,310,334	-
Post-closure costs payable	2,214,504	-	-	2,214,504	-
Pollution remediation obligation	-	-	95,000	95,000	-
Compensated absences	10,133	8,672	41,180	59,985	-
Net pension liability	15,403,587	10,383,411	10,646,541	36,433,539	-
<b>Total non-current liabilities</b>	<b>24,083,366</b>	<b>11,355,075</b>	<b>22,154,517</b>	<b>57,592,958</b>	<b>-</b>
<b>Total liabilities</b>	<b>36,964,521</b>	<b>17,138,039</b>	<b>37,085,879</b>	<b>91,188,439</b>	<b>1,616,164</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred pension amounts	12,885,682	8,686,116	8,906,234	30,478,032	-
Deferred OPEB amounts	314,338	304,816	261,639	880,793	-
<b>Total deferred inflows of resources</b>	<b>13,200,020</b>	<b>8,990,932</b>	<b>9,167,873</b>	<b>31,358,825</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	32,181,828	164,927,151	136,275,676	333,384,655	-
Restricted for:					
Capital projects	-	7,265,749	215,091	7,480,840	-
Unrestricted	14,544,700	13,065,929	20,849,717	48,460,346	2,326,038
<b>Total net position</b>	<b>\$ 46,726,528</b>	<b>185,258,829</b>	<b>157,340,484</b>	<b>389,325,841</b>	<b>2,326,038</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(3,696,327)	
<b>Net position of business-type activities</b>				<b>\$ 385,629,514</b>	

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

## FINANCIAL SECTION

## Basic Financial Statements

**METRO**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the fiscal year ended June 30, 2022**

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Fund Risk Management
	Solid Waste	Oregon Zoo	MERC	Total	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 96,626,579	23,809,146	35,576,811	156,012,536	188,428
Internal charges for services	20,764	-	71,700	92,464	1,807,627
Total operating revenues	96,647,343	23,809,146	35,648,511	156,105,000	1,996,055
<b>OPERATING EXPENSES</b>					
Payroll and fringe benefits	17,491,212	15,406,784	20,446,415	53,344,411	333,953
Depreciation and amortization	2,723,573	7,394,014	4,955,448	15,073,035	-
Administration	8,064,585	5,946,062	8,679,691	22,690,338	-
Facility operations	23,298,696	8,137,886	13,237,843	44,674,425	2,508
Marketing	-	1,036	2,237,416	2,238,452	-
Food and beverage	-	-	5,127,923	5,127,923	-
Disposal fees	10,563,018	-	-	10,563,018	-
Waste transport	15,550,455	-	-	15,550,455	-
Special waste disposal fees	975,316	-	-	975,316	-
Landfill post-closure (reduction)	568,230	-	-	568,230	-
Consulting services	3,627,438	522,770	429,887	4,580,095	1,347
Charges for services	962,731	-	68,831	1,031,562	-
Insurance	-	-	-	-	1,999,720
Claims	-	-	-	-	806,391
Actuarial claims (reduction)	-	-	-	-	(133,000)
Other materials and services	4,949,097	-	500	4,949,597	205,454
Total operating expenses	88,774,351	37,408,552	55,183,954	181,366,857	3,216,373
Operating income (loss)	7,872,992	(13,599,406)	(19,535,443)	(25,261,857)	(1,220,318)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	(871,132)	(770,299)	(663,873)	(2,305,304)	(75,591)
Grants	14,000	10,460,689	10,100,758	20,575,447	-
Local government shared revenue	-	-	14,834,179	14,834,179	-
Government contributions	-	-	1,148,941	1,148,941	-
Contributions and donations	-	2,100,589	24,530	2,125,119	-
Gain (loss) on disposal of capital assets	(45,549)	(5,111)	(45,283)	(95,943)	-
Waste reduction grants	(2,525,299)	-	-	(2,525,299)	-
Interest expense	(123,674)	(12,086)	(307,730)	(443,490)	-
Total non-operating revenues (expenses)	(3,551,654)	11,773,782	25,091,522	33,313,650	(75,591)
Income (loss) before transfers and capital contributions	4,321,338	(1,825,624)	5,556,079	8,051,793	(1,295,909)
Capital contributions	-	371,155	-	371,155	-
Transfers in	113,089	15,268,229	722,497	16,103,815	-
Transfers out	(647,120)	(339,300)	(322,010)	(1,308,430)	(326,296)
Change in net position	3,787,307	13,474,460	5,956,566	23,218,333	(1,622,205)
Total net position - July 1, 2021	42,939,221	171,784,369	151,383,918		3,948,243
Total net position - June 30, 2022	\$ 46,726,528	185,258,829	157,340,484		2,326,038
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(984,798)	
Change in net position of business-type activities				\$ 22,233,535	

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, 2022**

	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Fund
	Solid Waste	Oregon Zoo	MERC	Total	Risk Management
Cash flows from operating activities:					
Receipts from customers	\$ 95,283,243	24,409,493	28,904,292	148,597,028	188,428
Receipts from interfund services provided	-	-	-	-	1,807,627
Payments to suppliers for goods and services	(60,230,210)	(7,586,886)	(16,758,496)	(84,575,592)	(2,046,012)
Payments for claims	-	-	-	-	(806,391)
Payments to employees for services	(20,879,601)	(17,198,025)	(15,806,286)	(53,883,912)	(338,637)
Payments for interfund services used	(8,064,585)	(5,946,062)	(8,679,691)	(22,690,338)	-
Net cash used in operating activities	6,108,847	(6,321,480)	(12,340,181)	(12,552,814)	(1,194,985)
Cash flows from noncapital financing activities:					
Grants received	308,513	10,434,023	10,002,640	20,745,176	344,936
Local government shared revenues	-	-	13,585,840	13,585,840	-
Government contributions	-	-	1,148,941	1,148,941	-
Contributions and donations	-	2,100,590	24,530	2,125,120	-
Grants to others	(2,525,299)	-	-	(2,525,299)	-
Principal collected (paid) on interfund loans	410,000	(410,000)	-	-	-
Interest collected (paid) on interfund loans	26,857	(26,857)	-	-	-
Transfers from other funds	113,089	15,268,229	722,498	16,103,816	-
Transfers to other funds	(647,120)	(339,301)	(322,010)	(1,308,431)	(326,296)
Net cash provided by (used in) noncapital financing activities	(2,313,960)	27,026,684	25,162,439	49,875,163	18,640
Cash flows from capital and related financing activities:					
Capital grants and contributions	-	371,155	-	371,155	-
Principal payment on bonds	-	-	(920,000)	(920,000)	-
Principal payment on leases	(498,428)	-	(193,341)	(691,769)	-
Interest payments	(113,623)	14,773	(381,631)	(480,481)	-
Acquisition and construction of capital assets	(1,785,411)	(1,387,228)	-	(3,172,639)	-
Net proceeds from sale of capital assets	4,451	10,871	-	15,322	-
Net cash used in capital and related financing activities	(2,393,011)	(990,429)	(1,494,972)	(4,878,412)	-
Cash flows from investing activities:					
Investment loss	(874,978)	(804,083)	(678,747)	(2,357,808)	(68,683)
Net cash provided (used) by investing activities	(874,978)	(804,083)	(678,747)	(2,357,808)	(68,683)
Net increase (decrease) in cash including restricted amounts	526,898	18,910,692	10,648,539	30,086,129	(1,245,028)
Cash at beginning of year including restricted amounts	38,323,939	20,374,190	24,663,124	83,361,253	4,394,161
Cash at end of year including restricted amounts	\$ 38,850,837	39,284,882	35,311,663	113,447,382	3,149,133

(Continued)

## FINANCIAL SECTION

## Basic Financial Statements

**METRO**  
**Statement of Cash Flows**  
**Proprietary Funds, *continued***  
**For the fiscal year ended June 30, 2022**

	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	\$ 38,850,837	39,284,882	35,096,573	113,232,292	3,149,133
Restricted equity in internal cash and investment pool	-	-	215,090	215,090	-
Total	<u>\$ 38,850,837</u>	<u>39,284,882</u>	<u>35,311,663</u>	<u>113,447,382</u>	<u>3,149,133</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 7,872,992	(13,599,406)	(19,535,443)	(25,261,857)	(1,220,318)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	2,723,573	7,394,014	4,955,448	15,073,035	-
Change in assets and liabilities:					
Trade/other accounts receivable	(1,364,100)	600,345	(6,744,214)	(7,507,969)	-
Inventories	(547,676)	276,980	393,755	123,059	-
Prepaid items	(110,756)	-	(1,830)	(112,586)	-
Other assets	-	51,500	-	51,500	(81,241)
Accounts payable	971,880	631,331	2,468,027	4,071,238	759,050
Accrued salaries, benefits and compensated absences	(3,388,386)	(1,791,251)	4,640,125	(539,512)	(4,684)
Contracts payable	31,543	118,517	(185,387)	(35,327)	-
Accrued self-insurance claims	-	-	-	-	(133,000)
Unearned revenue	-	202,453	2,539,497	2,741,950	(514,792)
Deposits payable	15	70,921	1,334,924	1,405,860	-
Other liabilities	-	(276,884)	(2,205,083)	(2,481,967)	-
Post-closure costs payable	(80,238)	-	-	(80,238)	-
Total adjustments	<u>(1,764,145)</u>	<u>7,277,926</u>	<u>7,195,262</u>	<u>12,709,043</u>	<u>25,333</u>
Net cash provided by (used in) operating activities	<u>\$ 6,108,847</u>	<u>(6,321,480)</u>	<u>(12,340,181)</u>	<u>(12,552,814)</u>	<u>(1,194,985)</u>
<b>Noncash investing, capital, and financing activities:</b>					
Acquisition of capital assets by means of a lease	\$ 1,069,659	-	-	1,069,659	-

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



# Notes to the Financial Statements



## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

#### 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.

## 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

## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

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, including lease liabilities, 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. General capital asset acquisitions, including entering into contracts giving Metro the right to lease assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, 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 balance, 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 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, Capital Asset Management (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), and special 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 funds are:

*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:

*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 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.

## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

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 and amortization 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 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.

Other receivable consists primarily of contracts receivable, lodging tax receivable, and other miscellaneous receivable. The underlying revenue is recorded when earned and included in other receivable until collected.

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 2022 allocated indirect costs to grants at a rate of approximately 59.2 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.



## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

#### 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 26-178, a voter-approved five-year local option property tax levy. Assets of the Debt Service, Natural Areas, and Parks and Nature 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, leased assets, 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 (except for leased assets, the measurement of which is discussed in note 11 below), 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
Leased assets	1-60

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 net position reports a separate section for *deferred outflows of resources*, which represents a consumption of net assets that applies to future periods and 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 and OPEB 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 and OPEB 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 net position reports a separate section for *deferred inflows of resources*, which represents an acquisition of net assets that applies to future periods and 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. The government-wide statement of net position also reports deferred lease amounts which represents the net present value of future lease receipts. 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 three sources: deferred leases, property taxes and other. 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 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. Leases

**Lessee Arrangements:** Lease liabilities and intangible right-to-use lease assets (leased assets) are reported in the government-wide financial statements. Metro recognizes lease liabilities with an initial, individual value of \$50,000 or more. At the commencement of the lease, lease liabilities are measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

The interest rate charged by the lessor is used as the discount rate. When the interest rate charged by the lessor is not provided, Metro's estimated incremental borrowing rate is used. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that is reasonably certain to be exercised.

Lease assets are reported with capital assets and lease payables are reported as liabilities on the statement of net position.

**Lessor Arrangements:** Lease receivables and deferred inflows of resources are reported in the government-wide and fund financial statements. At the commencement of a lease, the lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

Metro uses its estimated incremental borrowing rate as the discount rate for leases where Metro serves as the lessor. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments to be received from the lessee over the term of the lease.

#### 12. 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.

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.

#### 13. 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.

#### 14. 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 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, 2022, Metro implemented the following GASB Statements that were applicable to Metro's operations:

GASB Statement No. 87, *Leases*. Issued June 2017, the primary objective of this Statement is to establish a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. Issued June 2018, the primary objective of this Statement is to clarify relevance and comparability of information about capital assets and the cost of borrowing and simplifies accounting for interest cost incurred before the end of a construction period.

GASB Statement No. 91, *Conduit Debt Obligations*. Issued May 2019, the primary objective of this Statement is to provide a single method of reporting conduit debt obligations and eliminates a diversity in practices associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures.

GASB Statement No. 92, *Omnibus 2020*. Issued January 2020, the primary objective of this Statement is to address comparability in accounting and financial reporting by improving the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Source Code Section 457 Deferred Compensation Plans*. Issued June 2020, the primary objective of this Statement is to clarify component unit criteria for a potential component unit in the absence of a governing board in determining financial accountability; limits the applicability of financial burden criteria in paragraph 7 of GASB Statement No. 84; and classifies Section 457 Deferred Compensation Plans as either a pension plan or other employee benefit plan.

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. Issued June 2022, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

#### 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. 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. 99, *Omnibus 2022*, effective for reporting periods beginning after June 15, 2022.
- GASB Statement No. 101, *Compensated Absences*, effective for reporting periods beginning after December 15, 2023.

### III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with ORS 294 - Local Budget Law and accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end.

The following fund had excess expenditures over appropriations for the fiscal year-end:

<u>Fund</u>	<u>Amount</u>
General Fund	
Parks and Nature	\$277,710

#### IV. 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	\$ 430,540,959	-	-	-
Accumulated depreciation and amortization	(41,675,645)	-	-	-
Deferred pension amounts (deferred outflows)	-	23,292,452	-	-
Net pension liability	-	(41,653,574)	-	-
Deferred pension amounts (deferred inflows)	-	(34,844,788)	-	-
Net OPEB asset	-	-	693,179	-
Deferred OPEB amounts (deferred outflows)	-	-	214,973	-
Net OPEB liability	-	-	(988,611)	-
Deferred OPEB amounts (deferred inflows)	-	-	(733,201)	-
Accrued interest payable	-	-	-	(2,447,016)
Leases payable	-	-	-	(723,596)
Bonds payable (net of unamortized premium/discount)	-	-	-	(973,858,703)
Pollution remediation obligation	-	-	-	(9,042,942)
Compensated absences	-	-	-	(4,564,670)
Deferred charge on refunding	-	-	-	12,792
Net adjustment to fund balance-total governmental funds to arrive at net position-governmental activities	\$ 388,865,314	(53,205,910)	(813,660)	(990,624,135)

## V. 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 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, 2022, 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+	\$ 336,156,232	81,262,550	417,418,782	-	38,693,977	225,841,476	152,883,329
U.S. Government securities - USGSE	AA+	225,803,513	68,574,240	-	294,377,753	31,960,793	187,968,798	74,448,162
Corporate Debt	AA	-	5,276,548	-	5,276,548	-	-	5,276,548
	AA+	-	5,266,435	-	5,266,435	-	1,000,370	4,266,065
	AAA	1,292,133	-	-	1,292,133	-	1,292,133	-
	AA-	3,700,481	5,421,082	-	9,121,563	3,700,481	1,989,700	3,431,382
	A	-	7,438,960	-	7,438,960	-	-	7,438,960
	A-	-	9,314,896	-	9,314,896	-	-	9,314,896
Commercial Paper	A-1+	29,991,000	9,986,700	-	39,977,700	39,977,700	-	-
	A-1	9,890,400	1,499,010	-	11,389,410	1,499,010	9,890,400	-
Municipal Bonds	AA	-	511,401	-	511,401	-	-	511,401
	AA+	-	9,975,609	-	9,975,609	-	4,677,648	5,297,961
	AAA	-	2,268,104	-	2,268,104	-	-	2,268,104
	AA-	3,689,770	1,470,038	-	5,159,808	-	741,840	4,417,968
	Unrated	-	3,443,936	-	3,443,936	-	-	3,443,936
Sub-total		610,523,529	211,709,509	417,418,782	404,814,256	115,831,961	433,402,365	272,998,712
State Treasurer's investment pool		-	52,658,757					
Total Investment		610,523,529	264,368,266					
Cash deposits		-	32,783,347					
Total cash and investments		\$ 610,523,529	297,151,613					
Per statement of net position:								
Unrestricted		\$ -	152,944,052					
Restricted		610,523,529	144,207,561					
Total		\$ 610,523,529	297,151,613					

**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:

Maturity	Minimum to mature
Under 3 months	10 percent minimum
Under 18 months	25 percent minimum
Under 60 months	100 percent minimum

## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

**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, 2022, 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, 2022, 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 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, 2022 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 Home Loan Bank (FHLB)	13.3%	40.0%	15.3%	-
Federal Home Loan Mortgage Corp (FHLMC)	8.9%	40.0%	11.2%	9.0%
Federal National Mortgage Association (FNMA)	8.2%	40.0%	-	17.8%
State Treasurer's Investment Pool	6.0%	100.0%	-	-
U.S. Treasuries	47.7%	100.0%	57.7%	-

## 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 Value Inn	10450 SW Barbur Blvd, Portland, OR	4,250,000
Walker Road	9985 & 10085 NE Walker Road, Hillsboro, OR	1,750,000
		<u>\$ 12,515,567</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	TOD Loans	Von Ebert Loans	Total Loans
50 years	0 to 1%	03/15/26	03/15/56	annually	\$ 645,380	-	645,380
50 years	0 to 1%	03/01/28	03/01/58	annually	416,092	-	416,092
60 months	3.50%	07/01/18	06/01/23	monthly	-	8,546	8,546
					<u>\$ 1,061,472</u>	<u>8,546</u>	<u>1,070,018</u>

## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

#### D. CAPITAL ASSETS

Capital asset balances and activity for fiscal year 2022 were as follows:

	Balance July 1, 2021	Increases	Decreases	Reclassifications and Transfers	Balance June 30, 2022
<b>Governmental activities:</b>					
Capital assets, non-depreciable:					
Land	\$ 306,482,354	-	(570)	4,975,327	311,457,111
Intangible-easements	12,248,393	-	-	-	12,248,393
Artwork	274,486	-	-	-	274,486
Construction in progress	17,428,529	14,878,047	(32,982)	(23,473,126)	8,800,468
Total non-depreciable	336,433,762	14,878,047	(33,552)	(18,497,799)	332,780,458
Capital assets, depreciable:					
Buildings and exhibits	39,593,866	-	(359,923)	2,278,881	41,512,824
Leased buildings and exhibits	798,775	-	-	-	798,775
Improvements	28,834,478	-	(3,322)	14,310,486	43,141,642
Equipment and vehicles	5,342,733	-	(111,689)	1,301,964	6,533,008
Leased equipment and vehicles	-	192,763	-	-	192,763
Intangible-software	6,770,422	-	(2,321,707)	421,677	4,870,392
Office furniture and equipment	834,664	-	(308,358)	184,791	711,097
Total depreciable	82,174,938	192,763	(3,104,999)	18,497,799	97,760,501
Accumulated depreciation and amortization:					
Buildings and exhibits	(17,470,927)	(1,418,951)	117,227	-	(18,772,651)
Leased buildings and exhibits	-	(195,618)	-	-	(195,618)
Improvements	(13,418,672)	(1,514,459)	1,379	-	(14,931,752)
Equipment and vehicles	(3,390,157)	(435,460)	99,147	-	(3,726,470)
Leased equipment and vehicles	-	(52,572)	-	-	(52,572)
Intangible-software	(5,847,656)	(240,206)	2,321,707	-	(3,766,155)
Office furniture and equipment	(417,126)	(120,129)	306,828	-	(230,427)
Total accumulated depreciation and amortization	(40,544,538)	(3,977,395)	2,846,288	-	(41,675,645)
Total capital assets, depreciable, net	41,630,400	(3,784,632)	(258,711)	18,497,799	56,084,856
Governmental activities capital assets, net	\$ 378,064,162	11,093,415	(292,263)	-	388,865,314

	Balance July 1, 2021	Increases	Decreases	Reclassifications and Transfers	Balance June 30, 2022
<b>Business-type activities:</b>					
Capital assets, non-depreciable:					
Land	\$ 21,045,160	-	-	-	21,045,160
Artwork	1,184,358	-	-	-	1,184,358
Construction in progress	6,212,988	3,172,637	(50,000)	(3,523,447)	5,812,178
Total non-depreciable	28,442,506	3,172,637	(50,000)	(3,523,447)	28,041,696
Capital assets, depreciable:					
Leased land	10,256,375	-	-	-	10,256,375
Buildings and exhibits	489,312,740	-	(316,752)	1,249,058	490,245,046
Leased buildings and exhibits	6,003,828	1,069,659	-	-	7,073,487
Improvements	45,893,838	-	-	242,266	46,136,104
Equipment and vehicles	29,510,867	-	(1,819,139)	1,997,783	29,689,511
Intangible-software	1,672,026	-	(251,696)	21,675	1,442,005
Office furniture and equipment	1,656,793	-	(157,954)	12,665	1,511,504
Railroad equipment and facilities	3,668,673	-	(9,990)	-	3,658,683
Total depreciable	587,975,140	1,069,659	(2,555,531)	3,523,447	590,012,715
Accumulated depreciation and amortization:					
Leased land	-	(265,679)	-	-	(265,679)
Buildings and exhibits	(208,040,120)	(10,477,251)	272,191	-	(218,245,180)
Leased buildings and exhibits	-	(643,969)	-	-	(643,969)
Improvements	(25,016,357)	(1,385,124)	-	-	(26,401,481)
Equipment and vehicles	(14,917,706)	(1,641,504)	1,810,782	-	(14,748,428)
Intangible-software	(1,365,200)	(204,674)	248,132	-	(1,321,742)
Office furniture and equipment	(1,072,213)	(105,598)	157,554	-	(1,020,257)
Railroad equipment and facilities	(1,896,276)	(349,236)	5,610	-	(2,239,902)
Total accumulated depreciation and amortization	(252,307,872)	(15,073,035)	2,494,269	-	(264,886,638)
Total capital assets, depreciable, net	335,667,268	(14,003,376)	(61,262)	3,523,447	325,126,077
Business-type activities capital assets, net	\$ 364,109,774	(10,830,739)	(111,262)	-	353,167,773

In 1984, Metro entered into a lease-leaseback transaction for theater land. In a lease-leaseback transaction, each party is a lessor and a lessee. Since each portion of the transaction is with the same counterparty, a right of offset exists. The lease-leaseback is presented net on the Statement of Net Position in accordance with GASB Statement No. 87, Leases. As such, the Capital Assets footnote total for business-type activities is \$1,172,789 higher than the face of the financials. The difference is comprised of the June 30, 2022 balance in deferred inflows related to leases, which is netted with capital assets on the Statement of Net Position.

Additional note disclosure of the gross amounts of the lease and leaseback provide essential information about the magnitude of each portion of the transaction. See Note J.

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, 2022.

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.

## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

Depreciation and amortization expense was charged to functions/programs as follows:

Governmental activities:	
General government operations	\$ 1,063,251
Culture and recreation	2,914,144
<u>Total depreciation and amortization expense - governmental activities</u>	<u>\$ 3,977,395</u>
Business-type activities:	
Solid Waste	\$ 2,723,573
Oregon Zoo	7,394,014
MERC	4,955,448
<u>Total depreciation and amortization expense - business-type activities</u>	<u>\$ 15,073,035</u>

#### 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, 2022 were:

	Governmental Activities	Business-type Activities
Advance ticket sales/registrations	\$ 130,226	4,811,709
Unredeemed gift certificates	88,754	79,609
Advance park reservations	132,028	-
Grant and contract drawdowns prior to meeting all eligibility requirements	11,891	175,470
<u>Total</u>	<u>\$ 362,899</u>	<u>5,066,788</u>

#### 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 fair 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 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.



## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

**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 V.H.2.

Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2021. 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 20.50 percent and 16.76 percent of subject payroll, respectively. Employer contributions recognized by PERS for the fiscal year ended June 30, 2022 were \$12,296,540.

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, 2021, through June 30, 2023, 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.

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

Valuation Date	December 31, 2019
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	Fair value of assets
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Projected salary increases	3.40 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 6.90 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	14.0	21.0	17.5
Alternative equity	7.5	17.5	15.0
Opportunity portfolio	0.0	5.0	0.0
Risk parity	0.0	2.5	2.5
<b>Total</b>			<b>100.0%</b>

**Long-Term Expected Rate of Return.** To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 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.

Asset Class	Target	Compound Annual Return (Geometric)
Global equity	30.6%	5.9%
Private equity	25.5	7.7
Core fixed income	23.8	2.7
Real estate	12.3	5.7
Master limited partnerships	0.8	5.7
Infrastructure	1.5	6.3
Commodities	0.6	3.1
Hedge fund of funds- multistrategy	1.3	5.1
Hedge fund equity- hedge	0.6	5.3
Hedge fund- macro	5.6	5.1
US Cash	-2.5	1.8
Assumed inflation- mean		2.4

## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

**Sensitivity of Metro'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 6.90 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 (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Defined benefit pension plan	\$ 153,344,411	78,087,113	15,124,070

**Determination of Metro's proportionate share** - Metro's actuarially determined proportionate share of the plan amounts was 0.65254874 percent for the fiscal year ended June 30, 2021 (measurement date). Metro's share of pension balances are determined by rolling forward the total net pension liability (actuarially determined at December 31, 2019) to the measurement date of June 30, 2021 and subtracting the plan's net position as of June 30, 2021.

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, 2022, Metro reported a payable of \$971,765 for the outstanding amount of legally required pension contributions to the pension plan for the fiscal year ended June 30, 2022.

**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, 2022, Metro recognized a net pension liability of \$78,087,113 and a pension expense of \$11,178,387. At June 30, 2022, 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	\$ 3,899,047	-	3,410,417	-	7,309,464
Changes in assumptions	10,427,143	109,622	9,120,413	95,885	19,342,049
Net difference between projected and actual earnings on pension plan investments	-	30,835,818	-	26,971,467	(57,807,285)
Changes in the employer's proportion	2,406,987	-	2,105,342	-	4,512,329
Differences between employer contributions and employer's proportionate share of system contributions	-	3,899,348	-	3,410,680	(7,310,028)
Total (prior to post-measurement date contributions)	\$ 16,733,177	34,844,788	14,636,172	30,478,032	(33,953,471)
Contributions subsequent to the measurement date	6,559,275	-	5,737,265	-	12,296,540
Net deferred outflows/(inflows) of resources	\$ 23,292,452	34,844,788	20,373,437	30,478,032	(21,656,931)

The \$12,296,540 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, 2023. 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
2023	\$ (2,970,995)	(2,598,669)	(5,569,664)
2024	(3,399,901)	(2,973,825)	(6,373,726)
2025	(4,841,385)	(4,234,662)	(9,076,047)
2026	(7,752,934)	(6,781,335)	(14,534,269)
2027	853,604	746,631	1,600,235
Total	\$ (18,111,611)	(15,841,860)	(33,953,471)

**Changes in Plan Provisions Subsequent to Measurement Date** - On July 23, 2021, the PERS Board voted to set the assumed rate of return to 6.9 percent, down from 7.2 percent. The PERS Board reviews the assumed rate in odd-numbered years as part of the board's adoption of actuarial methods and assumptions. The rate was then adopted in an administrative rule at the PERS Board's October 1, 2021, meeting. The new assumed rate will be reflected in the December 31, 2021 actuarial valuation for funding, and decreases in the assumed rate typically increase the system's unfunded actuarial liability as well as employer contribution rates. The new assumed rate was applied by the actuaries to the Net Pension Liability and Net OPEB Liability as of June 30, 2021.

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

## FINANCIAL SECTION

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State statutes require covered employees to contribute six percent of their annual covered salary to the IAP plan effective January 1, 2004. Metro pays for the IAP contribution for all 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 \$3,730,095 for the fiscal year ended June 30, 2022, which is included in payroll and fringe benefits expense. At June 30, 2022, a payable to the IAP portion of the plan in the amount of \$327,057 for the contractually required contributions for the month of June 2022 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, 2021, the following number of employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	11
Active employees	728
<u>Total</u>	<u>739</u>

**Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - Metro's total OPEB Liability of \$2,298,945 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021. For the fiscal year ended June 30, 2022, Metro recognized OPEB expense from this plan of \$180,991.

At June 30, 2022, Metro reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

<u>Sources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	482,884
Changes in assumptions	183,016	728,828
Benefit payments	102,095	-
<u>Total</u>	<u>\$ 285,111</u>	<u>1,211,712</u>

Deferred outflows of resources related to OPEB of \$102,095 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal year ended June 30:</u>	
2023	\$ (143,615)
2024	(143,615)
2025	(143,615)
2026	(129,435)
2027	(117,711)
Thereafter	(350,705)
<u>Total</u>	<u>\$ (1,028,696)</u>

**Actuarial Assumptions and Other Inputs** - The total OPEB liability in the July 1, 2021 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	2.40 percent
Salary increases	3.40 percent
Mortality	Pub-2010 General Service Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees. Future mortality improvement is projected generationally with unisex Social Security data scale.
Discount rate	2.16 percent (change from 2.21 percent in previous measurement period)
Healthcare cost trend rate	Medical and vision: 0.75 percent in the first year, 5.25 percent in the second year, and varying from 5.00 to 3.75 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.



## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

#### Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2021	\$ 3,366,979
Changes for the year:	
Service cost	246,402
Interest on total OPEB liability	78,204
Effect of economic/demographic gains or losses	(533,513)
Effect of assumptions changes or inputs	(708,759)
Benefit payments	(150,368)
Balance as of June 30, 2022	\$ 2,298,945

Changes in assumptions is the result of the change in the discount rate from 2.21 percent to 2.16 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 (1.16 percent) or 1-percentage-higher (3.16 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 2,468,792	2,298,945	2,137,504

Healthcare Cost TrendRate:	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 2,056,131	2,298,945	2,584,381

## 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://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, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. 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, 2022 contribution was \$12,601.

**Total OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - At June 30, 2022, Metro reported an asset of \$1,314,537 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. 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, 2021, Metro's proportionate share was 0.3828% which is an increase from its proportion of 0.3558% as of June 30, 2020.

For the year ended June 30, 2022, Metro recognized OPEB expense from this plan of \$88,692. At June 30, 2022, Metro reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

<u>Sources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on investments	\$ -	312,403
Changes of assumptions	25,865	19,556
Changes in proportionate share	136,699	33,750
Differences between expected and actual experience	-	36,573
Contributions subsequent to the measurement date	12,601	-
<u>Total</u>	<u>\$ 175,165</u>	<u>402,282</u>

Deferred outflows of resources related to OPEB of \$12,601 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, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal year ended June 30:</u>	
2023	\$ 6,961
2024	(76,672)
2025	(71,322)
2026	(98,685)
<u>Total</u>	<u>\$ (239,718)</u>

**Actuarial Assumptions and Other Inputs** - The total OPEB asset based on the December 31, 2019 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

Valuation date	December 31, 2019
Measurement date	June 30, 2021
Experience study	2018, published July 24, 2019

#### Actuarial assumptions:

Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 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 6.90%, 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Total OPEB Liability (Asset)	\$ (1,162,515)	(1,314,537)	(1,444,400)

**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 2022 is \$19.20 per ton. The estimated increased rate for fiscal year 2023 is \$19.86 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. For fiscal year 2022, the unit price is \$610.49 per load (equivalent to about \$18.37 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 every July 1. The additional unit prices for the new contract includes 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 contractor 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.

## 5. Summary

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
2023	\$ 11,014,677	11,937,962	10,942,188	7,657,130
2024	11,147,674	12,056,994	11,152,321	5,340,901
2025	11,299,607	12,196,885	5,685,550	-
2026	11,605,135	12,501,209	-	-
2027	11,919,295	12,813,515	-	-
Total	\$ 56,986,388	61,506,565	27,780,059	12,998,031

## 6. Construction Projects

Metro is committed under a number of contracts for construction services. The amount of major uncompleted contracts is approximately \$2,600,000 at June 30, 2022.

## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

#### 7. 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	Elmonica	\$ 11,900,000
Clackamas County	Marylhurst Commons	3,000,000
Home Forward	Troutdale	15,213,585
City of Portland	74th and Glisan	19,972,884
City of Portland	5020 N Interstate	9,216,838
City of Portland	Albina one	13,572,107
City of Portland	Meridian Gardens	12,435,416
City of Portland	Hollywood Hub	29,084,328
City of Portland	PCC Killingsworth	2,538,237
City of Portland	Tistilal Village	3,511,176
Washington County	Goldcrest (Cooper Mountain)	8,700,000
Washington County	Plambeck Gardens (Basalt Creek)	14,320,000
<b>Total</b>		<b>\$ 143,464,571</b>

#### J. LEASES

##### 1. Lease Receivable

The following changes occurred during fiscal year 2022 in lease receivable:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
<b>Governmental activities:</b>				
Restaurant building lease; interest at 2%, principal and interest from \$5,858 to \$8,042 monthly, final payments due 2037	\$ 1,159,025	-	(50,227)	1,108,798
Cell tower land lease; interest at 1%, principal and interest of \$2,057 monthly, final payments due 2026	-	120,414	(21,710)	98,704
Governmental activities Total Lease Receivable	\$ 1,159,025	120,414	(71,937)	1,207,502
<b>Business-type activities:</b>				
Theater land leaseback; interest at 3%, principal and interest from \$3,515 monthly, final payments due 2083	1,191,910	-	(9,581)	1,182,329
Business-type activities Total Lease Receivable (1)	\$ 1,191,910	-	(9,581)	1,182,329

During the year ended June 30, 2022, Metro recognized \$92,320 in lease revenue and \$23,619 in interest revenue for governmental activities. Additionally, during the year ended June 30, 2022, Metro recognized \$19,122 in lease revenue and \$35,561 in interest revenue for business-type activities. During the fiscal year, there were no inflows of resources related to variable or other payments not previously included in the measurement of the lease receivable.

## 2. Lease Payable

The following changes occurred during fiscal year 2022 in governmental activities lease payable:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
<b>Governmental activities:</b>				
Office building lease; interest at 1%, principal and interest from \$15,766 to \$17,755 monthly, final payments due 2025	\$ 798,775	-	(184,128)	614,647
Trailer equipment lease; interest at 1%, principal and interest of \$4,587 monthly, final payments due 2024	-	192,763	(83,814)	108,949
Governmental activities				
Total Lease Payable	\$ 798,775	192,763	(267,942)	723,596
Current portion				(245,253)
Long-term portion				\$ 478,343

During the fiscal year, there were no outflows of resources related to variable payments not previously included in the measurement of the lease liability.

Future maturities are as follows:

Fiscal year ending June 30:	Principal	Interest
2023	\$ 245,253	6,119
2024	253,634	3,629
2025	206,979	1,306
2026	17,730	15
	\$ 723,596	11,069

The following changes occurred during fiscal year 2022 in business-type activities lease payable:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
<b>Business-type activities:</b>				
Theater land lease; interest at 3%, principal and interest of \$29,792 monthly, final payments due 2083	\$ 10,100,926	-	(81,183)	10,019,743
Paint building lease; interest at 2%, principal and interest from \$35,414 to \$39,859 monthly, final payments due 2035	5,817,456	-	(332,043)	5,485,413
Patrol building lease; interest at 1%, principal and interest from \$15,000 to \$17,389 monthly, final payments due 2027	-	1,069,659	(96,316)	973,343
Warehouse lease; interest at 1%, principal and interest from \$5,881 to \$6,240 monthly, final payments due 2024	186,372	-	(70,070)	116,302
Parking land lease; interest at 1%, principal and interest from \$8,496 to \$8,918 monthly, final payments due 2022	155,449	-	(102,616)	52,833
Business-type activities				
Total Lease Payable (1)	\$ 16,260,203	1,069,659	(682,228)	16,647,634
Current portion				(701,377)
Long-term portion				\$ 15,946,257

During the fiscal year, there were no outflows of resources related to variable payments not previously included in the measurement of the lease liability.

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### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

Future maturities are as follows:

Fiscal year ending June 30:	Principal	Interest
2023	\$ 701,377	416,324
2024	648,891	404,905
2025	636,059	393,638
2026	655,865	382,041
2027	673,824	370,144
2028-32	2,508,090	1,688,325
2033-37	1,880,161	1,421,972
2038-42	480,535	1,306,965
2043-47	558,198	1,229,302
2048-52	648,412	1,139,088
2053-57	753,206	1,034,294
2058-62	874,937	912,563
2063-67	1,016,342	771,159
2068-72	1,180,599	606,901
2073-77	1,371,404	416,096
2078-82	1,593,046	194,454
2083	466,688	9,978
	\$ 16,647,634	12,698,149

(1) Due to the netting of the lessee and lessor portions of the Theater Land Lease-Leaseback, the lease receivable and lease payable totals within this footnote do not tie to the Statement of Net Position. The following reconciliation has been prepared in order to illustrate the difference.

**Business-type activities:**

Lease receivable- government wide statement of net position	\$ -
Theater Land Leaseback receivable, netted with lease payable on statement of net position	1,182,329
<u>Total lease receivable per footnote</u>	<u>\$ 1,182,329</u>
Lease payable due within one year - government wide statement of net position	\$ 694,570
Lease payable due in more than one year - government wide statement of net position	14,770,735
Theater Land Leaseback receivable, netted in lease payable on statement of net position	1,182,329
<u>Total lease payable per footnote</u>	<u>\$ 16,647,634</u>

## 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 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
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
	32,675,000	3,928,300	8,830,000	1,143,250
Unamortized premium	4,200,871		1,258,241	
Per statement of net position	\$ 36,875,871		10,088,241	

## 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
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	5,525,000	427,275	1,250,000	130,250
2028	5,955,000	178,650	1,355,000	67,750
	29,725,000	4,485,225	6,680,000	1,250,000
Unamortized premium	3,958,790		890,711	
Per statement of net position	\$ 33,683,790		7,570,711	

## 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.



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### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

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:

<u>Fiscal year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>
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	25,435,000	17,385,316
2028-32	160,605,000	73,546,713
2033-37	227,305,000	44,132,616
2038-39	114,255,000	6,063,400
	609,925,000	<u>217,964,611</u>
Unamortized premium	2,220,201	
<u>Per statement of net position</u>	<u>\$ 612,145,201</u>	

#### 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>
2023	\$ 1,370,000	15,070
<u>Per statement of net position</u>	<u>\$ 1,370,000</u>	<u>15,070</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 the existing Metro Regional Center (MRC) building. The MRC building projects include exterior and interior replacements and upgrades and Information Services infrastructure.

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>
2023	\$ -	586,450
2024	1,060,000	586,450
2025	1,115,000	533,450
2026	1,170,000	477,700
2027	1,230,000	419,200
2028-32	7,115,000	1,125,450
2033	1,600,000	48,000
	13,290,000	<u>3,776,700</u>
Unamortized premium	1,333,112	
<u>Per statement of net position</u>	<u>\$ 14,623,112</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 was finished in 2022 and is owned and operated by Hyatt Hotels Corporation; the developer and operator provided 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:

Fiscal year ending June 30:	Principal	Interest
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	1,220,000	2,177,750
2028-32	7,075,000	9,910,750
2033-37	9,030,000	7,956,000
2038-42	11,525,000	5,461,250
2043-47	14,705,000	2,277,500
	47,880,000	37,047,750
Unamortized premium	7,337,723	
Per statement of net position	\$ 55,217,723	

## 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 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:

Fiscal year ending June 30:	Principal	Interest
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	2,660,000	203,413
2028	1,405,000	70,306
Per statement of net position	\$ 12,535,000	2,197,757

## 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

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### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

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.

<u>Fiscal year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>
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	3,000,000	3,741,279
2028-32	25,145,000	17,580,795
2033-37	53,290,000	10,009,367
2038-40	40,565,000	2,153,098
	<u>168,055,000</u>	<u>49,566,026</u>
Unamortized premium	9,744,055	
Per statement of net position	<u>\$ 177,799,055</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>
2023	\$ 11,950,000	84,846
Per statement of net position	<u>\$ 11,950,000</u>	<u>84,846</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:

Fiscal year ending June 30:	Principal	Interest
2023	\$ 950,000	75,875
2024	965,000	49,450
2025	1,005,000	15,075
	2,920,000	140,400
Unamortized premium	225,022	
Per statement of net position	\$ 3,145,022	

## L. CHANGES IN LONG-TERM LIABILITIES

The following changes occurred during fiscal year 2022 in long-term liabilities:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 900,740,000	-	(44,850,000)	855,890,000	48,485,000
Full faith and credit bonds	39,820,000	-	(13,210,000)	26,610,000	13,320,000
Dedicated tax revenue bonds	48,845,000	-	(965,000)	47,880,000	1,005,000
Pension obligation bonds	14,180,000	-	(1,645,000)	12,535,000	1,820,000
Less unamortized amounts:					
For premium or discount	34,248,367	-	(3,304,664)	30,943,703	-
Total bonds payable	1,037,833,367	-	(63,974,664)	973,858,703	64,630,000
Leases payable	798,775	192,763	(267,942)	723,596	245,253
Pollution remediation obligation	1,271,302	8,176,198	(404,558)	9,042,942	-
Net other postemployment benefits	1,211,534	-	(222,923)	988,611	-
Compensated absences	4,467,325	4,591,321	(4,467,325)	4,591,321	4,577,869
Net pension liability	73,993,746	-	(32,340,172)	41,653,574	-
Governmental activities					
Long-term liabilities	\$ 1,119,576,049	12,960,282	(101,677,584)	1,030,858,747	69,453,122
<b>Business-type activities:</b>					
Leases payable					
Bonds payable:					
Full faith and credit bonds	\$ 3,840,000	-	(920,000)	2,920,000	950,000
Less unamortized amounts:					
For premium or discount	318,134	-	(93,112)	225,022	-
Total bonds payable	4,158,134	-	(1,013,112)	3,145,022	950,000
Leases payable	16,260,203	1,069,659	(682,228)	16,647,634	701,377
Post-closure costs payable	2,976,870	-	(80,238)	2,896,632	682,128
Pollution remediation obligation	95,000	-	-	95,000	-
Net other postemployment benefits	2,155,445	-	(845,111)	1,310,334	-
Compensated absences	4,259,059	3,886,239	(4,259,059)	3,886,239	3,826,254
Net pension liability	65,565,162	-	(29,131,623)	36,433,539	-
Business-type activities					
Long-term liabilities	\$ 95,469,873	4,955,898	(36,011,371)	64,414,400	6,159,759

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.

In 1984, Metro entered into a lease-leaseback transaction for theater land. In a lease-leaseback transaction, each party is a lessor and a lessee. Since each portion of the transaction is with the same counterparty, a right

## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

of offset exists. The lease-leaseback is presented net on the Statement of Net Position in accordance with GASB Statement No. 87, Leases. As such, the Changes in Long-Term Liabilities footnote total for business-type activities is \$1,182,329 higher than the face of the financials. The difference is comprised of the June 30, 2022 balance in lease receivable related to the leaseback, which is netted with lease payable on the Statement of Net Position.

Additional note disclosure of the gross amounts of the lease and leaseback provide essential information about the magnitude of each portion of the transaction. See Note J.

#### 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, 2022, there were 4 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, 2022 is estimated to be \$50,951,827 under current Federal and state regulations, an increase of \$566,447 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 \$646,684 in closure costs as the closure process continued (\$48,055,197 cumulative to date); reducing the remaining estimated liability to \$2,896,632 at June 30, 2022.

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 \$9,445,000, an increase of \$8,176,198 in the current fiscal year in the estimated total liability, including the added costs of the contingency remedy committed to by Metro Council during July 2022. During the fiscal year, Metro paid \$404,558 in remediation costs toward this liability. The remaining liability of \$9,040,442 is 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 received DEQ approval and certification of these results at June 30, 2022. There is no liability related to this site recorded as of June 30, 2022.

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 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, 2022. There is no liability related to this site recorded as of June 30, 2022.

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 \$9,042,942 and for business-type activities \$95,000.

## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

#### 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	
<b>Fund balances:</b>									
<b>Nonspendable:</b>									
Not in spendable form:									
Prepaid items	\$ 199,946	49,682	-	-	-	-	-	-	249,628
Deposits	-	-	90,037,278	133,160,448	-	-	-	-	223,197,726
Corpus of permanent fund	-	-	-	-	-	-	-	747,747	747,747
<b>Total nonspendable</b>	<b>199,946</b>	<b>49,682</b>	<b>90,037,278</b>	<b>133,160,448</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>747,747</b>	<b>224,195,101</b>
<b>Restricted for:</b>									
Construction excise tax for									
development planning	15,578,039	-	-	-	-	-	-	-	15,578,039
TOD projects	24,130,412	-	-	-	-	-	-	-	24,130,412
Planning IGA	10,452,100	-	-	-	-	-	-	-	10,452,100
Glendoveer capital	892,305	-	-	-	-	-	-	-	892,305
Parks and Natural Areas	-	12,145,923	-	-	-	-	-	-	12,145,923
Debt service on bonds	3,362,073	-	-	-	2,829,578	-	-	-	6,191,651
Smith & Bybee Wetlands mgmt plan	-	-	-	-	-	-	-	1,412,007	1,412,007
Community Enhancement	672,698	-	-	-	-	-	-	902,831	1,575,529
Willamette Falls Legacy project	14,963,662	-	-	-	-	-	-	-	14,963,662
Affordable Housing	-	-	463,754,953	-	-	-	-	-	463,754,953
Supportive Housing Services	-	-	-	43,612,234	-	-	-	-	43,612,234
Capital projects:									
Bond funded programs	3,188,335	-	-	-	-	4,506,462	179,612,926	-	187,307,723
<b>Total restricted</b>	<b>73,239,624</b>	<b>12,145,923</b>	<b>463,754,953</b>	<b>43,612,234</b>	<b>2,829,578</b>	<b>4,506,462</b>	<b>179,612,926</b>	<b>2,314,838</b>	<b>782,016,538</b>
TOD projects	12,167,202	-	-	-	-	-	-	-	12,167,202
<b>Total restricted</b>	<b>12,167,202</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,167,202</b>
<b>Assigned to:</b>									
Encumbered fund balance	558,425	-	-	-	-	-	-	-	558,425
Information services	700,000	-	-	-	-	-	-	-	700,000
Parks cemetery	178,680	-	-	-	-	-	-	-	178,680
<b>Total assigned</b>	<b>1,437,105</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,437,105</b>
<b>Unassigned</b>	<b>34,080,876</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,229)</b>	<b>34,070,647</b>
<b>Total fund balances</b>	<b>\$ 121,124,753</b>	<b>12,195,605</b>	<b>553,792,231</b>	<b>176,772,682</b>	<b>2,829,578</b>	<b>4,506,462</b>	<b>179,612,926</b>	<b>3,052,356</b>	<b>1,053,886,593</b>



**P. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund receivables and payables are detailed in the table below.

<u>Receivable Fund/Entity</u>	<u>Payable Fund/Entity</u>
	<u>Internal balances</u>
	(to reflect the consolidation of internal service fund activities)
	Business-type activities
<b>Internal balances</b>	
<i>(to reflect the consolidation of internal service fund activities)</i>	
Governmental activities	(3,696,327)
Reconciliation to government-wide statements:	
Internal balances per the government-wide statement of net position	<u>(\$ 3,696,327)</u>

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:

<u>Transfers out</u>	<u>Transfers in</u>					<u>Total</u>
	<u>General</u>	<u>Parks and Nature Operating</u>	<u>Solid Waste</u>	<u>Oregon Zoo</u>	<u>MERC</u>	
General	\$ -	2,155,939	113,089	15,268,229	722,497	18,259,754
Parks and Nature Operating	700,587	-	-	-	-	700,587
Affordable Housing	19,682	-	-	-	-	19,682
Supportive Housing Services	12,048,179	-	-	-	-	12,048,179
Natural Areas	6,998	-	-	-	-	6,998
Parks and Nature Bond	89,357	180,900	-	-	-	270,257
Cemetery Perpetual Care	61,485	-	-	-	-	61,485
Solid Waste	647,120	-	-	-	-	647,120
Oregon Zoo	339,300	-	-	-	-	339,300
MERC	322,010	-	-	-	-	322,010
Risk Management	326,296	-	-	-	-	326,296
<b>Total</b>	<b>\$ 14,561,014</b>	<b>2,336,839</b>	<b>113,089</b>	<b>15,268,229</b>	<b>722,497</b>	<b>33,001,668</b>

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.

**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 \$9,149,920 for fiscal year 2022. The following two tax abatement programs account for 96 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,

## FINANCIAL SECTION

### Notes to the Financial Statements

For the fiscal year ended June 30, 2022

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, 2022 were:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
SIP	\$ 7,811,000
E-Zone	975,365
Subtotal major abatement program	8,786,365
Other immaterial abatement programs	363,555
Total	\$ 9,149,920

#### 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 \$782,600 for a single claimant and \$1,565,100 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 \$950,423,604 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 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, 2022. 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 \$637,000 reported as accrued self-insurance claims in the Risk Management Fund at June 30, 2022 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
2020-21	\$ 466,000	494,000	190,000	770,000
2021-22	770,000	368,000	501,000	637,000

## 5. 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

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## **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 Proportionate 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 Proportionate Share of Net Pension Liability  
Schedule of District's Contributions

## **Notes to Required Supplementary Information**

## FINANCIAL SECTION

## 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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Government fees	\$ 9,883	9,883	60,938	51,055
Culture and recreation fees	3,287,559	3,287,559	3,664,374	376,815
Other fees	741,634	814,180	891,194	77,014
Internal charges for services	-	-	108,515	108,515
Licenses and permits	565,824	565,824	583,490	17,666
Miscellaneous revenue	2,354,568	2,354,568	2,512,676	158,108
Operating grants and contributions:				
Grants	12,874,842	12,874,842	8,106,991	(4,767,851)
Local government shared revenue	224,342	224,342	221,978	(2,364)
Government contributions	5,361,389	5,543,518	28,348,993	22,805,475
General revenues:				
Taxes:				
Property taxes	17,452,596	17,452,596	17,928,596	476,000
Excise taxes	19,785,395	19,785,395	21,631,175	1,845,780
Construction excise tax	3,700,000	3,700,000	3,877,675	177,675
Investment income	1,277,460	1,277,460	545,311	(732,149)
<b>Total revenues</b>	<b>67,635,492</b>	<b>67,890,167</b>	<b>88,481,906</b>	<b>20,591,739</b>
<b>EXPENDITURES</b>				
Council	8,708,256	9,106,278	7,811,818	1,294,460
Capital Asset Management	3,333,313	3,434,023	2,530,460	903,563
Communications	4,409,016	4,750,816	4,042,116	708,700
Finance and regulatory services	8,453,848	9,058,695	8,493,555	565,140
Human resources	4,255,445	4,854,692	4,489,019	365,673
Information services	6,266,283	6,728,141	5,710,552	1,017,589
Office of the auditor	856,976	952,576	806,104	146,472
Office of Metro attorney	3,139,062	3,329,962	3,047,665	282,297
Parks and nature	3,262,559	3,262,559	3,540,269	(277,710)
Planning and development	33,537,470	34,070,599	23,342,791	10,727,808
Special appropriations	2,113,803	2,113,803	1,563,192	550,611
Non-departmental:				
Debt service	14,388,655	14,388,655	14,388,653	2
Contingency	19,096,050	16,144,240	-	16,144,240
<b>Total expenditures</b>	<b>111,820,736</b>	<b>112,195,039</b>	<b>79,766,194</b>	<b>32,428,845</b>
Revenues over (under) expenditures	(44,185,244)	(44,304,872)	8,715,712	53,020,584
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	47,053,199	48,172,827	47,026,840	(1,145,987)
Transfers out	(25,159,184)	(26,850,710)	(24,235,831)	2,614,879
<b>Total other financing sources (uses)</b>	<b>21,894,015</b>	<b>21,322,117</b>	<b>22,791,009</b>	<b>1,468,892</b>

(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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues and other sources over (under) expenditures and other uses	\$ (22,291,229)	(22,982,755)	31,506,721	54,489,476
Beginning fund balance available for appropriation - July 1, 2021	49,956,711	50,648,237	49,373,460	(1,274,777)
<u>Unappropriated ending fund balance - June 30, 2022</u>	<u>\$ 27,665,482</u>	<u>27,665,482</u>	<u>80,880,181</u>	<u>53,214,699</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:				
General Fund, as presented above			\$ 31,506,721	
General Revenue Bond Fund-General			1,851	
General Asset Management Fund			949,667	
Additional (decrease to) revenues required by Governmental GAAP:				
Adjustment to value investments at fair value			(3,096,059)	
Adjustment to value lessor arrangements at present value			21,865	
Accrual of interest receivable on TOD loans			9,200	
<u>Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds</u>			<u>\$ 29,393,245</u>	



## FINANCIAL SECTION

## Required Supplementary Information

**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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Government fees	\$ 13,000	13,000	7,335	(5,665)
Culture and recreation fees	1,096,750	1,096,750	815,748	(281,002)
Other fees	1,134,737	1,134,737	1,315,968	181,231
Miscellaneous revenue	360,000	360,000	10,223	(349,777)
Operating grants and contributions:				
Grants	15,200	15,200	64,175	48,975
Local government shared revenue	575,000	575,000	642,633	67,633
Government contributions	200,000	200,000	50,000	(150,000)
General revenues:				
Taxes:				
Property taxes	16,850,446	16,850,446	17,117,388	266,942
Investment income	170,000	170,000	130,815	(39,185)
Total revenues	20,415,133	20,415,133	20,154,285	(260,848)
<b>EXPENDITURES</b>				
Parks and nature	19,887,388	20,516,734	17,813,820	2,702,914
Contingency	8,018,671	7,389,325	-	7,389,325
Total expenditures	27,906,059	27,906,059	17,813,820	10,092,239
Revenues over (under) expenditures	(7,490,926)	(7,490,926)	2,340,465	9,831,391
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	14,200	(14,200)
Transfers in	2,426,360	2,426,360	2,426,360	-
Transfers out	(4,009,074)	(4,009,074)	(3,956,171)	(52,903)
Total other financing sources (uses)	(1,582,714)	(1,582,714)	(1,515,611)	(67,103)
Revenues and other sources over (under) expenditures and other uses	(9,073,640)	(9,073,640)	824,854	9,764,288
Beginning fund balance available for appropriation - July 1, 2021	9,073,640	9,073,640	11,714,049	2,640,409
Unappropriated ending fund balance - June 30, 2022	\$ -	-	12,538,903	12,404,697

## 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	\$ 824,854
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value lessor arrangements at present value	448
Adjustment to value investments at fair value	(440,514)
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds	\$ 384,788

**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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
General revenues:				
Investment income	\$ 13,500,000	13,500,000	4,806,885	(8,693,115)
Total revenues	13,500,000	13,500,000	4,806,885	(8,693,115)
<b>EXPENDITURES</b>				
Housing	285,801,997	285,811,650	74,991,769	210,819,881
Contingency	35,000,000	34,965,954	-	34,965,954
Total expenditures	320,801,997	320,777,604	74,991,769	245,785,835
Revenues over expenditures	(307,301,997)	(307,277,604)	(70,184,884)	237,092,720
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,719,708)	(2,744,101)	(2,744,101)	-
Total other financing sources (uses)	(2,719,708)	(2,744,101)	(2,744,101)	-
Revenues and other sources over (under) expenditures and other uses	(310,021,705)	(310,021,705)	(72,928,985)	237,092,720
Beginning fund balance available for appropriation - July 1, 2021	560,000,000	560,000,000	628,741,991	68,741,991
Unappropriated ending fund balance - June 30, 2022	\$ 249,978,295	249,978,295	555,813,006	305,834,711
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			\$ (72,928,985)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(11,825,540)	
Budget requirements not qualifying as expenses under Governmental GAAP:				
Purchase of assets held for resale			1,750,000	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ (83,004,525)	

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
General revenues:				
Taxes:				
Business income taxes	\$ 54,468,750	54,468,750	94,724,870	40,256,120
Personal income taxes	125,812,500	125,812,500	147,925,166	22,112,666
Investment income	-	-	122,232	122,232
Total revenues	<u>180,281,250</u>	<u>180,281,250</u>	<u>242,772,268</u>	<u>62,491,018</u>
<b>EXPENDITURES</b>				
Supportive housing	173,864,603	174,257,446	69,714,261	104,543,185
Contingency	16,120,061	15,631,983	-	15,631,983
Total expenditures	<u>189,984,664</u>	<u>189,889,429</u>	<u>69,714,261</u>	<u>120,175,168</u>
Revenues over (under) expenditures	(9,703,414)	(9,608,179)	173,058,007	182,666,186
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(13,873,816)	(13,969,051)	(13,887,495)	81,556
Total other financing sources (uses)	<u>(13,873,816)</u>	<u>(13,969,051)</u>	<u>(13,887,495)</u>	<u>81,556</u>
Revenues and other sources over (under) expenditures and other uses	(23,577,230)	(23,577,230)	159,170,512	182,747,742
Beginning fund balance available for appropriation - July 1, 2021	<u>23,577,230</u>	<u>23,577,230</u>	<u>18,030,707</u>	<u>(5,546,523)</u>
Unappropriated ending fund balance - June 30, 2022	<u>\$ -</u>	<u>-</u>	<u>177,201,219</u>	<u>177,201,219</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			\$ 159,170,512	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(582,453)	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			<u>\$ 158,588,059</u>	

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

	2017	2018	2019	2020	2021	2022
Metro's proportion of the net OPEB liability (asset)	0.6214%	0.6037%	0.6165%	0.6388%	0.3558%	0.3828%
Metro's proportionate share of the net OPEB liability (asset)	\$ 168,747	(251,939)	(688,163)	(1,234,363)	(724,882)	(1,314,537)
Metro's covered payroll**	\$60,051,593	62,262,783	66,236,964	69,412,840	70,340,490	60,103,526
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%	-2.2%
Plan fiduciary net position as a percentage of the total OPEB liability	94.2%	108.9%	124.0%	144.4%	150.1%	183.9%

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 Six Fiscal Years**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contribution	\$ 317,059	298,503	316,595	25,405	10,242	12,601
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>	<u>12,601</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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>	<u>70,193,764</u>
Contribution as a percentage of covered payroll	0.5%	0.5%	0.5%	0.0%	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 Five Fiscal Years**

<b>Total OPEB Liability</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Service Cost	\$ 188,084	176,683	177,807	202,330	246,402
Interest on total OPEB liability	83,594	102,623	113,004	109,231	78,204
Changes of assumptions or other inputs	(168,115)	(66,972)	47,547	200,089	(708,759)
Economic/demographic gains or losses	-	-	(16,637)	-	(533,513)
Benefit payments	(162,251)	(155,404)	(164,866)	(125,359)	(150,368)
Net change in total OPEB liability	(58,688)	56,930	156,855	386,291	(1,068,034)
Total OPEB liability, beginning of year	2,825,591	2,766,903	2,823,833	2,980,688	3,366,979
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>	<u>2,298,945</u>
Metro's covered payroll	N/A	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	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 Nine Fiscal Years**

	2014	2015	2016
Metro's proportion of the net pension liability (asset)	0.5139474%	0.5139474%	0.5501435%
Metro's proportionate share of the net pension liability (asset)	\$ 26,233,596	(11,649,721)	31,586,277
Metro's covered-employee payroll**	\$ 50,208,189	52,521,307	55,726,726
Metro's proportionate share of the net pension liability (asset) as a percentage covered-employee payroll	52.2%	-22.2%	56.7%
Plan fiduciary net position as a percentage of the total pension liability	92.0%	103.6%	91.9%

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.



<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.5465773%	0.5920128%	0.5989718%	0.6323848%	0.6394909%	0.6525487%
82,053,939	79,803,544	90,736,337	109,387,421	139,558,908	78,087,113
60,051,593	62,262,783	66,236,964	69,412,840	70,340,490	60,103,526
136.6%	128.2%	137.0%	157.6%	198.4%	129.9%
80.5%	83.1%	82.1%	80.2%	75.8%	87.6%

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Actuarially Determined Contributions	3,746,270	3,840,003	4,062,684
Contributions in Relation to Actuarially Determined Contributions	<u>3,746,270</u>	<u>3,840,003</u>	<u>4,062,684</u>
Contributions Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>
Covered Employee Payroll	<u>50,208,189</u>	<u>52,521,307</u>	<u>55,726,726</u>
Contributions as a percentage of covered-employee payroll	7.5%	7.3%	7.3%

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
4,729,515	5,315,109	7,594,605	8,097,797	11,296,142	9,591,373	12,296,540
4,729,515	5,315,109	7,594,605	8,097,797	11,296,142	9,591,373	12,296,540
-	-	-	-	-	-	-
<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>	<u>70,193,764</u>
7.9%	8.5%	11.5%	11.7%	16.1%	16.0%	17.5%

**METRO**  
**Notes to Required Supplementary Information**  
**For the fiscal year ended June 30, 2022**

**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**

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro vs. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future

System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 pension liability.

## **2. CHANGES IN ASSUMPTIONS**

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. For June 30, 2021, the long-term expected rate of return was lowered to 6.90 percent, and the inflation rate was lowered from 2.5 to 2.4 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

## **OTHER POSTEMPLOYMENT BENEFITS (OPEB) INFORMATION-OREGON PUBLIC EMPLOYEES' RETIREMENT SYSTEM, RETIREMENT HEALTH INSURANCE ACCOUNT**

### **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**

The PERS Board adopted assumption changes that were used to measure the June 30, 2021 total OPEB liability. The changes include the lowering of the long-term expected rate of return from 7.20 to 6.90 percent and the inflation rate from 2.5 to 2.4 percent. In addition, the healthy healthcare participation and healthy mortality assumptions were changed to reflect an updated trends and mortality improvement scale for all groups.

## **OTHER POSTEMPLOYMENT BENEFITS (OPEB) INFORMATION-IMPLICIT RATE SUBSIDY PLAN**

### **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, 2021 actuarial valuation, the OPEB liability discount rate decreased from 2.21 percent to 2.16 percent for results as of the June 30, 2021 measurement date. In the July 1, 2021 actuarial valuation, future retiree coverage was updated to more closely reflect actual and expected future experience. In the July 1, 2021 actuarial valuation, expected claims and premiums were updated to reflect changes in available benefits and premium levels. Expected retiree and dependent costs were updated to reflect current health care cost guidelines. In the July 1, 2021 actuarial valuation, the Health Care Cost Trend was revised to reflect recent economic conditions. In the July 1, 2021 actuarial valuation, the mortality, retirement and withdrawal rates and general inflation and annual salary increases were updated to reflect assumptions used in the Oregon December 31, 2020 actuarial valuation.



# Other Supplementary Information

METRO | Annual Comprehensive Financial Report 2022

## **Combining Statements**

Nonmajor Governmental Funds

## **Budgetary Comparison Schedules**

Other Major Governmental Funds

Nonmajor Governmental Funds

Proprietary Funds

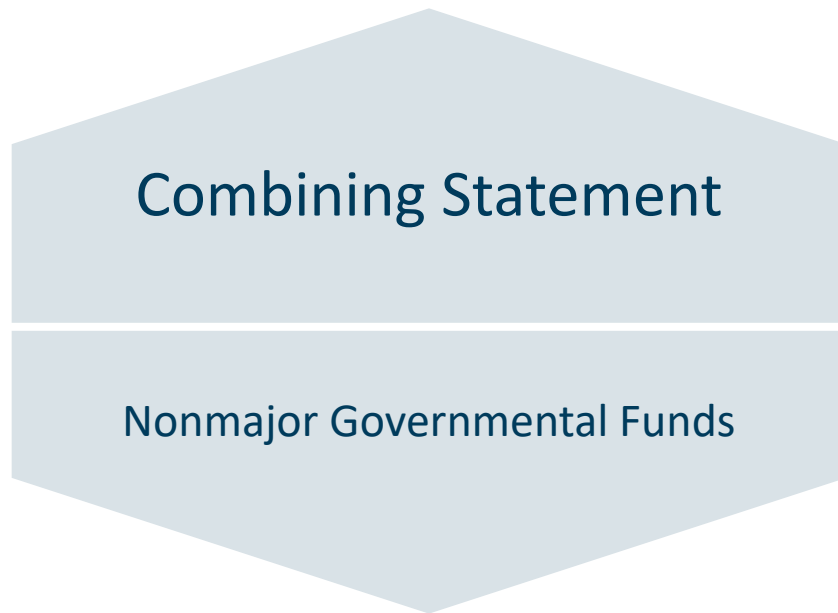
Other Budgetary Funds

## **Other Financial Schedules**









### **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**

#### **Zoo Infrastructure and Animal Welfare Fund**

This fund accounts 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.

### **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 investment earnings.

**METRO**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2022**

	Special Revenue			Capital Projects	Permanent	Total Nonmajor Governmental Funds
	Smith and Bybee Wetlands	Community Enhancement	Total	Oregon Zoo Infrastructure and Animal Welfare	Cemetery Perpetual Care	
<b>ASSETS</b>						
Equity in internal cash and investment pool	\$ 1,408,507	1,179,166	2,587,673	-	735,733	3,323,406
Receivables:						
Other	-	71,916	71,916	-	-	71,916
Interest	3,500	2,714	6,214	-	1,785	7,999
<b>Total assets</b>	<b>1,412,007</b>	<b>1,253,796</b>	<b>2,665,803</b>	<b>-</b>	<b>737,518</b>	<b>3,403,321</b>
<b>LIABILITIES</b>						
Liabilities:						
Accounts payable	-	350,965	350,965	-	-	350,965
<b>Total liabilities</b>	<b>-</b>	<b>350,965</b>	<b>350,965</b>	<b>-</b>	<b>-</b>	<b>350,965</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	747,747	747,747
Restricted	1,412,007	902,831	2,314,838	-	-	2,314,838
Unassigned	-	-	-	-	(10,229)	(10,229)
<b>Total fund balances</b>	<b>1,412,007</b>	<b>902,831</b>	<b>2,314,838</b>	<b>-</b>	<b>737,518</b>	<b>3,052,356</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,412,007</b>	<b>1,253,796</b>	<b>2,665,803</b>	<b>-</b>	<b>737,518</b>	<b>3,403,321</b>

**METRO**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the fiscal year ended June 30, 2022**

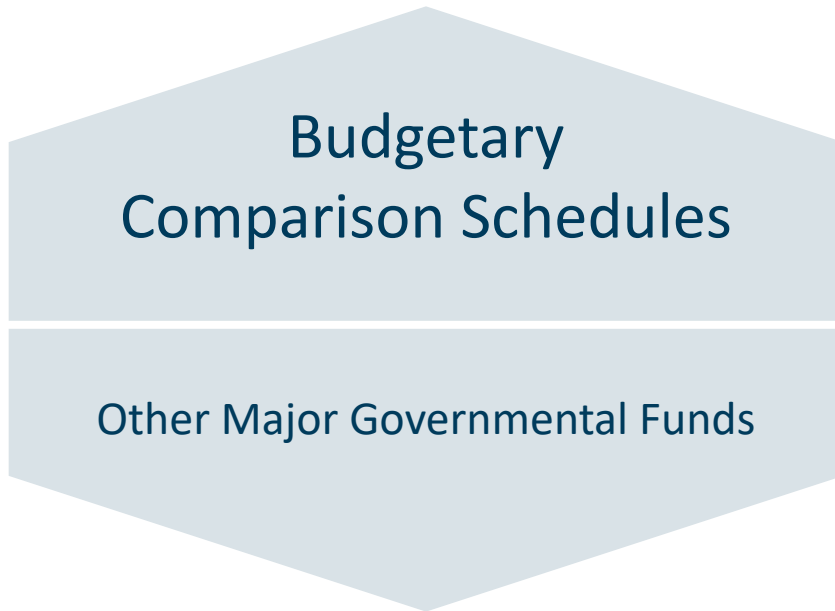
	Special Revenue			Capital Projects	Permanent	Total Nonmajor Governmental Funds
	Smith and Bybee Wetlands	Community Enhancement	Total	Oregon Zoo Infrastructure and Animal Welfare	Cemetery Perpetual Care	
<b>REVENUES</b>						
Investment income	\$ (31,406)	(26,425)	(57,831)	-	(16,145)	(73,976)
Solid waste fees	-	1,275,830	1,275,830	-	-	1,275,830
Total revenues	(31,406)	1,249,405	1,217,999	-	(16,145)	1,201,854
<b>EXPENDITURES</b>						
Current:						
Culture and recreation	247,001	1,042,550	1,289,551	-	-	1,289,551
Total expenditures	247,001	1,042,550	1,289,551	-	-	1,289,551
Revenues over (under) expenditures	(278,407)	206,855	(71,552)	-	(16,145)	(87,697)
<b>OTHER FINANCING SOURCES</b>						
Transfers out	-	-	-	-	(61,485)	(61,485)
Total other financing sources	-	-	-	-	(61,485)	(61,485)
Net change in fund balances	(278,407)	206,855	(71,552)	-	(77,630)	(149,182)
Fund balances - July 1, 2021	1,690,414	695,976	2,386,390	-	815,148	3,201,538
Fund balances - June 30, 2022	\$ 1,412,007	902,831	2,314,838	-	737,518	3,052,356



## 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.



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

**Debt Service Fund**

General Obligation Bond Debt Service Fund

**Capital Projects Funds**

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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
General revenues:				
Taxes:				
Property taxes	\$ 71,593,598	71,593,598	73,202,269	1,608,671
Investment income	400,000	400,000	236,738	(163,262)
Total revenues	<u>71,993,598</u>	<u>71,993,598</u>	<u>73,439,007</u>	<u>1,445,409</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	44,850,000	44,850,000	44,850,000	-
Interest	29,609,598	29,609,598	29,609,598	-
Total expenditures	<u>74,459,598</u>	<u>74,459,598</u>	<u>74,459,598</u>	<u>-</u>
Revenues over (under) expenditures	(2,466,000)	(2,466,000)	(1,020,591)	1,445,409
Beginning fund balance available for appropriation - July 1, 2021	2,466,000	2,466,000	3,907,954	1,441,954
Unappropriated ending fund balance - June 30, 2022	<u>\$ -</u>	<u>-</u>	<u>2,887,363</u>	<u>2,887,363</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			\$ (1,020,591)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(83,392)	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			<u>\$ (1,103,983)</u>	



**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, 2022**

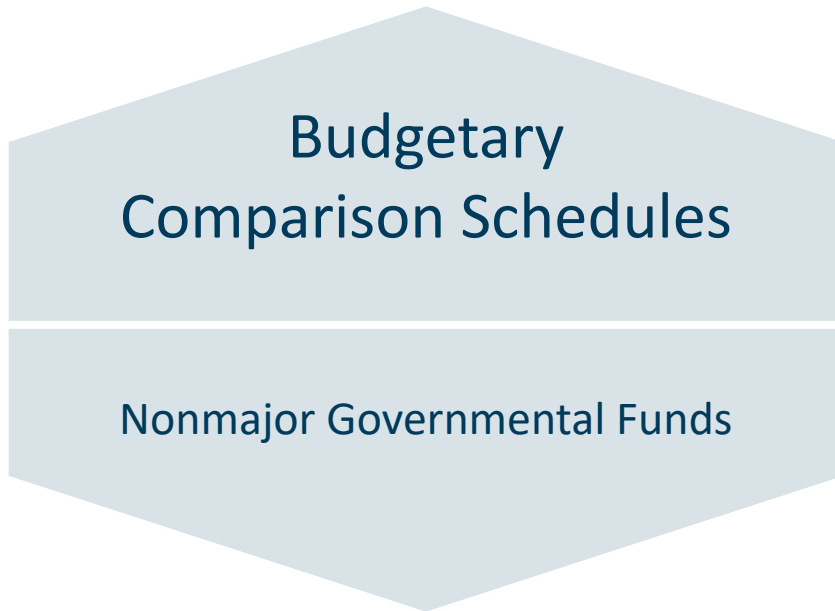
	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ -	-	500	500
Operating grants and contributions:				
Grants	10,000	35,000	21,500	(13,500)
Capital grants and contributions:				
Capital contributions and donations	-	-	34,755	34,755
General revenues:				
Investment income	70,000	70,000	49,436	(20,564)
Total revenues	80,000	105,000	106,191	1,191
<b>EXPENDITURES</b>				
Parks and nature	4,209,566	2,585,566	918,879	1,666,687
Contingency	1,189,807	2,838,807	-	2,838,807
Total expenditures	5,399,373	5,424,373	918,879	4,505,494
Revenues over (under) expenditures	(5,319,373)	(5,319,373)	(812,688)	4,506,685
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(910,627)	(910,627)	(910,627)	-
Total other financing sources (uses)	(910,627)	(910,627)	(910,627)	-
Revenues and other sources over (under) expenditures and other uses	(6,230,000)	(6,230,000)	(1,723,315)	4,506,685
Beginning fund balance available for appropriation - July 1, 2021	6,230,000	6,230,000	6,338,791	108,791
Unappropriated ending fund balance - June 30, 2022	\$ -	-	4,615,476	4,615,476

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	\$ (1,723,315)
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value investments at fair value	(158,829)
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds	\$ (1,882,144)

**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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ -	-	5,000	5,000
General revenues:				
Investment income	3,215,000	3,215,000	971,963	(2,243,037)
Total revenues	3,215,000	3,215,000	976,963	(2,238,037)
<b>EXPENDITURES</b>				
Parks and nature	54,300,185	54,300,185	14,669,698	39,630,487
Contingency	8,500,000	8,500,000	-	8,500,000
Total expenditures	62,800,185	62,800,185	14,669,698	48,130,487
Revenues under expenditures	(59,585,185)	(59,585,185)	(13,692,735)	45,892,450
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(3,000,967)	(3,000,967)	(3,000,967)	-
Total other financing sources (uses)	(3,000,967)	(3,000,967)	(3,000,967)	-
Revenues and other sources over (under) expenditures and other uses	(62,586,152)	(62,586,152)	(16,693,702)	45,892,450
Beginning fund balance available for appropriation - July 1, 2021	199,857,590	199,857,590	203,041,845	3,184,255
Unappropriated ending fund balance - June 30, 2022	\$ 137,271,438	137,271,438	186,348,143	49,076,705
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			\$ (16,693,702)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(6,932,817)	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ (23,626,519)	



**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**

Oregon Zoo Infrastructure and Animal Welfare 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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
General revenues:				
Investment income	\$ 29,000	29,000	14,061	(14,939)
Total revenues	29,000	29,000	14,061	(14,939)
<b>EXPENDITURES</b>				
Parks and nature	250,000	250,000	165,762	84,238
Contingency	500,000	500,000	-	500,000
Total expenditures	750,000	750,000	165,762	584,238
Revenues over (under) expenditures	(721,000)	(721,000)	(151,701)	569,299
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(81,240)	(81,240)	(81,240)	-
Total other financing sources (uses)	(81,240)	(81,240)	(81,240)	-
Revenues and other sources over (under) expenditures and other uses	(802,240)	(802,240)	(232,941)	569,299
Beginning fund balance available for appropriation - July 1, 2021	1,600,000	1,600,000	1,677,930	77,930
Unappropriated ending fund balance - June 30, 2022	\$ 797,760	797,760	1,444,989	647,229
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			\$ (232,941)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(45,466)	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			\$ (278,407)	

**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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Solid waste fees	\$ 1,017,913	1,017,913	1,275,830	257,917
General revenues:				
Investment income	8,169	8,169	8,405	236
Total revenues	1,026,082	1,026,082	1,284,235	258,153
<b>EXPENDITURES</b>				
Waste prevention and environmental services	1,484,912	1,484,912	1,021,786	463,126
Contingency	69,500	69,500	-	69,500
Total expenditures	1,554,412	1,554,412	1,021,786	532,626
Revenues over (under) expenditures	(528,330)	(528,330)	262,449	790,779
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(20,764)	(20,764)	(20,764)	-
Total other financing sources (uses)	(20,764)	(20,764)	(20,764)	-
Revenues and other sources over (under) expenditures and other uses	(549,094)	(549,094)	241,685	790,779
Beginning fund balance available for appropriation - July 1, 2021	654,521	654,521	688,758	34,237
Unappropriated ending fund balance - June 30, 2022	\$ 105,427	105,427	930,443	825,016
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			\$ 241,685	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(34,830)	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			\$ 206,855	

**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, 2022**

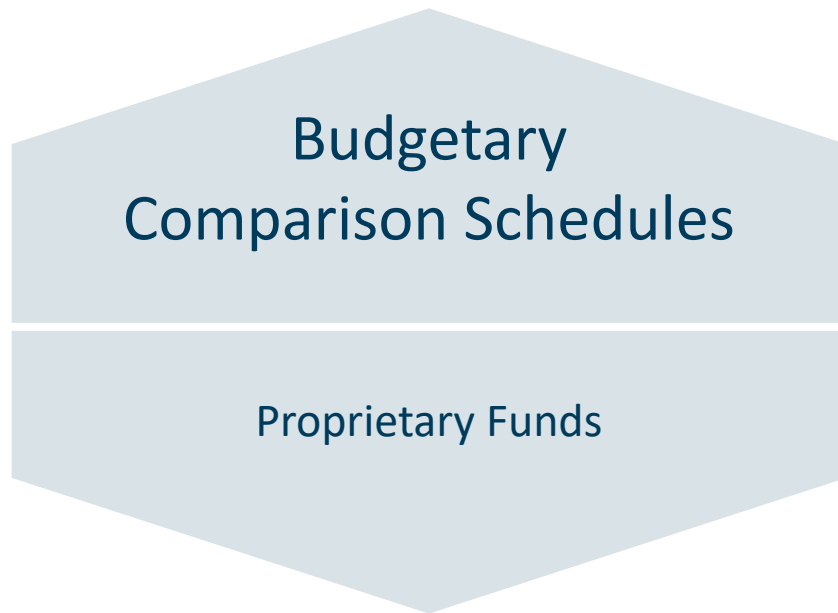
	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>EXPENDITURES</b>				
Oregon Zoo	\$ 1,000,000	1,000,000	-	1,000,000
Total expenditures	1,000,000	1,000,000	-	1,000,000
Revenues over (under) expenditures	(1,000,000)	(1,000,000)	-	1,000,000
Beginning fund balance available for appropriation - July 1, 2021	1,000,000	1,000,000	-	(1,000,000)
<u>Unappropriated ending fund balance - June 30, 2022</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</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	\$ -
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value investments at fair value	-
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds	<u>\$ -</u>

**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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
General revenues:				
Investment income	\$ 14,838	14,838	6,999	(7,839)
Total revenues	14,838	14,838	6,999	(7,839)
Revenues over (under) expenditures	14,838	14,838	6,999	(7,839)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(64,284)	(64,284)	(61,485)	2,799
Total other financing sources (uses)	(64,284)	(64,284)	(61,485)	2,799
Revenues and other sources over (under) expenditures and other uses	(49,446)	(49,446)	(54,486)	5,040
Beginning fund balance available for appropriation - July 1, 2021	741,893	741,893	809,233	67,340
Unappropriated ending fund balance - June 30, 2022	\$ 692,447	692,447	754,747	72,380
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			\$ (54,486)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(23,144)	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			\$ (77,630)	



**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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Government fees	\$ 1,500,000	1,500,000	809,236	(690,764)
Culture and recreation fees	258,400	258,400	316,515	58,115
Solid waste fees	91,198,240	91,198,240	95,323,034	4,124,794
Other fees	-	-	125	125
Miscellaneous revenue	92,000	92,000	165,583	73,583
Operating grants and contributions:				
Grants	-	-	14,000	14,000
General revenues:				
Investment income	448,928	448,928	323,112	(125,816)
Total revenues	93,497,568	93,497,568	96,951,605	3,454,037
<b>EXPENDITURES</b>				
Waste prevention and environmental services	105,056,015	105,485,734	85,921,539	19,564,195
Contingency	11,475,294	11,045,575	-	11,045,575
Total expenditures	116,531,309	116,531,309	85,921,539	30,609,770
Revenues over (under) expenditures	(23,033,741)	(23,033,741)	11,030,066	34,063,807
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	4,451	4,451
Transfers in	570,710	570,710	555,939	(14,771)
Transfers out	(9,263,844)	(9,263,844)	(9,227,316)	36,528
Total other financing sources (uses)	(8,693,134)	(8,693,134)	(8,666,926)	26,208
Revenues and other sources over (under) expenditures and other uses	(31,726,875)	(31,726,875)	2,363,140	34,090,015
Beginning fund balance available for appropriation - July 1, 2021	42,523,822	42,523,822	36,645,184	(5,878,638)
Unappropriated ending fund balance - June 30, 2022	\$ 10,796,947	10,796,947	39,008,324	28,211,377

**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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Culture and recreation fees	\$ 13,372,678	13,372,678	24,010,591	10,637,913
Other fees	350,625	350,625	6,600	(344,025)
Miscellaneous revenue	7,025,000	7,025,000	24,109	(7,000,891)
Operating grants and contributions:				
Grants	621,000	621,000	10,460,689	9,839,689
Contributions and donations	1,661,000	1,661,000	2,100,589	439,589
General revenues:				
Investment income	15,000	15,000	255,101	240,101
Total revenues	23,045,303	23,045,303	36,857,679	13,812,376
<b>EXPENDITURES</b>				
Visitor venues-Oregon Zoo	35,034,126	35,034,126	25,876,206	9,157,920
Contingency	3,033,717	2,533,717	-	2,533,717
Total expenditures	38,067,843	37,567,843	25,876,206	11,691,637
Revenues over (under) expenditures	(15,022,540)	(14,522,540)	10,981,473	25,504,013
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	15,805,459	15,805,459	14,553,082	(1,252,377)
Transfers out	(6,782,919)	(7,282,919)	(7,268,148)	14,771
Total other financing sources (uses)	9,022,540	8,522,540	7,284,934	(1,237,606)
Revenues and other sources over (under) expenditures and other uses	(6,000,000)	(6,000,000)	18,266,407	24,266,407
Beginning fund balance available for appropriation - July 1, 2021	6,000,000	6,000,000	12,407,192	6,407,192
Unappropriated ending fund balance - June 30, 2022	\$ -	-	30,673,599	30,673,599

**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, 2022**

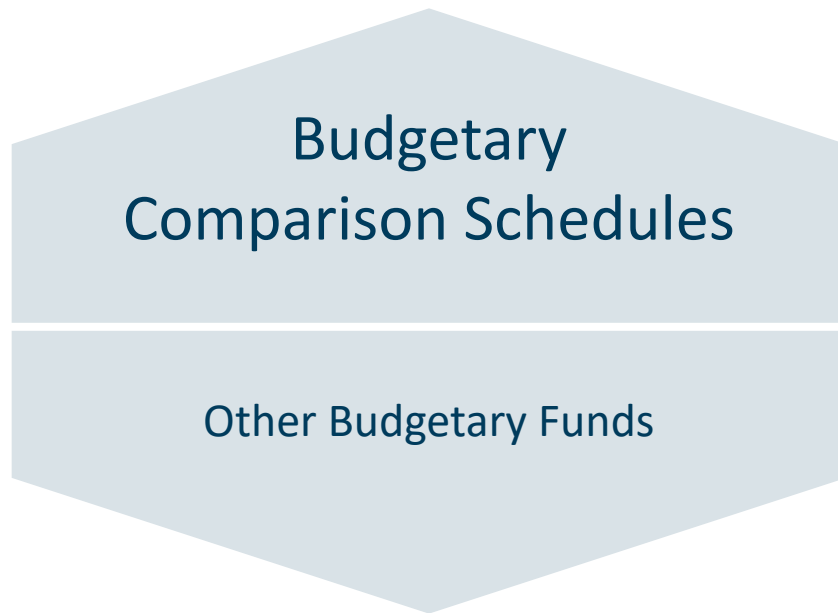
	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Culture and recreation fees	\$ 25,313,453	27,013,453	31,994,533	4,981,080
Other fees	2,617,161	2,817,161	3,308,373	491,212
Internal charges for services	-	-	71,700	71,700
Miscellaneous revenue	55,800	55,800	296,968	241,168
Operating grants and contributions:				
Grants	-	-	10,100,758	10,100,758
Local government shared revenue	12,559,091	11,611,591	14,834,179	3,222,588
Government contributions	1,006,827	1,006,827	1,148,941	142,114
Contributions and donations	139,350	139,350	24,530	(114,820)
Capital grants and contributions:				
Capital contributions and donations	3,290,000	3,290,000	-	(3,290,000)
General revenues:				
Investment income	241,000	241,000	300,311	59,311
Total revenues	45,222,682	46,175,182	62,080,293	15,905,111
<b>EXPENDITURES</b>				
MERC	41,331,049	45,041,049	38,349,662	6,691,387
Contingency	7,991,712	6,794,212	-	6,794,212
Total expenditures	49,322,761	51,835,261	38,349,662	13,485,599
Revenues over (under) expenditures	(4,100,079)	(5,660,079)	23,730,631	29,390,710
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,110,000	1,110,000	722,498	(387,502)
Transfers out	(9,701,091)	(9,701,091)	(9,701,091)	-
Total other financing sources (uses)	(8,591,091)	(8,591,091)	(8,978,593)	(387,502)
Revenues and other sources over (under) expenditures and other uses	(12,691,170)	(14,251,170)	14,752,038	29,003,208
Beginning fund balance available for appropriation - July 1, 2021	12,691,170	14,251,170	22,347,340	8,096,170
Unappropriated ending fund balance - June 30, 2022	\$ -	-	37,099,378	37,099,378

**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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Other fees	\$ -	-	60,976	60,976
Internal charges for services	199,457	199,457	199,401	(56)
Miscellaneous revenue	10,000	10,000	127,452	117,452
Operating grants and contributions:				
Grants	35,000	35,000	-	(35,000)
General revenues:				
Investment income	75,000	75,000	28,682	(46,318)
Total revenues	319,457	319,457	416,511	97,054
<b>EXPENDITURES</b>				
Finance and regulatory services	3,775,691	3,835,691	3,232,138	603,553
Contingency	235,000	175,000	-	175,000
Total expenditures	4,010,691	4,010,691	3,232,138	778,553
Revenues over (under) expenditures	(3,691,234)	(3,691,234)	(2,815,627)	875,607
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,608,226	1,608,226	1,608,226	-
Transfers out	(318,572)	(318,572)	(318,572)	-
Total other financing sources (uses)	1,289,654	1,289,654	1,289,654	-
Revenues and other sources over (under) expenditures and other uses	(2,401,580)	(2,401,580)	(1,525,973)	875,607
Beginning fund balance available for appropriation - July 1, 2021	2,602,424	2,602,424	3,952,399	1,349,975
Unappropriated ending fund balance - June 30, 2022	\$ 200,844	200,844	2,426,426	2,225,582

**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, 2022**

	Enterprise Funds				Internal Service Fund
	Solid Waste	Oregon Zoo	MERC	Total	Risk Management Fund
Unappropriated ending fund balance on the basis of budgeting:					
Solid Waste Revenue Fund	\$ 39,008,324	-	-	39,008,324	-
Oregon Zoo Operating Fund	-	30,673,599	-	30,673,599	-
Oregon Zoo Asset Management Fund	-	6,591,811	-	6,591,811	-
MERC Fund	-	-	37,099,378	37,099,378	-
General Revenue Bond Fund-MERC	-	-	499	499	-
Risk Management Fund	-	-	-	-	2,426,426
Additional Statement of Net Position items:					
Due from other funds	419,000	-	-	419,000	-
Advances to other funds	513,839	-	-	513,839	-
Capital assets, net	38,756,887	164,927,154	148,310,943	351,994,984	-
Deferred pension amounts-current	8,613,602	5,806,347	5,953,488	20,373,437	-
Deferred OPEB amounts-current	87,196	85,347	72,760	245,303	-
Accrued interest payable	(10,050)	-	(28,733)	(38,783)	-
Due to other funds	-	(419,000)	-	(419,000)	-
Bonds payable-current	-	-	(950,000)	(950,000)	-
Post-closure costs payable-current	(682,128)	-	-	(682,128)	-
Compensated absences-current	(1,407,511)	(1,364,281)	(1,054,462)	(3,826,254)	(26,646)
Leases payable	(6,575,059)	-	(8,890,246)	(15,465,305)	-
Bonds payable (net of unamortized premium or discount)	-	-	(2,195,022)	(2,195,022)	-
Advances from other funds	-	(513,839)	-	(513,839)	-
Net other postemployment benefits	(254,861)	(226,689)	(207,426)	(688,976)	-
Post-closure costs payable	(2,214,504)	-	-	(2,214,504)	-
Pollution remediation obligation	-	-	(95,000)	(95,000)	-
Compensated absences	(10,133)	(8,672)	(41,180)	(59,985)	-
Net pension liability	(15,403,587)	(10,383,411)	(10,646,541)	(36,433,539)	-
Deferred pension amounts	(12,885,682)	(8,686,116)	(8,906,234)	(30,478,032)	-
Deferred OPEB amounts	(314,338)	(304,816)	(261,639)	(880,793)	-
Adjustments to Statement of Net Position items:					
Cumulative fair value adjustment to Equity in internal cash and investment pool	(914,467)	(918,605)	(820,101)	(2,653,173)	(73,742)
<b>Total net position as reported on the Statement of Net Position-Proprietary Funds</b>	<b>\$ 46,726,528</b>	<b>185,258,829</b>	<b>157,340,484</b>	<b>389,325,841</b>	<b>2,326,038</b>



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

**General Revenue Bond Fund**

This fund is a budgetary fund comprised of two 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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Operating grants and contributions:				
Local government shared revenue	\$ 3,396,100	3,396,100	3,392,989	(3,111)
General revenues:				
Investment income	8,872	8,872	6,467	(2,405)
Total revenues	3,404,972	3,404,972	3,399,456	(5,516)
<b>EXPENDITURES</b>				
Debt service	6,394,713	6,394,713	6,394,713	-
Total expenditures	6,394,713	6,394,713	6,394,713	-
Revenues over (under) expenditures	(2,989,741)	(2,989,741)	(2,995,257)	(5,516)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,997,113	2,997,113	2,997,113	-
Total other financing sources (uses)	2,997,113	2,997,113	2,997,113	-
Revenues and other sources over (under) expenditures and other uses	7,372	7,372	1,856	(5,516)
Beginning fund balance available for appropriation - July 1, 2021	4,099,230	4,099,230	4,096,917	(2,313)
Unappropriated ending fund balance - June 30, 2022	\$ 4,106,602	4,106,602	4,098,773	(7,829)

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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ 45,000	45,000	75,904	30,904
Operating grants and contributions:				
Government contributions	-	-	27,500	27,500
General revenues:				
Investment income	398,080	398,080	256,638	(141,442)
Total revenues	443,080	443,080	360,042	(83,038)
<b>EXPENDITURES</b>				
Asset Management Program	20,077,247	20,218,773	3,991,937	16,226,836
Contingency	4,327,062	4,877,062	-	4,877,062
Total expenditures	24,404,309	25,095,835	3,991,937	21,103,898
Revenues over (under) expenditures	(23,961,229)	(24,652,755)	(3,631,895)	21,020,860
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	350,000	350,000	77,607	(272,393)
Transfers in	3,815,228	5,506,754	4,503,955	(1,002,799)
Transfers out	-	(1,000,000)	-	1,000,000
Total other financing sources (uses)	4,165,228	4,856,754	4,581,562	(275,192)
Revenues and other sources over (under) expenditures and other uses	(19,796,001)	(19,796,001)	949,667	20,745,668
Beginning fund balance available for appropriation - July 1, 2021	27,927,776	27,927,776	30,100,932	2,173,156
Unappropriated ending fund balance - June 30, 2022	\$ 8,131,775	8,131,775	31,050,599	22,918,824



**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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ -	-	6,508	6,508
Operating grants and contributions:				
Contributions and donations	250,000	250,000	-	(250,000)
Capital grants and contributions:				
Capital contributions and donations	710,000	710,000	371,155	(338,845)
General revenues:				
Investment income	-	-	53,850	53,850
Total revenues	960,000	960,000	431,513	(528,487)
<b>EXPENDITURES</b>				
Visitor venues-Oregon Zoo	7,775,147	8,275,147	1,452,896	6,822,251
Contingency	154,648	154,648	-	154,648
Total expenditures	7,929,795	8,429,795	1,452,896	6,976,899
Revenues over (under) expenditures	(6,969,795)	(7,469,795)	(1,021,383)	6,448,412
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	10,859	10,859
Transfers in	1,115,147	1,615,147	1,615,147	-
Transfers out	(595,352)	(595,352)	(595,352)	-
Total other financing sources (uses)	519,795	1,019,795	1,030,654	10,859
Revenues and other sources over (under) expenditures and other uses	(6,450,000)	(6,450,000)	9,271	6,459,271
Beginning fund balance available for appropriation - July 1, 2021	6,450,000	6,450,000	6,582,540	132,540
Unappropriated ending fund balance - June 30, 2022	\$ -	-	6,591,811	6,591,811

**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, 2022**

	General	MERC	Total
<b>REVENUES</b>			
Program revenues:			
Operating grants and contributions:			
Local government shared revenue	\$ 3,392,989	-	3,392,989
General revenues:			
Investment income	6,462	5	6,467
Total revenues	3,399,451	5	3,399,456
<b>EXPENDITURES</b>			
Debt service	5,373,313	1,021,400	6,394,713
Total expenditures	5,373,313	1,021,400	6,394,713
Revenues over (under) expenditures	(1,973,862)	(1,021,395)	(2,995,257)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,975,713	1,021,400	2,997,113
Total other financing sources (uses)	1,975,713	1,021,400	2,997,113
Revenues and other sources over (under) expenditures and other uses	1,851	5	1,856
Beginning fund balance available for appropriation - July 1, 2021	4,096,423	494	4,096,917
Unappropriated ending fund balance - June 30, 2022	\$ 4,098,274	499	4,098,773

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, 2022**

Fiscal Year	Original levy or balance of receivable July 1, 2021	Add (deduct)				Property taxes receivable June 30, 2022
		Discounts	Adjustments	Interest	Collections	
2021-22	\$ 111,354,054	(1,350,713)	(1,921,889)	6,503	(106,713,185)	1,374,770
2020-21	1,369,173	18,165	(90,348)	11,533	(787,145)	521,378
2019-20	617,380	16,825	(21,100)	9,742	(295,294)	327,553
2018-19	209,137	7,892	(7,108)	5,576	(132,511)	82,986
2017-18	72,745	6,083	(2,592)	2,426	(57,455)	21,207
2016-17	18,804	1,474	(778)	520	(8,334)	11,686
2015-16 & prior	87,324	3,220	(87)	1,065	(13,067)	78,455
<b>Total</b>	<b>\$ 113,728,617</b>	<b>(1,297,054)</b>	<b>(2,043,902)</b>	<b>37,365</b>	<b>(108,006,991)</b>	<b>2,418,035</b>

	<b>Governmental Activities</b>
Reconciliation to property tax revenue presented in the Statement of Activities:	
Cash collections July 1, 2021 to June 30, 2022	\$ 108,006,991
Accrual of receivables:	
July 1, 2021 to August 31, 2021	(416,139)
July 1, 2022 to August 31, 2022	290,164
Timing difference between county tax collector and county treasurer	28,955
Payments in lieu of property taxes	338,282
Taxes earned but not available:	
June 30, 2021	(1,989,978)
June 30, 2022	2,127,871
<b>Property tax revenue per Statement of Activities</b>	<b>\$ 108,386,146</b>

**METRO**  
**Schedule of Future Bonded Debt Service Requirements**  
**General Obligation Bonds**  
**June 30, 2022**

Year of maturity	2012A Series		2012A Series		2018 Series	
	Natural Areas General Obligation Bonds		Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds		Natural Areas General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
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	-	-	-	-	-	-
<b>Total</b>	<b>\$ 32,675,000</b>	<b>3,928,300</b>	<b>29,725,000</b>	<b>4,485,225</b>	<b>8,830,000</b>	<b>1,143,250</b>

(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
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>6,680,000</u>	<u>1,250,000</u>	<u>609,925,000</u>	<u>217,964,611</u>	<u>168,055,000</u>	<u>49,566,026</u>	<u>855,890,000</u>	<u>278,337,412</u>

**METRO**  
**Schedule of Future Bonded Debt Service Requirements**  
**Full Faith and Credit, Dedicated Tax Revenue and Pension Obligation Bonds**  
**June 30, 2022**

Year of maturity	Full Faith and Credit Bonds							
	Refunding Bonds 2013		Refunding Bonds 2016		2018 Series (1)		2021 Series (1)	
	Series (1)		Series (2)					
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,370,000</b>	<b>15,070</b>	<b>2,920,000</b>	<b>140,400</b>	<b>13,290,000</b>	<b>3,776,700</b>	<b>11,950,000</b>	<b>84,845</b>

(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.



<b>Dedicated Tax Revenue Bonds</b>		<b>Pension Obligation Bonds</b>	
<b>Oregon Convention Center Hotel Project Series 2017 (1)</b>		<b>Metro Limited Tax Pension Obligation Bonds Series 2005 (1)</b>	
<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
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	-	-
<b>47,880,000</b>	<b>37,047,750</b>	<b>12,535,000</b>	<b>2,197,757</b>

**METRO**  
**Schedule of Long-term Bonded Debt Transactions**  
**General Obligation Bonds**  
**For the fiscal year ended June 30, 2022**

	Principal			Outstanding June 30, 2022	Interest Expenditure
	Outstanding July 1, 2021	Issued During Year	Matured and Paid During Year		
<b>DEBT SERVICE FUND</b>					
2012A Series Natural Areas General Obligation Bonds with interest rates from 4.0 to 5.0%, final maturity 6/1/26	\$ 38,720,000	-	6,045,000	32,675,000	1,840,450
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	33,390,000	-	3,665,000	29,725,000	1,471,325
2018 Series Natural Areas General Obligation Bonds with interest rate of 5.0%, final maturity 6/1/26	10,665,000	-	1,835,000	8,830,000	533,250
2018 Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds with interest rate of 5.0%, final maturity 6/1/28	7,495,000	-	815,000	6,680,000	374,750
2019 Series Affordable Housing General Obligation Bonds with interest rates from 3.0 to 3.5%, final maturity 6/1/39	626,085,000	-	16,160,000	609,925,000	20,773,728
2020 Parks and Nature General Obligation Bonds with interest rates from 1.2 to 5.0%, final maturity 6/1/40	184,385,000	-	16,330,000	168,055,000	4,616,094
<b>Total</b>	<b>\$ 900,740,000</b>	<b>-</b>	<b>44,850,000</b>	<b>855,890,000</b>	<b>29,609,597</b>

**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, 2022**

	Principal			Outstanding June 30, 2022	Interest Expenditure
	Outstanding July 1, 2021	Issued During Year	Matured and Paid During Year		
<b>GENERAL FUND</b>					
<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	\$ 2,715,000	-	1,345,000	1,370,000	44,263
<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	48,845,000	-	965,000	47,880,000	2,432,600
<u>Pension Obligation</u>					
Metro Limited Tax Series 2005 with interest rates from 4.859 to 5.004%, final maturity 6/1/28	14,180,000	-	1,645,000	12,535,000	709,567
<u>Full Faith and Credit</u>					
Supportive Housing Tax 2021 with interest rate of 0.71%, final maturity 6/1/23	23,815,000	-	11,865,000	11,950,000	169,087
<b>Total</b>	<b>\$ 102,845,000</b>	<b>-</b>	<b>15,820,000</b>	<b>87,025,000</b>	<b>3,941,967</b>
<b>ENTERPRISE FUNDS</b>					
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	\$ 3,840,000	-	920,000	2,920,000	101,400
<b>Total</b>	<b>\$ 3,840,000</b>	<b>-</b>	<b>920,000</b>	<b>2,920,000</b>	<b>101,400</b>





# Statistical Section



# STATISTICAL SECTION

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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.

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These schedules offer demographic and economic indicators to help the reader understand the environment within which Metro’s financial activities take place. .... 177

### 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..... 180

### 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 .... 185

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**

	2013	2014	2015
<b>GOVERNMENTAL ACTIVITIES</b>			
Net investment in capital assets (1)	\$ 271,978,616	293,851,981	326,328,783
Restricted	43,460,675	60,588,283	79,540,758
Unrestricted	(17,127,868)	(24,867,150)	(51,369,202)
<b>Total governmental activities net position</b>	<b>298,311,423</b>	<b>329,573,114</b>	<b>354,500,339</b>
<b>BUSINESS-TYPE ACTIVITIES</b>			
Net investment in capital assets	182,360,721	179,069,899	175,914,225
Restricted	2,496,996	3,734,868	8,914,318
Unrestricted	53,862,598	56,992,148	61,672,307
<b>Total business-type activities net position</b>	<b>238,720,315</b>	<b>239,796,915</b>	<b>246,500,850</b>
<b>PRIMARY GOVERNMENT</b>			
Net investment in capital assets (1)	454,339,337	472,921,880	502,243,008
Restricted	45,957,671	64,323,151	88,455,076
Unrestricted	36,734,730	32,124,998	10,303,105
<b>Total primary government net position</b>	<b>\$ 537,031,738</b>	<b>569,370,029</b>	<b>601,001,189</b>

(1) 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.



<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
237,716,303	267,856,359	265,925,123	281,246,439	294,848,252	324,068,485	331,538,185
141,591,292	128,141,074	132,860,263	122,522,041	138,330,011	122,154,281	334,925,580
<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>(258,211,437)</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>	<u>408,252,328</u>
311,325,512	310,527,670	311,737,639	321,159,565	338,396,545	343,691,434	333,384,655
19,991,871	24,326,517	24,100,994	38,698,873	6,410,761	7,506,843	7,480,840
<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>44,764,019</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>	<u>385,629,514</u>
501,174,344	533,080,026	532,358,759	570,027,275	591,873,688	621,205,786	623,668,341
161,583,163	152,467,591	156,961,257	161,220,914	144,740,772	129,661,124	342,406,420
<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>(172,192,919)</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>	<u>793,881,842</u>

## STATISTICAL SECTION

### Financial Trends Information

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

	2013	2014	2015
<b>EXPENSES</b>			
Governmental activities:			
General government operations (1)	\$ 14,704,292	17,216,935	14,121,383
Regional planning and development	11,234,615	11,609,788	12,164,998
Culture and recreation	20,788,176	19,969,697	23,281,061
Zoo (2)	33,662,272	35,660,651	32,483,204
Interest on long-term debt	10,927,415	9,712,521	6,736,232
<b>Total governmental activities expenses</b>	<b>91,316,770</b>	<b>94,169,592</b>	<b>88,786,878</b>
Business-type activities:			
Solid Waste	55,266,458	56,759,612	57,279,945
Oregon Zoo (2)	-	-	-
MERC	51,344,928	53,945,435	54,868,782
<b>Total business-type activities expenses</b>	<b>106,611,386</b>	<b>110,705,047</b>	<b>112,148,727</b>
<b>Total primary government expenses</b>	<b>\$ 197,928,156</b>	<b>204,874,639</b>	<b>200,935,605</b>
<b>PROGRAM REVENUES</b>			
Governmental activities:			
Charges for services:			
General government operations	\$ 1,871,628	1,615,075	1,501,207
Regional planning and development	1,112,779	1,422,619	1,180,754
Culture and recreation	5,095,656	6,121,579	7,444,771
Zoo (2)	22,538,536	22,082,776	21,546,136
Operating grants and contributions (3)	13,553,316	11,945,779	22,495,818
Capital grants and contributions	2,264,327	3,454,245	7,141,282
<b>Total governmental activities program revenues</b>	<b>46,436,242</b>	<b>46,642,073</b>	<b>61,309,968</b>
Business-type activities:			
Charges for services:			
Solid Waste	55,661,225	58,583,492	62,743,167
Oregon Zoo (2)	-	-	-
MERC	36,670,638	35,091,155	42,892,276
Operating grants and contributions (4)	1,382,789	17,183,489	19,974,313
Capital grants and contributions	-	-	200,000
<b>Total business-type activities program revenues</b>	<b>93,714,652</b>	<b>110,858,136</b>	<b>125,809,756</b>
<b>Total primary government program revenues</b>	<b>\$ 140,150,894</b>	<b>157,500,209</b>	<b>187,119,724</b>

2016	2017	2018	2019	2020	2021	2022
21,833,274	16,571,054	92,414,695	18,419,574	26,670,161	23,947,617	10,172,047
16,311,836	18,252,248	18,694,103	26,623,652	29,178,474	79,863,702	167,988,989
29,221,523	33,156,498	34,237,180	31,389,370	33,858,568	36,625,998	43,987,029
-	-	-	-	-	-	-
7,071,050	6,766,723	8,150,951	11,408,272	29,756,452	32,096,042	29,286,520
74,437,683	74,746,523	153,496,929	87,840,868	119,463,655	172,533,359	251,434,585
64,542,514	67,359,647	70,581,702	76,879,522	84,882,301	95,968,724	91,608,851
51,633,613	46,636,849	51,803,762	47,446,196	50,169,271	37,511,393	37,814,691
69,110,637	69,090,836	74,435,547	106,849,882	84,868,082	29,584,071	55,992,846
185,286,764	183,087,332	196,821,011	231,175,600	219,919,654	163,064,188	185,416,388
259,724,447	257,833,855	350,317,940	319,016,468	339,383,309	335,597,547	436,850,973
2,132,646	3,133,150	2,764,649	4,942,275	3,677,685	4,954,137	744,833
789,058	1,485,757	1,172,496	1,562,666	2,287,732	2,012,481	2,640,799
8,851,083	9,616,244	10,483,073	10,922,080	9,998,063	7,598,326	7,314,054
-	-	-	-	-	-	-
13,145,776	16,845,537	18,750,842	26,137,387	25,671,383	24,471,667	34,802,948
261,290	313,816	7,675,000	425,138	338,894	693,456	34,755
25,179,853	31,394,504	40,846,060	43,989,546	41,973,757	39,730,067	45,537,389
68,196,150	70,798,890	71,897,428	74,185,046	72,174,379	77,213,288	96,647,343
23,741,859	26,062,207	29,390,534	29,994,324	23,013,687	17,881,058	23,809,146
50,972,855	47,876,192	51,011,674	56,921,768	37,937,166	4,594,458	35,648,511
23,414,591	28,801,808	27,284,520	30,313,581	27,786,467	23,297,033	38,683,686
609,917	1,293,000	1,687,660	1,595,833	788,333	1,506,667	371,155
166,935,372	174,832,097	181,271,816	193,010,552	161,700,032	124,492,504	195,159,841
192,115,225	206,226,601	222,117,876	237,000,098	203,673,789	164,222,571	240,697,230

(Continued)

## STATISTICAL SECTION

## Financial Trends Information

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

	2013	2014	2015
<b>NET (EXPENSE)/REVENUE</b>			
Governmental activities	(44,880,528)	(47,527,519)	(27,476,910)
Business-type activities	(12,896,734)	153,089	13,661,029
Total primary government net expense	\$ (57,777,262)	(47,374,430)	(13,815,881)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>			
Governmental activities:			
Property taxes	\$ 51,609,216	59,506,228	61,957,344
Personal and business income taxes	-	-	-
Excise taxes	15,354,852	15,999,908	16,584,669
Construction excise tax	2,349,487	2,537,894	2,669,188
Cemetery revenue surcharge	28,792	49,581	48,335
Unrestricted local government shared revenues	555,198	-	-
Unrestricted investment earnings	754,672	1,202,458	904,399
Transfers	(596,564)	(506,859)	(701,266)
Total governmental activities	70,055,653	78,789,210	81,462,669
Business-type activities:			
Unrestricted local government shared revenues (4)	14,463,987	-	-
Unrestricted investment earnings	231,302	416,652	425,728
Transfers	596,564	506,859	701,266
Total business-type activities	15,291,853	923,511	1,126,994
Total primary government	\$ 85,347,506	79,712,721	82,589,663
<b>CHANGE IN NET POSITION</b>			
Governmental activities	\$ 25,175,125	31,261,691	53,985,759
Business-type activities	2,395,119	1,076,600	14,788,023
Total primary government	\$ 27,570,244	32,338,291	68,773,782
Prior period adjustment/cumulative change in accounting principle	\$ -	-	(8,084,088)

(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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
(49,257,830)	(43,352,019)	(112,650,869)	(43,851,322)	(77,489,898)	(132,803,292)	(205,897,196)
(18,351,392)	(8,255,235)	(15,549,195)	(38,165,048)	(58,219,622)	(38,571,684)	9,743,453
<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>	<u>(196,153,743)</u>
55,546,801	59,711,015	64,162,251	78,203,583	114,176,644	106,525,202	108,386,146
-	-	-	-	-	1,524,473	242,650,036
18,144,766	18,830,032	18,343,257	18,587,682	16,916,905	18,704,633	21,631,175
3,338,479	3,561,675	3,792,595	3,583,092	3,627,232	3,318,783	3,877,675
46,711	47,095	51,479	39,854	45,533	55,300	67,195
-	-	-	-	-	-	-
1,383,708	857,777	1,711,821	9,205,677	30,268,742	2,750,741	(16,119,074)
(156,056,075)	(12,486,737)	(20,896,055)	(22,594,240)	(37,300,764)	(34,333,138)	(14,795,385)
<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>	<u>345,697,768</u>
-	-	-	-	-	-	-
891,412	655,748	1,182,066	3,947,274	3,801,003	38,749	(2,305,304)
156,056,075	12,486,737	20,896,055	22,594,240	37,300,764	34,333,138	14,795,385
156,947,487	13,142,485	22,078,121	26,541,514	41,101,767	34,371,887	12,490,081
<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>	<u>358,187,849</u>
(126,853,440)	27,168,838	(45,485,521)	43,174,326	50,244,394	(34,257,298)	139,800,572
138,596,095	4,887,250	6,528,927	(11,623,534)	(17,117,855)	(4,199,797)	22,233,534
<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>162,034,106</u>
-	-	(215,840)	-	-	-	-

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

	2013	2014	2015
General Fund			
Nonspendable	\$ 157,544	1,434,164	1,413,353
Restricted	20,175,302	23,335,910	38,197,509
Committed	5,427,647	5,836,553	5,626,594
Assigned	-	-	-
Unassigned	25,530,229	21,358,970	16,093,516
<b>Total General Fund</b>	<b>51,290,722</b>	<b>51,965,597</b>	<b>61,330,972</b>
All other governmental funds			
Nonspendable (2)	384,121	436,202	482,037
Restricted (1)	154,652,128	124,685,440	86,346,886
Committed	-	-	32,839
Assigned	27,671	30,336	-
Unassigned	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 155,063,920</b>	<b>125,151,978</b>	<b>86,861,762</b>

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

(2) Changes in Nonspendable fund balance of all other governmental funds between 2019 and 2020, and between 2021 and 2022 is due primarily to advance payments made within the Affordable Housing and Supportive Housing programs.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
1,013,709	798,952	42,693	186,438	296,426	228,507	199,946
37,683,525	42,309,999	52,899,445	64,016,351	63,313,745	65,824,929	73,239,624
11,135,969	12,316,557	10,522,814	12,493,221	14,740,429	-	12,167,202
-	-	-	15,529,940	-	306,762	1,437,105
<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>34,080,876</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>	<u>121,124,753</u>
528,748	555,580	607,059	647,996	15,735,447	15,724,486	223,995,155
89,903,244	62,107,158	86,678,277	725,292,232	910,772,093	867,763,459	708,776,914
-	-	-	-	-	-	-
37,398	60,859	16,612	36,772	64,430	67,401	-
-	-	-	-	-	-	(10,229)
<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>	<u>932,761,840</u>

## STATISTICAL SECTION

### Financial Trends Information

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

	2013	2014	2015
<b>REVENUES</b>			
Property taxes	\$ 51,517,060	59,245,166	61,790,541
Excise taxes	15,357,373	16,002,790	16,587,938
Personal and business income taxes	-	-	-
Construction excise tax	2,349,487	2,537,894	2,669,188
Cemetery revenue surcharge	28,680	49,581	48,335
Investment income	742,206	1,180,790	888,088
Government fees	127,590	99,809	95,725
Culture and recreation fees (1)	22,172,112	23,306,808	24,856,959
Solid waste fees	301,902	317,949	340,912
Other fees	3,471,424	3,470,826	3,271,705
Internal charges for services	3,623,649	3,223,107	1,812,342
Licenses and permits	375,160	369,855	393,796
Miscellaneous revenue	477,361	365,234	540,467
Grants	10,390,062	8,056,565	17,840,916
Local government shared revenues	555,198	621,111	773,657
Government contributions	2,992,196	2,975,000	3,370,903
Contributions and donations	689,428	293,104	510,343
Capital grants	26,876	842,564	18,740
Capital contributions and donations	2,011,176	2,611,681	7,122,542
<b>Total revenues</b>	<b>117,208,940</b>	<b>125,569,834</b>	<b>142,933,097</b>
<b>EXPENDITURES</b>			
General government operations	12,883,851	15,189,343	16,506,570
Regional planning and development	11,263,128	11,598,462	13,888,509
Culture and recreation	18,618,034	18,866,771	22,358,773
Zoo (1)	30,978,416	31,274,828	31,967,441
Debt service:			
Principal	39,675,000	27,320,000	29,665,000
Interest	13,907,089	12,428,417	9,722,466
Capital outlay	26,777,135	39,647,950	46,140,996
<b>Total expenditures</b>	<b>154,102,653</b>	<b>156,325,771</b>	<b>170,249,755</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(36,893,713)</b>	<b>(30,755,937)</b>	<b>(27,316,658)</b>



2016	2017	2018	2019	2020	2021	2022
55,397,507	59,562,937	64,369,020	79,370,064	114,101,431	106,520,166	108,248,252
18,144,768	18,830,032	18,343,257	18,587,682	16,916,905	18,704,633	21,631,175
-	-	-	-	-	1,524,473	242,650,036
3,338,479	3,561,675	3,792,595	3,583,093	3,627,232	3,318,783	3,877,675
46,711	47,095	51,479	39,854	45,534	55,300	67,195
1,358,919	846,966	1,688,487	9,072,979	30,084,653	2,728,902	(16,043,479)
76,236	85,353	96,500	83,043	85,692	71,874	68,273
4,592,527	4,612,352	4,821,013	5,156,720	4,066,569	4,530,790	4,487,130
985,486	1,033,211	1,053,525	1,077,086	1,086,468	1,126,754	1,275,830
1,485,642	1,951,142	1,985,501	1,971,267	1,975,668	865,159	1,442,744
3,969,961	5,477,184	5,145,553	7,989,975	7,079,106	6,284,090	1,775,729
507,560	558,504	593,228	577,621	583,115	587,595	583,490
177,329	540,483	730,850	579,426	1,092,948	869,588	958,779
8,569,740	11,733,942	11,595,479	9,130,571	11,539,100	12,167,332	8,192,666
761,253	766,318	3,954,656	3,863,885	4,185,973	4,263,289	4,257,600
3,814,143	4,345,277	3,200,708	13,142,245	9,917,660	334,919	28,426,493
640	-	-	-	28,650	-	-
238,790	107,046	175,000	261,638	44,334	268,456	34,755
22,500	206,770	7,500,000	178,510	294,560	-	-
103,488,191	114,266,287	129,096,851	154,665,659	206,755,598	164,222,103	411,934,343
12,583,030	13,885,115	88,524,517	15,877,682	20,930,455	12,877,761	6,937,209
13,304,049	16,814,210	17,666,404	25,444,323	27,184,653	75,449,202	170,652,884
24,568,215	28,730,153	30,295,557	28,049,868	28,746,257	26,683,691	32,193,318
-	-	-	-	-	-	-
23,770,000	24,315,000	30,165,000	40,740,000	56,290,000	48,705,000	60,670,000
9,354,224	10,321,223	11,131,207	12,780,341	33,513,011	35,382,628	33,551,564
30,098,540	29,097,093	16,635,087	25,515,599	35,181,744	24,984,317	15,895,908
113,678,058	123,162,794	194,417,772	148,407,813	201,846,120	224,082,599	319,900,883
(10,189,867)	(8,896,507)	(65,320,921)	6,257,846	4,909,478	(59,860,496)	92,033,460

(Continued)

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

	2013	2014	2015
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds issued	-	-	-
Refunding bonds issued	12,600,000	-	57,955,000
Premium on bonds issued	42,577	-	6,780,891
Leases (as lessee)	-	-	-
Sale of capital assets	531,116	1,743,987	23,361
Transfers in	355,757	281,742	964,282
Payment to refunded bond escrow agent	(12,515,811)	-	(65,967,620)
Transfers out	(680,764)	(506,859)	(1,364,097)
<b>Total other financing sources (uses)</b>	<b>332,875</b>	<b>1,518,870</b>	<b>(1,608,183)</b>
<b>Net change in fund balances</b>	<b>\$ (36,560,838)</b>	<b>(29,237,067)</b>	<b>(28,924,841)</b>

Debt service as a percentage of noncapital expenditures	42.2%	34.1%	31.8%
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(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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
30,000,000	-	103,655,000	652,800,000	200,000,000	27,500,000	-
-	-	-	-	-	-	-
3,479,164	-	14,710,080	2,630,335	10,922,405	-	-
-	-	-	-	-	-	943,561
348,744	430,096	933,046	64,909	23,655	9,800	91,807
5,779,685	6,815,333	2,485,448	1,904,259	1,449,821	3,732,520	16,897,853
-	-	-	-	-	-	-
<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>(31,366,942)</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>(13,433,721)</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>	<u>78,599,739</u>
39.6%	36.8%	23.2%	43.5%	53.9%	42.2%	31.0%



**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
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
2022	576,342	115.15	951,628	39.45	77,598	243,543	1,849,111

(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 Waste Prevention and Environmental Services Department, solid waste information system. Data reflects revisions to previous years and therefore may not match previously published reports.

## STATISTICAL SECTION

## Revenue Capacity Information

**METRO**  
**Solid Waste Disposal Rates**  
**Last Ten Fiscal Years**  
**Unaudited**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>METRO FACILITIES</b>										
Disposal fee	\$ 61.35	61.74	61.62	62.87	63.19	63.20	64.41	64.41	64.41	72.81
Regional system fee	18.56	18.56	18.21	18.39	18.48	18.12	17.81	18.58	18.58	25.65
Excise tax	12.19	12.29	11.76	11.48	11.76	10.81	12.41	11.57	12.47	13.80
Community & enhancement/host fee	0.50	0.50	0.50	1.00	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	1.69	1.69	1.69	1.76	1.76	1.76
<b>Total rate per ton (1)</b>	<b>\$ 93.84</b>	<b>94.33</b>	<b>93.33</b>	<b>94.98</b>	<b>96.25</b>	<b>94.95</b>	<b>97.45</b>	<b>97.45</b>	<b>98.35</b>	<b>115.15</b>
<b>Transaction fee-scalehouse</b>	<b>\$ 12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>14.75</b>
<b>Transaction fee-automated</b>	<b>\$ 3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.75</b>
<b>PRIVATELY-OWNED FACILITIES</b>										
Regional system fee	\$ 18.56	18.56	18.21	18.39	18.48	18.12	17.81	18.58	18.58	25.65
Excise tax	12.19	12.29	11.76	11.48	11.76	10.81	12.41	11.57	12.47	13.80
<b>Total rate per ton</b>	<b>\$ 30.75</b>	<b>30.85</b>	<b>29.97</b>	<b>29.87</b>	<b>30.24</b>	<b>28.93</b>	<b>30.22</b>	<b>30.15</b>	<b>31.05</b>	<b>39.45</b>

(1) Rates are per ton of mixed waste disposal. For fiscal year 2022, minimum charge is \$35.00 for 360 pounds or less.

DEQ rates are set by the State of Oregon Department of Environmental Quality.

Source: Metro Waste Prevention and Environmental Services Department.

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

Customer/Payer	2022			2013		
	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	\$ 10,690,719	1	11.35%	\$ 10,655,292	1	21.47%
Portland Disposal & Recycling	6,167,742	2	6.55	3,028,950	2	6.10
Sunset Garbage Collection Inc	6,065,663	3	6.44	-	-	-
Walker Garbage Services Inc.	4,778,423	4	5.07	990,985	10	2.00
City Sanitary Service	4,728,738	5	5.02	-	6	-
AGG Recology Inc.	3,230,151	6	3.43	2,374,007	4	4.78
Arrow Sanitary Service	3,031,965	7	3.22	1,914,257	5	3.86
Allied Waste Services of Portland	2,779,526	8	2.95	-	-	-
Heiberg Garbage Service	1,829,990	9	1.94	1,560,886	7	3.14
Oregon City Garbage Company	1,648,257	10	1.75	2,610,785	3	5.26
Trashco Services Inc.	-	-	-	1,879,937	6	3.79
Kellar Drop Bos Inc.	-	-	-	1,220,961	9	2.46
Oak Grove Disposal Company Inc.	-	-	-	1,263,058	8	2.54
<b>Total</b>	<b>\$ 44,951,174</b>		<b>47.72%</b>	<b>27,499,118</b>		<b>55.40%</b>

(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 Waste Prevention and Environmental Services Department and Metro Accounting Division.


**STATISTICAL SECTION**


## Debt Capacity Information

**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
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	-
2022	878,162,868	27,943,112	55,217,723	12,535,000	-

(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



		<b>Business-type Activities</b>					
<b>Revenue Bonds</b>		<b>Full Faith and Credit Bonds</b>	<b>Loans Payable</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income (1)</b>	<b>Per Capita (1)</b>	
\$	-	\$ 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	0.62	494.22
	-	5,141,247		-	1,067,484,278	0.67	580.35
	-	4,158,135		-	1,041,991,505	0.61	565.00
	-	3,145,022		-	977,003,725	N/A *	528.96

## STATISTICAL SECTION

### Debt Capacity Information

#### 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			
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	507.61
2022	878,162,868	12,535,000	2,829,578	887,868,290	376,897,140,782	0.24	480.70

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, 2022**  
**Unaudited**

<u>Overlapping government</u>	<u>Net property tax backed debt</u>	<u>Percent within Metro</u>	<u>Share of Overlapping Debt</u>
Banks Fire District 13	\$ 3,540,000	0.04%	\$ 1,405
City of Beaverton	31,357,988	99.87	31,318,696
City of Cornelius	2,073,871	94.52	1,960,138
City of Fairview	6,378,607	100.00	6,378,607
City of Gladstone	8,159,712	100.00	8,159,712
City of Gresham	56,278,065	100.00	56,278,065
City of Hillsboro	66,260,000	98.63	65,350,847
City of Lake Oswego	82,050,000	100.00	82,050,000
City of Milwaukie	33,677,535	100.00	33,677,535
City of Oregon City	12,565,000	99.90	12,552,083
City of Portland	407,674,643	100.00	407,672,197
City of Sherwood	67,736,711	99.71	67,540,681
City of Tigard	20,064,001	99.74	20,011,253
City of Troutdale	9,230,000	100.00	9,230,000
City of Tualatin	21,025,819	100.00	21,025,819
City of West Linn	28,200,000	100.00	28,200,000
City of Wilsonville	22,005,400	99.97	21,999,062
City of Wood Village	3,285,000	100.00	3,285,000
Clackamas Community College	134,508,536	74.27	99,905,677
Clackamas County	115,525,000	74.16	85,672,300
Clackamas County ESD	21,902,000	74.31	16,275,617
Clackamas County RFPD 1	25,184,520	86.10	21,682,637
Clackamas County SD 115 (Gladstone)	26,684,090	100.00	26,684,090
Clackamas County SD 12 (North Clackamas)	667,644,451	98.60	658,299,432
Clackamas County SD 3J (West Linn-Wilsonville)	447,097,462	95.04	424,900,415
Clackamas County SD 46 (Oregon Trail)	76,150,071	6.37	4,847,257
Clackamas County SD 62 (Oregon City)	276,111,382	71.11	196,337,005
Clackamas County SD 7J (Lake Oswego)	396,796,752	100.00	396,796,752
Clackamas County SD 86 (Canby)	107,527,434	11.88	12,775,765
Clackamas Soil & Water Conservation	5,785,000	74.16	4,290,098
Columbia County SD 1J (Scappoose)	19,340,000	6.64	1,284,930
Corbett Water District	454,269	22.80	103,580
Lusted Water District	500,000	97.18	485,900
Mt. Hood Community College	76,545,000	86.52	66,224,055
Multnomah County	627,742,035	99.15	622,422,549
Multnomah County RFPD 10	1,154,878	84.36	974,294
Multnomah County SD 10J (Gresham-Barlow)	309,023,557	95.61	295,471,947
Multnomah County SD 1J (Portland)	1,732,229,650	99.70	1,726,953,279
Multnomah County SD 28J (Centennial)	63,934,548	100.00	63,934,548
Multnomah County SD 3 (Parkrose)	90,489,456	100.00	90,489,456
Multnomah County SD 39 (Corbett)	5,290,779	13.88	734,439
Multnomah County SD 40 (David Douglas)	56,217,481	100.00	56,217,481
Multnomah County SD 51J (Riverdale)	13,631,260	100.00	13,631,260
Multnomah County SD 7 (Reynolds)	171,657,497	100.00	171,657,497
Multnomah County ESD	60,233,416	99.17	59,734,984
Oak Lodge Sanitary District	783,000	100.00	783,000
Pleasant Home Water District	1,205,000	56.96	686,328

(Continued)

## STATISTICAL SECTION

### Debt Capacity Information

**METRO**  
**Direct and Overlapping Governmental Activities Debt, *continued***  
**As of June 30, 2022**  
**Unaudited**

Overlapping government	Net property tax backed debt	Percent within Metro	Share of Overlapping Debt
Portland Community College	\$ 496,110,000	92.72%	\$ 459,987,735
Rivergrove Water District 14J	434,581	100.00	434,581
Tualatin Hills Park & Recreation District	54,782,795	99.92	54,736,942
Tualatin Valley Fire & Rescue District	60,075,000	90.25	54,218,649
Valley View Water District	1,014,647	100.00	1,014,647
Washington County	181,686,051	93.77	170,373,187
Washington County SD 13 (Banks)	7,260,730	0.03	2,447
Washington County SD 15 (Forest Grove)	65,690,608	80.52	52,895,654
Washington County SD 1J (Hillsboro)	529,453,543	86.26	456,726,216
Washington County SD 23J (Tigard-Tualatin)	311,603,983	99.74	310,798,798
Washington County SD 48J (Beaverton)	907,677,133	99.90	906,725,887
Washington County SD 88J (Sherwood)	303,472,722	82.91	251,615,607
Subtotal, overlapping debt	<u>9,332,172,669</u>		8,716,478,022
Metro direct debt			973,858,703
<b>Total direct and overlapping debt</b>			<u>\$ 9,690,336,725</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
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
2022	37,689,714,078	855,890,000	36,833,824,078	2.27

**Legal Debt Margin Calculation for Fiscal Year 2022**

True cash value	\$ 376,897,140,782
Debt limit (10% of true cash value)	37,689,714,078
Debt applicable to limit:	
Gross bonded debt principal	\$ 945,835,000
Less legal deductions from debt limit:	
Full Faith and Credit Refunding Bonds 2013 Series (MRC)	(1,370,000)
Full Faith and Credit Refunding Bonds 2016 Series	(2,920,000)
Full Faith and Credit Bonds 2018 Series	(13,290,000)
Full Faith and Credit Bonds 2021 Series	(11,950,000)
Dedicated Tax Revenue OCC Hotel Project Bonds 2017 Series	(47,880,000)
Metro Limited Tax Pension Obligation Bonds Series 2005	(12,535,000)
Total net debt applicable to limit	855,890,000
Legal debt margin	\$ 36,833,824,078

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.

## STATISTICAL SECTION

### Debt Capacity Information

#### 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)
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
2022	13,452,244	12,058,261	12,058,261	7,575,913	4,482,348	4,620,489

(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
\$	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
	13,015,285	17,497,633	3,397,600	965,000	2,432,600	5.15

**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)
2013	1,693,600	\$ 102,397,921	\$ 44,258	7.0%
2014	1,717,765	109,804,273	46,775	6.0
2015	1,745,385	118,134,203	49,510	5.1
2016	1,779,245	123,959,838	50,972	4.5
2017	1,811,860	131,421,020	53,396	3.9
2018	1,839,005	140,542,607	56,673	3.8
2019	1,858,560	147,841,973	59,189	3.5
2020	1,839,390	159,166,530	63,256	7.8
2021	1,844,226 (4)	171,728,750	68,374	5.1
2022	1,847,040 (3)	N/A*	N/A*	N/A*

\* Not available

(1) For Clackamas, Multnomah and Washington counties.

(2) Portland-Vancouver-Hillsboro OR-WA MSA. Revised statistics for 2013 - 2020.

(3) Preliminary estimate.

(4) Preliminary estimate was updated from previously issued ACFR.

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	2022			2013		
	Employees	Rank	Percentage of Total Metropolitan Area Employment	Employees	Rank	Percentage of Total Metropolitan Area Employment
Intel Corporation	22,328	1	1.86%	16,700	3	1.64%
Providence Health System	19,687	2	1.64	14,132	4	1.39
Oregon Health & Science University	18,497	3	1.54	14,106	5	1.39
US Government	17,900	4	1.49	17,800	2	1.75
Nike, Inc.	15,125	5	1.26	-	-	-
Legacy Health System	13,087	6	1.09	9,835	8	0.97
State Government	12,900	7	1.07	23,100	1	2.27
Kaiser Permanente	12,262	8	1.02	9,896	7	0.97
Fred Meyer Stores	9,374	9	0.78	10,176	6	1.00
Portland Public Schools	6,814	10	0.57	-	-	-
City of Portland	-	-	-	9,318	9	0.92
Regence BlueCross BlueShield	-	-	-	9,200	10	0.90
<b>Total</b>	<b>147,974</b>		<b>12.32%</b>	<b>134,263</b>		<b>13.20%</b>

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

Source: Piper Sandler & Co.



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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>FUNCTIONS/PROGRAMS</b>										
<b>Primary Government:</b>										
<b>Governmental activities:</b>										
General government operations	174.04	175.79	181.80	183.20	170.85	175.77	179.66	193.40	177.00	246.40
Regional planning and development	76.05	72.15	75.65	76.30	85.30	84.80	93.06	93.80	90.50	80.10
Culture and recreation	58.30	76.75	83.55	92.10	99.80	103.95	112.06	121.90	135.90	127.20
Zoo (1)	168.20	174.85	187.15	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>476.59</b>	<b>499.54</b>	<b>528.15</b>	<b>351.60</b>	<b>355.95</b>	<b>364.52</b>	<b>384.78</b>	<b>409.10</b>	<b>403.40</b>	<b>453.70</b>
<b>Business-type activities:</b>										
Solid Waste	91.05	90.75	101.30	107.45	114.16	121.79	139.96	179.76	181.96	192.80
Oregon Zoo (1)	-	-	-	198.65	200.60	207.60	209.25	209.00	186.55	182.85
MERC	181.50	175.50	182.35	186.35	189.95	195.65	200.97	201.70	194.95	197.85
<b>Total business-type activities</b>	<b>272.55</b>	<b>266.25</b>	<b>283.65</b>	<b>492.45</b>	<b>504.71</b>	<b>525.04</b>	<b>550.18</b>	<b>590.46</b>	<b>563.46</b>	<b>573.50</b>
<b>Total primary government</b>	<b>749.14</b>	<b>765.79</b>	<b>811.80</b>	<b>844.05</b>	<b>860.66</b>	<b>889.56</b>	<b>934.96</b>	<b>999.56</b>	<b>966.86</b>	<b>1,027.20</b>
			(2)	(3)		(4)	(5)	(6)	(7)	(8)

(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.

(8) Increase over previous fiscal year is primarily due to adding back COVID staffing cuts, increases in staffing levels to support housing programs, and transitioning some contracted labor to Metro FTE.

Source: Metro Adopted Budget documents.

## STATISTICAL SECTION

### Demographic and Economic Information

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

FUNCTIONS/PROGRAMS	2013	2014	2015
<b>Primary Government:</b>			
<i>Governmental activities:</i>			
General government operations:			
Business licenses issued	2,779	2,739	2,918
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	\$ 75,279	78,635	81,943
Culture and recreation:			
Visitors to Blue Lake Park, Oxbow Park and Chinook Landing (6)	813,194	739,324	719,804
Volunteer visits	3,188	3,034	4,472
Volunteer hours	10,357	9,384	14,385
Acres acquired in Open Spaces and Natural Areas land target areas	398	234	361
<i>Business-type activities:</i>			
Solid Waste:			
Recycling Information Center calls/hits on website (4)	130,110	147,389	147,875
Students reached in elementary and secondary school presentations (7)	31,636	26,591	44,482
Regional recovery rate (1)	62.2%	64.2%	59.8%
Hazardous waste net cost per pound	\$ 0.93	0.89	0.97
Gallons of recycled paint produced	158,421	199,192	243,341
Latex paint revenue	\$ 1,147,907	1,258,303	1,360,872
PaintCare revenue (management of post-consumer paint) (5)	\$ 1,303,797	1,131,360	1,521,246
Oregon Zoo (2):			
Adult admission price (peak & off season)	\$ 11.50	11.50	11.50
Annual attendance	1,683,442	1,514,192	1,560,035
Volunteer hours	130,993	158,551	130,065
Enterprise revenue as percentage of operating revenue	62.4%	60.4%	61.2%
Contributions and donations as percent of total revenue	3.0%	2.4%	2.0%
MERC:			
Annual attendance			
Oregon Convention Center (8)	661,283	581,195	633,047
Portland Expo Center	429,613	466,213	381,169
Portland's Centers for the Arts (3) (8)	785,277	743,560	876,819
Number of events/performances			
Oregon Convention Center (8)	95	88	81
Portland Expo Center	110	154	112
Portland's Centers for the Arts (3) (8)	952	906	967
Capacity			
Occupancy rate (75% considered maximum)			
Oregon Convention Center (8)	46%	44%	51%

\*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 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. Data reflects revisions to previous years and therefore may not match previously published reports.

2016	2017	2018	2019	2020	2021	2022
3,079	3,019	3,207	3,122	3,152	3,176	3,154
Aaa AAA	Aaa AAA	Aaa AAA	Aaa AAA	Aaa AAA	Aaa AAA	Aaa AAA
70,467	65,305	77,675	67,245	64,095	64,215	57,115
850,623	847,453	1,027,604	993,133	841,942	727,144	537,582
3,370	5,508	2,841	3,459	1,865	234	576
15,349	15,083	12,080	10,576	5,703	887	2,872
180	507	183	246	213	101	240
146,708	169,444	184,084	231,000	224,380	220,535	207,180
45,150	51,519	54,723	42,998	24,642	11,405	6,533
47.0%	46.6%	44.7%	46.1%	N/A*	N/A*	N/A*
1.04	1.04	1.13	0.99	1.36	1.39	1.96
220,016	203,421	176,489	201,895	161,041	145,035	156,824
1,286,638	1,149,852	1,064,213	1,205,964	941,447	876,610	857,673
1,567,449	1,481,844	1,650,050	1,792,651	1,459,255	1,635,153	1,393,020
14.95 & 9.95	14.95 & 9.95	17.95	22.95	17.95	24.00	24.00
1,494,316	1,549,394	1,704,918	1,529,078	977,639	901,315	1,246,800
98,722	91,911	93,174	78,113	64,666	6,665	12,546
59.5%	62.6%	70.2%	68.5%	54.9%	60.7%	72.9%
3.8%	6.2%	6.2%	4.9%	9.3%	17.6%	5.7%
632,823	624,538	619,068	697,923	435,612	-	449,580
398,705	385,184	392,760	471,400	247,815	60,462	347,794
928,151	946,691	958,064	917,425	672,246	-	560,333
74	70	77	70	46	-	43
121	109	114	121	90	83	66
964	971	946	983	648	-	586
58%	48%	45%	51%	47%	0%	41%

## STATISTICAL SECTION

### Demographic and Economic Information

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

FUNCTIONS/PROGRAMS	2013	2014	2015
<b>Primary Government:</b>			
<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	2,305
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	7,684	7,684
Natural areas acquired using bond proceeds	27	27	27
Acres	4,430	4,647	4,910
<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	71	67	67
Railways	1	1	2
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	2,256	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.

2016	2017	2018	2019	2020	2021	2022
1	1	1	1	1	1	1
110,000	196,960	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
5,090	5,596	5,778	6,024	6,237	6,338	6,578
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	68	68	68	68	68	67
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
716	716	791	791	791	791	791
1	1	1	1	1	1	1
330,000	333,000	333,000	333,000	333,000	333,000	333,000
2,256	2,556	2,556	2,556	2,556	2,556	2,556

## STATISTICAL SECTION

## Additional Information

**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	
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	907,462	55,159,130	96.8	3,355,651
2017	61,417,731	58,526,399	95.3	840,214	59,366,613	96.7	3,523,722
2018	66,623,193	63,459,709	95.3	825,307	64,285,016	96.5	3,392,641
2019	80,232,825	76,823,359	95.8	949,709	77,773,068	96.9	2,184,005
2020	118,129,185	112,972,917	95.6	1,222,413	114,195,330	96.7	2,403,194
2021	109,569,884	105,001,839	95.8	787,145	105,788,984	96.5	2,406,117
2022	111,354,054	106,713,185	95.8	-	106,713,185	95.8	2,418,035

(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 used to Calculate Rates (2)
		(AV)	Urban Renewal Excess	
Metro – Total Area				
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	155,925,555,797
2018	299,124,101,410	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
2022	376,897,140,782	203,819,569,151	10,707,037,199	193,112,531,952
Portion of Metro Located in Multnomah County				
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
2022	192,519,602,742	91,514,626,280	7,247,261,158	84,267,365,122
Portion of Metro Located in Washington County				
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
2022	115,239,115,251	69,595,064,434	1,447,495,303	68,147,569,131
Portion of Metro Located in Clackamas County				
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	1,499,692,907	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
2022	69,138,422,789	42,709,878,437	2,012,280,738	40,697,597,699

(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
2013	\$ 0.0966	\$ -	\$ 0.2768	\$ 0.3734
2014	0.0966	0.0960	0.2683	0.4609
2015	0.0966	0.0960	0.1982	0.3908
2016	0.0966	0.0960	0.2057	0.3983
2017	0.0966	0.0960	0.2203	0.4129
2018	0.0966	0.0960	0.2827	0.4753
2019	0.0966	0.0960	0.4806	0.6732
2020	0.0966	0.0960	0.4071	0.5997
2021	0.0966	0.0960	0.3917	0.5843
2022	0.0966	0.0960	0.3893	0.5819

(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, 2022**  
**Unaudited**

Taxpayer account	Type of business	Assessed valuation	Percent of total valuation
<b>MULTNOMAH COUNTY</b>			
Portland General Electric Co.	Electric utility	\$ 725,351	0.86%
Port of Portland	Marine and aviation facilities	703,491	0.83
Pacificorp (PP&L)	Electric utility	587,443	0.70
Boeing Company	Air travel	402,611	0.48
Alaska Airlines Inc	Air travel	388,290	0.46
Lumen Technologies Inc	Telecommunications	329,738	0.39
Weston Investment Co. LLC	Nonresidential construction	298,088	0.35
Verizon Communications Inc	Telecommunications	247,200	0.29
Comcast Corporation	Telecommunications	243,425	0.29
Fred Meyer, Inc.	Retailer	205,005	0.24
All other taxpayers	-	80,136,723	95.11
	<b>Total</b>	<b>\$ 84,267,365</b>	<b>100.00%</b>
<b>WASHINGTON COUNTY</b>			
Intel Corporation	Computer electronics	\$ 1,892,355	2.78%
Nike, Inc.	Athletic apparel	1,450,518	2.13
Portland General Electric Co.	Electric utility	951,592	1.40
Pacific Realty Associates	Real estate	426,502	0.63
Northwest Natural Gas Co.	Natural gas utility	430,077	0.63
Verizon Communications	Telecommunications	338,930	0.50
Genentech, Inc.	Biotechnology	281,929	0.41
Comcast Corporation	Telecommunications	267,644	0.39
Lam Research Corporation	Semiconductor production equipment	204,292	0.30
Northwest Fiber LLC	Telecommunications	195,725	0.29
All other taxpayers	-	61,708,005	90.54
	<b>Total</b>	<b>\$ 68,147,569</b>	<b>100.00%</b>
<b>CLACKAMAS COUNTY</b>			
Portland General Electric Co.	Electric utility	\$ 418,007	1.03%
General Growth Properties, Inc.	Real estate	292,157	0.72
PCC Structurals, Inc.	Metal castings and machining	242,144	0.59
Shorenstein, Inc.	Real estate	233,876	0.57
Fred Meyer, Inc.	Retailer	188,331	0.46
Northwest Natural Gas Co.	Natural gas utility	168,599	0.41
Comcast Corporation	Telecommunications	78,546	0.19
Meadows Road LLC	Real estate	76,386	0.19
Lumen Technologies, Inc.	Telecommunications	72,755	0.18
Kaiser Foundation Hosp.	Healthcare	72,734	0.18
All other taxpayers	-	38,854,063	95.48
	<b>Total</b>	<b>\$ 40,697,598</b>	<b>100.00%</b>

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





**Audit Comments  
and Disclosures**





# Introduction

## **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 Required by Oregon State Regulations

The Metro Council and Metro Auditor  
Metro

We have audited, 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, 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, 2022, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 28, 2022. 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

As part of obtaining reasonable assurance about whether Metro's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to, the following:

- Accounting records and internal control
- Public fund deposits
- Indebtedness
- Budget
- Insurance and fidelity bonds
- Programs funded from outside sources
- Highway funds
- Investments
- Public contracts and purchasing

In connection with our testing, nothing came to our attention that caused us to believe Metro was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows. Metro experienced one over-expenditure in one fund which is disclosed in the notes to the financial statements.

#### 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.

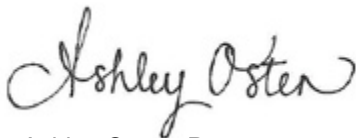
*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination 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 or significant deficiencies 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. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Metro Council, Metro Auditor, and management of Metro and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Ashley Osten, Partner,  
for Moss Adams LLP  
Portland, Oregon  
November 28, 2022





## 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*

The Metro Council and Metro Auditor  
Metro

We have audited, 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 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, 2022, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 28, 2022. 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.

### Report on 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 or significant deficiencies may exist that were not identified.

## Report on 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.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Portland, Oregon  
November 28, 2022



## Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Metro Council and Metro Auditor  
Metro

Report on Compliance for Each Major Federal Program

*Opinion on Each Major Federal Program*

We have audited Metro's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Metro's major federal programs for the year ended June 30, 2022. Metro's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Metro complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

*Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Metro and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Metro's compliance with the compliance requirements referred to above.

*Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Metro's federal programs.

### *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Metro's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Metro's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Metro's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Metro's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Metro's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Portland, Oregon  
November 28, 2022

**METRO**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2022**

Grantor and Program Title	Assistance Listing Number	Grant/Pass Through Number	Federal Expenditures
<b>U. S. DEPARTMENT OF AGRICULTURE</b>			
Forest Service-			
Direct Programs:			
UNO Program	10.U01	21-CS-11062200-013	\$ 2,419
Columbia River Gorge National Scenic Area	10.U02	18-PA-11062200-005	1,053
Passed through Oregon Watershed Enhancement Board/Clackamas River:			
North Fork Deep Creek Stream Stabilization	10.U03	N/A	21,500
Total U. S. Department of Agriculture			24,972
<b>U. S. DEPARTMENT OF COMMERCE</b>			
Economic Development Cluster-			
Direct Programs:			
Economic Adjustment Assistance			
Albina Redevelopment Feasibility Study	11.307	07-69-07716	14,757
Public Works and Economic Adjustment Assistance Program	11.307	PWEEA2020	98,118
Subtotal Economic Development Administration			112,875
National Oceanic and Atmospheric Administration:			
Passed through Oregon Watershed Enhancement Board:			
Pacific Coast Salmon Recovery, Salmon Treaty Program	11.438	220-8207-18722	50,000
Total U. S. Department of Commerce			162,875
<b>U. S. DEPARTMENT OF THE INTERIOR</b>			
Fish and Wildlife Service-			
Direct Programs:			
Endangered Species Conservation-Recovery Implementation Funds	15.657	F21AP00532-00	233,385
Endangered Species Conservation-Recovery Implementation Funds	15.657	F17AC00620	33,219
Passed through Woodland Park Zoo:			
Endangered Species Conservation-Recovery Implementation Funds	15.657	F22AC00345-00	18,643
Subtotal Endangered Species Conservation-Recovery Implementation Funds			285,247
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	28,086
Wildlife Restoration Grant Program	15.611	ODFW #12-22	69,635
Total Fish and Wildlife Cluster			97,721
Passed through Oregon Department of Parks and Recreation:			
Cooperative Endangered Species Conservation Fund	15.615	FY21-E28TW18OZ	28,809
Cooperative Endangered Species Conservation Fund	15.615	FY20-E28TW17OZ	31,983
Cooperative Endangered Species Conservation Fund	15.615	FY19-E6-72	4,537
Subtotal Cooperative Endangered Species Conservation Fund			65,329
Passed through Oregon State Marine Board:			
Clean Vessel Act	15.616	2123-048	1,800
Passed through Washington Department of Fish & Wildlife:			
State Wildlife Grants	15.634	F21AP00716	8,919
Total U. S. Department of the Interior			459,016

(Continued)

**METRO**  
**Schedule of Expenditures of Federal Awards, *continued***  
**For the year ended June 30, 2022**

Grantor and Program Title	Assistance Listing Number	Grant/Pass Through Number	Federal Expenditures
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>			
Federal Highway Administration-			
Highway Planning and Construction Cluster-			
Passed through Oregon Department of Transportation:			
PL Funds - Lead (federal share)	20.205	ODOT # 35141	2,388,871
STBG Funds	20.205	ODOT # 35141	659,211
Section 5303 Funds	20.205	ODOT # 35141	1,332,043
Next Corridor STBG Funds	20.205	ODOT # 35141	86,283
TSMO STBG Funds	20.205	ODOT # 35141	173,199
"State" STBG Funds - Lead (federal share)	20.205	ODOT # 35141	201,892
Delivering Transportation Options (aka ODOT RTO 4)	20.205	ODOT # 32516	143,198
2020 TSMO Strategy Planning Update	20.205	ODOT # 33081	29,665
Congestion Pricing Modeling Support	20.205	ODOT # 33518	155,139
Regional Dockless Dashboard	20.205	ODOT # 33628	30,069
Westside Multimodal Improvement Study	20.205	ODOT # 34729	91,257
Regional Freight Delay & Commodities Movement Study	20.205	ODOT # 34791	27,807
Total Highway Planning and Construction Cluster			5,318,634
Federal Transit Administration-			
Federal Transit - Capital Investment Grants-			
Direct Programs:			
Montgomery Park to Hollywood HCT Development Strategy	20.500	OR-2020-006	147,227
Passed through to subrecipients:			
City of Portland			55,606
Federal Transit Formula Grants-			
Direct Programs:			
Regional Travel Options	20.507	OR-2020-004	718,193
Passed through to subrecipients:			
City of Gresham			4,813
City of Oregon City			24,320
City of Portland			99,967
City of Wilsonville			1,399
Clackamas Community College			22,878
Clackamas County			364
Clackamas Cycling Center			14,186
Forth			4,934
Oregon Walks			8,092
Pear			5,303
Portland Community College			3,014
Ride Connection Inc			38,226
Tri Met			121,630
Westside Transportation Alliance Inc			44,078

(Continued)

**METRO**  
**Schedule of Expenditures of Federal Awards, *continued***  
**For the year ended June 30, 2022**

Grantor and Program Title	Assistance Listing Number	Grant/Pass Through Number	Federal Expenditures
<b>U. S. DEPARTMENT OF TRANSPORTATION, <i>continued</i></b>			
Safe Routes to Schools (SRTS)	20.507	OR-2019-028	422,149
Passed through to subrecipients:			
Beaverton School District 48			41,165
City of Hillsboro			19,093
City of Portland			31,972
City of Tigard			61,982
Clackamas County			28,416
Community Cycling Center			19,904
Multnomah County			46,425
<b>Total Federal Transit Cluster</b>			<b>1,287,569</b>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			
Direct Programs:			
H.O.P.E - Tualatin Valley Highway Montgomery Park to Hollywood HCT Development Strategy	20.505	OR-2021-057	257,802
Passed through to subrecipients:			
TriMet			39,836
<b>Total U.S. Department of Transportation</b>			<b>6,864,005</b>
<b>U. S. SMALL BUSINESS ADMINISTRATION</b>			
Shuttered Venue Operators Grant Program	59.075	SBAHQ21SV000328.3	10,000,000
Shuttered Venue Operators Grant Program	59.075	SBAHQ21SV000526.2	10,000,000
<b>Total U.S. Small Business Administration</b>			<b>20,000,000</b>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Metro Brownfield Assessment FY21-23	66.818	BF-01J86401-0	180,921
<b>Total U.S. Environmental Protection Agency</b>			<b>180,921</b>
<b>U. S. DEPARTMENT OF HOMELAND SECURITY, Federal Emergency Management Agency (FEMA)</b>			
Passed through the City of Portland			
Regional Emergency Transportation Routes Update	97.067	32001914	20,000
Social Vulnerability Tools	97.067	32002271	66,043
<b>Total U. S. Department of Homeland Security</b>			<b>86,043</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 27,777,832</b>

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, 2022**

**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, 2022. 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 MINIMIS INDIRECT RATE**

During the current year ended June 30, 2022, Metro did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4 – SHUTTERED VENUE OPERATORS GRANTS (SVOG)**

Metro received SVOG funding from the Small Business Admission during the year ended June 30, 2022; however, in accordance with the 2022 OMB Compliance Supplement, issued in April 2022, Metro was able to include expenditures in the Schedule for which did not occur during the year ended June 30, 2022. A portion of expenditures reported in the Schedule are for expenditures that occurred prior to the year ended June 30, 2022 totaling \$14,157,235.

**Metro**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2022**

**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>Federal Assistance Listing Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for Major Federal Programs</i>
59.075	Shuttered Venue Operators Grant	Unmodified
20.500, 20.507	Federal Transit Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 833,335

Auditee qualified as low-risk auditee?  Yes  No

**Section II - Financial Statement Findings**

None noted

**Section III – Federal Award Findings and Questioned Costs**

None noted

**Metro**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2022**

No findings identified in the prior year.



## STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 22-5300 FOR THE PURPOSE OF METRO COUNCIL'S ACCEPTANCE OF THE RESULTS OF THE INDEPENDENT AUDIT FOR FINANCIAL ACTIVITY DURING FISCAL YEAR ENDING JUNE 30, 2022

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Date: 11/22/2022

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, 2022. 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, but can be renewed for two additional one-year periods.

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 22-5300.



## Report of Independent Auditors

The Metro Council and Metro Auditor  
Metro

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, 2022, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 28, 2022.

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.

A handwritten signature in cursive script that reads 'Moss Adams LLP'.

Portland, Oregon  
November 28, 2022



November 28, 2022

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, 2022 and have issued our report thereon dated November 28, 2022. 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 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.

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 2022 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:

#### **OPEB Census**

**Observation** – As part of our testing of Metro's other post-employment benefits obligation, we performed census testing to verify the information included in the detail transmitted to the actuary is complete and accurate. During our testing, we noted the health election information did not map correctly to several employees on the census leading to a difference of approximately \$1,000.

**Recommendation** – We recommend management review the accuracy of the report prior to providing the information to the actuary for valuation.

**Management Response** – Management agrees with the recommendation and will institute a review process of the census prior to submitting to the actuary for valuation in the future.



## **Prior Year Observations and Recommendations – Resolved in Current Year**

### **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.

**Current year status** – In the current year, we did not find identify any such items that were recorded incorrectly. As such, we consider this matter resolved.

### **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.

**Current year status** – In the current year, we did identify payroll timecards that had not been reviewed; however, this was isolated to one payroll period which was impacted by the Kronos malware attack. As a result of our testing performed over the remainder of the year, we did not identify any timecards that were not appropriately reviewed. As such, we consider the matter resolved.

### **Expenditure Approval**

**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.

**Current year status** – In the current year, we did not identify any expenditures where the review was not documented. As such, we consider this matter resolved.

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We wish to thank you, Caleb Ford, Melissa Weber, 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,

A handwritten signature in cursive script that reads "Moss Adams LLP".

Moss Adams LLP

cc: Brian Evans, Metro Auditor

Enclosures



## Report of Independent Auditors

The Metro Council and Metro Auditor  
Metro

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, 2022, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 28, 2022.

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 28, 2022



## Report of Independent Auditors

The Metro Council and Metro Auditor  
Metro

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, 2022, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 28, 2022.

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.

A handwritten signature in cursive script that reads 'Moss Adams LLP'.

Portland, Oregon  
November 28, 2022