



Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2024

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

Ashton Simpson, District 1

Christine Lewis, District 2

Gerritt Rosenthal, District 3

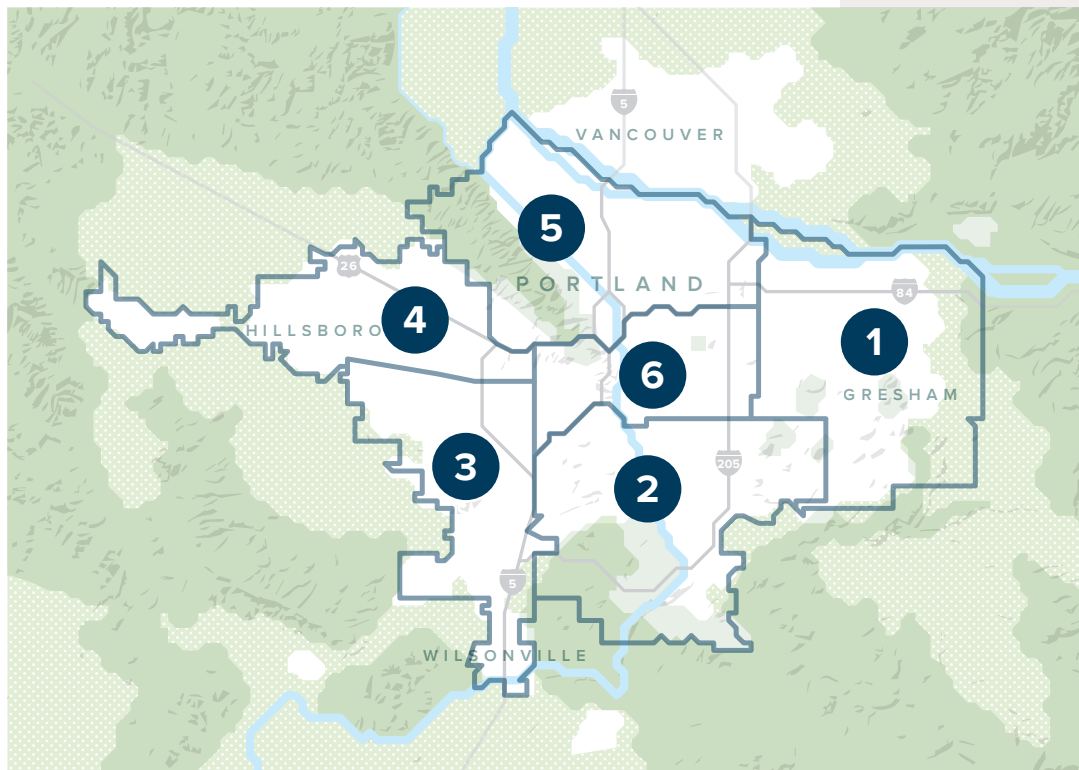
Juan Carlos González, District 4

Mary Nolan, District 5

Duncan Hwang, District 6

Auditor

Brian Evans





Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2024

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

ARLENE SCHNITZER CONCERT HALL

CITY BACK
PORTLAND SIGN



600 NE Grand Ave.
Portland, OR 97232-2736
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November 21, 2024

To the Council and Residents 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, 2024, 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, 2024. 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, 2024 (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 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, and conducts all regional transit and light rail planning. Coordinates data and research activities with governmental partners and develops regional economic and travel forecasts.
- **Housing:** Facilitates the creation of affordable housing across the region and funds the supportive housing services through administration and oversight of 2018 Affordable Housing Bond and 2020 Supportive Housing Services Measure.
- **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 resolution 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 resolution. 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 a resolution 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 created 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 among the nation's largest metropolitan areas. In 2023, the region's population experienced a slight increase of 0.7%, according to the 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 1.25 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 2024 which is just below the national rate of 4.1%.

During the pandemic recovery, the region consistently outpaced the nation in job gains. However, since mid-2023, it has diverged from national trends, reaching a low point of -2% job growth in January 2024. Since then, both the MSA and Oregon have somewhat recovered to achieve breakeven employment growth. Despite this rebound, Oregon and the MSA continue to experience the slowest employment growth in the nation, with year-over-year growth as of August 2024 at 0.1% and 0.7%, respectively.

The fastest-growing industry in the region over the past year has been Education and Health Services, with a 5.1% increase since last August. Government followed with a 2.5% gain. All other major industries experienced flat or negative growth, with the largest decline in the Information sector, which fell by 5.1%. Leisure and Hospitality and Construction also saw significant declines, down 3.9% and 2.6%, respectively. Despite these challenges, the metro area saw a modest boost in total employment from July to August, adding 2,900 jobs compared to no growth during the same period last year.

Average hourly wages in the region continue to outpace the national average. Specifically, wages for manufacturing employees in the region have risen by 11% since the beginning of 2024, compared to a 5.5% increase nationwide.

Economic outlook. Economic conditions have become hyper-localized relative to the recent past. In the case of the Portland MSA, how the economy feels like it's doing may be very different in different parts of the Metro area. For the first time in at least 25 years, the suburban and exurban parts of the region appear to be doing better economically than the urban or core city. One way this shows up is in home prices. According to the Regional Multiple Listing Service, home prices in 2024 have largely increased just outside of Multnomah County, while showing weakness within the County.

Housing, as a whole, is currently in a tenuous position as still-high mortgage rates limit the volume of sales and people with 3% mortgages on their current home cannot afford to buy a similar or larger new home because of the higher mortgage rates. Sales from homebuilders are making up a larger proportion of sales than is typical as they have more financing flexibility than the standard mortgage market. Meanwhile, rents remain high though growth appears relatively limited depending on where in the metro area one is looking for housing. To the extent population growth remains muted or even falls again, price pressure for housing will soften somewhat.

Broad economic data remains largely positive, though many economists believe the labor market has weakened considerably, which, in turn, led the Federal Reserve Bank to decrease interest rates for the first time in this cycle. Inflation pressures have also eased significantly, which should make the economy more durable. The global economy will also provide a drag on overall economic conditions, and election-year uncertainty will also likely

cause delays in business and personal economic decisions. The bottom line for Metro is that the regional economic outlook is showing resilience, as fears of a recession have waned, but slower growth should be expected in the short run, especially as it tends toward the urban core of the metro area.

Long-term financial planning. Metro's strong financial policies and disciplined practices have ensured operational stability, as evidenced by the necessary decisions made due to the COVID-19 pandemic as well as during the subsequent recovery. An important tool for building Metro's budget is the five-year forecast for all operating and bond funds. 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 IV.S to the financial statements. Metro's abated property taxes total \$13,073,152 for fiscal year 2023-24 and had no material effect on financial stability or service delivery.

Metro's budgets are anchored by a series of frameworks that guide decision making and prioritization. Prior to the pandemic, the region's six desired outcomes served as the primary decision-making framework for Metro. Developed by the region and adopted by the Metro Council in 2008 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: Vibrant Communities, Economic Prosperity, Safe and Reliable Transportation, Climate Change Leadership, Equity, and Clean Air, Water and Healthy Ecosystems. Metro used these outcomes to guide its strategic decision-making by testing department activities and programs against whether they were making these outcomes more likely over time. The six desired outcomes are still in place, but additional frameworks have been developed in the ensuing years.

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 applies 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 choices made today will be sustainable and strategic for the next three to five years.

Lastly, nested within the Strategic Recovery Framework are Strategic Targets. In Spring 2023, Metro Council directed the Chief Operating Officer to develop ambitious yet achievable five-year targets in the areas of environment, economy, and housing. These targets are intended to help prioritize investments and focus areas for the organization, while fostering cross-departmental and regional collaboration to make progress. These were adopted in December 2023 and were used to frame decision-making and performance measures for the fiscal 2024-25 budget development.

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 2023-24 was driven by the frameworks mentioned previously that Metro Council uses to guide the agency and advance the region’s progress toward recovery, repair and renewal in critical sectors. The 2023-24 budget included:

Addressing housing affordability in the region. Metro plays a critical role in affordable housing policy and funding in our region. Through the Affordable Housing bond, Metro budgeted \$23 million in awards to partner jurisdictions. Additionally, Council allocated resources to support regional housing analyses, technical assistance for housing providers, and plan for development within the urban growth boundary.

Improving economic prosperity. Targeted investments are being made in our visitor facilities, including capital improvements at the Portland’s Centers for the Arts and planning work on the future of the Expo center. Over \$6.5 million dollars has been earmarked for investment along the 82nd Avenue corridor to secure land for affordable housing and future commercial development.

Caring for our environment. Addressing climate change and operating in a sustainable manner is central to Metro’s work. Consequently, resources are dedicated across all Metro departments as part of their daily work, from running a paint recycling operation, to implementing our Food Waste Requirements policy, to purchasing land and restoring natural areas, to replacing aging equipment with modern energy efficient technology.

Advancing racial equity. The proposed budget also invests in key advancements of the Metro Council’s commitment to racial equity and justice. Notably, allocating \$425,000 as an annual investment in Civic Engagement Capacity Building grants to grow civic engagement capacity and programming of community-based organizations serving BIPOC communities and spending meaningful time and money doing community outreach for Parks and Nature Community Choice grants.

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 13, 2024 (Resolution No. 24-5406), 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 ensure 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 reserve policy was

updated to require a minimum level of 16.5 percent of key general fund revenues be set aside.

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 2024-25 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, 2023. This was the thirty-second 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, 2023

Christopher P. Morrell

Executive Director/CEO

METRO

Elected Officials (as of June 30, 2024)

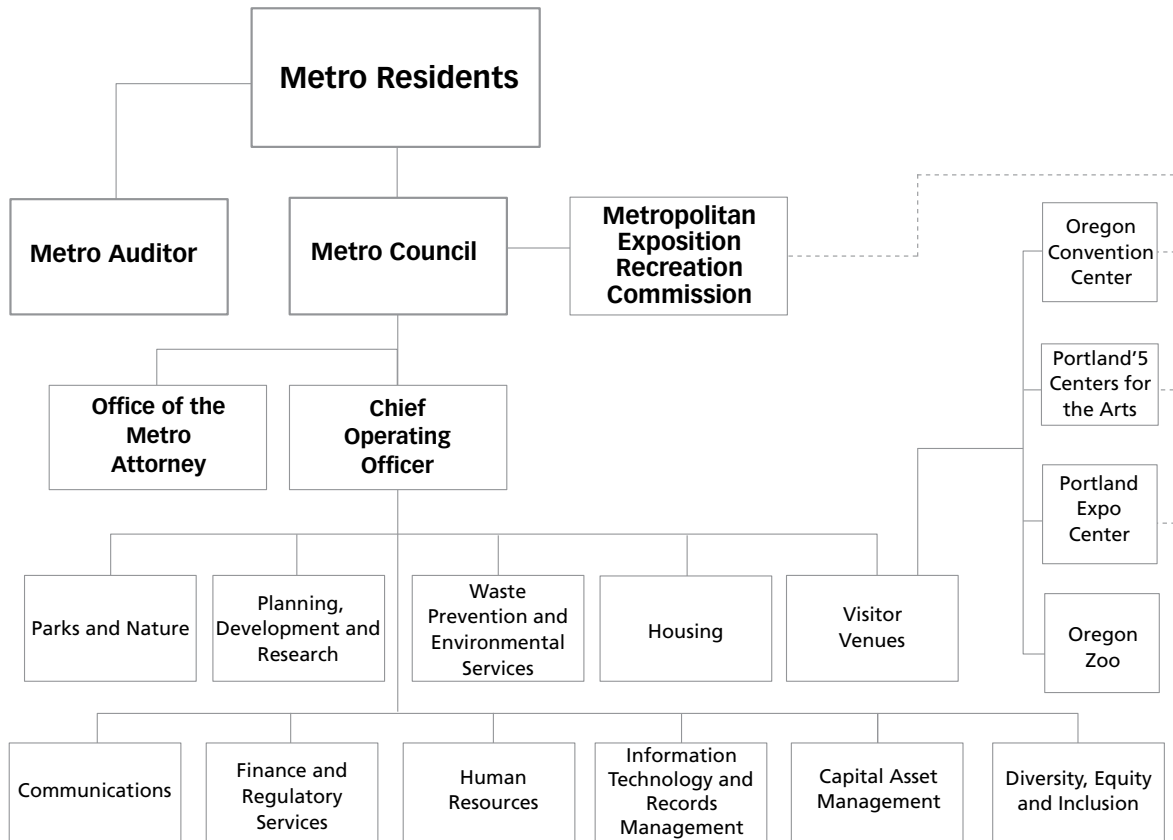
Name	Position	Term expires
Lynn Peterson	Metro Council President	January 2027
Ashton Simpson	Councilor-District 1	January 2027
Christine Lewis	Councilor-District 2	January 2027
Gerritt Rosenthal	Councilor-District 3	January 2025
Juan Carlos Gonzalez	Councilor-District 4	January 2027
Mary Nolan	Councilor-District 5	January 2025
Duncan Hwang	Councilor-District 6	January 2027
Brian Evans, CIA	Metro Auditor	January 2027

Appointed Officials

Name	Position
Marissa Madrigal	Chief Operating Officer
Andrew Scott	Deputy Chief Operating Officer
Holly Calhoun	Deputy Chief Operating Officer
Carrie MacLaren	Metro Attorney
Brian Kennedy	Chief Financial Officer
Julio Garcia	Human Resources Director
Ryan Kinsella	Capital Asset Management Director
Lia Waiwaiole	Communications Director
Rachel Tull	Chief Information Officer
Heidi Rahn	Oregon Zoo Director
Catherine Ciarlo	Planning, Development and Research Director
Sebrina Owens-Wilson	Diversity, Equity, and Inclusion Director
Patricia Rojas	Housing 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
Brian Wilson	Portland's 5 Centers for the Arts Director

Organizational Structure

as of June 30, 2024





Brian Evans
Metro Auditor

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TEL 503 797 1892

November 21, 2024

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, 2024. 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, 2024 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 employees and Moss Adams to make the audit process run smoothly and finish on time.

Respectfully submitted,

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

Brian Evans
Metro Auditor



A photograph of a forest at sunset. The sun is low on the horizon, partially obscured by trees, creating a warm, golden glow. The sky is a mix of blue and orange. The foreground is filled with the silhouettes of evergreen and deciduous trees. A large, dark blue hexagonal shape is overlaid on the lower half of the image, containing the text "Financial Section" in white.

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 discretely presented component unit, each major fund, and the aggregate remaining fund information, as of and for the year ended June 30, 2024, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information, as of June 30, 2024, 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, schedule of Agency's proportionate share of the net OPEB liability (asset), schedule of Agency's contributions, schedule of Agency's changes in total OPEB liability and related ratios, schedule of Agency's proportionate share of net pension liability, and schedule of Agency's contributions (collectively, the required supplementary information) 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.

The schedules of revenues, expenditures and changes in fund balances – budget and actual for the General Fund, Parks and Nature Operating Fund, Affordable Housing Fund, and Supportive Housing Services Fund, as listed in the table of contents under required supplementary information, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Metro's basic financial statements. The other supplementary information, as listed in the table of contents, and the 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 21, 2024, 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 21, 2024, 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 Osten, Partner for
Moss Adams LLP
Portland, Oregon
November 21, 2024



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, 2024. 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 \$961,334,266 at June 30, 2024, which reflects an increase of 0.7 percent or \$6,401,072 over the prior fiscal year.
- Metro completed the fiscal year with its governmental funds reporting *combined* fund balances of \$1,051,163,211. Of the total amount of governmental combined fund balance, \$45,707,486 or 4.3 percent, is considered available for spending at Metro's discretion (*unassigned* fund balance).
- At the end of fiscal year 2024, unrestricted spendable fund balance (the total of the *committed*, *assigned* and *unassigned* components of fund balance) in the general fund totaled \$56,503,956 and represents 108.1 percent of total general fund expenditures.
- Metro's total outstanding debt decreased by \$30,256,239 or 3.0 percent during the current fiscal year. This reflects no debt issuances during the fiscal year and repayment of existing debt offset by an increase in OPEB and net pension liabilities.
- The regional supportive housing services program, approved by voters in May 2020, generated \$335,136,020 in revenue this fiscal year, reflecting a 3.4 percent decrease from the previous year. This decline is attributed to the stabilization of collections following the prior year's catch-up contributions from first-time filers. This source of revenue is Metro's largest, surpassing charges for services and property taxes.
- Program revenues of Metro's business-type activities (Solid Waste, Oregon Zoo and MERC operations) totaled \$229,623,097, up \$15,559,435 or 7.3 percent, attributable to the increased activity at the visitor venues and increased solid waste rates.

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 businesses. 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

Management Discussion and Analysis

For the fiscal year ended June 30, 2024

as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected property taxes and earned but unused vacation leave).

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

Governmental activities – Activities supported principally by general revenue sources including various taxes that provide Metro’s basic governmental services. These services include *general government operations* functions of the Council office and various administrative functions; *planning, development and research* which includes regional transportation and land use planning; *housing* which includes affordable and supportive housing activities; *culture and recreation* which includes regional parks and natural areas, community enhancement activities near Metro area solid waste facilities and 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 5 Centers for the Arts (Portland’s 5) 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 - 36 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. Like other state and local governments, Metro 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 ten 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, Supportive Housing Services, General Obligation Bond Debt Service, Natural Areas, and Parks and Nature Bond funds. Data from the other three governmental funds (Smith and Bybee Wetlands, Community Enhancement, and Cemetery Perpetual Care) are combined into a single, aggregated presentation. Individual

fund data for each of these nonmajor 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 the entirety of one additional 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 the 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 - 95 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, its major special revenue funds, pension, and post-employment benefit disclosures. RSI can be found on pages 96 - 110.

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 113 - 136.

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

Net position. As noted earlier, net position may serve as a useful indicator of a government's financial position over time. Metro's assets and deferred outflows of resources exceed liabilities and deferred inflows of resources (defined as *net position*) by \$961,334,266 at June 30, 2024. The table on the following page reflects the condensed Government-wide Statement of Net Position.

Metro's governmental activities account for net position of \$580,090,347 or 60.3 percent of the total primary government, whereas business-type activities account for \$381,243,919 or 39.7 percent.

Of Metro's total net position, 69.8 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 residents; therefore, this amount is not available for future spending. Although Metro's investment in its

Management Discussion and Analysis

For the fiscal year ended June 30, 2024

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 (55.5 percent) represents resources that are subject to external restrictions on how they may be used. External restrictions for specific purposes include areas such as parks and natural areas local option levy, Transit-Oriented Development (TOD), Smith and Bybee Wetlands management plan, supportive housing initiatives, debt service, and capital projects funded by bond or restricted proceeds. The restricted component of net position increased \$25,338,962 or 5.0 percent from the amount at June 30, 2023, reflecting decreased restrictions for capital projects as construction progresses on major bond-funded initiatives offset by income tax revenue restricted to supportive housing services received by Metro and distributed to partner agencies but not yet spent.

Metro's Net Position

	Governmental Activities		Business-type Activities		Total - Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 1,082,721,854	1,173,511,725	167,900,393	178,554,340	1,250,622,247	1,352,066,065
Capital assets	428,893,741	399,594,950	339,146,160	343,511,666	768,039,901	743,106,616
Total assets	1,511,615,595	1,573,106,675	507,046,553	522,066,006	2,018,662,148	2,095,172,681
Total deferred outflows of resources	23,851,237	18,016,510	22,487,725	17,031,724	46,338,962	35,048,234
Long-term liabilities outstanding	916,233,845	959,197,166	78,035,427	65,328,345	994,269,272	1,024,525,511
Other liabilities	23,584,183	35,020,864	24,978,895	32,343,445	48,563,078	67,364,309
Total liabilities	939,818,028	994,218,030	103,014,322	97,671,790	1,042,832,350	1,091,889,820
Total deferred inflows of resources	15,558,457	28,828,922	45,276,037	54,568,979	60,834,494	83,397,901
Net position:						
Net investment in capital assets	370,582,164	344,469,479	324,080,339	326,037,270	670,933,826	647,808,583
Restricted	520,292,702	502,757,659	13,327,468	5,523,549	533,620,170	508,281,208
Unrestricted	(310,784,519)	(279,150,905)	43,836,112	55,296,142	(243,219,730)	(201,156,597)
Total net position	\$ 580,090,347	568,076,233	381,243,919	386,856,961	961,334,266	954,933,194

The remaining \$243,219,730 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, there is a surplus of \$43,836,112 which is attributable to Metro's business-type activities and cannot be used to make up for the deficit reported in governmental activities. Unrestricted net position decreased \$31,633,614 (to a total deficit of \$310,784,519) in governmental activities primarily due to payments to other governments for affordable housing projects and supporting housing initiatives. A portion of this deficit can be attributed to the allocable proportion of the Oregon Public Employees Pension System liability, as discussed in Note IV.H.1. Metro has several bonds that are accounted for in governmental activities without a corresponding asset such as the proceeds from Dedicated Tax Revenue bonds for the Oregon Convention Center hotel which 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 and capital grant components of the Natural Areas and Parks and Nature bond, and housing projects funded by the Affordable Housing bond where no asset is built or owned by Metro resulting from the debt issuance. It should further be noted that all of these bond issuances are supported by dedicated tax revenues (property taxes and site-specific transient lodging taxes) and current accounting standards only allow the recording of taxes as they are levied. Unrestricted net position in business-type activities decreased \$11,460,030 or 20.7 percent which is explained later in this analysis.

Changes in net position. Overall, Metro's net position increased 0.7 percent or \$6,401,072 over the prior fiscal year. Governmental activities' net position increased \$12,014,114, while business-type activities' net position decreased \$5,613,042 for the fiscal year ended June 30, 2024. The components of the change in net position are reflected in the condensed information from Metro's Statement of Activities presented in the table below. The reasons for the changes noted here are discussed in the following sections for governmental activities and business-type activities.

Governmental activities. Governmental activities program revenues decreased \$1,407,503 or 4.6 percent and totaled \$29,498,191. This was mostly related to a timing-related decrease in operating grants, primarily in the regional planning function.

Metro's Changes in Net Position

	Governmental Activities		Business-type Activities		Total - Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues						
Charges for services	\$ 11,284,674	10,830,388	201,237,510	181,498,589	212,522,184	192,328,977
Operating grants and contributions	18,213,517	20,033,360	28,109,407	31,670,020	46,322,924	51,703,380
Capital grants and contributions	-	41,946	276,180	895,053	276,180	936,999
General revenues						
Property taxes	120,787,018	112,919,912	-	-	120,787,018	112,919,912
Personal and business income taxes	335,136,020	347,044,362	-	-	335,136,020	347,044,362
Excise taxes	20,121,244	20,439,427	-	-	20,121,244	20,439,427
Other	39,639,579	19,614,823	6,585,037	2,802,953	46,224,616	22,417,776
Total revenues	545,182,052	530,924,218	236,208,134	216,866,615	781,390,186	747,790,833
Expenses:						
General government operations	14,755,333	9,665,907	-	-	14,755,333	9,665,907
Planning, development and research	23,225,600	22,085,632	-	-	23,225,600	22,085,632
Housing	404,853,574	258,576,138	-	-	404,853,574	258,576,138
Culture and recreation	49,428,873	39,097,568	-	-	49,428,873	39,097,568
Interest on long-term debt	25,611,092	27,331,869	-	-	25,611,092	27,331,869
Solid Waste	-	-	111,401,035	105,381,938	111,401,035	105,381,938
Oregon Zoo	-	-	55,186,087	50,082,803	55,186,087	50,082,803
MERC	-	-	90,527,520	74,517,626	90,527,520	74,517,626
Total expenses	517,874,472	356,757,114	257,114,642	229,982,367	774,989,114	586,739,481
Increase (decrease) in net position before transfers	27,307,580	174,167,104	(20,906,508)	(13,115,752)	6,401,072	161,051,352
Transfers	(15,293,466)	(14,343,199)	15,293,466	14,343,199	-	-
Increase (decrease) in net position	12,014,114	159,823,905	(5,613,042)	1,227,447	6,401,072	161,051,352
Net Position, July 1	568,076,233	408,252,328	386,856,961	385,629,514	954,933,194	793,881,842
Net Position, June 30	\$ 580,090,347	568,076,233	381,243,919	386,856,961	961,334,266	954,933,194

Metro's general government operations expenses totaled \$14,755,333 or 1.9 percent of Metro's total program expenses, which was an increase of \$5,089,426 or 52.7 percent from that reported in the prior fiscal year. This is reflective of increased payroll costs related to PERS rate increases, cost-of-living adjustments, and pay equity wage increases. Additionally, the FTE count has risen in general government operations to support the growing demand for central services from other expanding Metro departments. Metro's planning, development and research program had total costs of \$23,225,600, up \$1,139,968 or a 5.2 percent increase from the prior fiscal year. This increase represents increased funding provided to other local government agencies for transportation related projects. Metro's housing program had total costs of \$404,853,574 during the fiscal year. This includes an increase of \$146,277,436 which is the result of increased projects and administrative costs for the affordable housing program and increased county spending of supportive housing tax proceeds. Metro's culture and recreation expenses totaled \$49,428,873 or 6.4 percent of Metro's total program expenses, which is up \$10,331,305 or

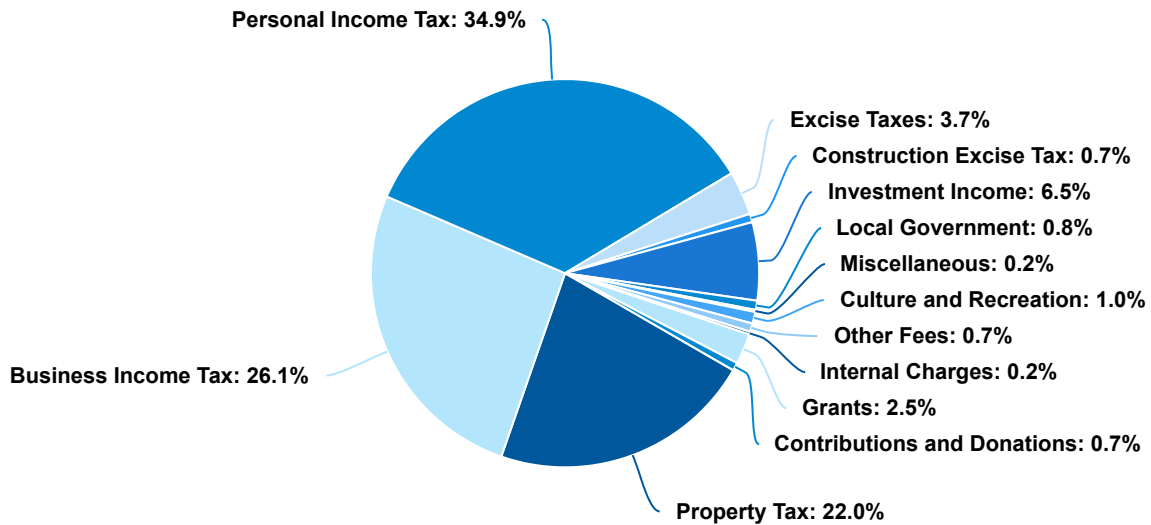
Management Discussion and Analysis

For the fiscal year ended June 30, 2024

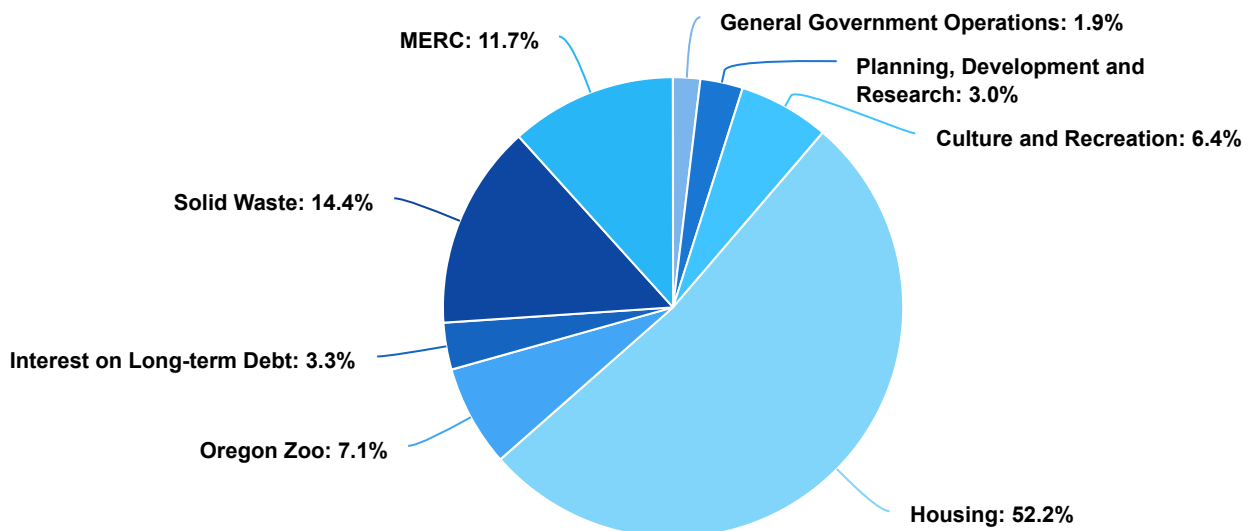
26.4 percent from that reported in the prior fiscal year. This is reflective of increased grant payments within the parks and nature portfolio, an accrual for future arbitrage payments, and increased payroll and allocations of central service costs to this program as it grows.

Interest on long-term debt decreased by \$1,720,777 or 6.3 percent from the prior fiscal year and totaled \$25,611,092 or 3.3 percent of Metro's total program costs, down from 4.7 percent in the prior fiscal year, reflecting a relatively stable amount of debt and its corresponding repayment.

Metro Governmental Activities Sources of Revenue



Metro Function/Program Expenses



Business-type activities. Program revenues of Metro's business-type activities (Solid Waste, the Oregon Zoo and MERC operations) totaled \$229,623,097, up \$15,559,435 or 7.3 percent. Metro's business-type activities were the most directly impacted by the COVID-19 pandemic. This fiscal year, attendance at the visitor venues was above pre-pandemic levels. This increased attendance drove much of the 10.9 percent increase in charges for services. The Oregon Zoo had a \$3,655,511 or 14.7 percent increase in charges for services revenue, and the MERC fund had a \$7,290,470 or 14.2 percent increase in charges for services revenue, amounting to approximately \$10.9 million for the visitor venues combined. Tonnage at Metro-owned facilities decreased 2.2 percent over the prior year while rates increased 11.2 percent, to \$137.30 per ton. The Regional System Fee increased from \$29.37 to \$31.41. Corresponding with those increases, charges for services revenue increased \$8,792,940 or 8.4 percent despite decreased tonnage. Operating grants and contributions revenue decreased 11.2 percent compared to the prior fiscal year. This decline is primarily attributed to the conclusion of several Zoo federal grant awards and the spend down of state regional clean-up grants for Solid Waste.

Total expenses increased \$27,132,275 or 11.8 percent to a total of \$257,114,642. Solid Waste program expenses increased \$6,019,097, or 5.7 percent. This can be attributed to increased operating costs at the transfer stations and payroll for Solid Waste operational and administrative employees offset by intentional decreases in grant payments while programmatic requirements were reassessed. Oregon Zoo program expenses increased \$5,103,284, or 10.2 percent, and MERC expenses increased \$16,009,894, or 21.5 percent. These increases are both the result of increased staffing and operating costs resulting from increased attendance at the visitor venues.

General revenues. Property taxes currently account for 15.5 percent of all primary government revenues. Property taxes are dedicated to the repayment of general obligation bond debt, for programs authorized by the Parks and Natural Areas Local Option Levy, transferred to the Zoo for operations, or allocated by the Council in support of governmental activities. The total amount of property taxes increased \$7,867,106 or 7.0 percent from the prior fiscal year. This change is based on the 3.0 percent maximum assessed value increase allowed in the Oregon Constitution, growth from new construction, and slightly higher collection rates than that of the prior year. Metro began to receive personal and business income tax revenue in the fiscal year ending June 30, 2021, and receipts grew substantially in the subsequent fiscal years. The prior fiscal year had \$347,044,362 recorded in income tax and the current year revenues are \$335,136,020, a 3.4 percent decrease. This is the first year the income tax revenue has not increased since inception as impacted taxpayers were all identified and brought current with prior amounts due in previous years, stabilizing collections in the current year.

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, 2024, Metro's governmental funds reported *combined* fund balances of \$1,051,163,211. This is down \$75,805,251 or 6.7 percent. The majority of this decrease is due to the spend down of Parks and Nature Bond and Affordable Housing funds as related capital project execution continues to progress. These decreases are offset by increases in the Supportive Housing Services fund, which represents income tax collections outpacing county partner spending on eligible activities. A total of \$295,102,995 is recorded as an advance in the Supportive Housing Services fund, reflecting the transfer of resources to our regional partners. The advance will be reduced as regional partners spend the tax proceeds on eligible activities, reducing net position simultaneously. All of this activity combined resulted in decreased restricted and nonspendable fund balances of \$77,451,600 or 7.2

Management Discussion and Analysis

For the fiscal year ended June 30, 2024

percent. Of the total amount of governmental combined fund balance above, \$45,707,486 or 4.3 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 totals \$350,286,253 at June 30, 2024. Fund balances *restricted* for particular purposes, such as parks and natural areas, bonded capital projects, the Willamette Falls Legacy project, debt service, and affordable and supportive housing totaled \$643,688,205. Metro has \$9,743,146 of fund balance *committed* by Metro Council resolution and consists of funds to be used in executing Transit-Oriented Development projects. *Assigned* fund balance totaled \$1,738,121 and is dedicated to cemetery and golf course maintenance, and encumbered fund balance.

Note II.D.16 and Note IV.Q 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 2024, unassigned fund balance of the general fund was \$45,707,486. Total fund balance increased \$5,385,563 to a total of \$131,494,112. 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 87.4 percent of total general fund expenditures, while total fund balance represents 251.5 percent of that same amount.

The General Fund expended \$13,735,715 for general government operations. These operational expenditures included the general government share of costs for the Council Office, Metro Auditor, Office of Metro Attorney, Capital Asset Management, Communications, Diversity, Equity and Inclusion, Finance and Regulatory Services, Human Resources, and Information Technology. Expenditures increased by \$2,205,631 compared to the previous year. This increase can be attributed to the expansion of central service staffing and programmatic spending, aimed at bolstering the agency's capacity in response to the post-pandemic environment and pressing housing initiatives.

Metro collected \$3,782,940 in Construction Excise Tax during the fiscal year ended June 30, 2024, up \$184,892 or 5.1 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 the 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 at relatively high levels corresponding with the high level of construction activity in the region.

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 nonspendable fund balances because they were established for specific purposes by the passage of various ballot measures.

The restricted and nonspendable positions in other governmental funds changed from \$1,000,871,265 to \$918,984,302 or a decrease of \$81,886,963. The Affordable Housing fund had a substantial reduction in restricted funds while the Supportive Housing Services fund had an increase, driving an overall decrease in total restricted and nonspendable net position. Local partners have been able to build affordable housing projects depleting the fund balance, while the supportive housing program is still building staffing and programming capacity, leading to unspent funds. Future balances are anticipated to decrease as local partners expand their supportive housing programs.

There was a decrease in expenditures in the Affordable Housing Fund, from \$99.8 million to \$88.8 million due to timing-related project reimbursement requests. The Supportive Housing Services fund had substantially higher activity with expenditures amounting to \$313.9 million as regional partners started to ramp up their programs addressing the housing crisis.

The Natural Areas Fund had 200 percent greater expenditures compared to the prior fiscal year as the final bond-funded projects were completed. The fund was closed at the end of the year. The Parks and Nature Bond was passed in November 2019 and has a substantial fund balance (\$134.3 million) plus bond authorization remaining. Total expenditures increased from the prior year as construction is in full swing for many park infrastructure projects and the land acquisition team was highly successful in closing on several properties during the year.

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 2024, *unrestricted net position* of the Solid Waste Fund, Oregon Zoo Fund, and MERC Fund amounted to \$20,633,585, \$12,332,145, and \$15,091,640, respectively. The total change in *unrestricted net position* for each fund equaled decreases of \$481,539, \$3,267,320, and \$7,888,067, respectively. Solid Waste increased its rates in line with program expenditures, resulting in a near-flat change in unrestricted fund balance. The Oregon Zoo and MERC faced rising wage-related and administrative costs that outpaced revenue growth from increased attendance, leading to a decline in their unrestricted net position. These cost increases included inflationary adjustments embedded in venue contracts and employee pay rates.

BUDGETARY HIGHLIGHTS

As noted earlier, Metro's General Fund is used to account for general government operations and the programs of planning, development and research and culture and recreation. Over the course of the fiscal year, the Metro Council revised the budget for the General Fund three times, and total appropriations came to \$159,194,243. The total budgeted appropriation for expenditures and transfers increased by \$246,592 from the previous year, reflecting a stabilization in agency spending across key general-funded programs after several years of pandemic-related fluctuations.

Revenue from grants was \$13,722,613, but budgeted at \$19,651,338; this difference is related to delays in the execution of several transportation planning related grants in the last quarter of the fiscal year. Other significant variances in estimated and actual revenues include internal charges for services and investment income. Internal charges for services came in lower compared to budget due to fewer internal staff working on projects billed to other departments than originally planned. Investment income increased due to favorable market trends in contrast to the conditions at the time the budget was prepared. Expenditures in planning, development and research were \$20,452,841 less than budgeted. Metro routinely budgets in a manner to ensure there is sufficient appropriation for potential TOD program purchases.

Year over year, the total revised budget across all funds was \$1,806,249,044, up 10.5 percent from Fiscal Year 2023. A large portion of this budget is unappropriated fund balance in the Affordable Housing and Parks and Nature Bond funds. The Affordable Housing funds are fully committed and expected to be spent down in the next several years. The Parks and Nature Bond program is forecasted to fully spend the voter-approved bonding authority over the next eight to ten years; the unappropriated fund balance related to that program will fluctuate as bonds are issued and funds expended.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 323,919,615	315,250,863	26,194,419	24,155,600	350,114,034	339,406,463
Leased land	-	-	8,608,145	8,649,438	8,608,145	8,649,438
Intangible - easements	11,929,884	11,929,884	-	-	11,929,884	11,929,884
Artwork	484,645	484,645	1,184,358	1,184,358	1,669,003	1,669,003
Buildings and exhibits	20,746,658	21,585,943	254,561,508	263,254,968	275,308,166	284,840,911
Leased buildings and exhibits	211,921	407,539	4,585,529	5,728,812	4,797,450	6,136,351
Improvements	34,077,616	26,720,506	19,397,176	19,558,141	53,474,792	46,278,647
Equipment and vehicles	3,458,650	2,747,478	17,964,390	13,745,839	21,423,040	16,493,317
Leased equipment and vehicles	37,326	70,096	-	-	37,326	70,096
Intangible - software	2,419,929	2,062,557	95,887	116,535	2,515,816	2,179,092
Right to use asset - software	2,444,018	921,862	446,439	685,036	2,890,457	1,606,898
Office furniture/equipment	172,243	330,624	297,598	391,993	469,841	722,617
Railroad equipment/facilities	-	-	720,730	1,069,752	720,730	1,069,752
Construction in progress	28,991,236	17,082,953	5,089,981	4,971,194	34,081,217	22,054,147
Total	<u>\$ 428,893,741</u>	<u>399,594,950</u>	<u>339,146,160</u>	<u>343,511,666</u>	<u>768,039,901</u>	<u>743,106,616</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Metro's capital assets for its governmental and business-type activities total \$768,039,901 (net of accumulated depreciation and amortization) as of June 30, 2024.

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 \$24,933,285 or 3.4 percent, net of accumulated depreciation and amortization. In the current fiscal year, there was an increase of \$29,298,791 or 7.3 percent in capital assets attributable to governmental activities and a decrease of \$4,365,506 or 1.3 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 IV.E to the financial statements.

Long-term debt. At the end of the current fiscal year, Metro had total debt outstanding of \$857,214,879, net of unamortized premiums and discounts. Of this amount, \$765,094,158 comprises debt backed by property tax assessments and \$75,637,399 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. Leases and subscription-based information technology arrangement (SBITA) payable make up the remainder of the balance.

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 \$62,432,302 or 6.8 percent during the current fiscal year. This is reflective of scheduled debt and lease repayments. The repayments are offset slightly by increases to total debt related to SBITA payable increases related to additional eligible software contracts executed during the year.

Metro's Outstanding Debt

	Governmental Activities		Business-type activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
General Obligation bonds	\$ 765,094,158	821,771,917	-	-	765,094,158	821,771,917
Full Faith & Credit/Revenue	74,593,602	79,134,719	1,043,797	2,101,909	75,637,399	81,236,628
Leases payable	260,861	478,343	13,642,768	14,753,779	13,903,629	15,232,122
SBITA payable	2,200,442	787,812	379,251	618,702	2,579,693	1,406,514
Total	<u>\$ 842,149,063</u>	<u>902,172,791</u>	<u>15,065,816</u>	<u>17,474,390</u>	<u>857,214,879</u>	<u>919,647,181</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, a 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 would likely improve as business travel and tourism resume. The 2022 rating action affirmed the Aa3 rating on the special tax bonds and the Aaa rating on general obligation unlimited tax. Subsequent to year-end, in October 2024, Moody's reaffirmed its Aaa rating on Metro's outstanding general obligation unlimited tax bonds and its Aa3 rating on dedicated tax revenue bonds. The ratings rationale cited solid reserve balances, favorable liquidity ratios, and an overall healthy regional economy.

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 \$44,817,887,154, which is significantly in excess of Metro's outstanding general obligation debt.

Additional information on Metro's long-term debt can be found in Notes IV.K through IV.N 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 2025 totals \$2,097,108,321, up 16.1 percent from fiscal year 2024. A detailed discussion can be found in Metro's 2025 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. Fiscal year 2025 is the second year of the third five-year local option levy approved for renewal by voters in 2022. All 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 5 and capital funding for OCC and Expo, and the Visitor Facilities Trust Account (VFTA) allocations to OCC and Portland's 5. Those revenues are expected to increase as the region continues to recover from the COVID-19 pandemic.
- Enterprise revenues include an 8.4 percent increase at MERC, a 1.5 percent increase at the Oregon Zoo, and a 0.7 percent decrease in solid waste revenues.

Management Discussion and Analysis

For the fiscal year ended June 30, 2024

- Personnel services costs are budgeted to increase by 10.3 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 2025 budget from the amended 2024 budget by a net 16.85 FTE to a total of 1,170.30 FTE as additional staffing needs were identified to support the housing programs and solid waste programs to meet operational and programmatic requirements.
- Voters in greater Portland approved a supportive housing services tax in May 2020, levying a 1 percent tax on personal taxable income above \$125,000 for individuals and \$200,000 for those filing jointly, and a 1 percent tax on net business income for businesses with gross receipts in excess of \$5.0 million. The budget anticipates \$374.5 million in revenues and \$460.3 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 2025 include \$230 million to local partners for approved affordable housing projects and site acquisition, \$16 million in payments to grantees and other governmental agencies for parks and natural area projects, \$22 million for land acquisition and infrastructure work within the parks and nature portfolio, \$15 million for infrastructure-related work at the MERC facilities, and \$3 million for solid waste facility capital upgrades at the Metro Central and Metro South transfer stations.

Metro's financial policies are the backbone of Metro's financial accountability and transparency. The fiscal year 2025 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 2024





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Government-Wide Financial Statements

METRO
Statement of Net Position
June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Oregon Zoo Foundation
ASSETS				
Equity in internal cash and investment pool	\$ 63,417,291	111,636,263	175,053,554	2,504,351
Investments	-	-	-	20,811,513
Receivables (net of allowance for uncollectibles):				
Property taxes	494,741	-	494,741	-
Trade	4,460	11,963,721	11,968,181	651,588
Other	3,033,967	9,432,842	12,466,809	489,603
Interest	411,051	692,629	1,103,680	-
Grants	-	82,497	82,497	-
Internal balances	4,221,258	(4,221,258)	-	-
Lease receivable	1,751,243	-	1,751,243	-
Public-private partnership receivable	-	34,859,051	34,859,051	-
Inventories	-	1,178,885	1,178,885	-
Prepaid items	1,232,542	524,416	1,756,958	70,833
Other assets	271,200	127,998	399,198	-
Restricted assets:				
Equity in internal cash and investment pool	152,820,305	764,176	153,584,481	-
Investments	425,145,664	-	425,145,664	-
Receivables (net of allowance for uncollectibles):				
Property taxes	2,452,597	-	2,452,597	-
Personal and business income taxes	50,477,368	-	50,477,368	-
Trade	28,460	-	28,460	-
Other	4,912,960	-	4,912,960	-
Interest	3,318,425	-	3,318,425	-
Grants	2,009,311	-	2,009,311	-
Lease receivable	123,818	-	123,818	-
Assets held for resale	14,868,362	-	14,868,362	-
Advances	349,094,763	-	349,094,763	-
Prepaid items	318,202	-	318,202	-
Loans receivable	423,393	-	423,393	-
Net OPEB asset	873,029	859,173	1,732,202	-
Other assets	1,017,444	-	1,017,444	-
Capital assets:				
Land, intangibles, artwork and construction in progress	365,325,380	32,468,758	397,794,138	-
Other capital assets (net of accumulated depreciation and amortization)	63,568,361	306,677,402	370,245,763	19,500
Total assets	1,511,615,595	507,046,553	2,018,662,148	24,547,388
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension amounts	23,302,979	21,708,176	45,011,155	-
Deferred OPEB amounts	548,258	779,549	1,327,807	-
Total deferred outflows of resources	23,851,237	22,487,725	46,338,962	-
LIABILITIES				
Accounts payable	15,184,951	13,187,064	28,372,015	44,892
Accrued salaries and benefits	3,329,195	3,073,937	6,403,132	-
Contracts payable	762,049	519,425	1,281,474	3,354,962
Accrued interest payable	2,197,759	47,178	2,244,937	-
Accrued self-insurance claims	777,000	-	777,000	-
Unearned revenue	250,301	5,337,504	5,587,805	219,068
Deposits payable	18,038	2,779,595	2,797,633	-
Other liabilities	1,064,890	34,192	1,099,082	-

(Continued)

METRO
Statement of Net Position, *continued*
June 30, 2024

	Primary Government			Component Unit
	Governmental	Business-type	Total	Oregon Zoo
	Activities	Activities		Foundation
LIABILITIES, Continued				
Non-current liabilities:				
Due within one year:				
Leases payable	\$ 243,131	546,949	790,080	-
SBITA payable	960,829	286,819	1,247,648	-
Bonds payable	63,715,443	1,005,000	64,720,443	-
Post-closure costs payable	-	931,526	931,526	-
Compensated absences	4,243,943	3,122,874	7,366,817	-
Due in more than one year:				
Leases payable	17,730	13,095,819	13,113,549	-
SBITA payable	1,239,613	92,432	1,332,045	-
Bonds payable (net of unamortized premium or discount)	775,972,317	38,797	776,011,114	-
Total OPEB liability	1,349,583	1,960,907	3,310,490	-
Post-closure costs payable	-	957,609	957,609	-
Pollution remediation obligation	8,607,624	95,000	8,702,624	-
Compensated absences	1,730,729	1,728,645	3,459,374	-
Net pension liability	58,152,903	54,173,050	112,325,953	-
Total liabilities	939,818,028	103,014,322	1,042,832,350	3,618,922
DEFERRED INFLOWS OF RESOURCES				
Deferred lease amounts	1,716,150	-	1,716,150	-
Deferred public-private partnership amounts	-	33,974,630	33,974,630	-
Deferred charge on refunding	1,951,780	-	1,951,780	-
Deferred pension amounts	11,401,964	10,621,638	22,023,602	-
Deferred OPEB amounts	488,563	679,769	1,168,332	-
Total deferred inflows of resources	15,558,457	45,276,037	60,834,494	-
NET POSITION				
Net investment in capital assets (1)	370,582,164	324,080,339	670,933,826	19,500
Restricted for:				
Parks and natural areas operations				
Expendable	6,439,759	-	6,439,759	-
Non-expendable	75,670	-	75,670	-
Supportive housing services	376,493,431	-	376,493,431	-
Transit-oriented development projects	25,683,520	-	25,683,520	-
Planning projects	26,719,054	-	26,719,054	-
Smith and Bybee Wetlands management plan	1,014,899	-	1,014,899	-
Community enhancement	1,564,069	-	1,564,069	-
Willamette Falls Legacy project	16,017,600	-	16,017,600	-
Debt service	4,518,506	-	4,518,506	-
Capital projects	60,145,418	12,468,295	72,613,713	-
OPEB asset	873,029	859,173	1,732,202	-
Perpetual care: Non-expendable	747,747	-	747,747	-
Zoo purposes:				
Expendable	-	-	-	1,149,569
Non-expendable	-	-	-	1,189,628
Unrestricted	(310,784,519)	43,836,112	(243,219,730)	18,569,769
Total net position	\$ 580,090,347	381,243,919	961,334,266	20,928,466

(1) See Note II.D.15 in the notes to the financial statements

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

METRO
Statement of Activities
For the fiscal year ended June 30, 2024

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental activities:				
General government operations	\$ 14,755,333	987,660	3,602,554	-
Planning, development and research	23,225,600	2,021,865	13,731,427	-
Housing	404,853,574	-	-	-
Culture and recreation	49,428,873	8,275,149	879,536	-
Interest on long-term debt	25,611,092	-	-	-
Total governmental activities	517,874,472	11,284,674	18,213,517	-
Business-type activities:				
Solid Waste	111,401,035	114,087,566	2,514,191	-
Oregon Zoo	55,186,087	28,573,970	5,231,240	-
MERC	90,527,520	58,575,974	20,363,976	276,180
Total business-type activities	257,114,642	201,237,510	28,109,407	276,180
Total primary government	\$ 774,989,114	212,522,184	46,322,924	276,180
Component Unit:				
Oregon Zoo Foundation	\$ 12,762,227	5,831,690	6,211,618	-
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, 2023				
Net position - June 30, 2024				

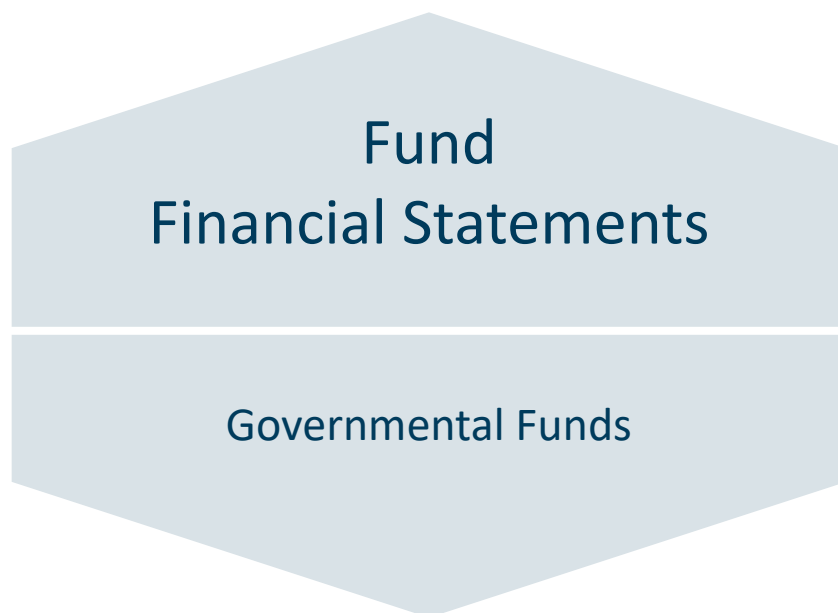
The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Oregon Zoo Foundation
(10,165,119)	-	(10,165,119)	
(7,472,308)	-	(7,472,308)	
(404,853,574)	-	(404,853,574)	
(40,274,188)	-	(40,274,188)	
(25,611,092)	-	(25,611,092)	
(488,376,281)	-	(488,376,281)	
-	5,200,722	5,200,722	
-	(21,380,877)	(21,380,877)	
-	(11,311,390)	(11,311,390)	
-	(27,491,545)	(27,491,545)	
(488,376,281)	(27,491,545)	(515,867,826)	
			(718,919)
120,787,018	-	120,787,018	-
335,136,020	-	335,136,020	-
20,121,244	-	20,121,244	-
3,782,940	-	3,782,940	-
53,353	-	53,353	-
35,803,286	6,585,037	42,388,323	1,951,861
(15,293,466)	15,293,466	-	-
500,390,395	21,878,503	522,268,898	1,951,861
12,014,114	(5,613,042)	6,401,072	1,232,942
568,076,233	386,856,961	954,933,194	19,695,524
\$ 580,090,347	381,243,919	961,334,266	20,928,466



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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, Development and Research (land use, urban growth management, research, and environmental and transportation planning), Housing, and Diversity, Equity, and Inclusion, 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

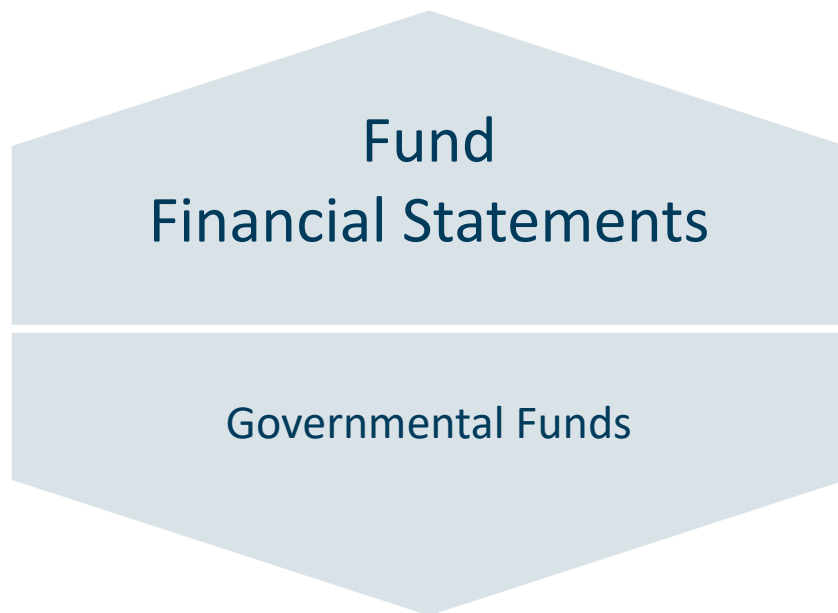
This fund accounts for a dedicated local option levy and other funding that is used to improve water quality and restore wildlife habitat, wetlands, and floodplains in the region, as well as needed upkeep to parks, nature education and community partnerships throughout the region.

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 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, and Cemetery Perpetual Care Fund.

METRO
Balance Sheet and Reconciliation to Statement of Net Position
Governmental Funds
June 30, 2024

		Special Revenue		
	General	Parks and Nature Operating	Affordable Housing	Supportive Housing Services
ASSETS				
Equity in internal cash and investment pool	\$ 127,346,169	9,159,828	12,292,268	31,825,142
Investments	-	-	313,892,549	-
Receivables:				
Property taxes	494,741	456,149	-	-
Personal and business income taxes	-	-	-	50,477,368
Trade	6,791	21,877	-	-
Other	2,863,750	661,459	551,594	-
Interest	706,117	59,161	2,118,469	181,568
Grants	1,995,771	-	-	-
Lease receivable	711,286	1,163,775	-	-
Assets held for resale	4,215,567	-	10,652,795	-
Advances	-	-	53,991,768	295,102,995
Prepaid items	362,735	75,262	1,542	3,796
Other assets	-	209,922	-	1,000,000
Loans receivable	423,393	-	-	-
Restricted assets:				
Equity in internal cash and investment pool	3,372,630	-	-	-
Total assets	\$ 142,498,950	11,807,433	393,500,985	378,590,869
LIABILITIES				
Accounts payable	\$ 7,384,654	1,761,360	96,782	1,794,618
Accrued salaries and benefits	2,337,172	584,133	37,323	139,016
Contracts payable	163,297	-	-	-
Unearned revenue	6,333	243,968	-	-
Deposits payable	9,534	8,504	-	-
Other liabilities	4,139	10,067	-	-
Total liabilities	9,905,129	2,608,032	134,105	1,933,634
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	417,890	381,181	-	-
Unavailable revenue-other	54,853	-	-	-
Deferred lease amounts	626,966	1,089,184	-	-
Total deferred inflows of resources	1,099,709	1,470,365	-	-
FUND BALANCES				
Nonspendable	362,735	75,262	53,993,310	295,106,791
Restricted	74,627,421	6,985,089	339,373,570	81,550,444
Committed	9,743,146	-	-	-
Assigned	1,053,324	668,685	-	-
Unassigned	45,707,486	-	-	-
Total fund balances	131,494,112	7,729,036	393,366,880	376,657,235
Total liabilities, deferred inflows of resources and fund balances	\$ 142,498,950	11,807,433	393,500,985	378,590,869

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, 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 inflows 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		
4,397,123	-	22,980,451	3,220,667	211,221,648
-	-	111,253,114	-	425,145,663
1,996,448	-	-	-	2,947,338
-	-	-	-	50,477,368
-	-	4,252	-	32,920
-	-	3,810,810	59,314	7,946,927
65,045	-	568,565	18,778	3,717,703
-	-	13,540	-	2,009,311
-	-	-	-	1,875,061
-	-	-	-	14,868,362
-	-	-	-	349,094,763
-	-	-	408	443,743
-	-	8,722	-	1,218,644
-	-	-	-	423,393
7	-	-	-	3,372,637
6,458,623	-	138,639,454	3,299,167	1,074,795,481
-	-	3,545,437	447,125	15,029,976
-	-	209,961	-	3,307,605
-	-	598,752	-	762,049
-	-	-	-	250,301
-	-	-	-	18,038
-	-	-	-	14,206
-	-	4,354,150	447,125	19,382,175
1,680,021	-	-	-	2,479,092
-	-	-	-	54,853
-	-	-	-	1,716,150
1,680,021	-	-	-	4,250,095
-	-	-	748,155	350,286,253
4,778,602	-	134,285,304	2,087,775	643,688,205
-	-	-	-	9,743,146
-	-	-	16,112	1,738,121
-	-	-	-	45,707,486
4,778,602	-	134,285,304	2,852,042	1,051,163,211
6,458,623	-	138,639,454	3,299,167	
				428,893,741
				(46,668,747)
				2,533,945
				6,082,268
				(861,914,071)
				\$ 580,090,347

METRO
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2024

		Special Revenue		
	General	Parks and Nature Operating	Affordable Housing	Supportive Housing Services
REVENUES				
Property taxes	\$ 19,944,171	18,816,965	-	-
Excise taxes	20,121,244	-	-	-
Personal and business income taxes	-	-	-	335,136,020
Construction excise tax	3,782,940	-	-	-
Cemetery revenue surcharge	53,353	-	-	-
Investment income	5,637,019	701,171	18,635,676	1,726,652
Government fees	6,185	11,895	-	-
Culture and recreation fees	-	5,342,610	-	-
Solid waste fees	-	-	-	-
Other fees	1,112,329	1,382,367	-	-
Internal charges for services	1,300,357	-	-	-
Licenses and permits	556,105	-	-	-
Miscellaneous revenue	130,125	157,777	-	-
Grants	13,722,613	244,898	-	-
Local government shared revenues	3,611,369	610,362	-	-
Government contributions	3,600,373	7,190	-	-
Capital contributions and donations	-	3,546	-	-
Total revenues	73,578,183	27,278,781	18,635,676	336,862,672
EXPENDITURES				
Current:				
General government operations	13,735,715	-	-	-
Planning, development and research	25,219,976	-	-	-
Housing	226,628	-	88,835,009	313,888,478
Culture and recreation	231,746	32,851,777	-	-
Debt service:				
Principal	4,125,000	-	-	-
Interest	3,466,379	-	-	-
Capital outlay	5,272,740	458,916	-	-
Total expenditures	52,278,184	33,310,693	88,835,009	313,888,478
Revenues over (under) expenditures	21,299,999	(6,031,912)	(70,199,333)	22,974,194
OTHER FINANCING SOURCES (USES)				
Leases (as lessee)	-	36,152	-	-
SBITA	2,781,465	-	-	-
Sale of capital assets	13,366	-	-	-
Transfers in	2,500,557	4,000,000	-	-
Transfers out	(21,209,824)	(741,320)	(17,397)	(50,081)
Total other financing sources (uses)	(15,914,436)	3,294,832	(17,397)	(50,081)
Net change in fund balances	5,385,563	(2,737,080)	(70,216,730)	22,924,113
Fund balances - July 1, 2023	126,108,549	10,466,116	463,583,610	353,733,122
Fund balances - June 30, 2024	\$ 131,494,112	7,729,036	393,366,880	376,657,235

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

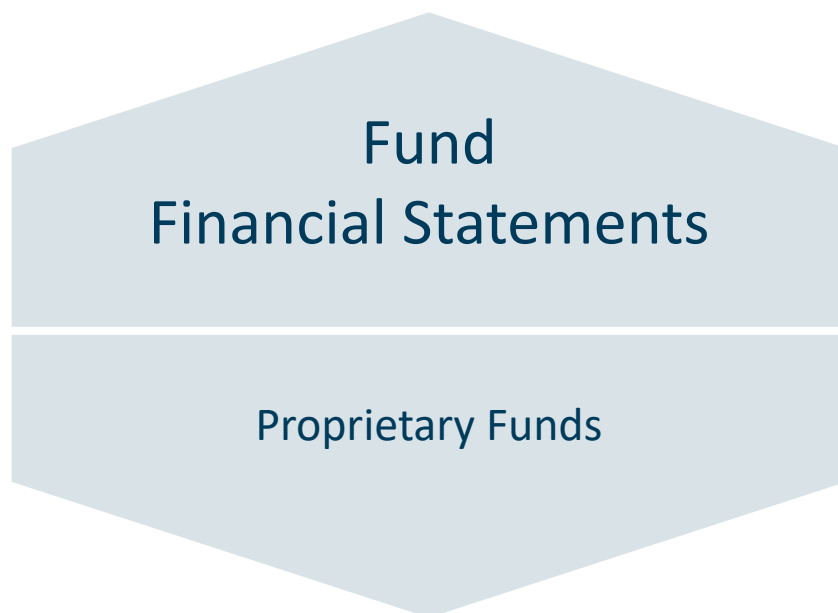
General Obligation Bond Debt Service	Capital Projects		Other Governmental Funds	Total Governmental Funds
	Natural Areas	Parks and Nature Bond		
81,447,560	-	-	-	120,208,696
-	-	-	-	20,121,244
-	-	-	-	335,136,020
-	-	-	-	3,782,940
-	-	-	-	53,353
1,435,637	170,786	7,292,285	150,851	35,750,077
-	-	-	-	18,080
-	-	-	-	5,342,610
-	-	-	1,329,478	1,329,478
-	-	51,022	-	2,545,718
-	-	-	-	1,300,357
-	-	-	-	556,105
-	-	-	-	287,902
-	-	13,540	-	13,981,051
-	-	-	-	4,221,731
-	-	-	-	3,607,563
-	-	-	-	3,546
82,883,197	170,786	7,356,847	1,480,329	548,246,471
-	-	-	-	13,735,715
-	-	-	-	25,219,976
-	-	-	-	402,950,115
-	1,177,111	10,327,247	1,494,358	46,082,239
55,203,477	-	-	-	59,328,477
26,313,900	-	-	-	29,780,279
-	2,410,611	26,219,331	-	34,361,598
81,517,377	3,587,722	36,546,578	1,494,358	611,458,399
1,365,820	(3,416,936)	(29,189,731)	(14,029)	(63,211,928)
-	-	-	-	36,152
-	-	-	-	2,781,465
-	-	-	-	13,366
-	11	209,813	-	6,710,381
-	-	(108,635)	(7,430)	(22,134,687)
-	11	101,178	(7,430)	(12,593,323)
1,365,820	(3,416,925)	(29,088,553)	(21,459)	(75,805,251)
3,412,782	3,416,925	163,373,857	2,873,501	1,126,968,462
4,778,602	-	134,285,304	2,852,042	1,051,163,211

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, 2024

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

Net change in fund balances-total governmental funds		\$ (75,805,251)
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	34,363,052	
Less current year depreciation and amortization	<u>(5,030,174)</u>	29,332,878
Modifications of right to use contracts result in expenditures for governmental funds while governmental activities report capital assets.		(183,786)
Governmental funds purchase capital assets that are subsequently transferred and then owned and depreciated by a proprietary fund in the statement of activities.		141,226
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.		52,850
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	578,323	
Change in unavailable revenue-other	<u>(3,695,949)</u>	(3,117,626)
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.		129,112
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	59,328,477	
Amortization of unamortized premium or discount	<u>4,019,613</u>	63,348,090
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	333,345	
Other postemployment benefits	235,259	
Compensated absences	(894,048)	
Accruals associated with pension related obligations	643,189	
Leases payable	217,482	
SBITA payable	(1,456,740)	
Arbitrage payable on bonds	(1,050,684)	
Accrued interest payable	<u>88,818</u>	(1,883,379)
Change in net position of governmental activities		<u>\$ 12,014,114</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 two budgetary funds (Oregon Zoo Operating Fund and Oregon Zoo Asset Management Fund) 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.

METRO
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Fund Risk Management
	Solid Waste	Oregon Zoo	MERC	Total	
ASSETS					
Current assets:					
Equity in internal cash and investment pool	\$ 38,193,310	39,312,790	34,130,163	111,636,263	1,643,312
Receivables:					
Trade	6,741,685	2,003,923	3,218,113	11,963,721	-
Other	2,817,181	667,274	5,948,387	9,432,842	-
Interest	214,359	265,839	212,431	692,629	11,772
Grants	-	82,456	41	82,497	-
Public-private partnership receivable	-	2,608,756	1,363,714	3,972,470	-
Inventories	1,178,885	-	-	1,178,885	-
Prepaid items	397,139	91,772	35,505	524,416	1,107,001
Other assets	-	97,998	30,000	127,998	70,000
Total current assets	49,542,559	45,130,808	44,938,354	139,611,721	2,832,085
Noncurrent assets:					
Restricted equity in internal cash and investment pool	-	-	764,176	764,176	-
Public-private partnership receivable	-	18,786,914	12,099,667	30,886,581	-
OPEB asset	299,700	281,022	278,451	859,173	-
Capital assets, net	44,042,088	153,615,757	141,488,315	339,146,160	77,659
Total noncurrent assets	44,341,788	172,683,693	154,630,609	371,656,090	77,659
Total assets	93,884,347	217,814,501	199,568,963	511,267,811	2,909,744
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension amounts	7,431,459	6,959,778	7,316,939	21,708,176	-
Deferred OPEB amounts	361,846	218,308	199,395	779,549	-
Total deferred outflows of resources	7,793,305	7,178,086	7,516,334	22,487,725	-
LIABILITIES					
Current liabilities:					
Accounts payable	7,617,261	1,270,491	4,299,312	13,187,064	154,987
Accrued salaries and benefits	1,039,269	979,218	1,055,450	3,073,937	21,590
Contracts payable	198,010	-	321,415	519,425	-
Accrued interest payable	8,582	1,515	37,081	47,178	111
Accrued self-insurance claims	-	-	-	-	777,000
Unearned revenue	966,363	705,128	3,666,013	5,337,504	-
Deposits payable	-	83,541	2,696,054	2,779,595	-
Other liabilities	11,009	375	22,808	34,192	-
Leases payable-current	383,854	-	163,095	546,949	-
SBITA payable-current	6,323	15,596	264,900	286,819	44,552
Bonds payable-current	-	-	1,005,000	1,005,000	-
Post-closure costs payable-current	931,526	-	-	931,526	-
Compensated absences-current	944,710	1,125,680	1,052,484	3,122,874	18,638
Total current liabilities	12,106,907	4,181,544	14,583,612	30,872,063	1,016,878

(Continued)

METRO
Statement of Net Position
Proprietary Funds, *continued*
June 30, 2024

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Fund Risk Management
	Solid Waste	Oregon Zoo	MERC	Total	
LIABILITIES, <i>continued</i>					
Noncurrent liabilities:					
Leases payable	\$ 4,396,957	-	8,698,862	13,095,819	-
SBITA payable	13,865	34,200	44,367	92,432	-
Bonds payable (net of unamortized premium or discount)	-	-	38,797	38,797	-
Total OPEB liability	921,088	544,700	495,119	1,960,907	-
Post-closure costs payable	957,609	-	-	957,609	-
Pollution remediation obligation	-	-	95,000	95,000	-
Compensated absences	613,723	474,634	640,288	1,728,645	31,869
Net pension liability	18,545,308	17,368,221	18,259,521	54,173,050	-
Total non-current liabilities	25,448,550	18,421,755	28,271,954	72,142,259	31,869
Total liabilities	37,555,457	22,603,299	42,855,566	103,014,322	1,048,747
DEFERRED INFLOWS OF RESOURCES					
Deferred pension amounts	3,636,154	3,405,364	3,580,120	10,621,638	-
Deferred public-private partnership amounts	-	20,908,738	13,065,892	33,974,630	-
Deferred OPEB amounts	311,666	191,941	176,162	679,769	-
Total deferred inflows of resources	3,947,820	24,506,043	16,822,174	45,276,037	-
NET POSITION					
Net investment in capital assets	39,241,090	153,565,958	131,273,291	324,080,339	33,107
Restricted for:					
Capital projects	-	11,704,120	764,175	12,468,295	-
OPEB asset	299,700	281,022	278,451	859,173	-
Unrestricted	20,633,585	12,332,145	15,091,640	48,057,370	1,827,890
Total net position	\$ 60,174,375	177,883,245	147,407,557	385,465,177	1,860,997
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(4,221,258)	
Net position of business-type activities				\$ 381,243,919	

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

METRO
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the fiscal year ended June 30, 2024

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Fund Risk Management
	Solid Waste	Oregon Zoo	MERC	Total	
OPERATING REVENUES					
Charges for services	\$ 114,069,458	28,573,970	58,575,974	201,219,402	167,194
Internal charges for services	-	-	-	-	4,066,898
Total operating revenues	114,069,458	28,573,970	58,575,974	201,219,402	4,234,092
OPERATING EXPENSES					
Payroll and fringe benefits	24,150,022	24,912,294	27,464,463	76,526,779	507,631
Depreciation and amortization	2,306,361	7,578,350	5,226,295	15,111,006	44,377
Administration	16,762,561	8,196,213	10,142,632	35,101,406	-
Facility operations	27,179,740	12,405,365	22,066,589	61,651,694	9,077
Marketing	-	-	5,510,743	5,510,743	-
Food and beverage	-	-	13,953,388	13,953,388	-
Disposal fees	11,319,571	-	-	11,319,571	-
Waste transport	16,521,286	-	-	16,521,286	-
Special waste disposal fees	1,441,399	-	-	1,441,399	-
Landfill post-closure (reduction)	(37,407)	-	-	(37,407)	-
Consulting services	3,772,600	2,170,152	749,029	6,691,781	1,494
Charges for services	760,224	4,930	171,634	936,788	-
Insurance	-	-	-	-	2,959,222
Claims	-	-	-	-	383,878
Actuarial claims (reduction)	-	-	-	-	44,000
Other materials and services	3,930,033	-	-	3,930,033	39,257
Total operating expenses	108,106,390	55,267,304	85,284,773	248,658,467	3,988,936
Operating income (loss)	5,963,068	(26,693,334)	(26,708,799)	(47,439,065)	245,156
NON-OPERATING REVENUES (EXPENSES)					
Investment income	2,058,567	2,105,304	2,421,166	6,585,037	53,211
Grants	2,509,191	636,744	243,896	3,389,831	19,283
Local government shared revenue	-	-	18,943,803	18,943,803	-
Government contributions	-	-	1,119,400	1,119,400	-
Contributions and donations	5,000	4,594,496	56,877	4,656,373	-
Contributions to other governments	-	-	(5,022,939)	(5,022,939)	-
Loss on disposal of capital assets	(69,015)	(242,358)	(60,654)	(372,027)	-
Gain on right to use modification	18,108	-	-	18,108	-
Waste reduction grants	(3,203,222)	-	-	(3,203,222)	-
Interest income (expense)	(99,624)	7,341	(274,608)	(366,891)	(780)
Total non-operating revenues (expenses)	1,219,005	7,101,527	17,426,941	25,747,473	71,714
Income (loss) before transfers and capital contributions	7,182,073	(19,591,807)	(9,281,858)	(21,691,592)	316,870
Capital contributions	-	-	466,490	466,490	-
Transfers in	-	17,000,000	-	17,000,000	-
Transfers out	(534,904)	(502,241)	(527,691)	(1,564,836)	(10,858)
Change in net position	6,647,169	(3,094,048)	(9,343,059)	(5,789,938)	306,012
Total net position - July 1, 2023	53,527,206	180,977,293	156,750,616		1,554,985
Total net position - June 30, 2024	\$ 60,174,375	177,883,245	147,407,557		1,860,997
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				176,896	
Change in net position of business-type activities				\$ (5,613,042)	

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, 2024

	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	\$ 114,251,641	27,039,810	61,314,525	202,605,976	167,194
Receipts from interfund services provided	-	-	-	-	4,066,898
Payments to suppliers for goods and services	(69,320,107)	(16,243,586)	(46,739,653)	(132,303,346)	(3,195,505)
Payments for claims	-	-	-	-	(383,878)
Payments to employees for services	(25,390,082)	(24,668,977)	(26,449,645)	(76,508,704)	(486,826)
Payments for interfund services used	(16,762,561)	(8,196,213)	(10,142,633)	(35,101,407)	-
Net cash provided by (used in) operating activities	2,778,891	(22,068,966)	(22,017,406)	(41,307,481)	167,883
Cash flows from noncapital financing activities:					
Grants received	2,509,191	716,679	243,855	3,469,725	183,488
Local government shared revenues	-	-	19,148,649	19,148,649	-
Government contributions	-	-	1,119,400	1,119,400	-
Contributions and donations	5,000	4,594,496	56,877	4,656,373	-
Contributions to other governments	-	-	(5,022,939)	(5,022,939)	-
Grants to others	(3,203,222)	-	-	(3,203,222)	-
Principal collected (paid) on interfund loans	513,839	(513,839)	-	-	-
Interest collected (paid) on interfund loans	(8,856)	8,856	-	-	-
Transfers from other funds	-	17,000,000	-	17,000,000	-
Transfers to other funds	(534,904)	(502,241)	(527,691)	(1,564,836)	(10,858)
Net cash provided by (used in) noncapital financing activities	(718,952)	21,303,951	15,018,151	35,603,150	172,630
Cash flows from capital and related financing activities:					
Capital grants and contributions	-	-	466,490	466,490	-
Principal payment on bonds	-	-	(965,000)	(965,000)	-
Principal payment on leases	(409,118)	-	(174,683)	(583,801)	-
Principal payment on SBITA	(5,940)	(14,652)	(258,661)	(279,253)	(44,109)
Interest payments	(101,073)	(1,960)	(363,671)	(466,704)	(891)
Acquisition and construction of capital assets	(8,771,215)	(652,455)	(2,163,153)	(11,586,823)	-
Net cash used in capital and related financing activities	(9,287,346)	(669,067)	(3,458,678)	(13,415,091)	(45,000)
Cash flows from investing activities:					
Investment income	2,013,749	2,000,922	2,376,077	6,390,748	47,763
Net cash provided by investing activities	2,013,749	2,000,922	2,376,077	6,390,748	47,763
Net increase (decrease) in cash including restricted amounts	(5,213,658)	566,840	(8,081,856)	(12,728,674)	343,276
Cash at beginning of year including restricted amounts	43,406,968	38,745,950	42,976,195	125,129,113	1,300,036
Cash at end of year including restricted amounts	\$ 38,193,310	39,312,790	34,894,339	112,400,439	1,643,312

(Continued)

METRO
Statement of Cash Flows
Proprietary Funds, *continued*
For the fiscal year ended June 30, 2024

	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	\$ 38,193,310	39,312,790	34,130,163	111,636,263	1,643,312
Restricted equity in internal cash and investment pool	-	-	764,176	764,176	-
Total	\$ 38,193,310	39,312,790	34,894,339	112,400,439	1,643,312
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 5,963,068	(26,693,334)	(26,708,799)	(47,439,065)	245,156
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	2,306,361	7,578,350	5,226,295	15,111,006	44,377
Change in assets and liabilities:					
Trade/other accounts receivable	182,185	(1,534,158)	2,738,552	1,386,579	-
Public-private partnership	-	(277,821)	(237,336)	(515,157)	-
Inventories	(646,973)	-	-	(646,973)	-
Prepaid items	(319,468)	(83,847)	(1,647)	(404,962)	-
Other assets	-	(45,988)	(30,000)	(75,988)	(302,273)
Accounts payable	(24,667)	(569,805)	(1,592,705)	(2,187,177)	115,817
Accrued salaries, benefits and compensated absences	(1,240,075)	243,307	1,014,808	18,040	20,806
Contracts payable	19,847	(145,190)	192,793	67,450	-
Accrued self-insurance claims	-	-	-	-	44,000
Unearned revenue	(2,509,191)	23,296	(2,458,927)	(4,944,822)	-
Deposits payable	(19,101)	(1,335)	(171,767)	(192,203)	-
Other liabilities	10,466	(562,441)	11,327	(540,648)	-
Post-closure costs payable	(943,561)	-	-	(943,561)	-
Total adjustments	(3,184,177)	4,624,368	4,691,393	6,131,584	(77,273)
Net cash provided by (used in) operating activities	\$ 2,778,891	(22,068,966)	(22,017,406)	(41,307,481)	167,883
Noncash investing, capital, and financing activities:					
Acquisition of capital assets by means of a lease	\$ -	-	204,419	204,419	-
Acquisition of capital assets by means of a SBITA	-	-	39,802	39,802	-
Non-cash portion of capital acquisitions	-	(82,817)	190,310	107,493	-

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

A large, solid dark blue hexagon is centered on the page. Inside the hexagon, the text "Notes to the Financial Statements" is written in a white, bold, sans-serif font, centered both horizontally and vertically.

Notes to the Financial Statements

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 the 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 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 are 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 intangible right-to-use lease assets and subscription-based information technology arrangement 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, 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 Technology and Records Management, Communications, Finance and Regulatory Services, Diversity, Equity, and Inclusion, Human Resources, Capital Asset Management (construction project management and Metro Regional Center building operations components), Planning, Development, and Research (land use, urban growth management, and environmental and transportation planning), Housing, 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 Funds – 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 two budgetary funds (Oregon Zoo Operating Fund and Oregon Zoo Asset Management Fund) 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 the operation and management of the City-owned Portland's 5 Centers for the Arts (Portland's 5). This fund consists of two budgetary funds (MERC Fund and General Revenue Bond Fund-MERC) that are combined as one Enterprise Fund to be in accordance with accounting principles generally accepted in the United States of America.

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

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

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

Special Revenue Funds

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 2024 allocated indirect costs to grants at a rate of approximately 26.0 percent of the related direct personnel costs.

3. Public-Private Partnership (PPP) Receivable

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

Metro uses its estimated incremental borrowing rate as the discount rate for PPPs where Metro is the transferor. The contract term includes the noncancellable period of the PPP. Receipts included in the measurement of the PPP receivable are composed of fixed payments to be received from the operator over the term of the contract.

4. 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.

5. Inventories and Prepaid Items

Inventories are valued at lower of cost or market and are charged as expenses when consumed. The method used to determine the cost of inventories is first-in, first-out method. Payments to vendors for services that will benefit future periods are recorded as prepaid items using the consumption method.

6. 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.

7. Transit-Oriented Development (TOD) Program Easements

Metro purchases easements on various TOD projects from developers. These easements contain property use conditions for periods of 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.

8. 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 26-225, a voter-approved five-year local option property tax levy. Assets of the Debt Service, Natural Areas, Affordable Housing, and Parks and Nature Funds are restricted by state law controlling the use of bond proceeds. Assets of the Smith and Bybee Wetlands Fund, and portions of the General Fund related to the TOD program and Willamette Falls Legacy project are restricted by contractual agreements with third parties. Assets of the Community Enhancement, Construction Excise Tax, Supportive Housing Services, and the Cemetery Perpetual Care Funds are restricted by state law and/or Metro Code.

9. Capital Assets

Capital assets, which include land, intangible easements, artwork, construction in progress, buildings and exhibits, improvements, equipment and vehicles, lease assets, subscription-based information technology arrangements, 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 \$50,000 or more, and an estimated useful life in excess of one year. Capital assets are recorded at cost (except for lease assets and subscription-based information technology arrangements assets, the measurement of which is discussed in notes 12 and 13 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 \$50,000 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
Lease assets	1-60
SBITA assets	1-5

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.

10. 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 pension amounts and deferred OPEB amounts. 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 and OPEB 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 and deferred public-private partnership amounts which represents the net present value of future receipts. In addition, the government-wide statement of net position also reports a deferred charge on refunding which 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. 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.

11. 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.

12. Leases

Lessee Arrangements: Lease liabilities and intangible right-to-use lease assets (lease assets) are reported in the government-wide and proprietary fund 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 leases 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.

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.

13. Subscription-Based Information Technology Arrangements (SBITA)

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

The interest rate charged by the SBITA vendor is used as the discount rate. When the interest rate charged by the vendor is not provided, Metro's estimated incremental borrowing rate is used. The SBITA term includes the noncancellable period of the agreement. SBITA payments included in the measurement of the liability are composed of fixed or fixed in substance payments.

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

14. 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.

15. 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.

16. 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 or resolution, place constraints on resources that are reported as *committed* fund balance. These commitments can be modified or rescinded only by Council adoption of subsequent ordinance or resolution. *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 net investment in capital assets) in the business-type activities column. The primary government total column has been adjusted to match the debt against the assets in the net investment in capital assets category.

E. ADOPTION OF NEW GASB PRONOUNCEMENTS

During the fiscal year ended June 30, 2024, no new GASB statements were required to be implemented by Metro.

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. 101, *Compensated Absences*, effective for reporting periods beginning after December 15, 2023.
- GASB Statement No. 102, *Certain Risk Disclosures*, effective for reporting periods beginning after June 15, 2024.

- GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for reporting periods beginning after June 15, 2025.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for reporting periods beginning after June 15, 2025.

III. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

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

	Capital assets	Net pension and OPEB liability and related amounts	Long-term liabilities/deferred inflows
Capital assets	\$ 476,451,757	-	-
Accumulated depreciation and amortization	(47,558,016)	-	-
Deferred pension amounts (deferred outflows)	-	23,302,979	-
Net pension liability	-	(58,152,903)	-
Deferred pension amounts (deferred inflows)	-	(11,401,964)	-
Net OPEB asset	-	873,029	-
Deferred OPEB amounts (deferred outflows)	-	548,258	-
Total OPEB liability	-	(1,349,583)	-
Deferred OPEB amounts (deferred inflows)	-	(488,563)	-
Accrued interest payable	-	-	(2,197,759)
Arbitrage payable	-	-	(1,050,684)
Leases payable	-	-	(260,861)
SBITA payable	-	-	(2,233,438)
Bonds payable (net of unamortized premium/discount)	-	-	(839,687,760)
Pollution remediation obligation	-	-	(8,607,624)
Compensated absences	-	-	(5,924,165)
Deferred charge on refunding (deferred inflows)	-	-	(1,951,780)
Net adjustment to fund balance-total governmental funds to arrive at net position-governmental activities	\$ 428,893,741	(46,668,747)	(861,914,071)

IV. DETAILED NOTES ON ALL FUNDS CASH AND INVESTMENTS

A. CASH AND INVESTMENTS

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

Policies adopted by Metro's Investment Advisory Board and the Metro Council authorize Metro to invest in obligations of U.S. government agencies, U.S. Government Sponsored Enterprises (USGSE), the U.S. Treasury, certificates of deposit, repurchase agreements, money market investments, bankers' acceptances, commercial paper, certain corporate promissory notes, State of Oregon and local government securities, debt obligations of the states of California, Idaho and Washington and their political subdivisions, and the State Treasurer's local government investment pool (LGIP). The LGIP is an external investment pool that is not rated by any national rating agency. LGIP investments are reported at fair value and are materially the same as the value of the pool

shares. The State Treasurer's investment policies are governed by Oregon Revised Statutes and the Oregon Short Term Fund Board (OSTFB).

Fair Value Measurements- Fair value is defined as the price that would be received to sell an asset or 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, 2024, 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	18-62
U.S. Treasuries	AA+	\$ 347,093,970	92,059,459	439,153,429	-	66,392,825	261,631,716	111,128,888
U.S. Government securities - USGSE	AA+	78,051,694	112,518,816	-	190,570,510	61,229,887	59,519,694	69,820,929
Corporate Debt								
	AA	-	5,960,736	-	5,960,736	-	3,479,311	2,481,425
	AA+	-	3,881,327	-	3,881,327	-	507,611	3,373,716
	AA-	-	3,831,560	-	3,831,560	-	1,886,500	1,945,060
	A	-	17,842,665	-	17,842,665	-	3,448,410	14,394,255
	A-	-	8,102,709	-	8,102,709	-	2,784,684	5,318,025
	A+	-	21,107,250	-	21,107,250	-	5,597,298	15,509,952
Municipal Bonds								
	AA	-	3,567,482	-	3,567,482	-	529,821	3,037,661
	AA+	-	4,248,426	-	4,248,426	-	289,479	3,958,947
	AAA	-	12,418,362	-	12,418,362	-	2,337,053	10,081,309
	AA-	-	2,905,395	-	2,905,395	-	727,875	2,177,520
	Unrated	-	2,068,985	-	2,068,985	631,520	1,437,465	-
Sub-total		425,145,664	290,513,172	439,153,429	276,505,407	128,254,232	344,176,917	243,227,687
State Treasurer's investment pool		-	25,717,290					
Total Investment		425,145,664	316,230,462					
Cash deposits		-	12,407,573					
Total cash and investments		\$ 425,145,664	328,638,035					
Per statement of net position:								
Unrestricted		\$ -	175,053,554					
Restricted		425,145,664	153,584,481					
Total		\$ 425,145,664	328,638,035					

Notes to the Financial Statements

For the fiscal year ended June 30, 2024

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

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

<u>Maturity</u>	<u>Minimum to mature</u>
Under 3 months	10 percent minimum
Under 18 months	25 percent minimum
Under 63 months	100 percent minimum

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

Oregon Revised Statutes require bankers' acceptances to be guaranteed by and carried on the books of, a qualified financial institution, eligible for discount by the Federal Reserve System, and issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations.

Custodial Credit Risk - Metro monitors custodial credit risk on deposits (the risk that if a bank failed, Metro's deposits would not be returned) in accordance with Metro investment policy which specifies the requirements of Oregon statutes. Oregon Revised Statutes Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program, a collateral pool administered by the Oregon State Treasurer. Bank depositories are required to pledge collateral against any public funds deposits in excess of federal deposit insurance amounts. The Oregon Treasury monitors each depository bank and ensures compliance with collateralization requirements for all Oregon public fund deposits. Banks are able to pledge a reduced amount if they are well capitalized; and in turn, the banks are required to share in the liability of a failed institution, should it ever occur. Public entities are required to verify that deposit accounts in excess of federal deposit insurance limits are maintained only at financial institutions included on the list of qualified depositories found on the Treasurer's website. It is the responsibility of the public official to ensure compliance with these requirements in order to eliminate personal liability in the event of a bank loss. Metro also monitors its depository institutions for indications of financial health. At June 30, 2024, 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, 2024, 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, 2024, 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)	10.7%	40.0%	11.1%	10.8%
Federal Farm Credit Banks Funding Corporation (FFCB)	9.9%	40.0%	-	10.3%
U.S. Treasuries	59.2%	100.0%	88.9%	61.3%

B. PUBLIC-PRIVATE PARTNERSHIP RECEIVABLE

The following changes occurred during fiscal year 2024 in public-private partnership (PPP) receivable:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Business-type activities:				
Food and beverage provider agreement; interest at 1%, principal and interest from \$249,583 to \$333,999 monthly, final payments due 2032	\$ 31,443,464	-	(2,797,972)	28,645,492
Gift shop operator agreement; interest at 4%, principal and interest of \$97,875 to \$120,449 monthly, final payments due 2029	1,155,635	6,380,688	(1,322,764)	6,213,559
Business-type activities				
Total public-private partnership receivable	\$ 32,599,099	6,380,688	(4,120,736)	34,859,051

Metro has entered into two public-private partnerships (PPP) as a transferor for gift shop operations and food and beverage provisions. The gift shop operator agreement conveys the right and related obligation to operate the Oregon Zoo's retail space for the sale of retail items as well as facilitation of stroller, wheelchair, and wagon rentals. The food and beverage provider agreement conveys the right and related obligation to manage all food and beverage concession services and operate the food preparation facilities at the Portland's, Expo and Oregon Zoo venues. During the year ended June 30, 2024, Metro recognized \$4,448,040 in PPP revenue and \$356,932 in interest revenue. The PPP receivable is calculated based on fixed components of the underlying agreements, which only include the guaranteed minimum fees presently. Both PPP agreements also include variable payments which are not included in the measurement of the PPP receivable as they are based on a revenue share structure. These variable payments are considered inflows of resources in the period in which they relate. Total variable payments received during the year ended June 30, 2024 approximate \$1.1 million.

Notes to the Financial Statements

For the fiscal year ended June 30, 2024

C. 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
Barbur Value Inn	10450 SW Barbur Blvd, Portland, OR	4,250,000
Walker Road	9985 & 10085 NE Walker Road, Hillsboro, OR	1,250,000
Aloha 209th	3140 SW 209th Ave, Beaverton, OR	2,952,795
Lake Oswego Boones Ferry Rd	16719, 16731, 16745 & 16759 SW Boones Ferry Rd, 5110 & 5126 W Sunset Dr, Lake Oswego, OR	2,200,000
		<u>\$ 14,868,362</u>

D. LOANS RECEIVABLE**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.

Details on loans receivable at June 30 are as follows:

Maximum Term	Interest Rate	First Payment	Last Payment	Payment Frequency	TOD Loans
50 years	0 to 1%	03/01/28	03/01/58	annually	\$ 423,393

E. CAPITAL ASSETS

Capital asset balances and activity for fiscal year 2024 were as follows:

	Balance July 1, 2023	Increases	Decreases	Modifications	Reclassifications and Transfers	Balance June 30, 2024
Governmental activities:						
Capital assets, non-depreciable:						
Land	\$ 315,250,863	-	-	-	8,668,752	323,919,615
Intangible-easements	11,929,884	-	-	-	-	11,929,884
Artwork	484,645	-	-	-	-	484,645
Construction in progress	17,082,953	31,569,548	-	-	(19,661,265)	28,991,236
Total non-depreciable	344,748,345	31,569,548	-	-	(10,992,513)	365,325,380
Capital assets, depreciable:						
Buildings and exhibits	41,369,113	-	(17,393)	-	262,974	41,614,694
Leased buildings and exhibits	798,775	-	-	-	-	798,775
Improvements	43,242,939	-	-	-	8,963,121	52,206,060
Equipment and vehicles	6,762,108	-	(64,243)	-	1,116,590	7,814,455
Leased equipment and vehicles	192,763	36,150	-	-	-	228,913
Intangible-software	4,294,649	-	(716,302)	-	791,054	4,369,401
Right to use asset-software	1,780,214	2,757,354	(811,678)	(183,786)	-	3,542,104
Office furniture and equipment	652,211	-	(100,237)	-	-	551,974
Total depreciable	99,092,772	2,793,504	(1,709,853)	(183,786)	11,133,739	111,126,376
Accumulated depreciation and amortization:						
Buildings and exhibits	(19,783,170)	(1,100,462)	15,596	-	-	(20,868,036)
Leased buildings and exhibits	(391,236)	(195,618)	-	-	-	(586,854)
Improvements	(16,522,433)	(1,606,011)	-	-	-	(18,128,444)
Equipment and vehicles	(4,014,630)	(405,419)	64,244	-	-	(4,355,805)
Leased equipment and vehicles	(122,667)	(68,920)	-	-	-	(191,587)
Intangible-software	(2,232,092)	(433,682)	716,302	-	-	(1,949,472)
Right to use asset-software	(858,352)	(1,159,518)	919,784	-	-	(1,098,086)
Office furniture and equipment	(321,587)	(104,921)	46,777	-	-	(379,731)
Total accumulated depreciation and amortization	(44,246,167)	(5,074,551)	1,762,703	-	-	(47,558,015)
Total capital assets, depreciable, net	54,846,605	(2,281,047)	52,850	(183,786)	11,133,739	63,568,361
Governmental activities capital assets, net	\$ 399,594,950	29,288,501	52,850	(183,786)	141,226	428,893,741

Notes to the Financial Statements

For the fiscal year ended June 30, 2024

	Balance July 1, 2023	Increases	Decreases	Modifications	Reclassifications and Transfers	Balance June 30, 2024
Business-type activities:						
Capital assets, non-depreciable:						
Land	\$ 24,155,600	-	-	-	2,038,819	26,194,419
Artwork	1,184,358	-	-	-	-	1,184,358
Construction in progress	4,971,194	11,479,330	(69,016)	-	(11,291,527)	5,089,981
Total non-depreciable	30,311,152	11,479,330	(69,016)	-	(9,252,708)	32,468,758
Capital assets, depreciable:						
Leased land	10,335,315	-	-	204,419	-	10,539,734
Buildings and exhibits	490,856,578	-	(54,292)	-	1,885,907	492,688,193
Leased buildings and exhibits	6,887,115	-	(337,016)	(732,643)	-	5,817,456
Improvements	46,025,362	-	-	-	1,081,911	47,107,273
Equipment and vehicles	29,694,142	-	(223,898)	-	6,143,664	35,613,908
Intangible-software	1,419,989	-	-	-	-	1,419,989
Right to use asset-software	946,378	-	-	39,802	-	986,180
Office furniture and equipment	1,444,856	-	-	-	-	1,444,856
Railroad equipment and facilities	3,658,683	-	-	-	-	3,658,683
Total depreciable	591,268,418	-	(615,206)	(488,422)	9,111,482	599,276,272
Accumulated depreciation and amortization:						
Leased land	(532,210)	(264,833)	-	-	-	(797,043)
Buildings and exhibits	(227,601,610)	(10,525,075)	-	-	-	(238,126,685)
Leased buildings and exhibits	(1,158,303)	(410,645)	337,021	-	-	(1,231,927)
Improvements	(26,467,221)	(1,242,876)	-	-	-	(27,710,097)
Equipment and vehicles	(15,948,303)	(1,925,113)	223,898	-	-	(17,649,518)
Intangible-software	(1,303,454)	(20,648)	-	-	-	(1,324,102)
Right to use asset-software	(261,342)	(278,399)	-	-	-	(539,741)
Office furniture and equipment	(1,052,863)	(94,395)	-	-	-	(1,147,258)
Railroad equipment and facilities	(2,588,931)	(349,022)	-	-	-	(2,937,953)
Total accumulated depreciation and amortization	(276,914,237)	(15,111,006)	560,919	-	-	(291,464,324)
Total capital assets, depreciable, net	314,354,181	(15,111,006)	(54,287)	(488,422)	9,111,482	307,811,948
Business-type activities capital assets, net	\$ 344,665,333	(3,631,676)	(123,303)	(488,422)	(141,226)	340,280,706

In 1984, a lease-leaseback agreement was entered into 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 \$1,134,546 higher than the amount shown on the Statement of Net Position. The difference consists of the June 30, 2024 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 K.

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, 2024.

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

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

Governmental activities:	
General government operations	\$ 1,864,220
Planning, development and research	164,179
Culture and recreation	3,046,152
Total depreciation and amortization expense - governmental activities	\$ 5,074,551
Business-type activities:	
Solid Waste	\$ 2,306,361
Oregon Zoo	7,578,350
MERC	5,226,295
Total depreciation and amortization expense - business-type activities	\$ 15,111,006

F. UNEARNED REVENUE

Unearned revenue is reported for resources that have been received, but not yet earned. The details of these amounts at June 30, 2024 were:

	Governmental Activities	Business-type Activities
Advance ticket sales/registrations	\$ 10,241	4,263,466
Unredeemed gift certificates	99,697	82,675
Advance park reservations	134,030	-
Grant and contract drawdowns prior to meeting all eligibility requirements	6,333	991,363
Total	\$ 250,301	5,337,504

G. 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.

H. 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 most commonly 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 they have contributions in each of five calendar years or have 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 the underlying global equity investments of that account.

Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), 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 the age of their federally required minimum distribution.

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

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

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

Employer contribution rates during the period were based on the December 31, 2021 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2023. 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 20.19 percent and 16.97 percent of subject payroll, respectively. Employer contributions recognized by PERS for the fiscal year ended June 30, 2024 were \$17,355,356.

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 <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Actuarial valuation - The employer contribution rates effective July 1, 2023, through June 30, 2025, 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, 2021
Experience Study Report	2020, published July 20, 2021
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.

Notes to the Financial Statements

For the fiscal year ended June 30, 2024

Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

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	20.0%	30.0%	25.0%
Public equity	22.5	32.5	27.5
Real estate	9.0	16.5	12.5
Private equity	17.5	27.5	20.0
Real assets	2.5	10.0	7.5
Diversifying strategies	2.5	10.0	7.5
Opportunity portfolio	0.0	5.0	0.0
Total			100.0%

Long-Term Expected Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 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	27.4%	7.1%
Private equity	25.5	8.8
Core fixed income	25.0	4.5
Real estate	12.3	5.8
Master limited partnerships	0.8	6.0
Infrastructure	1.5	6.5
Hedge fund of funds- multistrategy	1.3	6.3
Hedge fund equity- hedge	0.6	6.5
Hedge fund- macro	5.6	4.8
Assumed inflation - mean		2.4

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 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	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Defined benefit pension plan	\$ 185,541,323	112,325,953	51,052,445

Determination of Metro's proportionate share - Metro's actuarially determined proportionate share of the plan amounts was 0.59968947 percent for the fiscal year ended June 30, 2023 (measurement date). Metro's share of pension balances are determined by rolling forward the total net pension liability (actuarially determined at December 31, 2021) to the measurement date of June 30, 2023 and subtracting the plan's net position as of June 30, 2023.

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, 2024, Metro reported a payable of \$769,650 for the outstanding amount of legally required pension contributions to the pension plan for the fiscal year ended June 30, 2024.

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, 2024, Metro recognized a net pension liability of \$112,325,953 and a pension expense of \$15,636,177. At June 30, 2024, 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	\$ 2,843,854	230,581	2,649,228	214,801	5,047,700
Changes in assumptions	5,165,960	38,518	4,812,414	35,881	9,903,975
Net difference between projected and actual earnings on pension plan investments	1,045,246	-	973,711	-	2,018,957
Changes in the employer's proportion	4,893,141	6,543,468	4,558,265	6,095,647	(3,187,709)
Differences between employer contributions and employer's proportionate share of system contributions	369,639	4,589,397	344,341	4,275,309	(8,150,726)
Total (prior to post-measurement date contributions)	14,317,840	11,401,964	13,337,959	10,621,638	5,632,197
Contributions subsequent to the measurement date	8,985,139	-	8,370,217	-	17,355,356
Net deferred outflows/(inflows) of resources	\$ 23,302,979	11,401,964	21,708,176	10,621,638	22,987,553

The \$17,355,356 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, 2025. 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
2025	\$ (673,242)	(627,166)	(1,300,408)
2026	(3,257,029)	(3,034,126)	(6,291,155)
2027	4,435,959	4,132,372	8,568,331
2028	1,851,388	1,724,684	3,576,072
2029	558,800	520,557	1,079,357
Total	\$ 2,915,876	2,716,321	5,632,197

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.

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. 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 \$5,924,521 for the fiscal year ended June 30, 2024, which is included in payroll and fringe benefits expense. At June 30, 2024, a payable to the IAP portion of the plan in the amount of \$262,373 for the contractually required contributions for the month of June 2024 is included in accrued salaries and benefits.

I. 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 rate 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 rate 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, 2023, the following number of employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	20
Active employees	977
Total	997

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Metro's total OPEB Liability of \$3,310,490 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2023. For the fiscal year ended June 30, 2024, Metro recognized OPEB expense from this plan of \$162,820.

Notes to the Financial Statements

For the fiscal year ended June 30, 2024

At June 30, 2024, Metro reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 271,931	356,276
Changes in assumptions	763,747	684,669
Benefit payments	219,959	-
Total	\$ 1,255,637	1,040,945

Deferred outflows of resources related to OPEB of \$219,959 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended June 30:	
2025	\$ (48,247)
2026	(34,067)
2027	(22,343)
2028	(22,124)
2029	(37,893)
Thereafter	159,407
Total	\$ (5,267)

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2023 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 2019 Social Security data scale.
Discount rate	3.65 percent (change from 3.54 percent in previous measurement period)
Healthcare cost trend rate	Medical and vision: 11.3 percent in the first year, 6.4 percent in the second year, and varying from 5.7 to 3.8 percent over the remainder of the projection period. Dental: 4.00 percent per year

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2023	\$ 2,179,545
Changes for the year:	
Service cost	131,253
Interest on total OPEB liability	79,814
Effect of economic/demographic gains or losses	308,189
Effect of assumptions changes or inputs	724,983
Benefit payments	(113,294)
Balance as of June 30, 2024	\$ 3,310,490

Changes in assumptions is the result of the change in the discount rate from 3.54 percent to 3.65 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 (2.65 percent) or 1-percentage-point-higher (4.65 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 3,540,852	3,310,490	3,094,406

Healthcare Cost Trend Rate:	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 3,014,492	3,310,490	3,655,390

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. The authority to establish and amend the benefit provisions of RHIA resides 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 <https://www.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 requires 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.

Notes to the Financial Statements

For the fiscal year ended June 30, 2024

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, 2021 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2023. Metro's contribution rates for the period were 0.00% for Tier One/Tier Two members, and 0.00% for OPSRP members. Metro's total contribution for the year ended June 30, 2024 was \$445.

Total OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2024, Metro reported an asset of \$1,732,202 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021. 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, 2024, Metro's proportionate share was 0.4731% which is a decrease from its proportion of 0.5113% as of June 30, 2023.

For the year ended June 30, 2024, Metro recognized OPEB income from this plan of \$293,196. At June 30, 2024, Metro reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	\$ 4,913	-
Changes of assumptions	-	18,676
Changes in proportionate share	66,812	65,224
Differences between expected and actual experience	-	43,487
Contributions subsequent to the measurement date	445	-
Total	\$ 72,170	127,387

Deferred outflows of resources related to OPEB of \$445 resulting from Metro's contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended June 30:	
2025	\$ (92,919)
2026	(49,720)
2027	64,016
2028	22,961
Total	\$ (55,662)

Actuarial Assumptions and Other Inputs - The total OPEB asset based on the December 31, 2021 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	December 31, 2021
Measurement date	June 30, 2023
Experience study	2020, published July 20, 2021
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 methods 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 asset to changes in the discount rate - The following presents Metro's proportionate share of the net OPEB asset, calculated using the discount rate of 6.90%, as well as what Metro's proportionate share of the net OPEB 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 Asset	\$ (1,574,575)	(1,732,202)	(1,867,445)

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

J. COMMITMENTS

1. Columbia Ridge Landfill

Metro has waste disposal service 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 2024 is \$20.73 per ton. The estimated increased rate for fiscal year 2025 is \$21.78 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 2024, the unit price is \$821.96 per load (equivalent to about \$24.35 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 contract includes a mile tax of \$73.53 *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.

Renewable bulk fuel is purchased through a State of Oregon cooperative contract.

3. Metro South Station

The operation of Metro South, a solid waste transfer station and materials recovery facility is privately contracted through December 31, 2026. 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, 2028. 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
2025	\$ 12,198,322	13,846,414	11,265,753	14,717,386
2026	12,720,781	14,406,428	11,541,496	15,237,315
2027	13,125,021	14,829,840	5,904,553	15,652,420
2028	13,448,531	15,162,373	-	16,036,742
2029	13,783,620	15,508,804	-	8,209,508
Total	\$ 65,276,275	73,753,859	28,711,802	69,853,371

6. Construction Projects

Metro is committed under a number of contracts for construction services. The amount of major uncompleted contracts is approximately \$7,500,000 at June 30, 2024.

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	\$ 8,439,934
Metro Site Acquisition Program (Beaverton)	SAP - Elmonica (Beaverton)	3,460,066
City of Beaverton	Senior Housing on 5th	10,500,000
Clackamas County	Hillside Park Phase 1, Bldg A/B	25,454,545
Metro Site Acquisition Program (Clackamas)	SAP - Lake Grove Project (Lake Oswego)	10,000,000
Clackamas County	Wilsonville TOD (PSH)	4,164,000
Clackamas County	Wilsonville TOD	3,836,000
Clackamas County	Shortstack Milwaukie	700,000
City of Gresham	Oak Row at Rockwood Townhouses	2,200,000
City of Gresham	Civic Drive Family Housing	2,100,000
Metro Site Acquisition Program (Gresham)	SAP - Gresham Civic NE Parcel	2,950,000
City of Gresham	Myrtlewood Way	3,800,000
City of Hillsboro	The Dolores	10,500,000
City of Portland	Hollywood Hub	29,084,328
City of Portland	Barbur Apartments	22,519,248
City of Portland	Carter Commons	5,800,000
City of Portland	Strong Site	11,250,000
City of Portland	Abbey Townhomes	1,200,000
City of Portland	Portland Value Inn	6,155,974
Metro Site Acquisition Program (Portland)	SAP - Portland Value Inn	7,336,006
City of Portland	Carey Boulevard	6,087,267
City of Portland	73rd and Foster (PSH)	2,482,340
City of Portland	73rd and Foster	550,000
City of Portland	Gooseberry Trails	5,451,773
City of Portland	PCC Southeast	2,649,254
Washington County	Woodland Hearth	9,450,000
Total		\$ 198,120,735

K. LEASES

1. Lease Receivable

The following changes occurred during fiscal year 2024 in lease receivable:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Governmental activities:				
Restaurant building lease; interest at 2%, principal and interest from \$6,095 to \$8,042 monthly, final payments due 2037	\$ 1,058,091	-	(53,191)	1,004,900
Cell tower land lease; interest at 1%, principal and interest of \$2,057 monthly, final payments due 2026	74,903	-	(24,040)	50,863
Office building sub-lease, interest at 4%, principal and interest of \$8,504 monthly, final payments due 2025	203,652	-	(95,640)	108,012
Parking garage lease, interest at 4%, principal and interest from \$12,750 to \$21,000 monthly, final payments due 2027	-	835,955	(124,669)	711,286
Governmental activities				
Total lease receivable	\$ 1,336,646	835,955	(297,540)	1,875,061

Notes to the Financial Statements

For the fiscal year ended June 30, 2024

Business-type activities:

Theater land leaseback; interest at 3%, principal and interest from \$3,515 monthly, final payments due 2083	\$	1,175,521	-	(7,016)	1,168,505
Business-type activities					
Total lease receivable (1)	\$	1,175,521	-	(7,016)	1,168,505

During the year ended June 30, 2024, Metro recognized \$387,056 in lease revenue and \$57,999 in interest revenue for governmental activities. Additionally, during the year ended June 30, 2024, Metro recognized \$19,122 in lease revenue and \$35,152 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. Leases Payable

Metro has entered into various lease agreements to use nonfinancial assets when ownership does not make sense or is feasible. Specific lease agreements include large equipment, buildings, office space, parking lots, and land. The related obligations are presented in the amount equal to the present value of lease payments payable during the remaining lease term. The associated lease assets are presented in Note E as part of Capital Assets. Contract terms range from 1 to 60 years and interest rates used to calculate the net present value range from 1 to 5 percent.

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

Future minimum lease payments under lease agreements and the present value of the net minimum lease payments are shown below as of June 30, 2024:

Governmental activities:

Fiscal year ending June 30:	Principal	Interest
2025	\$ 243,131	1,850
2026	17,730	15
Total Future Payments	\$ 260,861	1,865

Business-type activities:

Fiscal year ending June 30:	Principal	Interest
2025	\$ 554,178	392,298
2026	475,894	378,835
2027	466,960	368,846
2028	477,050	358,755
2029	487,365	348,440
2030-34	2,599,746	1,579,278
2035-39	990,335	1,355,188
2040-44	510,212	1,277,288
2045-49	592,671	1,194,830
2050-54	688,456	1,099,044
2055-59	799,722	987,778
2060-64	928,971	858,530
2065-69	1,079,108	708,392
2070-74	1,253,510	533,991
2075-79	1,456,098	331,402
2080-84	1,450,997	98,168
Total Future Payments	\$ 14,811,273	11,871,063

(1) Due to the netting of the lessee and lessor portions of the Theater Land Lease-Leaseback, the lease receivable and leases 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 leases payable on statement of net position	1,168,505
Total lease receivable per footnote	\$ 1,168,505
Leases payable due within one year - government-wide statement of net position	\$ 546,949
Leases payable due in more than one year - government-wide statement of net position	13,095,819
Theater land leaseback receivable, netted in leases payable on statement of net position	1,168,505
Total leases payable per footnote	\$ 14,811,273

L. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

Metro has entered into subscription-based information technology arrangements (SBITA) to facilitate cloud computing arrangements and software as a service. Specific SBITAs include computer operating systems, point-of-sale systems, data hosting, and various software such as mapping, event management, asset management, public records, and timekeeping. The related obligations are presented in the amounts equal to the present value of subscription payments, payable during the remaining SBITA term. The associated right to use assets are presented in Note E as part of Capital Assets. Contract terms range from 1 to 5 years and interest rates used to calculate the net present value range from 1 to 5 percent.

During the fiscal year, there were no outflows of resources related to variable payments not previously included in the measurement of the SBITA liability. Additionally, there were no associated impairment losses nor any commitments under SBITAS before the commencement of the subscription term.

Future minimum payments under SBITAs and the present value of the net minimum payments are shown below as of June 30, 2024:

Governmental activities:

Fiscal year ending June 30:	Principal	Interest
2025	\$ 960,829	82,354
2026	881,831	48,050
2027	174,315	14,490
2028	183,467	7,475
Total Future Payments	\$ 2,200,442	152,369

Business-type activities:

Fiscal year ending June 30:	Principal	Interest
2025	\$ 286,819	16,611
2026	44,820	2,812
2027	47,612	1,448
Total Future Payments	\$ 379,251	20,871

M. 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 government-wide financial statements include a reported arbitrage liability of \$1,050,684 as of June 30, 2024.

The various debt issues are discussed below.

*Governmental Activities***1. 2012A and 2018 Series Natural Areas General Obligation Bonds and 2023 Series General Obligation Refunding Bonds**

In prior years, the region's voters granted authority 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. Metro issued \$124,295,000 of 2007 Series Natural Areas General Obligation Bonds and an additional \$75,000,000 of 2012A Series bonds. Metro issued \$28,105,000 of Series 2018 bonds which was 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.

In prior years, Metro issued \$26,568,048 of General Obligation Refunding Bonds, Series 2023 to refund all callable outstanding 2012A Series Natural Areas General Obligation Bonds. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent until the bonds' optional redemption date of July 27, 2023. As a result of these actions, the callable portion of the 2012A Series bonds are considered defeased and the liability for these bonds has been removed from the government-wide statement of net position. The remaining non-callable bonds will be paid as originally scheduled. The Series 2023 refunding bond was a single issuance which has been further broken out by Metro between Natural Areas and Oregon Zoo Infrastructure and Animal Welfare for consistency purposes. See Note IV.M.2 for Oregon Zoo Infrastructure and Animal Welfare portion of Series 2023 refunding bond.

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 3.96 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		2023 Series	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ -	240,403	2,280,000	236,500	16,767,038	663,975
2026	3,107,000	240,403	2,450,000	122,500	-	-
	3,107,000	480,806	4,730,000	359,000	16,767,038	663,975
Unamortized premium	247,227		615,735		-	
Per statement of net position	\$ 3,354,227		5,345,735		16,767,038	

2. 2012A and 2018 Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds and 2023 Series General Obligation Refunding 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. Metro issued \$10,000,000 of Series 2018 bonds which was the final issuance of bonds authorized under the 2008 voter-approved measure.

In prior years, Metro issued \$14,305,572 of General Obligation Refunding Bonds, Series 2023 to refund all callable outstanding 2012A Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent until the bonds' optional redemption date of July 27, 2023. As a result of these actions, the callable portion of the 2012A Series bonds are considered defeased and the liability for these bonds has been

removed from the government-wide statement of net position. The remaining non-callable bonds will be paid as originally scheduled. The Series 2023 refunding bond was a single issuance which has been further broken out by Metro between Natural Areas and Oregon Zoo Infrastructure and Animal Welfare for consistency purposes.

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		2023 Series	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ -	129,448	1,060,000	240,750	9,028,405	357,525
2026	1,673,000	129,448	1,150,000	187,750	-	-
2027	-	178,650	1,250,000	130,250	-	-
2028	5,955,000	178,650	1,355,000	67,750	-	-
	7,628,000	616,196	4,815,000	626,500	9,028,405	357,525
Unamortized premium	777,065		589,627		-	
Per statement of net position	<u>\$ 8,405,065</u>		<u>5,404,627</u>		<u>9,028,405</u>	

3. 2019 Series Affordable Housing General Obligation Bonds

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

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

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

Fiscal year ending June 30:	Principal	Interest
2025	\$ 21,465,000	18,897,904
2026	23,425,000	18,146,629
2027	25,435,000	17,385,316
2028	27,545,000	16,558,679
2029	29,765,000	15,663,466
2030-34	185,165,000	63,241,784
2035-39	259,690,000	28,278,800
	572,490,000	178,172,578
Unamortized premium	1,957,714	
Per statement of net position	<u>\$ 574,447,714</u>	

4. 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.

Notes to the Financial Statements

For the fiscal year ended June 30, 2024

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

Fiscal year ending June 30:	Principal	Interest
2025	\$ 1,115,000	533,450
2026	1,170,000	477,700
2027	1,230,000	419,200
2028	1,290,000	357,700
2029	1,355,000	293,200
2030-33	6,070,000	522,550
	12,230,000	2,603,800
Unamortized premium	1,088,877	
Per statement of net position	\$ 13,318,877	

5. 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. 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
2025	\$ 1,105,000	2,291,000
2026	1,160,000	2,235,750
2027	1,220,000	2,177,750
2028	1,280,000	2,116,750
2029	1,345,000	2,052,750
2030-34	7,800,000	9,185,500
2035-39	9,955,000	7,030,500
2040-44	12,705,000	4,280,000
2045-47	9,250,000	940,000
	45,820,000	32,310,000
Unamortized premium	6,749,725	
Per statement of net position	\$ 52,569,725	

6. 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
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	\$ 8,705,000	1,034,327

7. 2020A and 2020B Series Parks and Nature General Obligation Bonds

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

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

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

Fiscal year ending June 30:	Principal	Interest
2025	\$ 8,685,000	3,900,921
2026	3,000,000	3,786,279
2027	3,000,000	3,741,279
2028	3,000,000	3,691,779
2029	3,000,000	3,638,979
2030-34	38,280,000	15,319,693
2035-39	60,435,000	6,717,826
2040	14,285,000	374,981
	133,685,000	41,171,737
Unamortized premium	8,656,347	
Per statement of net position	\$ 142,341,347	

Business-type Activities

8. 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 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
2025	\$ 1,005,000	15,075
Unamortized premium	38,797	
Per statement of net position	\$ 1,043,797	

N. CHANGES IN LONG-TERM LIABILITIES

The following changes occurred during fiscal year 2024 in long-term liabilities:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 807,453,920	-	(55,203,477)	752,250,443	59,285,443
Full faith and credit bonds	13,290,000	-	(1,060,000)	12,230,000	1,115,000
Dedicated tax revenue bonds	46,875,000	-	(1,055,000)	45,820,000	1,105,000
Pension obligation bonds	10,715,000	-	(2,010,000)	8,705,000	2,210,000
Less unamortized amounts:					
For premium or discount	22,572,716	-	(1,890,399)	20,682,317	-
Total bonds payable	900,906,636	-	(61,218,876)	839,687,760	63,715,443
Leases payable	478,343	36,152	(253,634)	260,861	243,131
SBITA payable	787,812	2,078,931	(666,301)	2,200,442	960,829
Pollution remediation obligation	8,940,969	-	(333,345)	8,607,624	-
Total OPEB liability	943,006	517,436	(110,859)	1,349,583	-
Compensated absences	5,064,767	5,974,672	(5,064,767)	5,974,672	4,243,943
Net pension liability	42,075,633	25,062,409	(8,985,139)	58,152,903	-
Governmental activities					
Long-term liabilities	\$ 959,197,166	33,669,600	(76,632,921)	916,233,845	69,163,346
Business-type activities:					
Bonds payable:					
Full faith and credit bonds	\$ 1,970,000	-	(965,000)	1,005,000	1,005,000
Less unamortized amounts:					
For premium or discount	131,909	-	(93,112)	38,797	-
Total bonds payable	2,101,909	-	(1,058,112)	1,043,797	1,005,000
Leases payable	15,929,300	-	(1,118,027)	14,811,273	554,178
SBITA payable	618,702	39,802	(279,253)	379,251	286,819
Post-closure costs payable	2,832,696	-	(943,561)	1,889,135	931,526
Pollution remediation obligation	95,000	-	-	95,000	-
Total OPEB liability	1,236,539	833,468	(109,100)	1,960,907	-
Compensated absences	4,013,211	4,851,520	(4,013,212)	4,851,519	3,122,874
Net pension liability	39,676,509	22,866,757	(8,370,216)	54,173,050	-
Business-type activities					
Long-term liabilities	\$ 66,503,866	28,591,547	(15,891,481)	79,203,932	5,900,397

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 net other postemployment benefits are charged to the General Fund.

In 1984, a lease-leaseback agreement was entered into 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 Changes in Long-Term Liabilities footnote total for business-type activities is \$1,168,505 higher than the face of the financials. The difference consists of the June 30, 2024 balance in lease receivable related to the leaseback, which is netted with leases 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 K.

O. 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, groundwater monitoring wells, liner systems, stormwater 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, 2024, there were 2 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, 2024 is estimated to be \$51,723,035 under current Federal and state regulations, a decrease of \$37,407 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 \$906,154 in closure costs as the closure process continued (\$49,833,900 cumulative to date); reducing the remaining estimated liability to \$1,889,135 at June 30, 2024.

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.

P. 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 including the added costs of the contingency remedy committed to by Metro Council during July 2022. During the fiscal year, Metro paid \$333,345 in remediation costs toward this liability. The remaining liability of \$8,605,124 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 during the fiscal year ended June 30, 2022. There is no liability related to this site recorded as of June 30, 2024.

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 received approval from the City of Portland during the fiscal year ended June 30, 2023. There is no liability related to this site recorded as of June 30, 2024.

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 \$8,607,624 and for business-type activities \$95,000.

Q. FUND BALANCE CLASSIFICATIONS

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

	General Fund	Parks and Nature Operating Fund	Affordable Housing Special Revenue Fund	Supportive Housing Services Revenue Fund	General Obligation Bond Debt Service Fund	Major Capital Projects Funds			Total
						Natural Areas Fund	Parks and Nature Bond Fund	Other Funds	
Fund balances:									
Nonspendable:									
Not in spendable form:									
Prepaid items	\$ 362,735	75,262	1,542	3,796	-	-	-	408	443,743
Advances	-	-	53,991,768	295,102,995	-	-	-	-	349,094,763
Corpus of permanent fund	-	-	-	-	-	-	-	747,747	747,747
Total nonspendable	362,735	75,262	53,993,310	295,106,791	-	-	-	748,155	350,286,253
Restricted for:									
Construction excise tax for									
development planning	20,472,000	-	-	-	-	-	-	-	20,472,000
TOD projects	25,683,520	-	-	-	-	-	-	-	25,683,520
Planning IGA	6,192,201	-	-	-	-	-	-	-	6,192,201
Glendoveer capital	1,635,629	-	-	-	-	-	-	-	1,635,629
Parks and Natural Areas	-	6,985,089	-	-	-	-	-	-	6,985,089
Debt service on bonds	3,360,970	-	-	-	4,778,602	-	-	-	8,139,572
Smith & Bybee Wetlands mgmt plan	-	-	-	-	-	-	-	1,015,307	1,015,307
Community Enhancement	491,194	-	-	-	-	-	-	1,072,468	1,563,662
Willamette Falls Legacy project	16,017,600	-	-	-	-	-	-	-	16,017,600
Affordable Housing	-	-	339,373,570	-	-	-	-	-	339,373,570
Supportive Housing Services	-	-	-	81,550,444	-	-	-	-	81,550,444
Capital projects:									
Bond funded programs	774,307	-	-	-	-	-	134,285,304	-	135,059,611
Total restricted	74,627,421	6,985,089	339,373,570	81,550,444	4,778,602	-	134,285,304	2,087,775	643,688,205
Committed to:									
TOD projects	9,743,146	-	-	-	-	-	-	-	9,743,146
Total committed	9,743,146	-	-	-	-	-	-	-	9,743,146
Assigned to:									
Encumbered fund balance	736,000	-	-	-	-	-	-	-	736,000
Parks cemetery	317,324	-	-	-	-	-	-	16,112	333,436
Glendoveer	-	668,685	-	-	-	-	-	-	668,685
Total assigned	1,053,324	668,685	-	-	-	-	-	16,112	1,738,121
Unassigned	45,707,486	-	-	-	-	-	-	-	45,707,486
Total fund balances	\$ 131,494,112	7,729,036	393,366,880	376,657,235	4,778,602	-	134,285,304	2,852,042	1,051,163,211

R. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund balances at June 30, 2024 were due to the consolidation of internal service fund activities for the government-wide statements of \$4,221,258.

Interfund transfers for the fiscal year by fund were:

<i>Transfers out</i>	<i>Transfers in</i>					<i>Total</i>
	<i>General</i>	<i>Natural Areas</i>	<i>Parks and Nature Bond</i>	<i>Parks and Nature Operating</i>	<i>Oregon Zoo</i>	
General	\$ -	11	209,813	4,000,000	17,000,000	21,209,824
Parks and Nature Operating	741,320	-	-	-	-	741,320
Affordable Housing	17,397	-	-	-	-	17,397
Supportive Housing Services	50,081	-	-	-	-	50,081
Parks and Nature Bond	108,635	-	-	-	-	108,635
Cemetery Perpetual Care	7,430	-	-	-	-	7,430
Solid Waste	534,904	-	-	-	-	534,904
Oregon Zoo	502,241	-	-	-	-	502,241
MERC	527,691	-	-	-	-	527,691
Risk Management	10,858	-	-	-	-	10,858
Total	\$ 2,500,557	11	209,813	4,000,000	17,000,000	23,710,381

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 payment for services provided, but rather to provide resources for other uses. These include General Fund support to Natural Areas and Parks and Nature Bond for capital project funding, Parks and Nature Operating for operations and maintenance, and to Oregon Zoo for general allocations and renewal and replacement of capital assets.

S. 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 \$13,073,152 for fiscal year 2024. The following two tax abatement programs account for 97 percent of the abated property taxes:

Strategic Investment Program

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

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

Oregon Enterprise Zone

The Enterprise Zone program (E-Zone) was adopted by the Oregon legislature under ORS 285C.175. The purpose of this program is to encourage business investment through property tax relief, in specific areas of the state. Relevant areas for Metro include Clackamas, Multnomah, and Washington County. 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 property, 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, 2024 were:

Tax Abatement Program	Amount of Taxes Abated
SIP	\$ 11,226,000
E-Zone	1,451,103
Subtotal major abatement program	12,677,103
Other immaterial abatement programs	396,049
Total	\$ 13,073,152

T. 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 \$830,300 for a single claimant and \$1,660,400 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 \$1,410,675,135 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, 2024. 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

Notes to the Financial Statements

For the fiscal year ended June 30, 2024

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 \$777,000 reported as accrued self-insurance claims in the Risk Management Fund at June 30, 2024 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. Metro considers the liability to be current in nature. 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
2022-23	\$ 637,000	431,000	335,000	733,000
2023-24	733,000	133,000	89,000	777,000

U. 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

METRO | Annual Comprehensive Financial Report 2024

Schedule of Revenues, Expenditures and Changes in Fund Balances - 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 Agency's Proportionate Share of the Net OPEB Liability (Asset)

Schedule of Agency's Contributions

Postemployment benefits other than pensions Implicit Rate Subsidy

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

Oregon Public Employees Retirement System, Pension Plan

Schedule of Agency's Proportionate Share of Net Pension Liability

Schedule of Agency's Contributions

Notes to Required Supplementary Information

METRO
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2024

	Budgeted Amounts			Variance with final budget
	Original	Final	Actual Amounts	
REVENUES				
Program revenues:				
Charges for services:				
Government fees	\$ 2,000	2,000	6,185	4,185
Other fees	1,262,484	1,262,484	1,056,340	(206,144)
Internal charges for services	2,249,628	2,249,628	1,300,357	(949,271)
Licenses and permits	596,000	596,000	556,105	(39,895)
Miscellaneous revenue	2,546,179	2,546,179	3,370,680	824,501
Operating grants and contributions:				
Grants	14,568,680	19,651,338	13,722,613	(5,928,725)
Local government shared revenue	222,456	222,456	214,342	(8,114)
Government contributions	3,708,384	3,708,384	3,600,373	(108,011)
General revenues:				
Taxes:				
Property taxes	19,167,159	19,167,159	19,944,171	777,012
Excise taxes	20,163,930	20,163,930	20,121,244	(42,686)
Construction excise tax	3,608,000	3,608,000	3,782,940	174,940
Investment income	832,300	832,300	3,429,966	2,597,666
Total revenues	68,927,200	74,009,858	71,105,316	(2,904,542)
EXPENDITURES				
Council	10,801,167	11,036,167	10,467,022	569,145
Capital Asset Management	7,201,873	7,387,558	6,385,628	1,001,930
Communications	6,983,176	6,833,900	6,068,257	765,643
Diversity, equity and inclusion	3,068,733	3,068,733	2,283,496	785,237
Finance and regulatory services	12,182,199	12,265,741	11,594,654	671,087
Housing	425,000	425,000	226,628	198,372
Human resources	6,310,038	6,560,038	6,230,286	329,752
Information services	8,418,288	8,567,564	7,855,763	711,801
Office of the auditor	1,134,921	1,184,921	1,076,664	108,257
Office of Metro attorney	3,793,283	3,996,283	3,857,880	138,403
Planning, development and research	40,000,835	45,070,214	24,617,373	20,452,841
Special appropriations	1,957,111	2,007,111	1,618,312	388,799
Non-departmental:				
Debt service	2,546,179	2,546,179	2,546,179	-
Contingency	23,158,907	22,300,644	-	22,300,644
Total expenditures	127,981,710	133,250,053	84,828,142	48,421,911
Revenues over (under) expenditures	(59,054,510)	(59,240,195)	(13,722,826)	45,517,369
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	2,100	2,100
Transfers in	44,227,749	44,413,434	43,900,007	(513,427)
Transfers out	(26,694,190)	(26,694,190)	(25,294,190)	1,400,000
Total other financing sources (uses)	17,533,559	17,719,244	18,607,917	888,673

(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, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
Revenues and other sources over (under) expenditures and other uses	\$ (41,520,951)	(41,520,951)	4,885,091	46,406,042
Beginning fund balance available for appropriation - July 1, 2023	68,691,007	68,691,007	85,080,592	16,389,585
Unappropriated ending fund balance - June 30, 2024	\$ 27,170,056	27,170,056	89,965,683	62,795,627
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			\$ 4,885,091	
General Revenue Bond Fund-General			25,969	
General Asset Management Fund			(91,760)	
Additional (decrease to) revenues required by Governmental GAAP:				
Adjustment to value investments at fair value			1,019,040	
Adjustment to value lessor arrangements at present value			45,373	
Accrual of interest receivable on TOD loans			3,650	
Decrease to (additional) expenses required by Governmental GAAP:				
Loss on sale of assets held for resale			(501,800)	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ 5,385,563	

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, 2024

	Budgeted Amounts			Variance with final budget
	Original	Final	Actual Amounts	
REVENUES				
Program revenues:				
Charges for services:				
Government fees	\$ 16,000	16,000	11,895	(4,105)
Culture and recreation fees	4,557,423	4,907,423	5,341,570	434,147
Other fees	1,139,779	1,139,779	1,405,935	266,156
Miscellaneous revenue	100,000	100,000	116,459	16,459
Operating grants and contributions:				
Grants	15,200	15,200	261,844	246,644
Local government shared revenue	555,000	555,000	610,362	55,362
Government contributions	150,000	350,000	7,190	(342,810)
Capital grants and contributions:				
Capital contributions and donations	-	-	(13,400)	(13,400)
General revenues:				
Taxes:				
Property taxes	18,398,316	18,398,316	18,816,965	418,649
Investment income	181,000	181,000	470,851	289,851
Total revenues	25,112,718	25,662,718	27,029,671	1,366,953
EXPENDITURES				
Parks and nature	29,291,134	29,991,134	28,275,724	1,715,410
Contingency	8,025,138	8,136,793	-	8,136,793
Total expenditures	37,316,272	38,127,927	28,275,724	9,852,203
Revenues over (under) expenditures	(12,203,554)	(12,465,209)	(1,246,053)	11,219,156
OTHER FINANCING SOURCES (USES)				
Transfers in	5,337,160	5,598,815	4,193,470	1,405,345
Transfers out	(5,933,606)	(5,933,606)	(5,933,606)	-
Total other financing sources (uses)	(596,446)	(334,791)	(1,740,136)	1,405,345
Revenues and other sources over (under) expenditures and other uses	(12,800,000)	(12,800,000)	(2,986,189)	12,624,501
Beginning fund balance available for appropriation - July 1, 2023	13,500,000	13,500,000	10,780,056	(2,719,944)
Unappropriated ending fund balance - June 30, 2024	\$ 700,000	700,000	7,793,867	9,904,557

Reconciliation to Governmental GAAP basis:

Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above	\$ (2,986,189)
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value lessor arrangements at present value	46,086
Adjustment to value investments at fair value	203,023
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds	\$ (2,737,080)

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
General revenues:				
Investment income	\$ 3,800,000	3,800,000	14,644,134	10,844,134
Total revenues	3,800,000	3,800,000	14,644,134	10,844,134
EXPENDITURES				
Housing	245,531,224	245,531,224	89,973,357	155,557,867
Contingency	50,037,601	50,037,601	-	50,037,601
Total expenditures	295,568,825	295,568,825	89,973,357	205,595,468
Revenues over (under) expenditures	(291,768,825)	(291,768,825)	(75,329,223)	216,439,602
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,331,844)	(1,331,844)	(1,331,844)	-
Total other financing sources (uses)	(1,331,844)	(1,331,844)	(1,331,844)	-
Revenues and other sources over (under) expenditures and other uses	(293,100,669)	(293,100,669)	(76,661,067)	216,439,602
Beginning fund balance available for appropriation - July 1, 2023	443,533,044	443,533,044	459,829,534	16,296,490
Unappropriated ending fund balance - June 30, 2024	\$ 150,432,375	150,432,375	383,168,467	232,736,092
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			\$ (76,661,067)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			3,991,542	
Budget requirements not qualifying as expenses under Governmental GAAP:				
Purchase of assets held for resale			2,452,795	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ (70,216,730)	

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
General revenues:				
Taxes:				
Business income taxes	\$ 117,050,000	117,050,000	143,465,045	26,415,045
Personal income taxes	117,050,000	117,050,000	191,670,975	74,620,975
Investment income	300,000	300,000	1,681,988	1,381,988
Total revenues	234,400,000	234,400,000	336,818,008	102,418,008
EXPENDITURES				
Supportive housing	231,659,281	342,977,937	310,567,665	32,410,272
Contingency	188,288,624	76,969,968	-	76,969,968
Total expenditures	419,947,905	419,947,905	310,567,665	109,380,240
Revenues over (under) expenditures	(185,547,905)	(185,547,905)	26,250,343	211,798,248
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,370,894)	(3,370,894)	(3,370,894)	-
Total other financing sources (uses)	(3,370,894)	(3,370,894)	(3,370,894)	-
Revenues and other sources over (under) expenditures and other uses	(188,918,799)	(188,918,799)	22,879,449	211,798,248
Beginning fund balance available for appropriation - July 1, 2023	188,918,799	188,918,799	354,271,744	165,352,945
Unappropriated ending fund balance - June 30, 2024	\$ -	-	377,151,193	377,151,193

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	\$ 22,879,449
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value investments at fair value	44,664
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds	\$ 22,924,113

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

	2017	2018	2019	2020	2021	2022	2023	2024
Metro's proportion of the net OPEB liability (asset)	0.6214%	0.6037%	0.6165%	0.6388%	0.3558%	0.3828%	0.5113%	0.4731%
Metro's proportionate share of the net OPEB liability (asset)	\$ 168,747	(251,939)	(688,163)	(1,234,363)	(724,882)	(1,314,537)	(1,816,656)	(1,732,202)
Metro's covered payroll**	\$60,051,593	62,262,783	66,236,964	69,412,840	70,340,490	60,103,526	70,193,764	82,310,557
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%	-2.6%	-2.1%
Plan fiduciary net position as a percentage of the total OPEB liability	94.2%	108.9%	124.0%	144.4%	150.1%	183.9%	194.6%	201.6%

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 Agency's Contributions
Oregon Public Employees' Retirement System, Retirement Health Insurance Account
Last Eight Fiscal Years

	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 317,059	298,503	316,595	25,405	10,242	12,601	9,322	445
Contributions in relation to the contractually required contribution	317,059	298,503	316,595	25,405	10,242	12,601	9,322	445
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-
Metro's covered payroll	\$ 62,262,783	66,236,964	69,412,840	70,340,490	60,103,526	70,193,764	82,310,557	99,638,887
Contribution as a percentage of covered payroll	0.5%	0.5%	0.5%	0.0%	0.0%	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 Agency's Changes in Total OPEB Liability and Related Ratios
Implicit Rate Subsidy Plan
Last Seven Fiscal Years

Total OPEB Liability	2018	2019	2020	2021	2022	2023	2024
Service cost	\$ 188,084	176,683	177,807	202,330	246,402	158,498	131,253
Interest on total OPEB liability	83,594	102,623	113,004	109,231	78,204	51,984	79,814
Changes of assumptions or other inputs	(168,115)	(66,972)	47,547	200,089	(708,759)	(227,787)	724,983
Economic/demographic gains or losses	-	-	(16,637)	-	(533,513)	-	308,189
Benefit payments	(162,251)	(155,404)	(164,866)	(125,359)	(150,368)	(102,095)	(113,294)
Net change in total OPEB liability	(58,688)	56,930	156,855	386,291	(1,068,034)	(119,400)	1,130,945
Total OPEB liability, beginning of year	2,825,591	2,766,903	2,823,833	2,980,688	3,366,979	2,298,945	2,179,545
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>	<u>2,179,545</u>	<u>3,310,490</u>
Metro's covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered-employee payroll	N/A	N/A	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 Agency's Proportionate Share of Net Pension Liability
Oregon Public Employees' Retirement System, Pension Plan
Last Ten Fiscal Years

	2015	2016	2017
Metro's proportion of the net pension liability (asset)	0.5139474%	0.5501435%	0.5465773%
Metro's proportionate share of the net pension liability (asset)	\$ (11,649,721)	31,586,277	82,053,939
Metro's covered payroll**	\$ 52,521,307	55,726,726	60,051,593
Metro's proportionate share of the net pension liability (asset) as a percentage covered payroll	-22.2%	56.7%	136.6%
Plan fiduciary net position as a percentage of the total pension liability	103.6%	91.9%	80.5%

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

2018	2019	2020	2021	2022	2023	2024
0.5920128%	0.5989718%	0.6323848%	0.6394909%	0.6525487%	0.5339088%	0.5996895%
79,803,544	90,736,337	109,387,421	139,558,908	78,087,113	81,752,142	112,325,953
62,262,783	66,236,964	69,412,840	70,340,490	60,103,526	70,193,764	82,310,557
128.2%	137.0%	157.6%	198.4%	129.9%	116.5%	136.5%
83.1%	82.1%	80.2%	75.8%	87.6%	84.5%	81.7%

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$ 4,062,684	4,729,515	5,315,109
Contributions in relation to the contractually required contribution	4,062,684	4,729,515	5,315,109
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
Metro's covered Payroll	<u>\$ 55,726,726</u>	<u>60,051,593</u>	<u>62,262,783</u>
Contribution as a percentage of covered payroll	7.3%	7.9%	8.5%

2018	2019	2020	2021	2022	2023	2024
7,594,605	8,097,797	11,296,142	9,591,373	12,296,540	15,167,944	17,355,356
7,594,605	8,097,797	11,296,142	9,591,373	12,296,540	15,167,944	17,355,356
-	-	-	-	-	-	-
66,236,964	69,412,840	70,340,490	60,103,526	70,193,764	82,310,557	99,638,887
11.5%	11.7%	16.1%	16.0%	17.5%	18.4%	17.4%

METRO
Notes to Required Supplementary Information
For the fiscal year ended June 30, 2024

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 resolution prior to the beginning of Metro's fiscal year. The resolution 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 two 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 a resolution 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, 2023 actuarial valuation, the OPEB liability discount rate increased from 3.54 percent to 3.65 percent for results as of the June 30, 2023 measurement date. In the July 1, 2023 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, 2023 actuarial valuation, the Health Care Cost Trend was revised to reflect recent economic conditions. In the July 1, 2023 actuarial valuation, the mortality, retirement and withdrawal rates were updated to reflect assumptions used in the Oregon December 31, 2022 actuarial valuation.

3. ASSETS IN TRUST

There are no assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.



Other Supplementary Information

METRO | Annual Comprehensive Financial Report 2024

Combining Statements

Nonmajor Governmental Funds

Budgetary Comparison Schedules

Other Major Governmental Funds

Nonmajor Governmental Funds

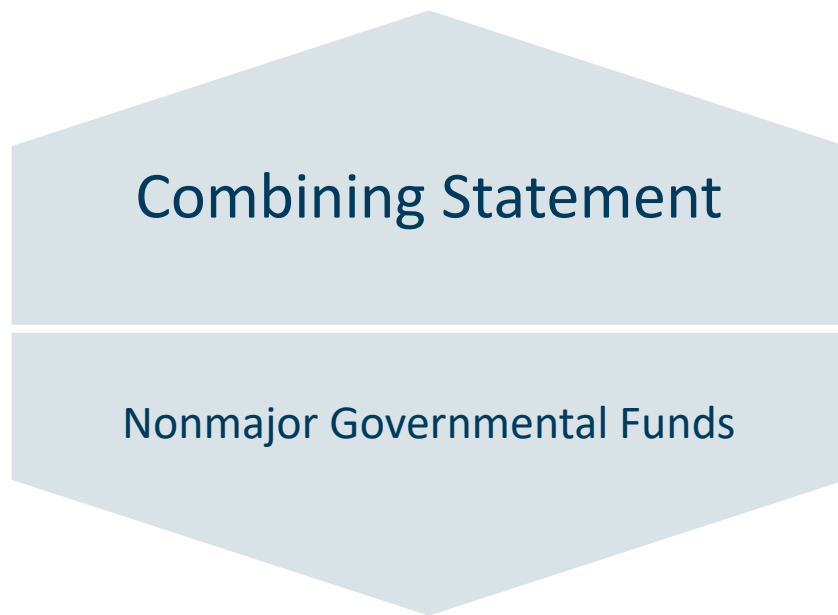
Proprietary Funds

Other Budgetary Funds



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Combining Statements



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.

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, 2024

	Special Revenue			Permanent	Total Nonmajor Governmental Funds
	Smith and Bybee Wetlands	Community Enhancement	Total	Cemetery Perpetual Care	
ASSETS					
Equity in internal cash and investment pool	\$ 1,017,187	1,444,047	2,461,234	759,433	3,220,667
Receivables:					
Other	-	59,314	59,314	-	59,314
Interest	6,106	8,246	14,352	4,426	18,778
Prepaid items	-	408	408	-	408
Total assets	1,023,293	1,512,015	2,535,308	763,859	3,299,167
LIABILITIES					
Accounts payable	7,986	439,139	447,125	-	447,125
Total liabilities	7,986	439,139	447,125	-	447,125
FUND BALANCES					
Nonspendable	-	408	408	747,747	748,155
Restricted	1,015,307	1,072,468	2,087,775	-	2,087,775
Assigned	-	-	-	16,112	16,112
Total fund balances	1,015,307	1,072,876	2,088,183	763,859	2,852,042
Total liabilities and fund balances	\$ 1,023,293	1,512,015	2,535,308	763,859	3,299,167

METRO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2024

	Special Revenue			Permanent	Total Nonmajor Governmental Funds
	Smith and Bybee Wetlands	Community Enhancement	Total	Cemetery Perpetual Care	
REVENUES					
Investment income	\$ 57,334	58,622	115,956	34,895	150,851
Solid waste fees	-	1,329,478	1,329,478	-	1,329,478
Total revenues	57,334	1,388,100	1,445,434	34,895	1,480,329
EXPENDITURES					
Current:					
Culture and recreation	246,916	1,247,442	1,494,358	-	1,494,358
Total expenditures	246,916	1,247,442	1,494,358	-	1,494,358
Revenues over (under) expenditures	(189,582)	140,658	(48,924)	34,895	(14,029)
OTHER FINANCING SOURCES					
Transfers out	-	-	-	(7,430)	(7,430)
Total other financing sources	-	-	-	(7,430)	(7,430)
Net change in fund balances	(189,582)	140,658	(48,924)	27,465	(21,459)
Fund balances - July 1, 2023	1,204,889	932,218	2,137,107	736,394	2,873,501
Fund balances - June 30, 2024	\$ 1,015,307	1,072,876	2,088,183	763,859	2,852,042



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 balances, 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, and Parks and Nature Operating Fund are presented as required supplementary information. Budgetary comparisons for all other funds are displayed in the following pages.



Budgetary Comparison Schedules

Other Major Governmental Funds

Schedule of Revenues, Expenditures and Changes in Fund Balances - 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, 2024

	Budgeted Amounts			Variance with final budget
	Original	Final	Actual Amounts	
REVENUES				
General revenues:				
Taxes:				
Property taxes	\$ 83,583,723	83,583,723	81,447,560	(2,136,163)
Investment income	200,000	200,000	1,427,919	1,227,919
Total revenues	83,783,723	83,783,723	82,875,479	(908,244)
EXPENDITURES				
Debt service:				
Principal	59,775,000	59,775,000	55,203,477	4,571,523
Interest	26,006,723	26,006,723	26,313,900	(307,177)
Total expenditures	85,781,723	85,781,723	81,517,377	4,264,346
Revenues over (under) expenditures	(1,998,000)	(1,998,000)	1,358,102	(5,172,590)
Beginning fund balance available for appropriation - July 1, 2023	1,998,000	1,998,000	3,485,942	1,487,942
Unappropriated ending fund balance - June 30, 2024	\$ -	-	4,844,044	(3,684,648)
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			\$ 1,358,102	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			7,718	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ 1,365,820	

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
General revenues:				
Investment income	\$ 30,000	30,000	77,584	47,584
Total revenues	30,000	30,000	77,584	47,584
EXPENDITURES				
Parks and nature	4,183,658	4,183,658	3,587,709	595,949
Contingency	346,342	346,342	-	346,342
Total expenditures	4,530,000	4,530,000	3,587,709	942,291
Revenues over (under) expenditures	(4,500,000)	(4,500,000)	(3,510,125)	989,875
Beginning fund balance available for appropriation - July 1, 2023	4,500,000	4,500,000	3,510,125	(989,875)
Unappropriated ending fund balance - June 30, 2024	\$ -	-	-	-

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	\$ (3,510,125)
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value investments at fair value	93,200
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds	\$ (3,416,925)

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
Program revenues:				
Charges for services:				
Other fees	\$ -	-	51,022	51,022
Operating grants and contributions:				
Grants	-	-	13,540	13,540
General revenues:				
Investment income	2,982,500	2,982,500	3,368,570	386,070
Total revenues	2,982,500	2,982,500	3,433,132	450,632
EXPENDITURES				
Parks and nature	83,386,522	83,200,837	34,222,437	48,978,400
Contingency	14,717,000	14,717,000	-	14,717,000
Total expenditures	98,103,522	97,917,837	34,222,437	63,695,400
Revenues over (under) expenditures	(95,121,022)	(94,935,337)	(30,789,305)	64,146,032
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	209,813	209,813
Transfers out	(2,482,751)	(2,668,436)	(2,432,775)	235,661
Total other financing sources (uses)	(2,482,751)	(2,668,436)	(2,222,962)	445,474
Revenues and other sources over (under) expenditures and other uses	(97,603,773)	(97,603,773)	(33,012,267)	64,591,506
Beginning fund balance available for appropriation - July 1, 2023	170,500,000	170,500,000	170,562,653	62,653
Unappropriated ending fund balance - June 30, 2024	\$ 72,896,227	72,896,227	137,550,386	64,654,159
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			\$ (33,012,267)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			3,923,714	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ (29,088,553)	



Budgetary Comparison Schedules

Nonmajor Governmental Funds

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

Special Revenue Funds

Smith and Bybee Wetlands Fund
Community Enhancement Fund

Permanent Fund

Cemetery Perpetual Care Fund

METRO
Smith and Bybee Wetlands Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actuals (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
General revenues:				
Investment income	\$ 18,500	18,500	42,177	23,677
Total revenues	18,500	18,500	42,177	23,677
EXPENDITURES				
Parks and nature	175,000	192,500	189,306	3,194
Contingency	500,000	482,500	-	482,500
Total expenditures	675,000	675,000	189,306	485,694
Revenues over (under) expenditures	(656,500)	(656,500)	(147,129)	509,371
OTHER FINANCING SOURCES (USES)				
Transfers out	(57,610)	(57,610)	(57,610)	-
Total other financing sources (uses)	(57,610)	(57,610)	(57,610)	-
Revenues and other sources over (under) expenditures and other uses	(714,110)	(714,110)	(204,739)	509,371
Beginning fund balance available for appropriation - July 1, 2023	1,323,310	1,323,310	1,235,833	(87,477)
Unappropriated ending fund balance - June 30, 2024	\$ 609,200	609,200	1,031,094	421,894
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			\$ (204,739)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			15,157	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			\$ (189,582)	

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
Program revenues:				
Charges for services:				
Solid waste fees	\$ 1,079,674	1,079,674	1,329,478	249,804
General revenues:				
Investment income	5,446	5,446	50,417	44,971
Total revenues	1,085,120	1,085,120	1,379,895	294,775
EXPENDITURES				
Waste prevention and environmental services	1,514,714	1,514,714	1,197,443	317,271
Contingency	69,500	69,500	-	69,500
Total expenditures	1,584,214	1,584,214	1,197,443	386,771
Revenues over (under) expenditures	(499,094)	(499,094)	182,452	681,546
OTHER FINANCING SOURCES (USES)				
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	(50,000)	(50,000)	(50,000)	-
Revenues and other sources over (under) expenditures and other uses	(549,094)	(549,094)	132,452	681,546
Beginning fund balance available for appropriation - July 1, 2023	654,521	654,521	962,836	308,315
Unappropriated ending fund balance - June 30, 2024	\$ 105,427	105,427	1,095,288	989,861
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			\$ 132,452	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			8,206	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			\$ 140,658	

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
General revenues:				
Investment income	\$ 11,500	11,500	27,900	16,400
Total revenues	11,500	11,500	27,900	16,400
Revenues over (under) expenditures	11,500	11,500	27,900	16,400
OTHER FINANCING SOURCES (USES)				
Transfers out	(40,000)	(40,000)	(7,430)	32,570
Total other financing sources (uses)	(40,000)	(40,000)	(7,430)	32,570
Revenues and other sources over (under) expenditures and other uses	(28,500)	(28,500)	20,470	48,970
Beginning fund balance available for appropriation - July 1, 2023	758,814	758,814	755,177	(3,637)
Unappropriated ending fund balance - June 30, 2024	\$ 730,314	730,314	775,647	45,333
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			\$ 20,470	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			6,995	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			\$ 27,465	



Budgetary Comparison Schedules

Proprietary Funds

Schedule of Revenues, Expenditures and Changes in Fund Balances - 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, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
Program revenues:				
Charges for services:				
Government fees	\$ 1,250,000	1,250,000	1,031,496	(218,504)
Culture and recreation fees	-	-	40,755	40,755
Solid waste fees	113,431,215	113,431,215	112,715,358	(715,857)
Other fees	-	-	19,999	19,999
Miscellaneous revenue	10,127,000	10,127,000	270,706	(9,856,294)
Operating grants and contributions:				
Grants	2,500,000	2,500,000	2,509,191	9,191
Contributions and donations	-	-	5,000	5,000
General revenues:				
Investment income	838,020	838,020	1,541,490	703,470
Total revenues	128,146,235	128,146,235	118,133,995	(10,012,240)
EXPENDITURES				
Waste prevention and environmental services	123,263,754	123,263,754	104,623,096	18,640,658
Contingency	15,206,150	15,206,150	-	15,206,150
Total expenditures	138,469,904	138,469,904	104,623,096	33,846,808
Revenues over (under) expenditures	(10,323,669)	(10,323,669)	13,510,899	23,834,568
OTHER FINANCING SOURCES (USES)				
Transfers in	574,116	574,116	554,983	(19,133)
Transfers out	(17,001,232)	(17,001,232)	(16,812,561)	188,671
Total other financing sources (uses)	(16,427,116)	(16,427,116)	(16,257,578)	169,538
Revenues and other sources over (under) expenditures and other uses	(26,750,785)	(26,750,785)	(2,746,679)	24,004,106
Beginning fund balance available for appropriation - July 1, 2023	44,005,131	44,005,131	42,750,626	(1,254,505)
Unappropriated ending fund balance - June 30, 2024	\$ 17,254,346	17,254,346	40,003,947	22,749,601

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
Program revenues:				
Charges for services:				
Culture and recreation fees	\$ 26,334,346	26,334,346	28,400,227	2,065,881
Other fees	5,000	5,000	21,404	16,404
Miscellaneous revenue	1,530,000	1,530,000	27,795	(1,502,205)
Operating grants and contributions:				
Grants	823,000	823,000	636,744	(186,256)
Contributions and donations	3,280,264	3,280,264	2,884,942	(395,322)
General revenues:				
Investment income	360,000	360,000	1,051,447	691,447
Total revenues	32,332,610	32,332,610	33,022,559	689,949
EXPENDITURES				
Visitor venues-Oregon Zoo	41,063,281	41,063,281	35,486,768	5,576,513
Contingency	19,767,252	19,767,252	-	19,767,252
Total expenditures	60,830,533	60,830,533	35,486,768	25,343,765
Revenues over (under) expenditures	(28,497,923)	(28,497,923)	(2,464,209)	26,033,714
OTHER FINANCING SOURCES (USES)				
Transfers in	17,000,000	17,000,000	17,000,000	-
Transfers out	(19,502,077)	(19,502,077)	(19,482,944)	19,133
Total other financing sources (uses)	(2,502,077)	(2,502,077)	(2,482,944)	19,133
Revenues and other sources over (under) expenditures and other uses	(31,000,000)	(31,000,000)	(4,947,153)	26,052,847
Beginning fund balance available for appropriation - July 1, 2023	31,000,000	31,000,000	33,120,358	2,120,358
Unappropriated ending fund balance - June 30, 2024	\$ -	-	28,173,205	28,173,205

**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, 2024**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
Program revenues:				
Charges for services:				
Culture and recreation fees	\$ 47,434,860	47,434,860	53,937,372	6,502,512
Other fees	4,174,071	4,174,071	3,938,379	(235,692)
Miscellaneous revenue	158,396	158,396	178,129	19,733
Operating grants and contributions:				
Grants	-	-	243,896	243,896
Local government shared revenue	20,801,030	20,801,030	18,943,803	(1,857,227)
Government contributions	1,119,400	1,119,400	1,119,400	-
Contributions and donations	190,955	190,955	56,877	(134,078)
Capital grants and contributions:				
Capital contributions and donations	1,465,000	1,465,000	276,180	(1,188,820)
General revenues:				
Investment income	640,887	640,887	1,687,133	1,046,246
Total revenues	75,984,599	75,984,599	80,381,169	4,396,570
EXPENDITURES				
MERC	79,867,215	83,567,215	77,379,626	6,187,589
Contingency	23,446,873	19,746,873	-	19,746,873
Total expenditures	103,314,088	103,314,088	77,379,626	25,934,462
Revenues over (under) expenditures	(27,329,489)	(27,329,489)	3,001,543	30,331,032
OTHER FINANCING SOURCES (USES)				
Transfers in	300,000	300,000	-	(300,000)
Transfers out	(11,266,749)	(11,266,749)	(11,157,082)	109,667
Total other financing sources (uses)	(10,966,749)	(10,966,749)	(11,157,082)	(190,333)
Revenues and other sources over (under) expenditures and other uses	(38,296,238)	(38,296,238)	(8,155,539)	30,140,699
Beginning fund balance available for appropriation - July 1, 2023	38,296,238	38,296,238	40,512,977	2,216,739
Unappropriated ending fund balance - June 30, 2024	\$ -	-	32,357,438	32,357,438

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ 100,000	100,000	167,194	67,194
Operating grants and contributions:				
Grants	-	-	19,283	19,283
General revenues:				
Investment income	20,000	20,000	45,433	25,433
Total revenues	120,000	120,000	231,910	111,910
EXPENDITURES				
Finance and regulatory services	4,689,224	4,689,224	3,984,559	704,665
Contingency	522,674	522,674	-	522,674
Total expenditures	5,211,898	5,211,898	3,984,559	1,227,339
Revenues over (under) expenditures	(5,091,898)	(5,091,898)	(3,752,649)	1,339,249
OTHER FINANCING SOURCES (USES)				
Transfers in	4,066,898	4,066,898	4,066,898	-
Total other financing sources (uses)	4,066,898	4,066,898	4,066,898	-
Revenues and other sources over (under) expenditures and other uses	(1,025,000)	(1,025,000)	314,249	1,339,249
Beginning fund balance available for appropriation - July 1, 2023	1,470,000	1,470,000	1,589,764	119,764
Unappropriated ending fund balance - June 30, 2024	\$ 445,000	445,000	1,904,013	1,459,013

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, 2024

	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	\$ 40,003,947	-	-	40,003,947	-
Oregon Zoo Operating Fund	-	28,173,205	-	28,173,205	-
Oregon Zoo Asset Management Fund	-	11,886,184	-	11,886,184	-
MERC Fund	-	-	32,357,438	32,357,438	-
General Revenue Bond Fund-MERC	-	-	530	530	-
Risk Management Fund	-	-	-	-	1,904,013
Additional Statement of Net Position items:					
Interest receivable	-	33,364	11,183	44,547	-
Public-private partnership receivable-current	-	2,608,756	1,363,714	3,972,470	-
Public-private partnership receivable	-	18,786,914	12,099,667	30,886,581	-
Prepaid items	298,800	-	-	298,800	-
OPEB asset	299,700	281,022	278,451	859,173	-
Capital assets, net	44,042,088	153,615,758	141,488,315	339,146,161	77,659
Deferred pension amounts-outflow	7,431,459	6,959,778	7,316,939	21,708,176	-
Deferred OPEB amounts-outflow	361,846	218,308	199,395	779,549	-
Accrued interest payable	(8,582)	(1,515)	(37,081)	(47,178)	(111)
Leases payable-current	(383,854)	-	(163,095)	(546,949)	-
SBITA payable-current	(6,323)	(15,596)	(264,900)	(286,819)	(44,552)
Bonds payable-current	-	-	(1,005,000)	(1,005,000)	-
Post-closure costs payable-current	(931,526)	-	-	(931,526)	-
Compensated absences-current	(944,710)	(1,125,680)	(1,052,484)	(3,122,874)	(18,638)
Leases payable	(4,396,957)	-	(8,698,862)	(13,095,819)	-
SBITA payable	(13,865)	(34,200)	(44,367)	(92,432)	-
Bonds payable (net of unamortized premium or discount)	-	-	(38,797)	(38,797)	-
Total OPEB liability	(921,088)	(544,700)	(495,119)	(1,960,907)	-
Post-closure costs payable	(957,609)	-	-	(957,609)	-
Pollution remediation obligation	-	-	(95,000)	(95,000)	-
Compensated absences	(613,723)	(474,634)	(640,288)	(1,728,645)	(31,869)
Net pension liability	(18,545,308)	(17,368,221)	(18,259,521)	(54,173,050)	-
Deferred pension amounts-inflow	(3,636,154)	(3,405,364)	(3,580,120)	(10,621,638)	-
Deferred PPP amounts-inflow	-	(20,908,738)	(13,065,892)	(33,974,630)	-
Deferred OPEB amounts-inflow	(311,666)	(191,941)	(176,162)	(679,769)	-
Adjustments to Statement of Net Position items:					
Cumulative fair value adjustment to Equity in internal cash and investment pool	(592,100)	(609,455)	(541,077)	(1,742,632)	(25,505)
Recognition of Revenue considered unavailable in the basis of budgeting	-	-	449,690	449,690	-
Total net position as reported on the Statement of Net Position-Proprietary Funds	\$ 60,174,375	177,883,245	147,407,557	385,465,177	1,860,997



Budgetary Comparison Schedules

Other Budgetary Funds

Schedule of Revenues, Expenditures and Changes in Fund Balances - 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.

Schedule of Revenues, Expenditures and Changes in Fund Balances

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.

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
Program revenues:				
Operating grants and contributions:				
Local government shared revenue	\$ 3,398,750	3,398,750	3,397,027	(1,723)
General revenues:				
Investment income	11,110	11,110	27,711	16,601
Total revenues	3,409,860	3,409,860	3,424,738	14,878
EXPENDITURES				
Debt service	6,059,650	6,059,650	6,059,650	-
Total expenditures	6,059,650	6,059,650	6,059,650	-
Revenues over (under) expenditures	(2,649,790)	(2,649,790)	(2,634,912)	14,878
OTHER FINANCING SOURCES (USES)				
Transfers in	2,660,900	2,660,900	2,660,900	-
Total other financing sources (uses)	2,660,900	2,660,900	2,660,900	-
Revenues and other sources over (under) expenditures and other uses	11,110	11,110	25,988	14,878
Beginning fund balance available for appropriation - July 1, 2023	4,105,356	4,105,356	4,111,786	6,430
Unappropriated ending fund balance - June 30, 2024	\$ 4,116,466	4,116,466	4,137,774	21,308

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ 67,000	67,000	53,353	(13,647)
General revenues:				
Investment income	262,000	262,000	1,129,619	867,619
Total revenues	329,000	329,000	1,182,972	853,972
EXPENDITURES				
Asset Management Program	12,117,270	12,710,615	3,849,125	8,861,490
Contingency	10,108,793	9,253,793	-	9,253,793
Total expenditures	22,226,063	21,964,408	3,849,125	18,115,283
Revenues over (under) expenditures	(21,897,063)	(21,635,408)	(2,666,153)	18,969,255
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	11,276	11,276
Transfers in	2,805,500	2,805,500	2,772,930	(32,570)
Transfers out	-	(261,655)	(209,813)	51,842
Total other financing sources (uses)	2,805,500	2,543,845	2,574,393	30,548
Revenues and other sources over (under) expenditures and other uses	(19,091,563)	(19,091,563)	(91,760)	18,999,803
Beginning fund balance available for appropriation - July 1, 2023	33,708,938	33,708,938	34,713,756	1,004,818
Unappropriated ending fund balance - June 30, 2024	\$ 14,617,375	14,617,375	34,621,996	20,004,621

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
REVENUES				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ -	-	46,295	46,295
Operating grants and contributions:				
Contributions and donations	-	-	1,709,554	1,709,554
Capital grants and contributions:				
Capital contributions and donations	710,000	710,000	-	(710,000)
General revenues:				
Investment income	-	-	456,631	456,631
Total revenues	710,000	710,000	2,212,480	1,502,480
EXPENDITURES				
Visitor venues-Oregon Zoo	15,368,630	15,368,630	5,095,802	10,272,828
Total expenditures	15,368,630	15,368,630	5,095,802	10,272,828
Revenues over (under) expenditures	(14,658,630)	(14,658,630)	(2,883,322)	11,775,308
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	28,525	28,525
Transfers in	11,150,000	11,150,000	11,150,000	-
Transfers out	(391,370)	(391,370)	(368,252)	23,118
Total other financing sources (uses)	10,758,630	10,758,630	10,810,273	51,643
Revenues and other sources over (under) expenditures and other uses	(3,900,000)	(3,900,000)	7,926,951	11,826,951
Beginning fund balance available for appropriation - July 1, 2023	3,900,000	3,900,000	3,959,233	59,233
Unappropriated ending fund balance - June 30, 2024	\$ -	-	11,886,184	11,886,184

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, 2024

	General	MERC	Total
REVENUES			
Program revenues:			
Operating grants and contributions:			
Local government shared revenue	\$ 3,397,027	-	3,397,027
General revenues:			
Investment income	27,692	19	27,711
Total revenues	3,424,719	19	3,424,738
EXPENDITURES			
Debt service	5,045,200	1,014,450	6,059,650
Total expenditures	5,045,200	1,014,450	6,059,650
Revenues over (under) expenditures	(1,620,481)	(1,014,431)	(2,634,912)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,646,450	1,014,450	2,660,900
Total other financing sources (uses)	1,646,450	1,014,450	2,660,900
Revenues and other sources over (under) expenditures and other uses	25,969	19	25,988
Beginning fund balance available for appropriation - July 1, 2023	4,111,275	511	4,111,786
Unappropriated ending fund balance - June 30, 2024	\$ 4,137,244	530	4,137,774

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





Statistical Section



Table of Contents

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

The information is presented in these categories.

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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

	2015	2016	2017
GOVERNMENTAL ACTIVITIES			
Net investment in capital assets (1)	\$ 326,328,783	237,716,303	267,856,359
Restricted	79,540,758	141,591,292	128,141,074
Unrestricted	(51,369,202)	(151,660,696)	(141,181,696)
Total governmental activities net position	\$ 354,500,339	227,646,899	254,815,737
BUSINESS-TYPE ACTIVITIES			
Net investment in capital assets	\$ 175,914,225	311,325,512	310,527,670
Restricted	8,914,318	19,991,871	24,326,517
Unrestricted	61,672,307	53,779,562	55,130,008
Total business-type activities net position	\$ 246,500,850	385,096,945	389,984,195
PRIMARY GOVERNMENT			
Net investment in capital assets (1)	\$ 502,243,008	501,174,344	533,080,026
Restricted	88,455,076	161,583,163	152,467,591
Unrestricted	10,303,105	(50,013,663)	(40,747,685)
Total primary government net position	\$ 601,001,189	612,743,844	644,799,932

(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.

2018	2019	2020	2021	2022	2023	2024
265,925,123	281,246,439	294,848,252	324,068,485	331,538,185	344,469,479	370,582,164
132,860,263	122,522,041	138,330,011	122,154,281	334,925,580	502,757,659	520,292,702
(189,495,054)	(151,303,822)	(130,469,211)	(177,771,010)	(258,211,437)	(279,150,905)	(310,784,519)
<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>	<u>568,076,233</u>	<u>580,090,347</u>
311,737,639	321,159,565	338,396,545	343,691,434	333,384,655	326,037,270	324,080,339
24,100,994	38,698,873	6,410,761	7,506,843	7,480,840	5,523,549	13,327,468
60,498,533	24,855,194	22,788,471	12,197,703	44,764,019	55,296,142	43,836,112
<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>	<u>386,856,961</u>	<u>381,243,919</u>
532,358,759	570,027,275	591,873,688	621,205,786	623,668,341	647,808,583	670,933,826
156,961,257	161,220,914	144,740,772	129,661,124	342,406,420	508,281,208	533,620,170
(83,692,518)	(94,069,899)	(66,309,631)	(119,019,174)	(172,192,919)	(201,156,597)	(243,219,730)
<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>	<u>954,933,194</u>	<u>961,334,266</u>

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

	2015	2016	2017
EXPENSES			
Governmental activities:			
General government operations (1)	\$ 14,121,383	21,833,274	16,571,054
Planning, development and research (4)	12,164,998	16,311,836	18,252,248
Housing (3)	-	-	-
Culture and recreation	23,281,061	29,221,523	33,156,498
Zoo (2)	32,483,204	-	-
Interest on long-term debt	6,736,232	7,071,050	6,766,723
Total governmental activities expenses	88,786,878	74,437,683	74,746,523
Business-type activities:			
Solid Waste	57,279,945	64,542,514	67,359,647
Oregon Zoo (2)	-	51,633,613	46,636,849
MERC	54,868,782	69,110,637	69,090,836
Total business-type activities expenses	112,148,727	185,286,764	183,087,332
Total primary government expenses	\$ 200,935,605	259,724,447	257,833,855
PROGRAM REVENUES			
Governmental activities:			
Charges for services:			
General government operations	\$ 1,501,207	2,132,646	3,133,150
Planning, development and research (4)	1,180,754	789,058	1,485,757
Housing (3)	-	-	-
Culture and recreation	7,444,771	8,851,083	9,616,244
Zoo (2)	21,546,136	-	-
Operating grants and contributions	22,495,818	13,145,776	16,845,537
Capital grants and contributions	7,141,282	261,290	313,816
Total governmental activities program revenues	61,309,968	25,179,853	31,394,504
Business-type activities:			
Charges for services:			
Solid Waste	62,743,167	68,196,150	70,798,890
Oregon Zoo (2)	-	23,741,859	26,062,207
MERC	42,892,276	50,972,855	47,876,192
Operating grants and contributions	19,974,313	23,414,591	28,801,808
Capital grants and contributions	200,000	609,917	1,293,000
Total business-type activities program revenues	125,809,756	166,935,372	174,832,097
Total primary government program revenues	\$ 187,119,724	192,115,225	206,226,601

2018	2019	2020	2021	2022	2023	2024
92,414,695	18,419,574	26,670,161	23,947,617	10,172,047	9,665,907	14,755,333
18,694,103	26,623,652	29,178,474	79,863,702	167,988,989	22,085,632	23,225,600
-	-	-	-	-	258,576,138	404,853,574
34,237,180	31,389,370	33,858,568	36,625,998	43,987,029	39,097,568	49,428,873
-	-	-	-	-	-	-
8,150,951	11,408,272	29,756,452	32,096,042	29,286,520	27,331,869	25,611,092
153,496,929	87,840,868	119,463,655	172,533,359	251,434,585	356,757,114	517,874,472
70,581,702	76,879,522	84,882,301	95,968,724	91,608,851	105,381,938	111,401,035
51,803,762	47,446,196	50,169,271	37,511,393	37,814,691	50,082,803	55,186,087
74,435,547	106,849,882	84,868,082	29,584,071	55,992,846	74,517,626	90,527,520
196,821,011	231,175,600	219,919,654	163,064,188	185,416,388	229,982,367	257,114,642
350,317,940	319,016,468	339,383,309	335,597,547	436,850,973	586,739,481	774,989,114
2,764,649	4,942,275	3,677,685	4,954,137	744,833	823,350	987,660
1,172,496	1,562,666	2,287,732	2,012,481	2,640,799	1,940,465	2,021,865
-	-	-	-	-	14,400	-
10,483,073	10,922,080	9,998,063	7,598,326	7,314,054	8,052,173	8,275,149
-	-	-	-	-	-	-
18,750,842	26,137,387	25,671,383	24,471,667	34,802,948	20,033,360	18,213,517
7,675,000	425,138	338,894	693,456	34,755	41,946	-
40,846,060	43,989,546	41,973,757	39,730,067	45,537,389	30,905,694	29,498,191
71,897,428	74,185,046	72,174,379	77,213,288	96,647,343	105,294,626	114,087,566
29,390,534	29,994,324	23,013,687	17,881,058	23,809,146	24,918,459	28,573,970
51,011,674	56,921,768	37,937,166	4,594,458	35,648,511	51,285,504	58,575,974
27,284,520	30,313,581	27,786,467	23,297,033	38,683,686	31,670,020	28,109,407
1,687,660	1,595,833	788,333	1,506,667	371,155	895,053	276,180
181,271,816	193,010,552	161,700,032	124,492,504	195,159,841	214,063,662	229,623,097
222,117,876	237,000,098	203,673,789	164,222,571	240,697,230	244,969,356	259,121,288

(Continued)

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

	2015	2016	2017
NET (EXPENSE)/REVENUE			
Governmental activities	\$ (27,476,910)	(49,257,830)	(43,352,019)
Business-type activities	13,661,029	(18,351,392)	(8,255,235)
Total primary government net expense	<u>\$ (13,815,881)</u>	<u>(67,609,222)</u>	<u>(51,607,254)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities:			
Property taxes	\$ 61,957,344	55,546,801	59,711,015
Personal and business income taxes	-	-	-
Excise taxes	16,584,669	18,144,766	18,830,032
Construction excise tax	2,669,188	3,338,479	3,561,675
Cemetery revenue surcharge	48,335	46,711	47,095
Unrestricted investment earnings	904,399	1,383,708	857,777
Transfers	(701,266)	(156,056,075)	(12,486,737)
Total governmental activities	<u>81,462,669</u>	<u>(77,595,610)</u>	<u>70,520,857</u>
Business-type activities:			
Unrestricted investment earnings	425,728	891,412	655,748
Transfers	701,266	156,056,075	12,486,737
Total business-type activities	<u>1,126,994</u>	<u>156,947,487</u>	<u>13,142,485</u>
Total primary government	<u>\$ 82,589,663</u>	<u>79,351,877</u>	<u>83,663,342</u>
CHANGE IN NET POSITION			
Governmental activities	\$ 53,985,759	(126,853,440)	27,168,838
Business-type activities	14,788,023	138,596,095	4,887,250
Total primary government	<u>\$ 68,773,782</u>	<u>11,742,655</u>	<u>32,056,088</u>
Prior period adjustment/cumulative change in accounting principle	<u>\$ (8,084,088)</u>	<u>-</u>	<u>-</u>

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

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

(3) In fiscal year 2023, Metro began reporting the activities of the Supportive housing services and Affordable housing as a separate program. Prior to this, activities were reported as part of the Planning, development and research program.

(4) In fiscal year 2023, Metro renamed the Regional planning and development program to Planning, development, and research program to more accurately describe the function/program.

2018	2019	2020	2021	2022	2023	2024
(112,650,869)	(43,851,322)	(77,489,898)	(132,803,292)	(205,897,196)	(325,851,420)	(488,376,281)
(15,549,195)	(38,165,048)	(58,219,622)	(38,571,684)	9,743,453	(15,918,705)	(27,491,545)
<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>	<u>(341,770,125)</u>	<u>(515,867,826)</u>
64,162,251	78,203,583	114,176,644	106,525,202	108,386,146	112,919,912	120,787,018
-	-	-	1,524,473	242,650,036	347,044,362	335,136,020
18,343,257	18,587,682	16,916,905	18,704,633	21,631,175	20,439,427	20,121,244
3,792,595	3,583,092	3,627,232	3,318,783	3,877,675	3,598,048	3,782,940
51,479	39,854	45,533	55,300	67,195	60,039	53,353
1,711,821	9,205,677	30,268,742	2,750,741	(16,119,074)	15,956,736	35,803,286
<u>(20,896,055)</u>	<u>(22,594,240)</u>	<u>(37,300,764)</u>	<u>(34,333,138)</u>	<u>(14,795,385)</u>	<u>(14,343,199)</u>	<u>(15,293,466)</u>
67,165,348	87,025,648	127,734,292	98,545,994	345,697,768	485,675,325	500,390,395
1,182,066	3,947,274	3,801,003	38,749	(2,305,304)	2,802,953	6,585,037
20,896,055	22,594,240	37,300,764	34,333,138	14,795,385	14,343,199	15,293,466
22,078,121	26,541,514	41,101,767	34,371,887	12,490,081	17,146,152	21,878,503
<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>	<u>502,821,477</u>	<u>522,268,898</u>
(45,485,521)	43,174,326	50,244,394	(34,257,298)	139,800,572	159,823,905	12,014,114
6,528,927	(11,623,534)	(17,117,855)	(4,199,797)	22,233,534	1,227,447	(5,613,042)
<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>	<u>161,051,352</u>	<u>6,401,072</u>
<u>(215,840)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	2015	2016	2017
General Fund			
Nondisposable	\$ 1,413,353	1,013,709	798,952
Restricted	38,197,509	37,683,525	42,309,999
Committed	5,626,594	11,135,969	12,316,557
Assigned	-	-	-
Unassigned	16,093,516	17,162,433	21,133,911
Total General Fund	61,330,972	66,995,636	76,559,419
All other governmental funds			
Nondisposable (2)	482,037	528,748	555,580
Restricted (1)	86,346,886	89,903,244	62,107,158
Committed	32,839	-	-
Assigned	-	37,398	60,859
Unassigned	-	-	-
Total all other governmental funds	\$ 86,861,762	90,469,390	62,723,597

(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 year changes are primarily due to the spend down of the proceeds.

(2) Changes in Nondisposable 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.

2018	2019	2020	2021	2022	2023	2024
42,693	186,438	296,426	228,507	199,946	427,003	362,735
52,899,445	64,016,351	63,313,745	65,824,929	73,239,624	70,127,790	74,627,421
10,522,814	12,493,221	14,740,429	-	12,167,202	9,900,092	9,743,146
-	15,529,940	-	306,762	1,437,105	661,541	1,053,324
29,180,618	9,988,598	24,836,760	25,371,310	34,080,876	44,992,123	45,707,486
<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>	<u>126,108,549</u>	<u>131,494,112</u>
607,059	647,996	15,735,447	15,724,486	223,995,155	388,020,024	349,923,518
86,678,277	725,292,232	910,772,093	867,763,459	708,776,914	612,851,241	569,060,784
-	-	-	-	-	-	-
16,612	36,772	64,430	67,401	-	-	684,797
-	-	-	-	(10,229)	(11,352)	-
<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>	<u>1,000,859,913</u>	<u>919,669,099</u>

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

	2015	2016	2017
REVENUES			
Property taxes	\$ 61,790,541	55,397,507	59,562,937
Excise taxes	16,587,938	18,144,768	18,830,032
Personal and business income taxes	-	-	-
Construction excise tax	2,669,188	3,338,479	3,561,675
Cemetery revenue surcharge	48,335	46,711	47,095
Investment income	888,088	1,358,919	846,966
Government fees	95,725	76,236	85,353
Culture and recreation fees (1)	24,856,959	4,592,527	4,612,352
Solid waste fees	340,912	985,486	1,033,211
Other fees	3,271,705	1,485,642	1,951,142
Internal charges for services	1,812,342	3,969,961	5,477,184
Licenses and permits	393,796	507,560	558,504
Miscellaneous revenue	540,467	177,329	540,483
Grants	17,840,916	8,569,740	11,733,942
Local government shared revenues	773,657	761,253	766,318
Government contributions	3,370,903	3,814,143	4,345,277
Contributions and donations	510,343	640	-
Capital grants	18,740	238,790	107,046
Capital contributions and donations	7,122,542	22,500	206,770
Total revenues	142,933,097	103,488,191	114,266,287
EXPENDITURES			
General government operations	16,506,570	12,583,030	13,885,115
Planning, development and research (3)	13,888,509	13,304,049	16,814,210
Housing (2)	-	-	-
Culture and recreation	22,358,773	24,568,215	28,730,153
Zoo (1)	31,967,441	-	-
Debt service:			
Principal	29,665,000	23,770,000	24,315,000
Interest	9,722,466	9,354,224	10,321,223
Capital outlay	46,140,996	30,098,540	29,097,093
Total expenditures	170,249,755	113,678,058	123,162,794
Excess of revenues over (under) expenditures	(27,316,658)	(10,189,867)	(8,896,507)

2018	2019	2020	2021	2022	2023	2024
64,369,020	79,370,064	114,101,431	106,520,166	108,248,252	113,147,010	120,208,696
18,343,257	18,587,682	16,916,905	18,704,633	21,631,175	20,439,429	20,121,244
-	-	-	1,524,473	242,650,036	347,044,362	335,136,020
3,792,595	3,583,093	3,627,232	3,318,783	3,877,675	3,598,048	3,782,940
51,479	39,854	45,534	55,300	67,195	60,039	53,353
1,688,487	9,072,979	30,084,653	2,728,902	(16,043,479)	15,874,590	35,750,077
96,500	83,043	85,692	71,874	68,273	15,805	18,080
4,821,013	5,156,720	4,066,569	4,530,790	4,487,130	5,245,485	5,342,610
1,053,525	1,077,086	1,086,468	1,126,754	1,275,830	1,313,889	1,329,478
1,985,501	1,971,267	1,975,668	865,159	1,442,744	1,698,550	2,545,718
5,145,553	7,989,975	7,079,106	6,284,090	1,775,729	1,205,481	1,300,357
593,228	577,621	583,115	587,595	583,490	587,155	556,105
730,850	579,426	1,092,948	869,588	958,779	975,168	287,902
11,595,479	9,130,571	11,539,100	12,167,332	8,192,666	13,757,472	13,981,051
3,954,656	3,863,885	4,185,973	4,263,289	4,257,600	4,279,018	4,221,731
3,200,708	13,142,245	9,917,660	334,919	28,426,493	28,812	3,607,563
-	-	28,650	-	-	-	-
175,000	261,638	44,334	268,456	34,755	16,946	-
7,500,000	178,510	294,560	-	-	-	3,546
129,096,851	154,665,659	206,755,598	164,222,103	411,934,343	529,287,259	548,246,471
88,524,517	15,877,682	20,930,455	12,877,761	6,937,209	11,610,464	13,735,715
17,666,404	25,444,323	27,184,653	75,449,202	170,652,884	24,017,210	25,219,976
-	-	-	-	-	258,539,755	402,950,115
30,295,557	28,049,868	28,746,257	26,683,691	32,193,318	37,433,410	46,082,239
-	-	-	-	-	-	-
30,165,000	40,740,000	56,290,000	48,705,000	60,670,000	64,630,000	59,328,477
11,131,207	12,780,341	33,513,011	35,382,628	33,551,564	30,849,801	29,780,279
16,635,087	25,515,599	35,181,744	24,984,317	15,895,908	15,579,259	34,361,598
194,417,772	148,407,813	201,846,120	224,082,599	319,900,883	442,659,899	611,458,399
(65,320,921)	6,257,846	4,909,478	(59,860,496)	92,033,460	86,627,360	(63,211,928)

(Continued)

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

	2015	2016	2017
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	30,000,000	-
Refunding bonds issued	57,955,000	-	-
Premium on bonds issued	6,780,891	3,479,164	-
Leases (as lessee)	-	-	-
SBITA	-	-	-
Sale of capital assets	23,361	348,744	430,096
Transfers in	964,282	5,779,685	6,815,333
Payment to refunded bond escrow agent	(65,967,620)	-	-
Transfers out	(1,364,097)	(20,145,434)	(16,530,932)
Total other financing sources (uses)	(1,608,183)	19,462,159	(9,285,503)
Net change in fund balances	<u>\$ (28,924,841)</u>	<u>9,272,292</u>	<u>(18,182,010)</u>
Debt service as a percentage of noncapital expenditures	31.8%	39.6%	36.8%

(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) In fiscal year 2023, Metro began reporting the activities of the Supportive housing services and Affordable housing as a separate program. Prior to this, activities were reported as part of the Planning, development and research program.

(3) In fiscal year 2023, Metro renamed the Regional planning and development program to Planning, development and research program to more accurately describe the function/program.

2018	2019	2020	2021	2022	2023	2024
103,655,000	652,800,000	200,000,000	27,500,000	-	-	-
-	-	-	-	-	40,873,920	-
14,710,080	2,630,335	10,922,405	-	-	-	-
-	-	-	-	943,561	-	36,152
-	-	-	-	-	1,613,801	2,781,465
933,046	64,909	23,655	9,800	91,807	45,300	13,366
2,485,448	1,904,259	1,449,821	3,732,520	16,897,853	17,108,692	6,710,381
-	-	-	-	-	(41,750,751)	-
(15,798,151)	(15,413,317)	(15,737,577)	(25,854,300)	(31,366,942)	(31,436,453)	(22,134,687)
105,985,423	641,986,186	196,658,304	5,388,020	(13,433,721)	(13,545,491)	(12,593,323)
40,664,502	648,244,032	201,567,782	(54,472,476)	78,599,739	73,081,869	(75,805,251)
23.2%	43.5%	53.9%	42.2%	31.0%	22.4%	15.4%



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	
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	
2023	557,405	123.45	1,009,031	42.17	71,650	163,642	1,801,728	
2024	545,354	137.30	952,718	44.69	76,734	200,182	1,774,988	

(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.

METRO
Solid Waste Disposal Rates
Last Ten Fiscal Years
Unaudited

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
METRO FACILITIES										
Disposal fee	\$ 61.62	62.87	63.19	63.20	64.41	64.41	64.41	72.81	78.39	89.72
Regional system fee	18.21	18.39	18.48	18.12	17.81	18.58	18.58	25.65	29.37	31.41
Excise tax	11.76	11.48	11.76	10.81	12.41	11.57	12.47	13.80	12.80	13.28
Community & enhancement/host fee	0.50	1.00	1.00	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	1.69	1.69	1.69	1.76	1.76	1.76	1.76	1.76
Total rate per ton (1)	\$ 93.33	94.98	96.25	94.95	97.45	97.45	98.35	115.15	123.45	137.30
Transaction fee-scalehouse	\$ 12.00	12.00	10.00	10.00	10.00	10.00	10.00	14.75	18.00	24.00
Transaction fee-automated	\$ 3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.75	4.25	6.75
PRIVATELY-OWNED FACILITIES										
Regional system fee	\$ 18.21	18.39	18.48	18.12	17.81	18.58	18.58	25.65	29.37	31.41
Excise tax	11.76	11.48	11.76	10.81	12.41	11.57	12.47	13.80	12.80	13.28
Total rate per ton	\$ 29.97	29.87	30.24	28.93	30.22	30.15	31.05	39.45	42.17	44.69

(1) Rates are per ton of mixed waste disposal. For fiscal year 2024, minimum charge is \$40.00 for 240 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	2024			2015		
	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	\$ 21,972,566	1	24.48%	\$ 12,709,461	1	22.17%
Miller's Sanitary Service Inc.	6,693,311	2	7.46	-	-	-
Oregon City Garbage Company	5,469,673	3	6.09	2,853,633	2	4.98
Heiberg Garbage Service	3,650,766	4	4.07	1,733,140	7	3.02
Allied Waste Services of Portland	3,436,170	5	3.83	1,379,378	9	2.41
Arrow Sanitary Service	2,818,495	6	3.14	2,241,244	5	3.91
AGG Recology Inc.	1,838,099	7	2.05	2,567,414	3	4.48
Walker Garbage Service Inc.	1,795,552	8	2.00	1,028,209	10	1.79
City Sanitary Service	1,695,606	9	1.89	-	-	-
Sunset Garbage Collection Inc.	1,612,155	10	1.80	-	-	-
Trashco Services Inc.	-	-	-	1,985,666	6	3.46
Kellar Drop Box Inc.	-	-	-	1,721,044	8	3.00
Portland Disposal & Recycling	-	-	-	2,483,267	4	4.33
Total	\$ 50,982,393		56.81%	\$ 30,702,456		53.55%

(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.

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	Leases Payable	SBITA Payable
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	202,515,140	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	723,596	-
2023	821,771,917	14,500,995	53,918,724	10,715,000	478,343	787,812
2024	765,094,158	13,318,877	52,569,725	8,705,000	260,861	2,200,442

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

* Not available

Business-type Activities				Percentage of Personal Income (1)	Per Capita (1)
Full Faith and Credit Bonds	Leases Payable	SBITA Payable	Total Primary Government		
\$ 9,605,617	\$ -	\$ -	\$ 250,721,346	0.21%	\$ 143.65
8,988,560	-	-	255,741,000	0.21	143.74
7,895,584	-	-	226,285,711	0.17	124.89
7,017,472	-	-	309,472,911	0.22	168.28
6,099,360	-	-	918,544,698	0.63	494.22
5,141,247	-	-	1,067,484,278	0.68	581.92
4,158,135	-	-	1,041,991,505	0.60	573.52
3,145,022	15,465,305	-	993,192,626	0.56	544.85
2,101,909	14,753,779	618,702	919,647,181	0.49	502.43
1,043,797	13,642,768	379,251	857,214,879	N/A*	466.43

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

General Bonded Debt Outstanding						Percentage of Actual Real Market Value of Property	Per Capita (2)
Fiscal Year Ended June 30,	General Obligation Bonds	Pension Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt	Real Market Value (1)		
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	535.43
2021	925,901,419	14,180,000	3,933,561	936,147,858	353,506,458,459	0.26	515.26
2022	878,162,868	12,535,000	2,829,578	887,868,290	376,897,140,782	0.24	487.07
2023	821,771,917	10,715,000	3,412,782	829,074,135	423,733,033,399	0.20	452.95
2024	765,094,158	8,705,000	4,778,602	769,020,556	448,178,871,542	0.17	418.44

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, 2024
Unaudited

Overlapping Government	Net Property Tax Backed Debt	Percent within Metro	Share of Overlapping Debt
City of Beaverton	\$ 28,850,000	99.87%	\$ 28,812,899
City of Cornelius	1,835,703	95.08	1,745,352
City of Fairview	5,846,607	100.00	5,846,607
City of Gladstone	7,002,830	100.00	7,002,830
City of Gresham	26,350,378	100.00	26,350,378
City of Hillsboro	70,920,000	98.67	69,979,246
City of Lake Oswego	81,695,000	100.00	81,695,000
City of Milwaukie	53,102,462	100.00	53,102,462
City of Oregon City	11,420,000	99.82	11,399,684
City of Portland	401,515,000	100.00	401,512,189
City of Sherwood	60,979,148	99.97	60,959,940
City of Tigard	14,077,519	99.78	14,046,647
City of Troutdale	3,515,000	100.00	3,515,000
City of Tualatin	29,819,531	100.00	29,819,531
City of West Linn	25,780,000	100.00	25,780,000
City of Wilsonville	17,351,700	99.91	17,336,240
City of Wood Village	2,375,000	100.00	2,375,000
Clackamas Community College	117,601,792	72.99	85,836,489
Clackamas County	100,575,000	73.11	73,528,874
Clackamas County ESD	26,603,764	73.32	19,505,242
Clackamas County RFPD 1	21,642,113	85.28	18,457,303
Clackamas County SD 115 (Gladstone)	18,847,142	100.00	18,847,142
Clackamas County SD 12 (North Clackamas)	609,616,006	98.66	601,422,157
Clackamas County SD 3J (West Linn-Wilsonville)	463,502,321	94.91	439,914,224
Clackamas County SD 46 (Oregon Trail)	67,160,487	6.19	4,153,943
Clackamas County SD 62 (Oregon City)	258,697,607	70.22	181,669,359
Clackamas County SD 7J (Lake Oswego)	365,400,000	100.00	365,400,000
Clackamas County SD 86 (Canby)	94,805,000	11.80	11,191,351
Clackamas Soil & Water Conservation	5,035,000	73.11	3,681,013
Columbia County SD 1J (Scappoose)	14,835,000	9.68	1,436,651
Corbett Water District	204,863	22.56	46,222
Lusted Water District	385,000	97.34	374,771
Mt. Hood Community College	69,765,000	84.95	59,265,647
Multnomah County	509,757,429	99.06	504,980,492
Multnomah County RFPD 10	381,421	85.09	324,543
Multnomah County RFPD 14	4,445,000	18.61	827,223
Multnomah County SD 10J (Gresham-Barlow)	276,270,271	96.22	265,834,437
Multnomah County SD 1J (Portland)	1,858,703,000	99.66	1,852,441,030
Multnomah County SD 28J (Centennial)	62,246,644	100.00	62,246,644
Multnomah County SD 3 (Parkrose)	85,971,037	100.00	85,971,037
Multnomah County SD 40 (David Douglas)	183,003,098	100.00	183,003,098
Multnomah County SD 51J (Riverdale)	9,691,882	100.00	9,691,882
Multnomah County SD 7 (Reynolds)	146,835,941	100.00	146,835,941
Multnomah ESD	59,432,417	99.12	58,910,719

(Continued)

METRO
Direct and Overlapping Governmental Activities Debt, *continued*
As of June 30, 2024
Unaudited

Overlapping Government	Net Property Tax Backed Debt	Percent within Metro	Share of Overlapping Debt
Northwest Regional ESD	\$ 13,060,000	73.61%	\$ 9,613,923
Oak Lodge Water Services District	402,000	100.00	402,000
Pleasant Home Water District	1,010,000	57.47	580,461
Portland Community College	617,155,000	91.94	567,387,004
Rivergrove Water District 14J	3,210,764	100.00	3,210,764
Tualatin Hills Park & Recreation District	40,267,598	99.92	40,234,055
Tualatin Valley Fire & Rescue District	48,930,000	89.61	43,844,363
Valley View Water District	918,441	100.00	918,441
Washington County	134,636,465	93.48	125,857,090
Washington County SD 15 (Forest Grove)	145,103,930	80.88	117,361,800
Washington County SD 1J (Hillsboro)	464,345,000	86.22	400,360,581
Washington County SD 23J (Tigard-Tualatin)	285,455,000	99.74	284,709,677
Washington County SD 48J (Beaverton)	1,072,094,363	99.90	1,070,970,808
Washington County SD 88J (Sherwood)	280,395,027	82.23	230,571,634
Subtotal, overlapping debt	<u>\$ 9,380,833,701</u>		8,793,099,040
Metro direct debt			839,687,760
Total direct and overlapping debt			<u>\$ 9,632,786,800</u>

Note: Overlapping governments are those that coincide, at least in part, with the 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
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
2023	42,373,303,340	807,453,920	41,565,849,420	1.91
2024	44,817,887,154	752,250,443	44,065,636,711	1.68

Legal Debt Margin Calculation for Fiscal Year 2024

True cash value	\$ 448,178,871,542
Debt limit (10% of true cash value)	44,817,887,154
Debt applicable to limit:	
Gross bonded debt principal	\$ 820,010,443
Less legal deductions from debt limit:	
Full Faith and Credit Refunding Bonds 2016 Series	(1,005,000)
Full Faith and Credit Bonds 2018 Series	(12,230,000)
Dedicated Tax Revenue OCC Hotel Project Bonds 2017 Series	(45,820,000)
Metro Limited Tax Pension Obligation Bonds Series 2005	(8,705,000)
Total net debt applicable to limit	752,250,443
Legal debt margin	\$ 44,065,636,711

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

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

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

Fiscal Year Ended June 30,	Multnomah County Transient Lodging Tax (TLT) Collections		Visitor Facilities Trust Account (VFTA) TLT Net Revenue			
	3% Excise Tax Fund (ETF) TLT(1)	2.5% VFTA TLT(2)	VFTA TLT Net Revenue (3)	City of Portland Bonds VFTA Existing Debt Service (4)	VFTA Payments Available for Series 2017 Bonds (5) (7)	VFTA Payments Transferred to Metro (5)
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	5,075,612	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
2023	16,924,363	16,164,618	16,164,618	7,201,884	8,962,734	4,990,116
2024	16,477,783	16,255,146	16,255,146	7,786,500	8,468,646	5,238,277

(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
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	17,524,144	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
13,926,355	22,889,089	3,399,000	1,005,000	2,394,000	6.73
14,901,200	23,369,846	3,398,750	1,055,000	2,343,750	6.88

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)
2015	1,745,385	\$ 116,717,024	\$ 48,916	5.5%
2016	1,779,245	122,490,579	50,367	5.0
2017	1,811,860	130,352,553	52,962	4.2
2018	1,839,005	139,580,730	56,285	3.9
2019	1,858,560	146,249,446	58,551	3.9
2020	1,834,423	157,527,834	62,557	10.3
2021	1,816,841	173,993,617	69,099	5.1
2022	1,822,889	178,227,657	71,037	3.8
2023	1,830,393	188,084,378	74,992	3.7
2024	1,837,831 (3)	N/A*	N/A*	4.3

* Not available

(1) For Clackamas, Multnomah and Washington counties. Data reflects revisions to previous years and therefore may not match previously published reports.

(2) Portland-Vancouver-Hillsboro OR-WA MSA. Data reflects revisions to previous years and therefore may not match previously published reports.

(3) Preliminary estimate.

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	2024			2015		
	Employees	Rank	Percentage of Total Metropolitan Area Employment	Employees	Rank	Percentage of Total Metropolitan Area Employment
Intel Corporation	23,192	1	1.86%	17,500	3	1.60%
Oregon Health & Science University	20,917	2	1.68	14,616	5	1.34
Providence Health System	20,700	3	1.66	15,239	4	1.39
US Government	19,100	4	1.53	17,900	2	1.64
State Government	13,900	5	1.12	23,200	1	2.12
Kaiser Permanente	13,086	6	1.05	11,881	6	1.09
Nike, Inc.	10,700	7	0.86	8,000	10	0.73
Fred Meyer Stores	9,000	8	0.72	10,237	8	0.94
Portland Public Schools	7,638	9	0.61	-	-	-
City of Portland	6,631	10	0.53	8,558	9	0.78
Legacy Health System	-	-	-	10,436	7	0.95
Total	144,864		11.62%	137,567		12.58%

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

Source: Piper Sandler & Co.



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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
FUNCTIONS/PROGRAMS										
Primary Government:										
<i>Governmental activities:</i>										
General government operations	181.80	183.20	170.85	175.77	179.66	193.40	177.00	246.40	280.40	304.40
Planning, development and research	75.65	76.30	85.30	84.80	93.06	93.80	90.50	80.10	76.00	81.10
Housing (9)	-	-	-	-	-	-	-	-	22.50	41.40
Culture and recreation (9)	83.55	92.10	99.80	103.95	112.06	121.90	135.90	127.20	138.50	139.30
Zoo (1)	187.15	-	-	-	-	-	-	-	-	-
Total governmental activities	528.15	351.60	355.95	364.52	384.78	409.10	403.40	453.70	517.40	566.20
<i>Business-type activities:</i>										
Solid Waste	101.30	107.45	114.16	121.79	139.96	179.76	181.96	192.80	195.25	191.90
Oregon Zoo (1)	-	198.65	200.60	207.60	209.25	209.00	186.55	182.85	192.35	192.85
MERC	182.35	186.35	189.95	195.65	200.97	201.70	194.95	197.85	197.10	202.50
Total business-type activities	283.65	492.45	504.71	525.04	550.18	590.46	563.46	573.50	584.70	587.25
Total primary government	811.80	844.05	860.66	889.56	934.96	999.56	966.86	1,027.20	1,102.10	1,153.45
		(2)		(3)	(4)	(5)	(6)	(7)	(8)	(10)

(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 to conversion of temporary to permanent positions. Increased service demands at the venues and in parks management also led to the addition of staff.

(3) 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.

(4) 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.

(5) General governmental operations increased primarily due to Construction Project Management group being moved to the general fund. Culture and recreation increased due to new Parks and Nature Bond passing.

(6) COVID impacted the organization and nearly every department had to make personnel reductions in this fiscal year. The most substantial impact of COVID was on FTE for the visitor venues, Zoo, and MERC.

(7) 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.

(8) Increase over previous fiscal year is primarily due to adding back COVID Zoo staffing cuts, increases in staffing levels to support housing programs, tribal affairs, community investments and central services. Housing was separated from planning, development and research during the fiscal year resulting in a decrease to planning, development and research FTE.

(9) In fiscal year 2023, Metro began reporting the activities of the Supportive housing services and Affordable housing as a separate program. Prior to this, activities were reported as part of the Planning, development and research program.

(10) Increases in FTE were driven by Housing as there was increased demand for implementation assistance for county Supportive housing services projects as well as central services and MERC which were still rebuilding post-pandemic.

Source: Metro Adopted Budget documents.

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

FUNCTIONS/PROGRAMS	2015	2016	2017
Primary Government:			
<i>Governmental activities:</i>			
General government operations:			
Business licenses issued	2,918	3,079	3,019
General obligation bond rating:			
Moody's	Aaa	Aaa	Aaa
Standard and Poor's	AAA	AAA	AAA
Planning, development and research:			
Data Resource Center sales of maps and aerials (8)	\$ 81,943	70,467	65,305
Culture and recreation:			
Visitors to Blue Lake Park, Oxbow Park and Chinook Landing (5)	719,804	850,623	847,453
Volunteer visits (9)	4,472	3,370	5,508
Volunteer hours (9)	14,385	15,349	15,083
Acres acquired in Open Spaces and Natural Areas land target areas	361	180	507
<i>Business-type activities:</i>			
Solid Waste:			
Recycling Information Center calls/hits on website (3)	147,875	146,708	169,444
Students reached in elementary and secondary school presentations (6)	44,482	45,150	51,519
Regional recovery rate (1)	59.8%	47.0%	46.6%
Hazardous waste net cost per pound	\$ 0.97	1.04	1.04
Gallons of recycled paint produced	243,341	220,016	203,421
Latex paint revenue	\$ 1,360,872	1,286,638	1,149,852
PaintCare revenue (management of post-consumer paint) (4)	\$ 1,521,246	1,567,449	1,481,844
Oregon Zoo (2):			
Adult admission price	\$ 11.50	14.95	14.95
Annual attendance	1,560,035	1,494,316	1,549,394
Volunteer hours	130,065	98,722	91,911
Enterprise revenue as percentage of operating revenue	61.2%	59.5%	62.6%
Contributions and donations as percent of total revenue	2.0%	3.8%	6.2%
MERC:			
Annual attendance			
Oregon Convention Center (7)	633,047	632,823	624,538
Portland Expo Center	381,169	398,705	385,184
Portland's Centers for the Arts (7)	876,819	928,151	946,691
Number of events/performance			
Oregon Convention Center (7)	81	74	70
Portland Expo Center	112	121	109
Portland's Centers for the Arts (7)	967	964	971
Capacity			
Occupancy rate (75% considered maximum)			
Oregon Convention Center (7)	51%	58%	48%

*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) 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.

(4) PaintCare revenues derived from a project for the management of post-consumer paint.

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

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

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

(8) In fiscal year 2023, Metro made the RLIS subscription offerings free which resulted in a decrease in revenue for maps and aerials.

(9) Volunteer visits and hours are no longer tracked in culture and recreation as the model has shifted away from volunteerism towards nature education as of fiscal year 2023.

Source: Various Metro departments. Data reflects revisions to previous years and therefore may not match previously published reports.

2018	2019	2020	2021	2022	2023	2024
3,207	3,122	3,152	3,176	3,154	3,174	3,006
Aaa AAA	Aaa AAA	Aaa AAA	Aaa AAA	Aaa AAA	Aaa AAA	Aaa AAA
77,675	67,245	64,095	64,215	57,115	10,725	8,695
1,027,604	993,133	841,942	727,144	537,582	531,676	522,275
2,841	3,459	1,865	234	576	N/A*	N/A*
12,080	10,576	5,703	887	2,872	N/A*	N/A*
183	246	213	101	240	188	296
184,084	231,000	224,380	220,535	207,180	180,482	217,082
54,723	42,998	24,642	11,405	6,533	28,513	20,776
44.7%	46.8%	46.5%	44.2%	43.9%	N/A*	N/A*
1.13	0.99	1.36	1.39	1.96	1.59	2.15
176,489	201,895	161,041	145,035	156,824	238,428	224,885
1,064,213	1,205,964	941,447	876,610	857,673	904,888	1,118,167
1,650,050	1,792,651	1,459,255	1,635,153	1,393,020	1,349,037	1,333,629
17.95	22.95	17.95	24.00	24.00	24.00	24.00
1,704,918	1,529,078	977,639	901,315	1,246,800	1,217,068	1,321,154
93,174	78,113	64,666	6,665	12,546	16,636	10,874
70.2%	68.5%	54.9%	60.7%	72.9%	61.2%	52.2%
6.2%	4.9%	9.3%	17.6%	5.7%	5.9%	8.7%
619,068	697,923	435,612	-	449,580	300,873	486,903
392,760	471,400	247,815	60,462	347,794	245,848	212,430
958,064	917,425	672,246	-	560,333	712,608	801,510
77	70	46	-	43	61	297
114	121	90	83	66	76	109
946	983	648	-	586	713	789
45%	51%	47%	0%	41%	49%	52%

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

	2015	2016	2017
FUNCTIONS/PROGRAMS			
Primary Government:			
<i>Governmental activities:</i>			
General government operations:			
Regional Center facilities	1	1	1
Square footage	110,000	110,000	196,960
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)	2,305	2,305	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	7,684	7,684	7,684
Natural areas acquired using bond proceeds	27	27	27
Acres	4,910	5,090	5,596
<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
RID Deployment Center	-	-	-
Oregon Zoo (1):			
Acres	65	65	65
Buildings and exhibits	67	67	68
Railways	2	2	2
MERC:			
Convention Centers	1	1	1
Square footage	907,000	907,000	907,000
Parking spaces	800	716	716
Exposition Centers	1	1	1
Square footage	330,000	330,000	333,000
Parking spaces	2,256	2,256	2,556

Note: No capital asset indicators are available for the planning, development and research program.

(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.

2018	2019	2020	2021	2022	2023	2024
1	1	1	1	1	1	1
196,960	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	24	24
5,778	6,024	6,237	6,338	6,578	6,766	7,062
2	2	2	2	2	2	2
1	1	1	1	1	1	1
1	1	1	1	1	1	1
-	-	-	-	-	-	1
65	65	65	65	65	65	65
68	68	68	68	68	68	68
2	2	2	2	2	2	2
1	1	1	1	1	1	1
907,000	907,000	907,000	907,000	907,000	907,000	907,000
791	791	791	791	791	791	791
1	1	1	1	1	1	1
333,000	333,000	333,000	333,000	333,000	333,000	333,000
2,556	2,556	2,556	2,556	2,556	2,556	2,556

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

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Total Collections to Date		Total Uncollected Taxes for the Fiscal Year
		Tax Collections	Percentage of Levy		Tax Collections	Percentage of Levy	
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	846,997	59,373,396	96.7	3,523,722
2018	66,623,193	63,459,709	95.3	839,204	64,298,913	96.5	3,392,641
2019	80,232,825	76,823,359	95.8	1,025,251	77,848,610	97.0	2,184,005
2020	118,129,185	112,972,917	95.6	1,499,369	114,472,286	96.9	2,403,194
2021	109,569,884	105,001,839	95.8	1,124,929	106,126,768	96.9	2,406,117
2022	111,354,054	106,713,185	95.8	934,341	107,647,526	96.7	2,418,035
2023	116,417,354	111,481,104	95.8	672,923	112,154,027	96.3	2,486,787
2024	124,162,584	118,303,563	95.3	-	118,303,563	95.3	2,947,338

(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.

Source: The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington counties. Data reflects revisions to previous years and therefore may not match previously published reports.

METRO
Taxable Property Values
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Total Assessed Valuation			AV used to Calculate Rates (2)	
	Real Market Value (1)	(AV)	Urban Renewal Excess		
Metro – Total Area					
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
2023		423,733,033,399	213,198,170,547	11,422,397,296	201,775,773,251
2024		448,178,871,542	223,001,150,790	8,139,256,387	214,861,894,403
Portion of Metro Located in Multnomah County					
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
2023		206,962,138,926	95,281,450,380	7,165,195,789	88,116,254,591
2024		208,698,379,333	99,092,190,940	3,707,868,623	95,384,322,317
Portion of Metro Located in Washington County					
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
2023		136,030,329,810	73,310,084,012	1,966,849,817	71,343,234,195
2024		142,291,665,217	77,380,141,194	2,602,002,178	74,778,139,016
Portion of Metro Located in Clackamas County					
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
2023		80,740,564,663	44,606,636,155	2,290,351,690	42,316,284,465
2024		97,188,826,992	46,528,818,656	1,829,385,586	44,699,433,070

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

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
2015	\$ 0.0966	0.0960	0.2660	0.4586
2016	0.0966	0.0960	0.1982	0.3908
2017	0.0966	0.0960	0.2057	0.3983
2018	0.0966	0.0960	0.2203	0.4129
2019	0.0966	0.0960	0.2827	0.4753
2020	0.0966	0.0960	0.4806	0.6732
2021	0.0966	0.0960	0.4071	0.5997
2022	0.0966	0.0960	0.3917	0.5843
2023	0.0966	0.0960	0.3893	0.5819
2024	0.0966	0.0960	0.3984	0.5910

(1) General obligation (GO) bond levy rate is a calculation of total GO levy divided by Assessed Value used to calculate rates. Data reflects revisions to previous years and, therefore, may not match previously published reports.

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

METRO
Principal Property Tax Taxpayers within the District by County
(amounts expressed in thousands)
June 30, 2024
Unaudited

Taxpayer Account	Type of Business	Assessed Valuation	Percent of Total Valuation
MULTNOMAH COUNTY			
Portland General Electric Co	Electric utility	\$ 776,234	0.81%
Port of Portland	Marine and aviation facilities	775,712	0.81
Pacificorp (PP&L)	Electric utility	752,430	0.79
Microstar Keg Management LLC	Craft beer industry services	715,422	0.75
Boeing Company	Aircraft manufacturing	471,887	0.49
Alaska Airlines Inc	Air Travel	398,193	0.42
Comcast Corporation	Telecommunications	359,967	0.38
Weston Investment Co LLC	Nonresidential construction	344,594	0.36
Verizon Communications Inc	Telecommunications	221,041	0.23
Northwest Natural Gas Co	Natural gas utility	219,888	0.23
All other taxpayers	-	90,348,954	94.73
	Total	\$ 95,384,322	100.00%
WASHINGTON COUNTY			
Intel Corporation	Computer electronics	\$ 1,943,426	2.60%
Nike Inc	Athletic apparel	1,493,386	2.00
Portland General Electric Co	Electric utility	1,224,054	1.64
Northwest Natural Gas Co	Natural gas utility	486,390	0.65
Pacific Realty Associates	Real estate	452,136	0.60
Comcast Corporation	Telecommunications	413,757	0.55
Genentech Inc	Biotechnology	388,964	0.52
Maxim Integrated Products Inc	Semiconductor manufacturing	348,935	0.47
Verizon Communications Inc	Telecommunications	296,777	0.40
Northwest Fiber LLC	Telecommunications	264,087	0.35
All other taxpayers	-	67,466,227	90.22
	Total	\$ 74,778,139	100.00%
CLACKAMAS COUNTY			
Portland General Electric Co	Electric utility	\$ 406,286	0.91%
General Growth Properties Inc	Real estate	304,513	0.68
PCC Structurals Inc	Metal castings and machining	293,207	0.66
Fred Meyer Stores Inc	Retailer	235,349	0.53
Shorenstein Properties LLC	Real estate	224,846	0.50
Northwest Natural Gas Co	Natural gas utility	214,559	0.48
Comcast Corporation	Telecommunications	122,244	0.27
Roic Oregon LLC	Real estate	97,000	0.22
Meadows Road LLC	Real estate	81,088	0.18
Twist Bioscience	Biotechnology company	80,426	0.18
All other taxpayers	-	42,639,915	95.39
	Total	\$ 44,699,433	100.00%

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



A white goat with long, shaggy fur and curved horns stands in a rocky, grassy area. The goat is facing slightly to the right. A dark blue hexagonal overlay is positioned in the lower center of the image, containing the text "Audit Comments and Disclosures" in white.

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, 2024, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 21, 2024. 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.

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 21, 2024

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, 2024, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 21, 2024. 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 21, 2024

Report of Independent Auditors on Compliance for the 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 the Major Federal Program

Opinion on the 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 Metro's major federal program for the year ended June 30, 2024. Metro's major federal program is 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 its major federal program for the year ended June 30, 2024.

Basis for Opinion on the 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 the 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 the 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 21, 2024

METRO
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2024

Grantor and Program Title	Federal Assistance Listing Number	Grant/Pass-Through Number	Federal Expenditures
U. S. DEPARTMENT OF AGRICULTURE			
Forest Service-			
Direct Programs:			
Columbia River Gorge National Scenic Area	10.U02	18-PA-11062200-005	\$ 4,235
Total U. S. Department of Agriculture			4,235
U. S. DEPARTMENT OF COMMERCE			
Economic Development Cluster-			
Direct Programs:			
Economic Adjustment Assistance:			
Albina Redevelopment Feasibility Study	11.307	07-69-07716	27,189
Public Works and Economic Adjustment Assistance Program	11.307	07-79-07775	227,505
Total Economic Development Cluster			254,694
Total U. S. Department of Commerce			254,694
U. S. DEPARTMENT OF THE INTERIOR			
Fish and Wildlife Service-			
Direct Programs:			
Endangered Species Recovery Implementation Funds	15.657	F22AP00362-01	343,198
Passed through Woodland Park Zoo:			
Endangered Species Recovery Implementation Funds	15.657	F22AC00345-00	24,858
Total Endangered Species Recovery Implementation Funds			368,056
Fish and Wildlife Cluster-			
Passed through The Peregrine Fund Inc and Oregon Department of Fish & Wildlife:			
Wildlife Restoration Grant Program	15.611	ODFW #12-22	192,428
Total Fish and Wildlife Cluster			192,428
Passed through Oregon Department of Parks and Recreation:			
Cooperative Endangered Species Conservation Fund	15.615	F23AP03250	23,714
Cooperative Endangered Species Conservation Fund	15.615	F22AP03250	15,182
Total Cooperative Endangered Species Conservation Fund			38,896
Passed through Oregon State Marine Board:			
Clean Vessel Act	15.616	2123-048	1,800
Total U. S. Department of the Interior			601,180
U. S. DEPARTMENT OF TRANSPORTATION			
Federal Highway Administration-			
Highway Planning and Construction-			
Passed through Oregon Department of Transportation:			
PL Funds - Lead (federal share)	20.205	ODOT- 73000-00019961	2,470,754
PL Funds - Safe & Accessible Transportation	20.205	ODOT- 73000-00019961	51,488
Section 5303 Funds	20.205	ODOT- 73000-00019961	905,622
STBG Funds - In Lieu of Dues	20.205	ODOT- 73000-00019961	878,285
STBG Funds - Next Corridor	20.205	ODOT- 73000-00019961	281,571
STBG Funds - TSMO	20.205	ODOT- 73000-00019961	211,549
STBG Funds - Freight / Econ Value Atlas	20.205	ODOT- 73000-00019961	39,413
"State" STBG Funds - Lead (federal share)	20.205	ODOT- 73000-00019961	201,893
I-5 and I-205: Portland Metropolitan Value Pricing Program (Congestion Pricing)	20.205	ODOT # 33518/73000-00004859	15,118
Delivering Transportation Options (RTO 5) - Rideshare	20.205	ODOT-73000-00008348	242,376

(Continued)

METRO
Schedule of Expenditures of Federal Awards, *continued*
For the year ended June 30, 2024

<u>Grantor and Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grant/Pass-Through Number</u>	<u>Federal Expenditures</u>
U. S. DEPARTMENT OF TRANSPORTATION, <i>continued</i>			
Passed through to subrecipients:			
Westside Transportation Alliance Inc			\$ 10,502
Westside Multimodal Improvement Study	20.205	ODOT # 34729	17,434
Regional Freight Delay & Commodities Movement Study	20.205	ODOT # 34791/34784-SPA01	66,739
Total Highway Planning and Construction			5,382,242
Federal Transit Administration-			
Federal Transit Cluster-			
Federal Transit Capital Investment Grants-			
Direct Programs:			
S.W.E.D.S. II	20.500	OR-2021-058	372,890
Passed through to subrecipients:			
HAKI Community Organization			104,501
Hispanic Metro Chamber of Commerce			69,489
Neighborhood House			105,079
The Immigrant & Refugee Community			70,611
Federal Transit Formula Grants-			
Direct Programs:			
Surface Transportation Funds-			
Tualatin Valley (TV) Highway Corridor	20.507	OR-2023-003	523,569
Passed through to subrecipients:			
TriMet			260,157
Regional Travel Options Program	20.507	OR-2023-004	1,091,059
Passed through to subrecipients:			
Beaverton School District 48			12,407
City of Gresham			11,260
City of Portland			169,607
City of Tigard			44,544
City of Wilsonville			43,913
Clackamas Community College			21,921
Community Cycling Center			48,492
Division Midway Alliance			7,157
Forth			13,824
Go Lloyd			26,378
Northwest Housing Alternatives			28,551
pear			(3,137)
Oregon Walks			30,798
Portland Community College			11,909
Ride Connection Inc			41,974
The Street Trust Community Fund			21,651
Tri Met			90,790
Washington Park Transportation			13,460
Westside Transportation Alliance Inc			45,442
Safe Routes to Schools (SRTS)	20.507	OR-2023-026	97,558
Passed through to subrecipients:			
City of Hillsboro			500
City of Wilsonville			25,708
Clackamas County			10,379
Total Federal Transit Cluster			2,085,076

(Continued)

METRO
Schedule of Expenditures of Federal Awards, *continued*
For the year ended June 30, 2024

<u>Grantor and Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grant/Pass-Through Number</u>	<u>Federal Expenditures</u>
U. S. DEPARTMENT OF TRANSPORTATION, <i>continued</i>			
Federal Highway Administration			
Direct Programs:			
Safe Streets and Roads for All (SS4A) - Vision Zero	20.939	693JJ32340560	\$ 149,926
Passed through to subrecipients:			
Multnomah County			44,184
Total U.S. Department of Transportation			7,617,244
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Climate Pollution Reduction Grant (CPRG)	66.046	5D-02J36101-0	261,563
Metro Brownfield Assessment FY21-23	66.818	BF-01J86401-0	148,063
Passed through to subrecipients:			
Multnomah County			93,282
Washington County			3,022
Total U. S. Environmental Protection Agency			409,626
Total Expenditures of Federal Awards			\$ 8,886,979

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, 2024

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, 2024. 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 year ended June 30, 2024, Metro did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Metro

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2024

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>
20.500, 20.507	Federal Transit Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

Metro
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

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, 2024

No findings identified in the prior year.

