



# Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2023

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.**

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### **Metro Council President**

Lynn Peterson

### **Metro Councilors**

Ashton Simpson, District 1

Christine Lewis, District 2

Gerritt Rosenthal, District 3

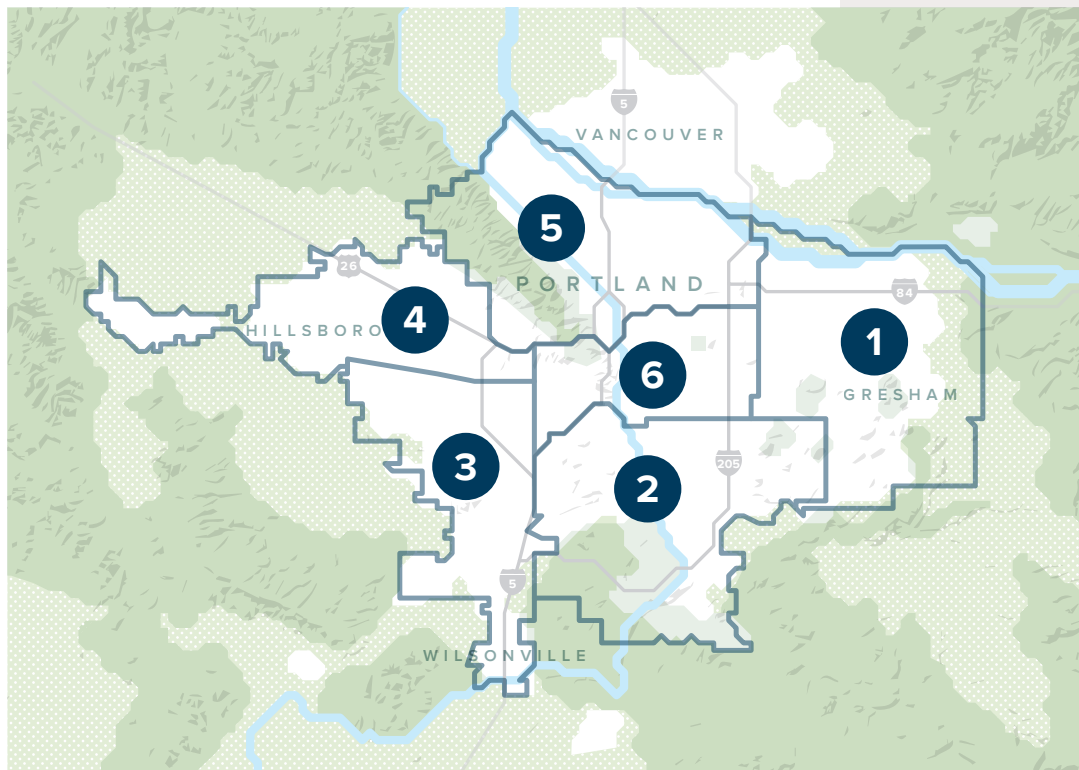
Juan Carlos González, District 4

Mary Nolan, District 5

Duncan Hwang, District 6

### **Auditor**

Brian Evans





# **Annual Comprehensive Financial Report**

For the fiscal year ended June 30, 2023

## **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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A photograph of the Portland sign, a tall, green, vertical sign with white lettering, standing in front of the Arlene Schnitzer Concert Hall. The building is a large, ornate structure with a prominent dome and classical architectural details. Lush green trees are visible in the foreground and background, partially obscuring the building. A blue hexagonal overlay is positioned in the lower center of the image, containing the text "Introductory Section".

# Introductory Section



600 NE Grand Ave.  
Portland, OR 97232-2736  
[oregonmetro.gov](http://oregonmetro.gov)

November 27, 2023

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, 2023, 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, 2023. 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, 2023 (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 ordinance prior to the beginning of Metro's fiscal year (July 1). Expenditures for each fund cannot legally exceed the appropriation levels set by the authorizing ordinance. The legal level of budgetary control for each fund is set by department, with separate designations within the fund for the categories of debt service, interfund transfers and contingency. Unexpected additional resources and budget revisions may be added to the budget by use of a supplemental budget or, under certain conditions, by an ordinance passed by the Council amending the budget. The original and any supplemental budgets require hearings before the public, publication in newspapers, and approval by the Council. Management may amend the budget within the appropriated levels of control without Council approval. Appropriations that have not been expended at year-end lapse and subsequent actual expenditures are charged against the ensuing year's appropriations.

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

organization 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 in the nation of large U.S. metropolitan areas; regional population shrunk by 0.1% in 2022 (U.S. Census Bureau).

The economic region is comprised of five counties in Oregon and two counties in Washington State. The region is a hub for financial activities, domestic and international trade, transportation and services for all of Oregon, southwest Washington and the Columbia River basin. The Portland MSA has non-farm payroll employment totaling almost 1.2 million jobs (Bureau of Labor Statistics), with over 80 percent of those jobs located inside the Metro boundary. The Metro Area unemployment rate was 3.3% in August 2023, which is approaching the record low of 3% reached just prior to the pandemic in February 2019.

The region has largely recovered from the sharp pandemic economic downturn, but weak spots remain, particularly in Portland's urban core. Federal government support to households in the forms of child tax credits and stimulus checks, as well as paycheck protection program loans to businesses, helped the economy perform much better than anticipated over the last couple of years. However, certain industries and geographies are left with structural economic changes that will, in some cases, likely take at least a decade to recover. Those include urban real estate markets, particularly for office space. Meanwhile consumer spending has remained strong, as goods purchases made during the depths of the pandemic have been replaced with service-sector spending in industries like leisure and hospitality. Job cuts during the pandemic peaked at nearly 150,000 employees in the Portland MSA, with the market returning to pre-pandemic employment levels in August 2022, and adding approximately 18,000 jobs (1.5%) in the last year.

**Economic outlook.** Broad economic data remain largely positive, as strong labor markets continue to support robust consumer spending. However, a recent survey of consumer finances noted that wealth inequality grew during the pandemic. Many homeowners experienced significant home value appreciation that has largely remained even as mortgage rates top 8%. As the robust federal stimulus wanes and student debt holders are required to restart payments, those particularly at the lower end of the income spectrum will face headwinds. A year ago, many economic observers believed a recession was imminent. Thus far, the Federal Reserve, by raising interest rates just enough so that inflation falls but unemployment does not increase, appears to have engineered somewhat of a soft landing from the heights of nearly double-digit inflation.

Housing is currently in a tenuous position as generation-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 under 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 due to a continued shortage of units in the market. Current expectations are that interest rates will remain relatively higher than previously thought and for a relatively longer timeframe. The resilience of the economy – in particular, the labor market – will make the Fed reluctant to lower rates.

In spite of the negative news, base economic data remains largely positive. Most economists expect that the economy will continue to grow, albeit at a slower pace than in the last couple of years. A recession, while possible, does not appear imminent and some of the inflation pressures have eased significantly, which should make the economy more durable. That said, actions in Ukraine and the Israel/Palestine conflict are illustrations of an increasingly unstable geopolitical environment that can disrupt global markets. Thus far, consumers have

shown that they will continue to spend, even if it means increasing credit purchases in the short run. The global economy will also provide a drag on the economic conditions, as inflation remains higher in most of the world and commodities markets are disrupted by ongoing conflicts. The bottom line 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.

**Long-term financial planning.** Metro's strong financial policies and disciplined practices have ensured operational stability, as evidenced by the necessary decisions made at the outset and during the COVID-19 pandemic. An important tool for building Metro's budget is the five-year forecast for its primary operating funds: the General Fund, the Parks and Nature Operating Fund, the Solid Waste Revenue Fund, the Oregon Zoo Operating Fund and the Metropolitan Exposition Recreation Commission (MERC) Fund. Each budget cycle begins with a review of how the funds are performing, what factors affect the funds that are global assumptions and what factors are related to the specific nature of the operations that result in individual assumptions. Metro adheres to common-sense operation practices such as maintaining its assets, using one-time funds for one-time purposes, and ensuring enterprise activities manage to the bottom line.

Significant effort goes into revenue projections, ensuring a balanced budget. Property taxes are a significant component, funding general government and parks operations as well as debt service. Metro is subject to tax abatements granted by the three counties in which Metro operates; more detail is available in Note IV.S to the financial statements. Metro's abated property taxes total \$10,883,802 for fiscal year 2022-23 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 decisions made today will be sustainable and strategic for the next three to five years.

Lastly, nested within the Strategic Recovery Framework are Strategic Targets. During the development of the 2023-24 budget, 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. Metro Council will vote on targets in each area in advance of the 2024-25 budget development and department leadership will be asked to use these targets to inform budgetary decision making.

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

**Major initiatives.** The budget for fiscal year 2022-23 was driven by the strategic goals and key initiatives identified by the Metro Council that guide the agency and region. It represents a continuation of Metro’s recovery from pandemic disruptions, building back services and staffing in a way that creates more equitable and accessible systems and services for employees and the public. Additionally, it includes increases in spending levels in critical areas to address community needs and strengthen the central functions that support front-line services. The 2022-23 Budget included:

***Focusing on livability in the region.*** Metro Council designated a series of strategic priorities to position Metro to continue to inspire, teach, engage, and invite people to enhance the quality of life and environment for the region’s current and future generations. Metro’s budget invested in improving regional coordination and support for the supportive housing services program. Additionally, investments were also made to address accessibility needs at Metro properties, including an ADA coordinator and funding for a community advisory body.

***Implementing our goals and strategies for equity, diversity and inclusion.*** In June 2016, Metro Council adopted the agency’s Strategic Plan to Advance Racial Equity, Diversity, and Inclusion and in May 2017, Council considered an update to our Diversity Action Plan. Council has made increasing the diversity of our workforce, increasing the percentage and dollar value of the contracts we award to minority-owned, women-owned, and emerging small businesses, improving our relationships with historically underserved communities, and ensuring that all the region’s residents have access to critical services a high priority for our departments. Metro’s budget includes funding to implement a civic engagement capacity building grant program, as well as centralization and coordination of equity metrics and tracking across departments and venues. The budget also includes funding for programs and activities to support diversity, equity, and inclusion in every department of Metro.

***Regional recovery.*** Specific programs were expanded during the year to address acute needs in the region. The Regional Illegal Dumping program increased the number of crews from six to eight after tripling the year prior to respond to increased illegal dumping. Staffing in the affordable and supportive housing services programs was expanded to ensure speed and precision in distributing funds to our area partners and resulted in breaking these programs out as a standalone Metro department during fiscal year 2022-23. Supplemental funding was added to stabilize the visitor venues, ensuring continued service delivery to our clients while staffing levels recover, without deepening budget deficits in those departments.

**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 22, 2023 (Resolution No. 23-5334), 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 2023-24 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, 2022. This was the thirty-first 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, 2022

*Christopher P. Morill*

Executive Director/CEO

## METRO

### Elected Officials (as of June 30, 2023)

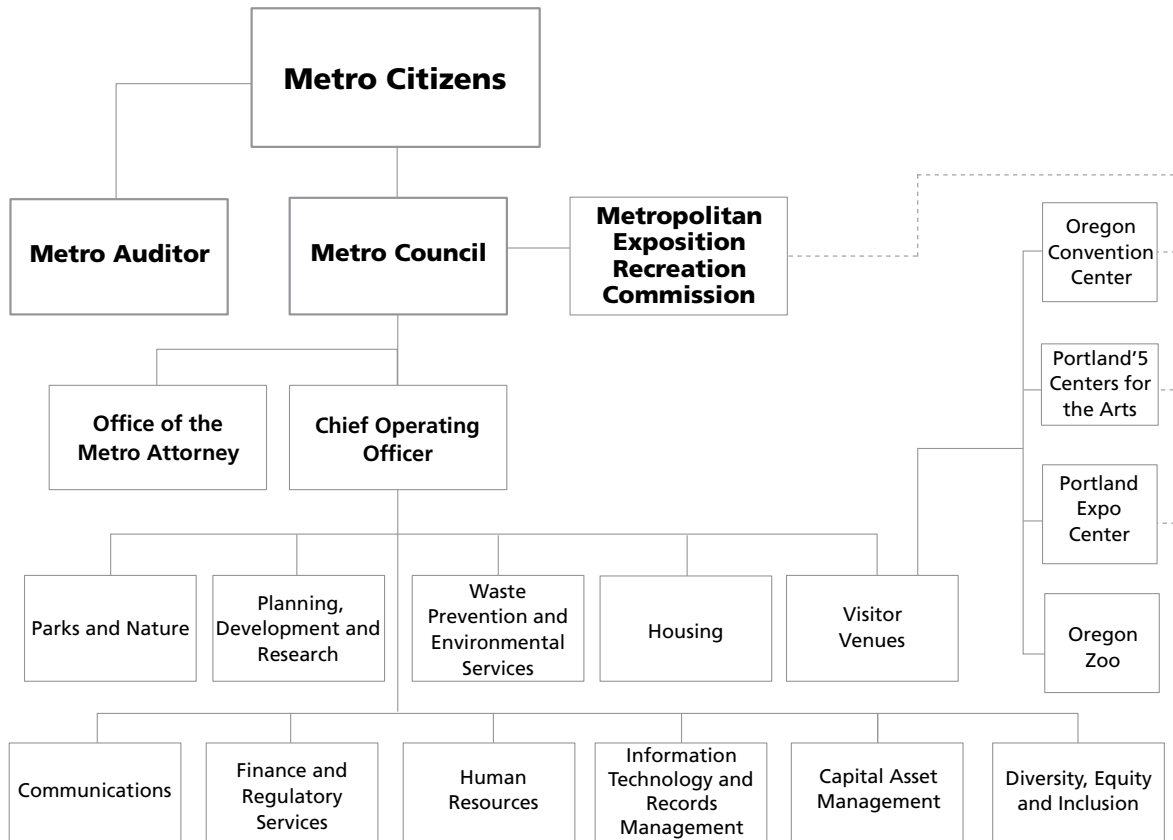
Name	Position	Term expires
Lynn Peterson	Metro Council President	January 2027
Ashton Simpson	Councilor-District 1	January 2027
Christine Lewis	Councilor-District 2	January 2027
Gerritt Rosenthal	Councilor-District 3	January 2025
Juan Carlos Gonzalez	Councilor-District 4	January 2027
Mary Nolan	Councilor-District 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	Information Technology and Records Management Director
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
Robyn Williams	Portland's Centers for the Arts Director

# Organizational Structure

as of June 30, 2023





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

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

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November 27, 2023

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, 2023. 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, 2023 are included in the last section of this report, Audit Comments and Disclosures Required by State and Federal Regulations.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "B. Evans", written over a light blue horizontal line.

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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of June 30, 2023, 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*.

#### ***Emphasis of Matter***

As discussed in Note 2 to the financial statements, Metro adopted the provisions of GASB Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and No.96, *Subscription-Based Information Technology Arrangements*, effective July 1, 2022. The financial statements have been retroactively restated in accordance with the requirements of the new accounting standards. Our opinion is not modified with respect to this matter.

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

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

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

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

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Metro's basic financial statements. The other supplementary information, 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 27, 2023, 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 27, 2023, 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.

A handwritten signature in dark ink, reading "Ashley Osten". The signature is fluid and cursive, with the first name "Ashley" and last name "Osten" clearly legible.

Ashley Osten, Partner for  
Moss Adams LLP  
Portland, Oregon  
November 27, 2023



# 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, 2023. 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 \$954,933,194 at June 30, 2023, which reflects an increase of 20.3 percent or \$161,051,352 over the prior fiscal year.
- Metro completed the fiscal year with its governmental funds reporting *combined* fund balances of \$1,126,968,462. Of the total amount of governmental combined fund balance, \$44,980,771 or 4.0 percent, is considered available for spending at Metro's discretion (*unassigned* fund balance).
- At the end of fiscal year 2023, unrestricted spendable fund balance (the total of the *committed*, *assigned* and *unassigned* components of fund balance) in the general fund totaled \$55,553,756 and represents 89.2 percent of total general fund expenditures.
- Metro's total outstanding long-term liabilities decreased by \$69,565,307 or 6.4 percent during the current fiscal year. This reflects no debt issuances during the fiscal year outside of refundings as well as the repayment of existing debt.
- The regional supportive housing services program approved by voters in May 2020 generated \$347,044,362 in revenue in this fiscal year, a 43.0 percent increase from the prior fiscal. This source of revenue is now 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 \$214,063,662, up \$18,903,821 or 9.7 percent, attributable to the increased activity following necessary pandemic-related closures in prior years as well as increases to 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 as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected property taxes and earned but unused vacation leave).

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

*Governmental activities* – Activities supported principally by general revenue sources including various taxes that provide Metro’s basic governmental services. These services include the *general government operations* 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 non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The governmental fund financial statements can be found on pages 39 - 45 of this report.

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

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

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among Metro's various functions. Metro uses an internal service fund to account for 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 - 99 of this report.

**Required Supplementary Information (RSI).** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget-to-actual results for Metro's General Fund and its major special revenue funds, and pension and post-employment benefit disclosures. RSI can be found on pages 100 - 115.

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 117 - 140.

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

**Net position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Metro's assets and deferred outflows of resources exceed liabilities and deferred inflows of resources (defined as *net position*) by \$954,933,194 at June 30, 2023. The table on the following page reflects the condensed Government-wide Statement of Net Position.

Metro's governmental activities account for a total net position – totaling \$568,076,233, or 59.5 percent, whereas business-type activities account for \$386,856,961 or 40.5 percent.

Of Metro's total net position, 67.8 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 citizens; 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, 2023

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 (53.2 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, and capital projects funded by bond or restricted proceeds. The restricted component of net position increased \$165,874,788 or 48.4 percent from the amount at June 30, 2022, reflecting 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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 1,173,511,725	1,085,367,122	178,554,340	134,630,215	1,352,066,065	1,219,997,337
Capital assets	399,594,950	388,865,314	343,511,666	351,994,984	743,106,616	740,860,298
<b>Total assets</b>	<b>1,573,106,675</b>	<b>1,474,232,436</b>	<b>522,066,006</b>	<b>486,625,199</b>	<b>2,095,172,681</b>	<b>1,960,857,635</b>
<b>Total deferred outflows of resources</b>	<b>18,016,510</b>	<b>23,520,217</b>	<b>17,031,724</b>	<b>20,618,740</b>	<b>35,048,234</b>	<b>44,138,957</b>
Long-term liabilities outstanding	959,197,166	1,030,858,747	65,328,345	63,232,071	1,024,525,511	1,094,090,818
Other liabilities	35,020,864	21,876,470	32,343,445	27,023,529	67,364,309	48,899,999
<b>Total liabilities</b>	<b>994,218,030</b>	<b>1,052,735,217</b>	<b>97,671,790</b>	<b>90,255,600</b>	<b>1,091,889,820</b>	<b>1,142,990,817</b>
<b>Total deferred inflows of resources</b>	<b>28,828,922</b>	<b>36,765,108</b>	<b>54,568,979</b>	<b>31,358,825</b>	<b>83,397,901</b>	<b>68,123,933</b>
Net position:						
Net investment in capital assets	344,469,479	331,538,185	326,037,270	333,384,655	647,808,583	623,668,341
Restricted	502,757,659	334,925,580	5,523,549	7,480,840	508,281,208	342,406,420
Unrestricted	(279,150,905)	(258,211,437)	55,296,142	44,764,019	(201,156,597)	(172,192,919)
<b>Total net position</b>	<b>\$ 568,076,233</b>	<b>408,252,328</b>	<b>386,856,961</b>	<b>385,629,514</b>	<b>954,933,194</b>	<b>793,881,842</b>

The remaining \$201,156,597 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, \$55,296,142 is attributable to Metro's business-type activities which cannot be used to make up for the deficit reported in governmental activities. Unrestricted net position decreased \$20,939,468 (to a total deficit of \$279,150,905) in governmental activities primarily due to transfers to other governments for affordable housing projects. A portion of this deficit can be attributed to the allocable proportion of the Oregon Public Employees Pension System liability, as discussed in Note 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. 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 increased \$10,532,123 or 23.5 percent which is explained later in this analysis.

**Changes in net position.** Overall, Metro's net position increased 20.3 percent or \$161,051,352 over the prior fiscal year. Governmental activities' net position increased \$159,823,905, while business-type activities' net position increased \$1,227,447 for the fiscal year ended June 30, 2023. 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 \$14,631,695 or 32.1% and totaled \$30,905,694. This was mostly related to a \$14,769,588 decrease in operating grants, primarily in the regional planning function while charges for services and capital grants and contributions remained flat.

### Metro's Changes in Net Position

	Governmental Activities		Business-type Activities		Total - Primary Government	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 10,830,388	10,699,686	181,498,589	156,105,000	192,328,977	166,804,686
Operating grants and contributions	20,033,360	34,802,948	31,670,020	38,683,686	51,703,380	73,486,634
Capital grants and contributions	41,946	34,755	895,053	371,155	936,999	405,910
General revenues						
Property taxes	112,919,912	108,386,146	-	-	112,919,912	108,386,146
Personal and business income taxes	347,044,362	242,650,036	-	-	347,044,362	242,650,036
Excise taxes	20,439,427	21,631,175	-	-	20,439,427	21,631,175
Other	19,614,823	(12,174,204)	2,802,953	(2,305,304)	22,417,776	(14,479,508)
<b>Total revenues</b>	<b>530,924,218</b>	<b>406,030,542</b>	<b>216,866,615</b>	<b>192,854,537</b>	<b>747,790,833</b>	<b>598,885,079</b>
<b>Expenses:</b>						
General government operations	9,665,907	10,172,047	-	-	9,665,907	10,172,047
Planning, development and research	22,085,632	167,988,989	-	-	22,085,632	167,988,989
Housing	258,576,138	-	-	-	258,576,138	-
Culture and recreation	39,097,568	43,987,029	-	-	39,097,568	43,987,029
Interest on long-term debt	27,331,869	29,286,520	-	-	27,331,869	29,286,520
Solid Waste	-	-	105,381,938	91,608,851	105,381,938	91,608,851
Oregon Zoo	-	-	50,082,803	37,814,691	50,082,803	37,814,691
MERC	-	-	74,517,626	55,992,846	74,517,626	55,992,846
<b>Total expenses</b>	<b>356,757,114</b>	<b>251,434,585</b>	<b>229,982,367</b>	<b>185,416,388</b>	<b>586,739,481</b>	<b>436,850,973</b>
Increase in net position						
before transfers	174,167,104	154,595,957	(13,115,752)	7,438,149	161,051,352	162,034,106
Transfers	(14,343,199)	(14,795,385)	14,343,199	14,795,385	-	-
<b>Increase in net position</b>	<b>159,823,905</b>	<b>139,800,572</b>	<b>1,227,447</b>	<b>22,233,534</b>	<b>161,051,352</b>	<b>162,034,106</b>
<b>Net Position, July 1</b>	<b>408,252,328</b>	<b>268,451,756</b>	<b>385,629,514</b>	<b>363,395,980</b>	<b>793,881,842</b>	<b>631,847,736</b>
<b>Net Position, June 30</b>	<b>\$ 568,076,233</b>	<b>408,252,328</b>	<b>386,856,961</b>	<b>385,629,514</b>	<b>954,933,194</b>	<b>793,881,842</b>

Metro's general government operations expenses totaled \$9,665,907 or 1.6 percent of Metro's total program expenses, which was a decrease of \$506,140 or 5.0 percent from that reported in the prior fiscal year. This is reflective of fewer repair and maintenance expenses during the year as several remodeling projects at the Metro headquarters concluded during fiscal year 2022. Metro's planning, development and research program had total costs of \$22,085,632, down \$145,903,357 or an 86.9 percent decrease from the prior fiscal year. This decrease represents a reporting structure change Metro made during the fiscal year to separate housing-related functions from regional planning. Metro's housing program had total costs of \$258,576,138 during the fiscal year. This includes an increase of approximately \$111 million from the prior fiscal year not visible in the table above due to the reporting change. This increase is the result of increased projects and administrative costs for the affordable and supportive housing programs. Metro's culture and recreation expenses totaled \$39,097,568 or 6.7 percent of Metro's total program expenses, which was a decrease of \$4,889,461 or 11.1 percent from

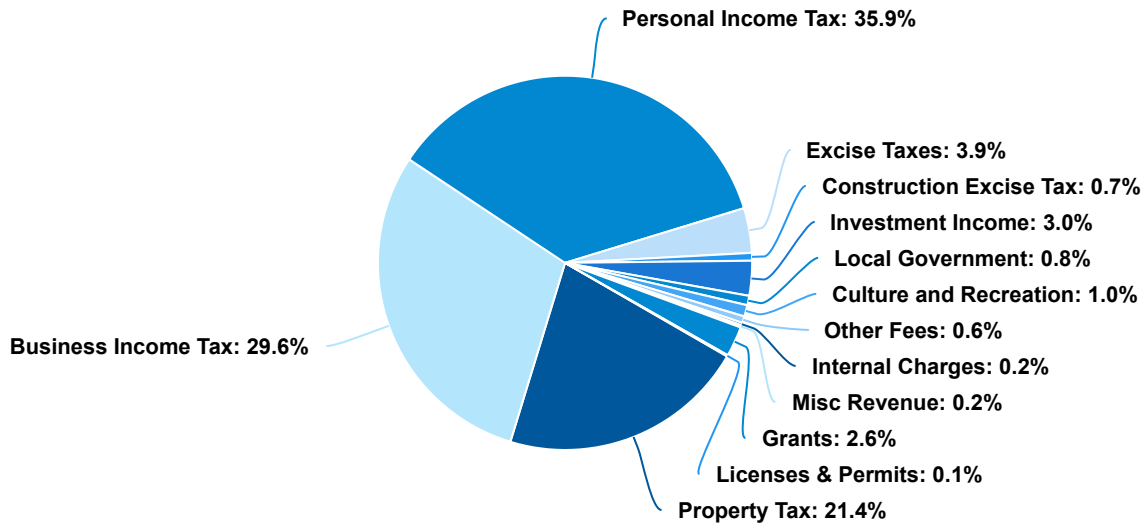
## Management Discussion and Analysis

For the fiscal year ended June 30, 2023

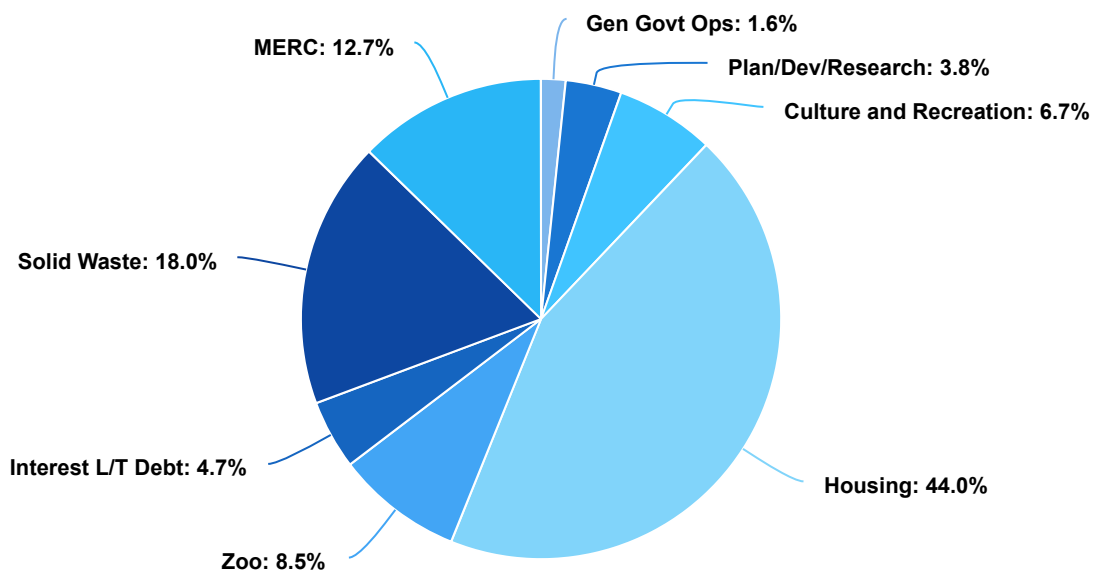
that reported in the prior fiscal year. This is reflective of a large one-time expense in the prior year related to a pollution remediation qualifying event within the parks and nature program.

Interest on long-term debt decreased by \$1,954,651 or 6.7 percent from the prior fiscal year and totaled \$27,331,869 or 4.7 percent of Metro's total program costs, down from 6.7 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 \$214,063,662, up \$18,903,821 or 9.7 percent. Metro's business-type activities were the most directly impacted by the COVID-19 pandemic. However, this fiscal year, attendance at the visitor venues was at or above pre-pandemic levels. This increased attendance drove much of the 16.3 percent increase in charges for services. The Oregon Zoo had a 4.7 percent increase in charges for services revenue, amounting to \$1.1 million and the MERC fund had a 43.9 percent increase in charges for services revenue, amounting to \$15.6 million. Additionally, tonnage at Metro-owned facilities decreased 3.3 percent over the prior year and rates increased 7.2%, to \$123.45 per ton. The Regional System Fee increased from \$25.65 to \$29.37; corresponding with those increases, charges for services revenue increased \$8.7 million, or 9.0 percent. Operating grants and contributions revenue decreased 18.1 percent compared to the prior fiscal year. This decline is primarily attributed to the conclusion of COVID-related grant funding from the previous year, which was partially offset by the receipt of grant revenue related to regional clean-up within the Solid Waste program in the current year.

Total expenses increased \$44,565,979 or 24.0 percent to a total of \$229,982,367. Solid Waste program expenses increased \$13,773,087, or 15.0 percent. This can be attributed to increased operating costs at the transfer stations, expanded illegal dumping clean-up programming, as well as the distribution of several grants aimed at waste reduction. Oregon Zoo program expenses increased \$12,268,112, or 32.4 percent, and MERC expenses increased \$18,524,780, or 33.1 percent. These increases are both the result of increased staffing and operating costs resulting from the lifting of COVID restrictions and increased attendance at the visitor venues.

**General revenues.** Previously the most significant general revenue, property taxes currently account for 15.1 percent of all primary government activities revenues. Property taxes are dedicated to repayment of general obligation bond debt, for programs authorized by the Parks and Natural Areas Local Option Levy or allocated by the Council in support of governmental activities. The total amount of property taxes increased \$4,533,766 or 4.2 percent from the prior fiscal year. This is a typical change for governments in the region, based on the 3.0% maximum assessed value increase allowed in the Oregon Constitution and growth from new construction. 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 \$242,650,036 recorded and the current year revenues are \$347,044,362, a 43.0 percent increase. This large increase is representative of more collection and enforcement efforts deployed during the current fiscal year. This type of variation is not expected in the future, but some fluctuations are anticipated due to the nature of income taxes.

## FINANCIAL ANALYSIS OF METRO'S FUNDS

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

**Governmental funds.** The focus of Metro's *governmental funds* financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing Metro's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for discretionary spending at the end of the fiscal year.

At June 30, 2023, Metro's governmental funds reported *combined* fund balances of \$1,126,968,462. This is up \$73,081,869 or 6.9 percent. The majority of this increase is due to the collection of income tax proceeds for supportive housing services which improved over the prior year due to the aforementioned collection and enforcement efforts. This resulted in increased restricted and non-spendable fund balances of \$176,960,440 or 100.1 percent. A total of \$290,998,876 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. Of the total amount of

## Management Discussion and Analysis

For the fiscal year ended June 30, 2023

governmental combined fund balance above, \$44,980,771 or 4.0 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 \$388,447,027 at June 30, 2023. 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 \$682,979,031. Metro has \$9,900,092 of fund balance *committed* by Metro Council resolution and consists of proceeds from the Coronavirus Response and Relief Supplemental Appropriation Act. *Assigned* fund balance totaled \$661,541 and is dedicated to cemetery 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 2023, unassigned fund balance of the general fund was \$44,992,123. Total fund balance increased \$4,983,796 to a total of \$126,108,549 at June 30, 2023. 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 72.3 percent of total general fund expenditures, while total fund balance represents 202.6 percent of that same amount.

The General Fund expended \$11,530,084 for general government operations. These operational expenditures included the general government share of costs for the Council Office, Metro Auditor, Office of Metro Attorney, Communications, Diversity, Equity and Inclusion, Human Resources, Finance and Regulatory Services, and Information Technology. Expenditures increased by \$4,592,875 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 the pressing housing initiatives.

Metro collected \$3,598,048 in CET during the fiscal year ended June 30, 2023, down \$279,627 or 7.2 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. Even with a decrease in the current year, collections are still 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 non-spendable fund balances because they were established for specific purposes by the passage of various ballot measures.

The restricted and non-spendable positions in other governmental funds changed from \$932,772,069 to \$1,000,871,265 or an increase of \$68,099,196. The Affordable Housing fund had a reduction in restricted funds while the Supportive Housing Services fund experienced a substantial increase, driving an overall increase 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 an increase in expenditures in the Affordable Housing Fund, from \$76.0 million to \$99.8 million. The Supportive Housing Services fund also had substantially higher activity, with expenditures amounting to \$158.8 million, as regional partners started to ramp up their programs addressing the housing crisis.

The Natural Areas Fund is winding down; there were 34.0 percent fewer expenditures in the current fiscal year and a remaining fund balance of \$3,416,925. The Parks and Nature Bond, however, was passed in November 2019 and has a substantial fund balance (\$163.4 million) and bond authorization remaining. Total expenditures were similar to the prior fiscal year and will continue to increase in future years as capital projects complete planning and start construction.

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

At the end of fiscal year 2023, *unrestricted net position* of the Solid Waste Fund, Oregon Zoo Fund, and MERC Fund amounted to \$21,115,124, \$15,599,465, and \$22,979,707, respectively. The total change in *unrestricted net position* for each fund equaled increases of \$6,570,424, \$2,533,536, and \$2,129,990, respectively. Solid Waste increased their rates in line with program expenditures. The Oregon Zoo and MERC experienced operational stability in the current fiscal year, leading to increases in unrestricted net position. These outcomes can be attributed to the easing of COVID-related attendance restrictions, which resulted in a substantial increase in visitor attendance at these venues.

## 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 four times, and total appropriations came to \$160,190,835. The total budgeted appropriation for expenditures and transfers increased \$21,145,086 as the agency recovered from the economic impacts of the pandemic.

Revenue from government contributions was \$0, but budgeted at \$3,600,373; this is a combination of annual support from TriMet for TOD and transportation planning that was not received within 60 days of fiscal year end. Expenditures in planning, development and research were \$15,645,392 less than budgeted; Metro routinely budgets in a manner to ensure there is sufficient appropriation for potential TOD program purchases. Other significant variances in estimated and actual revenues include miscellaneous revenue and investment income. Miscellaneous revenue came in higher compared to budget due to the timing of refunds and reimbursements. Investment income increased due to favorable market trends in contrast to the conditions at the time the budget was prepared.

Year over year, the total revised budget across all funds was \$1,634,659,324, up 4.4% from Fiscal Year 2021-22. 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 expected to be fully committed in the next two to three 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	
	2023	2022	2023	2022	2023	2022
Land	\$ 315,250,863	311,457,111	24,155,600	21,045,160	339,406,463	332,502,271
Leased land	-	-	8,649,438	8,817,907	8,649,438	8,817,907
Intangible - easements	11,929,884	12,248,393	-	-	11,929,884	12,248,393
Artwork	484,645	274,486	1,184,358	1,184,358	1,669,003	1,458,844
Buildings and exhibits	21,585,943	22,740,173	263,254,968	271,999,866	284,840,911	294,740,039
Leased buildings and exhibits	407,539	603,157	5,728,812	6,429,518	6,136,351	7,032,675
Improvements	26,720,506	28,209,890	19,558,141	19,734,623	46,278,647	47,944,513
Equipment and vehicles	2,747,478	2,806,538	13,745,839	14,941,083	16,493,317	17,747,621
Leased equipment and vehicles	70,096	140,191	-	-	70,096	140,191
Intangible - software	2,062,557	1,104,237	116,535	120,263	2,179,092	1,224,500
Right to use asset - software	921,862	-	685,036	-	1,606,898	-
Office furniture/equip	330,624	480,670	391,993	491,247	722,617	971,917
Railroad equip/facilities	-	-	1,069,752	1,418,781	1,069,752	1,418,781
Construction in progress	17,082,953	8,800,468	4,971,194	5,812,178	22,054,147	14,612,646
Total	<u>\$ 399,594,950</u>	<u>388,865,314</u>	<u>343,511,666</u>	<u>351,994,984</u>	<u>743,106,616</u>	<u>740,860,298</u>

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets.** Metro's capital assets for its governmental and business-type activities total \$743,106,616 (net of accumulated depreciation and amortization) as of June 30, 2023.

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 \$2,246,318 or 0.3 percent, net of accumulated depreciation and amortization. Metro reflects an increase of \$10,729,636 or 2.8 percent in capital assets attributable to governmental activities and a decrease of \$8,483,318 or 2.4 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.

Metro implemented GASB Statement No. 96 Subscription-Based Information Technology Arrangements (SBITA) in the current year. The implementation required the recognition of contracts that convey control of the right to use another party's IT software for a specific period of time in an exchange or exchange-like transaction. Additional information on Metro's lease and SBITA assets can be found in Notes IV.E, IV.K, and IV.L to the financial statements.

**Long-term debt.** At the end of the current fiscal year, Metro had total debt outstanding of \$919,647,181, net of unamortized premiums and discounts. Of this amount, \$821,771,917 comprises debt backed by property tax assessments and \$81,236,628 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 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 \$73,545,445 or 7.4 percent during the current fiscal year. This is reflective of scheduled debt and lease repayments as well as the refunding of portions of the outstanding 2012A Series Natural Areas and Oregon Zoo Infrastructure General Obligation Bonds. The refunding resulted in a reduction of debt service of \$2,384,090 over 5 years and a net present value savings of \$452,785. The repayments and refunding savings are offset slightly by increases to total debt related to SBITA payable recognition during the aforementioned GASB 96 adoption.

**Metro's Outstanding Debt**

	Governmental Activities		Business-type activities		Total - Primary Government	
	2023	2022	2023	2022	2023	2022
General Obligation bonds	\$ 821,771,917	878,162,868	-	-	821,771,917	878,162,868
Full Faith & Credit/Revenue	79,134,719	95,695,835	2,101,909	3,145,022	81,236,628	98,840,857
Leases payable	478,343	723,596	14,753,779	15,465,305	15,232,122	16,188,901
SBITA payable	787,812	-	618,702	-	1,406,514	-
Total	<u>\$ 902,172,791</u>	<u>974,582,299</u>	<u>17,474,390</u>	<u>18,610,327</u>	<u>919,647,181</u>	<u>993,192,626</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.

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 \$42,373,303,340, 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 2023-24 totals \$1,800,169,046, up 10.1 percent from Fiscal Year 2022-23. A detailed discussion can be found in Metro's 2023-24 Adopted Budget.

Budgetary assumptions impacting Metro's budget are:

- Property taxes reflect Metro's permanent operating rate of \$0.0966/\$1,000 of assessed value; and the local option levy rate of \$0.0960/\$1,000 of assessed value. FY 2023-24 is the first year of the third five-year local option levy approved for renewal approved 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 a 30.5 percent increase at MERC, a 35.4 percent increase at the Oregon Zoo, and an 11.9 percent increase in solid waste revenues.

## Management Discussion and Analysis

For the fiscal year ended June 30, 2023

- Personnel services costs increased by 14.4 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 2023-24 budget from the amended 2022-23 budget by a net 46.85 FTE to a total of 1,148.95 FTE as additional staffing needs were identified to support the housing programs and to meet operational and programmatic requirements in central services.
- Voters in greater Portland approved a supportive housing services tax in May 2020, levying a 1% tax on personal taxable income above \$125,000 for individuals and \$200,000 for those filing jointly, and a 1% tax on net business income for businesses with gross receipts in excess of \$5.0 million. The budget anticipates \$234.4 million in revenues and \$226.2 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 2024 include \$244 million to local partners for approved affordable housing projects and site acquisition, \$28 million in payments to grantees and other governmental agencies for parks and natural area projects, \$30.7 million for land acquisition and infrastructure work within the parks and nature portfolio, \$13 million for infrastructure-related work at the MERC facilities, and \$14.0 million for solid waste facility capital projects including a building acquisition for the regional illegal dumping program.

Metro's financial policies are the backbone of Metro's financial accountability and transparency. The fiscal year 2023-24 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 2023





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

## **Government-Wide Financial Statements**

**METRO**  
**Statement of Net Position**  
**June 30, 2023**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Oregon Zoo Foundation
<b>ASSETS</b>				
Equity in internal cash and investment pool	\$ 59,876,479	124,263,835	184,140,314	2,682,447
Investments	-	-	-	19,356,124
Receivables (net of allowance for uncollectibles):				
Property taxes	418,125	-	418,125	-
Trade	21,433	12,052,557	12,073,990	183,743
Other	2,702,051	10,935,431	13,637,482	563,196
Interest	255,611	489,483	745,094	-
Grants	-	162,391	162,391	-
Internal balances	4,398,158	(4,398,158)	-	-
Lease receivable	1,336,646	-	1,336,646	-
Public-private partnership receivable	-	32,599,099	32,599,099	-
Inventories	-	531,912	531,912	-
Prepaid items	1,040,096	119,456	1,159,552	-
Net OPEB asset	935,610	881,046	1,816,656	-
Other assets	493,054	52,010	545,064	111,964
Restricted assets:				
Equity in internal cash and investment pool	160,210,828	865,278	161,076,106	-
Investments	482,331,186	-	482,331,186	-
Receivables (net of allowance for uncollectibles):				
Property taxes	2,068,662	-	2,068,662	-
Personal and business income taxes	43,191,606	-	43,191,606	-
Other	4,130,951	-	4,130,951	-
Interest	2,661,928	-	2,661,928	-
Grants	6,638,279	-	6,638,279	-
Assets held for resale	12,917,367	-	12,917,367	-
Advances	387,259,522	-	387,259,522	-
Prepaid items	204,390	-	204,390	-
Loans receivable	419,743	-	419,743	-
Capital assets:				
Land, intangibles, artwork and construction in progress	344,748,345	30,311,152	375,059,497	-
Other capital assets (net of accumulated depreciation and amortization)	54,846,605	313,200,514	368,047,119	19,500
<b>Total assets</b>	<b>1,573,106,675</b>	<b>522,066,006</b>	<b>2,095,172,681</b>	<b>22,916,974</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension amounts	17,888,936	16,868,921	34,757,857	-
Deferred OPEB amounts	127,574	162,803	290,377	-
<b>Total deferred outflows of resources</b>	<b>18,016,510</b>	<b>17,031,724</b>	<b>35,048,234</b>	<b>-</b>
<b>LIABILITIES</b>				
Accounts payable	28,614,179	15,374,229	43,988,408	293,736
Accrued salaries and benefits	2,723,491	2,643,251	5,366,742	-
Contracts payable	73,742	451,975	525,717	2,625,567
Accrued interest payable	2,286,685	45,023	2,331,708	-
Accrued self-insurance claims	733,000	-	733,000	-
Unearned revenue	559,581	10,282,326	10,841,907	302,147
Deposits payable	22,486	2,971,800	2,994,286	-
Other liabilities	7,700	574,841	582,541	-

(Continued)

**METRO**  
**Statement of Net Position, *continued***  
**June 30, 2023**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Oregon Zoo Foundation
<b>LIABILITIES, Continued</b>				
Non-current liabilities:				
Due within one year:				
Leases payable	\$ 253,633	624,920	878,553	-
SBITA payable	519,594	257,431	777,025	-
Bonds payable	59,328,477	965,000	60,293,477	-
Post-closure costs payable	-	907,450	907,450	-
Compensated absences	5,010,413	3,919,623	8,930,036	-
Due in more than one year:				
Leases payable	224,710	14,128,859	14,353,569	-
SBITA payable	268,218	361,271	629,489	-
Bonds payable (net of unamortized premium or discount)	841,578,159	1,136,909	842,715,068	-
Total OPEB liability	943,006	1,236,539	2,179,545	-
Post-closure costs payable	-	1,925,246	1,925,246	-
Pollution remediation obligation	8,940,969	95,000	9,035,969	-
Compensated absences	54,354	93,588	147,942	-
Net pension liability	42,075,633	39,676,509	81,752,142	-
Total liabilities	994,218,030	97,671,790	1,091,889,820	3,221,450
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred lease amounts	1,267,251	-	1,267,251	-
Deferred public-private partnership amounts	-	32,229,835	32,229,835	-
Deferred charge on refunding	4,080,994	-	4,080,994	-
Deferred pension amounts	22,708,379	21,413,563	44,121,942	-
Deferred OPEB amounts	772,298	925,581	1,697,879	-
Total deferred inflows of resources	28,828,922	54,568,979	83,397,901	-
<b>NET POSITION</b>				
Net investment in capital assets (1)	344,469,479	326,037,270	647,808,583	19,500
Restricted for:				
Parks and natural areas operations				
Expendable	10,009,597	-	10,009,597	-
Non-expendable	12,665	-	12,665	-
Supportive housing services	353,663,765	-	353,663,765	-
Transit-oriented development projects	19,515,888	-	19,515,888	-
Planning projects	30,749,450	-	30,749,450	-
Smith and Bybee Wetlands management plan	1,204,481	-	1,204,481	-
Community enhancement	1,449,451	-	1,449,451	-
Willamette Falls Legacy project	15,291,859	-	15,291,859	-
Debt service	2,624,348	-	2,624,348	-
Capital projects	67,488,408	5,523,549	73,011,957	-
Perpetual care: Non-expendable	747,747	-	747,747	-
Unrestricted	(279,150,905)	55,296,142	(201,156,597)	19,676,024
Total net position	\$ 568,076,233	386,856,961	954,933,194	19,695,524

(1) See Note II.D.16 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, 2023**

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental activities:				
General government operations	\$ 9,665,907	823,350	3,603,488	-
Planning, development and research	22,085,632	1,940,465	15,662,721	-
Housing	258,576,138	14,400	-	-
Culture and recreation	39,097,568	8,052,173	767,151	41,946
Interest on long-term debt	27,331,869	-	-	-
Total governmental activities	356,757,114	10,830,388	20,033,360	41,946
Business-type activities:				
Solid Waste	105,381,938	105,294,626	6,587,581	-
Oregon Zoo	50,082,803	24,918,459	3,849,665	855,053
MERC	74,517,626	51,285,504	21,232,774	40,000
Total business-type activities	229,982,367	181,498,589	31,670,020	895,053
Total primary government	\$ 586,739,481	192,328,977	51,703,380	936,999
Component Unit:				
Oregon Zoo Foundation	\$ 9,940,522	5,779,176	5,593,700	-
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, 2022				
Net position - June 30, 2023				

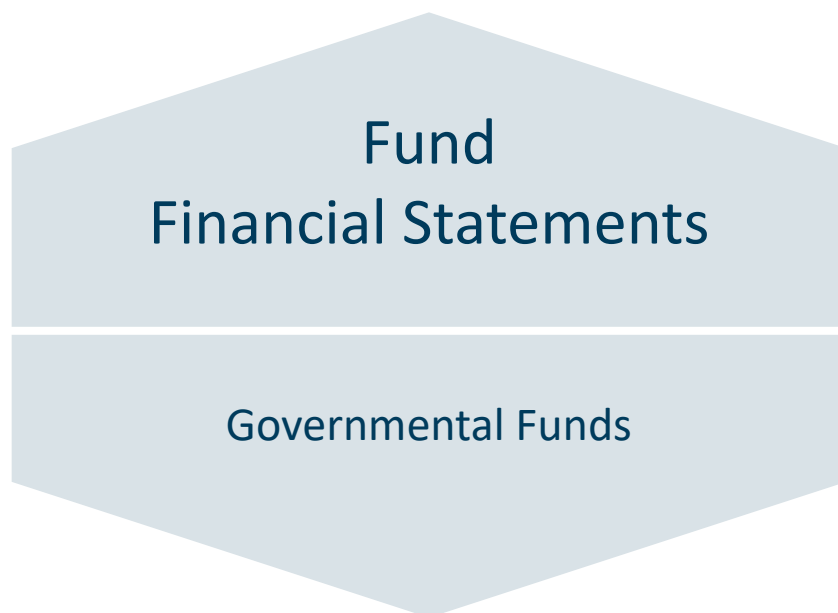
The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Oregon Zoo Foundation
(5,239,069)	-	(5,239,069)	
(4,482,446)	-	(4,482,446)	
(258,561,738)	-	(258,561,738)	
(30,236,298)	-	(30,236,298)	
(27,331,869)	-	(27,331,869)	
(325,851,420)	-	(325,851,420)	
-	6,500,269	6,500,269	
-	(20,459,626)	(20,459,626)	
-	(1,959,348)	(1,959,348)	
-	(15,918,705)	(15,918,705)	
(325,851,420)	(15,918,705)	(341,770,125)	
			1,432,354
112,919,912	-	112,919,912	-
347,044,362	-	347,044,362	-
20,439,427	-	20,439,427	-
3,598,048	-	3,598,048	-
60,039	-	60,039	-
15,956,736	2,802,953	18,759,689	1,480,785
(14,343,199)	14,343,199	-	-
485,675,325	17,146,152	502,821,477	1,480,785
159,823,905	1,227,447	161,051,352	2,913,139
408,252,328	385,629,514	793,881,842	16,782,385
\$ 568,076,233	386,856,961	954,933,194	19,695,524



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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), and special and non-departmental appropriations. The principal resources of the fund are charges for services, grants, property taxes, construction excise tax, and excise taxes on Metro’s facilities and services levied in accordance with the Metro Code.

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

### **Special Revenue Funds**

#### **Parks and Nature Operating Fund**

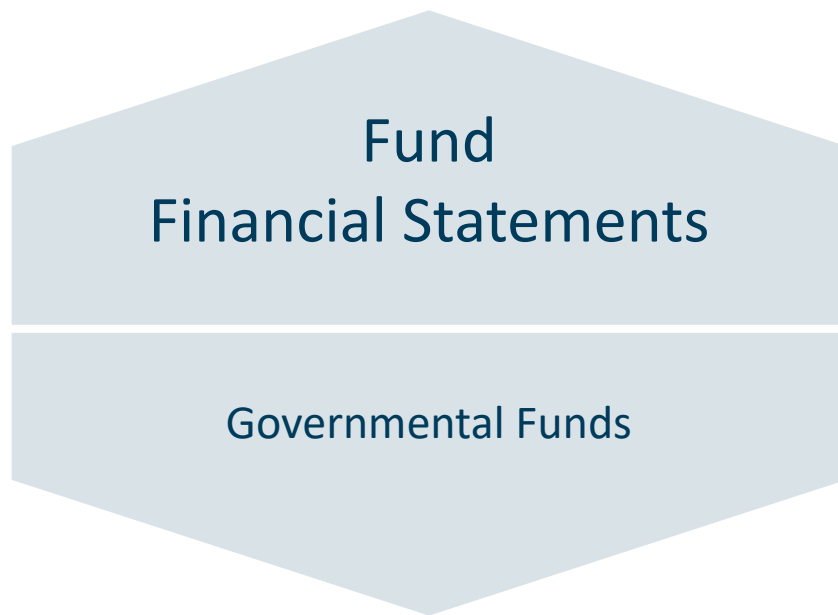
This fund accounts for a dedicated local option levy and other funding that is used to improve water quality and restore wildlife habitat, wetlands, and floodplains in the region, as well as needed upkeep to parks, nature education and community partnerships throughout the region.

#### **Affordable Housing Fund**

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

#### **Supportive Housing Services Fund**

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



### **Major Funds**

#### **Debt Service Fund**

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

#### **Capital Projects Funds**

##### **Natural Areas Fund**

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

##### **Parks and Nature Bond Fund**

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

### **Nonmajor Funds**

#### **Other Governmental Funds**

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

**METRO**  
**Balance Sheet and Reconciliation to Statement of Net Position**  
**Governmental Funds**  
**June 30, 2023**

		Special Revenue		
	General	Parks and Nature Operating	Affordable Housing	Supportive Housing Services
<b>ASSETS</b>				
Equity in internal cash and investment pool	\$ 117,508,588	13,494,526	23,081,054	21,038,403
Investments	-	-	348,710,066	-
Receivables:				
Property taxes	418,125	387,427	-	-
Personal and business income taxes	-	-	-	43,191,606
Trade	423	21,010	-	-
Other	6,515,180	93,747	-	-
Interest	436,899	53,778	1,667,564	74,703
Grants	6,638,279	-	-	-
Lease receivable	1,058,092	278,554	-	-
Assets held for resale	4,717,367	-	8,200,000	-
Advances	-	-	96,260,646	290,998,876
Prepaid items	427,003	11,356	-	-
Other assets	201,200	13,132	-	200,000
Loans receivable	419,743	-	-	-
Restricted assets:				
Equity in internal cash and investment pool	3,657,328	-	-	-
Total assets	\$ 141,998,227	14,353,530	477,919,330	355,503,588
<b>LIABILITIES</b>				
Accounts payable	\$ 8,386,058	2,687,866	14,298,868	1,723,830
Accrued salaries and benefits	1,935,710	493,557	35,652	46,636
Contracts payable	70,875	-	-	-
Unearned revenue	388,105	154,467	-	-
Deposits payable	11,955	9,331	1,200	-
Other liabilities	5,239	1,991	-	-
Total liabilities	10,797,942	3,347,212	14,335,720	1,770,466
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	322,397	291,488	-	-
Unavailable revenue-other	3,750,802	-	-	-
Deferred lease amounts	1,018,537	248,714	-	-
Total deferred inflows of resources	5,091,736	540,202	-	-
<b>FUND BALANCES</b>				
Nonspendable	427,003	11,356	96,260,646	290,998,876
Restricted	70,127,790	10,454,760	367,322,964	62,734,246
Committed	9,900,092	-	-	-
Assigned	661,541	-	-	-
Unassigned	44,992,123	-	-	-
Total fund balances	126,108,549	10,466,116	463,583,610	353,733,122
Total liabilities, deferred inflows of resources and fund balances	\$ 141,998,227	14,353,530	477,919,330	355,503,588

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		
3,010,718	3,640,358	30,217,989	3,138,300	215,129,936
-	-	133,621,120	-	482,331,186
1,681,235	-	-	-	2,486,787
-	-	-	-	43,191,606
-	-	-	-	21,433
-	-	-	59,871	6,668,798
7,707	13,627	644,447	12,490	2,911,215
-	-	-	-	6,638,279
-	-	-	-	1,336,646
-	-	-	-	12,917,367
-	-	-	-	387,259,522
-	-	991	408	439,758
-	-	8,722	-	423,054
-	-	-	-	419,743
7	-	-	-	3,657,335
4,699,667	3,653,985	164,493,269	3,211,069	1,165,832,665
-	236,121	904,714	337,568	28,575,025
-	939	194,353	-	2,706,847
-	-	2,867	-	73,742
-	-	17,008	-	559,580
-	-	-	-	22,486
-	-	470	-	7,700
-	237,060	1,119,412	337,568	31,945,380
1,286,885	-	-	-	1,900,770
-	-	-	-	3,750,802
-	-	-	-	1,267,251
1,286,885	-	-	-	6,918,823
-	-	991	748,155	388,447,027
3,412,782	3,416,925	163,372,866	2,136,698	682,979,031
-	-	-	-	9,900,092
-	-	-	-	661,541
-	-	-	(11,352)	44,980,771
3,412,782	3,416,925	163,373,857	2,873,501	1,126,968,462
4,699,667	3,653,985	164,493,269	3,211,069	
				399,594,950
				(47,547,196)
				5,651,572
				5,953,141
				(922,544,696)
				\$ 568,076,233

**METRO**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the fiscal year ended June 30, 2023**

		Special Revenue		
	General	Parks and Nature Operating	Affordable Housing	Supportive Housing Services
<b>REVENUES</b>				
Property taxes	\$ 18,804,903	18,155,164	-	-
Excise taxes	20,439,429	-	-	-
Personal and business income taxes	-	-	-	347,044,362
Construction excise tax	3,598,048	-	-	-
Cemetery revenue surcharge	60,039	-	-	-
Investment income	2,407,496	403,608	9,582,803	727,251
Government fees	1,980	13,825	-	-
Culture and recreation fees	4,149,189	1,081,896	14,400	-
Solid waste fees	-	-	-	-
Other fees	992,062	706,488	-	-
Internal charges for services	1,205,481	-	-	-
Licenses and permits	587,155	-	-	-
Miscellaneous revenue	281,988	688,928	-	-
Grants	13,637,797	119,675	-	-
Local government shared revenues	3,615,032	663,986	-	-
Government contributions	-	28,812	-	-
Capital grants	-	16,946	-	-
Total revenues	69,780,599	21,879,328	9,597,203	347,771,613
<b>EXPENDITURES</b>				
Current:				
General government operations	11,530,084	-	-	-
Planning, development and research	24,017,210	-	-	-
Housing	-	-	99,785,866	158,753,889
Culture and recreation	3,933,490	25,286,584	-	-
Debt service:				
Principal	16,145,000	-	-	-
Interest	3,707,616	-	-	-
Capital outlay	2,911,787	394,896	-	-
Total expenditures	62,245,187	25,681,480	99,785,866	158,753,889
Revenues over (under) expenditures	7,535,412	(3,802,152)	(90,188,663)	189,017,724
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued	-	-	-	-
SBITA	1,418,401	195,400	-	-
Sale of capital assets	41,450	3,850	-	-
Transfers in	14,502,692	2,606,000	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers out	(18,514,159)	(732,587)	(19,958)	(12,057,284)
Total other financing sources (uses)	(2,551,616)	2,072,663	(19,958)	(12,057,284)
Net change in fund balances	4,983,796	(1,729,489)	(90,208,621)	176,960,440
Fund balances - July 1, 2022	121,124,753	12,195,605	553,792,231	176,772,682
Fund balances - June 30, 2023	\$ 126,108,549	10,466,116	463,583,610	353,733,122

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

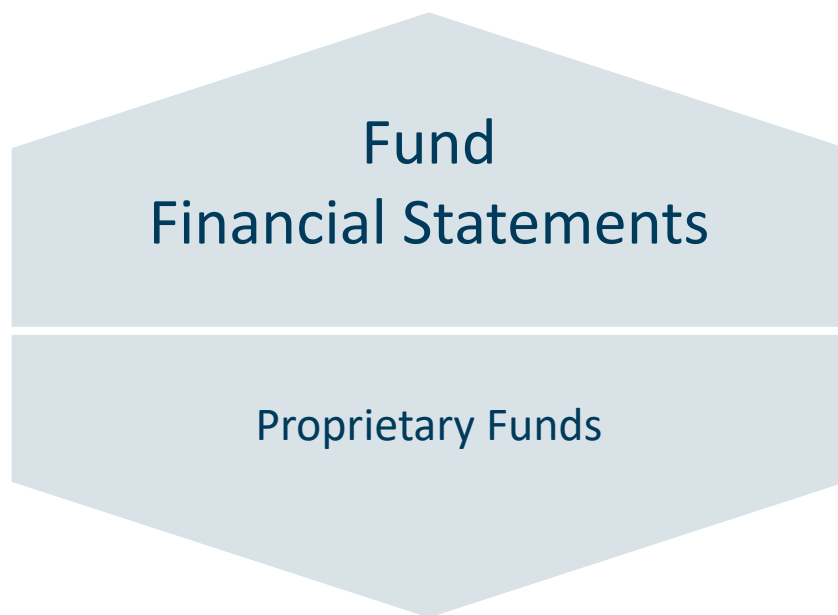
General Obligation Bond Debt Service	Capital Projects		Other Governmental Funds	Total Governmental Funds
	Natural Areas	Parks and Nature Bond		
76,186,943	-	-	-	113,147,010
-	-	-	-	20,439,429
-	-	-	-	347,044,362
-	-	-	-	3,598,048
-	-	-	-	60,039
980,657	114,397	1,576,796	81,582	15,874,590
-	-	-	-	15,805
-	-	-	-	5,245,485
-	-	-	1,313,889	1,313,889
-	-	-	-	1,698,550
-	-	-	-	1,205,481
-	-	-	-	587,155
-	-	4,252	-	975,168
-	-	-	-	13,757,472
-	-	-	-	4,279,018
-	-	-	-	28,812
-	-	-	-	16,946
77,167,600	114,397	1,581,048	1,395,471	529,287,259
80,380	-	-	-	11,610,464
-	-	-	-	24,017,210
-	-	-	-	258,539,755
-	1,163,500	5,493,332	1,556,504	37,433,410
48,485,000	-	-	-	64,630,000
27,142,185	-	-	-	30,849,801
-	39,871	12,232,705	-	15,579,259
75,707,565	1,203,371	17,726,037	1,556,504	442,659,899
1,460,035	(1,088,974)	(16,144,989)	(161,033)	86,627,360
40,873,920	-	-	-	40,873,920
-	-	-	-	1,613,801
-	-	-	-	45,300
-	-	-	-	17,108,692
(41,750,751)	-	-	-	(41,750,751)
-	(563)	(94,080)	(17,822)	(31,436,453)
(876,831)	(563)	(94,080)	(17,822)	(13,545,491)
583,204	(1,089,537)	(16,239,069)	(178,855)	73,081,869
2,829,578	4,506,462	179,612,926	3,052,356	1,053,886,593
3,412,782	3,416,925	163,373,857	2,873,501	1,126,968,462

**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, 2023**

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

Net change in fund balances-total governmental funds		\$ 73,081,869
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	13,946,490	
Less current year depreciation and amortization	<u>(4,532,469)</u>	9,414,021
Governmental funds purchase capital assets that are subsequently transferred and then owned and depreciated by a proprietary fund in the statement of activities		(7,426)
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.		(412,796)
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	(227,098)	
Change in unavailable revenue-other	<u>1,756,912</u>	1,529,814
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.		(69,222)
The issuance of long-term debt provides current financial resources to governmental funds, but issuance of debt increases long-term liabilities in the statement of net position. The repayment of principal on long-term debt uses current financial resources of governmental funds, but repayment of debt reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas premiums and discounts are deferred and amortized in the statement of activities. These are the effects of the differences in the treatment of long-term debt and related items.		
Bonds issued	(40,873,920)	
Principal payments on bonds	64,630,000	
Payment to refunded bond escrow agent	41,750,751	
Amortization of unamortized premium or discount	<u>3,364,243</u>	68,871,074
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	101,973	
Other postemployment benefits	161,539	
Compensated absences	(465,443)	
Amortization of deferred charge on refunding	(12,792)	
Accruals associated with pension related obligations	6,310,834	
Leases payable	245,253	
SBITA payable	914,652	
Accrued interest payable	<u>160,555</u>	7,416,571
Change in net position of governmental activities		<u>\$ 159,823,905</u>

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



## **Enterprise Funds**

### **Major Funds**

#### **Solid Waste Fund**

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

#### **Oregon Zoo Fund**

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

#### **MERC Fund**

This fund accounts for revenues and expenses related to the management and operation of facilities managed by MERC, including the OCC, Expo Center, and Portland's 5. The principal sources of revenue are charges for services and local government shared revenue. Expenses consist primarily of management, food and beverage and operation costs. This fund consists of two budgetary funds (MERC Fund and General Revenue Bond Fund-MERC) that are combined as one Enterprise Fund to be in accordance with accounting principles generally accepted in the United States of America.

## **Internal Service Fund**

### **Major Funds**

#### **Risk Management Fund**

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

**METRO**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Fund Risk Management
	Solid Waste	Oregon Zoo	MERC	Total	
<b>ASSETS</b>					
Current assets:					
Equity in internal cash and investment pool	\$ 43,406,968	38,745,950	42,110,917	124,263,835	1,300,036
Receivables:					
Trade	6,695,276	504,519	4,852,762	12,052,557	-
Other	3,045,775	632,519	7,257,137	10,935,431	164,204
Interest	160,684	161,458	167,341	489,483	6,324
Grants	-	162,391	-	162,391	-
Due from other funds	513,839	-	-	513,839	-
Public-private partnership receivable	-	2,638,561	1,315,047	3,953,608	-
Inventories	531,912	-	-	531,912	-
Prepaid items	77,672	7,925	33,859	119,456	804,728
Other assets	-	52,010	-	52,010	70,000
Total current assets	54,432,126	42,905,333	55,737,063	153,074,522	2,345,292
Noncurrent assets:					
Restricted equity in internal cash and investment pool	-	-	865,278	865,278	-
Public-private partnership receivable	-	15,182,110	13,463,381	28,645,491	-
OPEB asset	287,259	310,759	283,028	881,046	-
Capital assets, net	38,378,889	160,784,009	144,348,768	343,511,666	122,036
Total noncurrent assets	38,666,148	176,276,878	158,960,455	373,903,481	122,036
Total assets	93,098,274	219,182,211	214,697,518	526,978,003	2,467,328
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred pension amounts	6,260,740	5,293,187	5,314,994	16,868,921	-
Deferred OPEB amounts	58,819	56,184	47,800	162,803	-
Total deferred outflows of resources	6,319,559	5,349,371	5,362,794	17,031,724	-
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	7,641,929	1,840,295	5,892,009	15,374,233	39,166
Accrued salaries and benefits	961,552	845,918	835,781	2,643,251	16,644
Contracts payable	178,163	145,190	128,622	451,975	-
Accrued interest payable	10,031	1,960	33,032	45,023	222
Accrued self-insurance claims	-	-	-	-	733,000
Unearned revenue	3,475,554	681,832	6,124,940	10,282,326	-
Deposits payable	19,101	84,876	2,867,823	2,971,800	-
Other liabilities	543	562,816	11,482	574,841	-
Due to other funds	-	513,839	-	513,839	-
Leases payable-current	545,907	-	79,013	624,920	-
SBITA payable-current	5,940	14,652	236,839	257,431	44,109
Bonds payable-current	-	-	965,000	965,000	-
Post-closure costs payable-current	907,450	-	-	907,450	-
Compensated absences-current	1,352,766	1,278,762	1,288,095	3,919,623	22,887
Total current liabilities	15,098,936	5,970,140	18,462,636	39,531,712	856,028

(Continued)

**METRO**  
**Statement of Net Position**  
**Proprietary Funds, *continued***  
**June 30, 2023**

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Fund Risk Management
	Solid Waste	Oregon Zoo	MERC	Total	
<b>LIABILITIES, <i>continued</i></b>					
Noncurrent liabilities:					
Leases payable	\$ 5,394,772	-	8,734,087	14,128,859	-
SBITA payable	20,187	49,795	291,289	361,271	44,552
Bonds payable (net of unamortized premium or discount)	-	-	1,136,909	1,136,909	-
Total OPEB liability	450,035	426,025	360,479	1,236,539	-
Post-closure costs payable	1,925,246	-	-	1,925,246	-
Pollution remediation obligation	-	-	95,000	95,000	-
Compensated absences	-	7,013	86,575	93,588	11,763
Net pension liability	14,725,560	12,449,829	12,501,120	39,676,509	-
Total non-current liabilities	22,515,800	12,932,662	23,205,459	58,653,921	56,315
Total liabilities	37,614,736	18,902,802	41,668,095	98,185,633	912,343
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred pension amounts	7,947,441	6,719,220	6,746,902	21,413,563	-
Deferred public-private partnership amounts	-	17,611,560	14,618,275	32,229,835	-
Deferred OPEB amounts	328,450	320,707	276,424	925,581	-
Total deferred inflows of resources	8,275,891	24,651,487	21,641,601	54,568,979	-
<b>NET POSITION</b>					
Net investment in capital assets	32,412,082	160,719,557	132,905,631	326,037,270	33,374
Restricted for:					
Capital projects	-	4,658,271	865,278	5,523,549	-
Unrestricted	21,115,124	15,599,465	22,979,707	59,694,296	1,521,611
Total net position	\$ 53,527,206	180,977,293	156,750,616	391,255,115	1,554,985
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(4,398,154)	
Net position of business-type activities				\$ 386,856,961	

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, 2023**

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Fund Risk Management
	Solid Waste	Oregon Zoo	MERC	Total	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 105,298,823	24,918,459	51,285,504	181,502,786	846,735
Internal charges for services	-	-	-	-	1,644,988
Total operating revenues	105,298,823	24,918,459	51,285,504	181,502,786	2,491,723
<b>OPERATING EXPENSES</b>					
Payroll and fringe benefits	19,676,065	21,539,574	22,556,944	63,772,583	406,370
Depreciation and amortization	2,417,234	7,460,799	5,149,488	15,027,521	44,377
Administration	10,625,126	7,281,217	8,724,483	26,630,826	-
Facility operations	25,111,974	11,332,276	18,558,048	55,002,298	(76,800)
Marketing	-	-	5,104,564	5,104,564	-
Food and beverage	-	-	10,818,615	10,818,615	-
Disposal fees	10,814,337	-	-	10,814,337	-
Waste transport	16,456,951	-	-	16,456,951	-
Special waste disposal fees	1,088,582	-	-	1,088,582	-
Landfill post-closure (reduction)	808,614	-	-	808,614	-
Consulting services	7,258,213	2,197,166	646,218	10,101,597	2,000
Charges for services	-	-	132,293	132,293	-
Insurance	-	-	-	-	2,366,623
Claims	-	-	-	-	377,497
Actuarial claims (reduction)	-	-	-	-	96,000
Other materials and services	3,888,326	-	-	3,888,326	119,625
Total operating expenses	98,145,422	49,811,032	71,690,653	219,647,107	3,335,692
Operating income (loss)	7,153,401	(24,892,573)	(20,405,149)	(38,144,321)	(843,969)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	913,311	1,062,439	827,203	2,802,953	82,148
Grants	6,587,581	1,248,435	486,303	8,322,319	-
Local government shared revenue	-	-	18,714,330	18,714,330	-
Government contributions	-	-	1,903,584	1,903,584	-
Contributions and donations	-	2,601,230	128,557	2,729,787	-
Contributions to other governments	-	-	(2,066,279)	(2,066,279)	-
Gain (loss) on disposal of capital assets	(274,400)	(7,876)	(106,735)	(389,011)	-
Gain (loss) on right to use modification	(4,197)	-	-	(4,197)	-
Waste reduction grants	(6,749,989)	-	-	(6,749,989)	-
Interest expense	(116,259)	(21,550)	(290,345)	(428,154)	(1,220)
Total non-operating revenues (expenses)	356,047	4,882,678	19,596,618	24,835,343	80,928
Income (loss) before transfers and capital contributions	7,509,448	(20,009,895)	(808,531)	(13,308,978)	(763,041)
Capital contributions	-	855,053	47,426	902,479	-
Transfers in	-	15,304,880	603,279	15,908,159	-
Transfers out	(708,770)	(431,574)	(432,042)	(1,572,386)	(8,012)
Change in net position	6,800,678	(4,281,536)	(589,868)	1,929,274	(771,053)
Total net position - July 1, 2022	46,726,528	185,258,829	157,340,484		2,326,038
Total net position - June 30, 2023	\$ 53,527,206	180,977,293	156,750,616		1,554,985
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(701,831)	
Change in net position of business-type activities				\$ 1,227,443	

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, 2023**

	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	\$ 103,823,108	24,582,967	53,366,702	181,772,777	846,735
Receipts from interfund services provided	-	-	-	-	1,644,988
Payments to suppliers for goods and services	(62,642,973)	(13,263,805)	(32,153,846)	(108,060,624)	(3,395,783)
Payments for claims	-	-	-	-	(377,497)
Payments to employees for services	(23,349,377)	(21,410,418)	(22,213,114)	(66,972,909)	(400,072)
Payments for interfund services used	(10,625,126)	(7,281,217)	(8,724,483)	(26,630,826)	-
Net cash provided by (used in) operating activities	7,205,632	(17,372,473)	(9,724,741)	(19,891,582)	(1,681,629)
Cash flows from noncapital financing activities:					
Grants received	6,587,581	1,209,144	584,421	8,381,146	(164,204)
Local government shared revenues	-	-	18,048,269	18,048,269	-
Government contributions	-	-	1,903,584	1,903,584	-
Contributions and donations	-	2,601,230	128,557	2,729,787	-
Contributions to other governments	-	-	(2,066,279)	(2,066,279)	-
Grants to others	(6,749,990)	-	-	(6,749,990)	-
Principal collected (paid) on interfund loans	419,000	(419,000)	-	-	-
Interest collected (paid) on interfund loans	19,590	(19,590)	-	-	-
Transfers from other funds	-	15,304,880	603,279	15,908,159	-
Transfers to other funds	(708,770)	(431,573)	(432,041)	(1,572,384)	(8,012)
Net cash provided by (used in) noncapital financing activities	(432,589)	18,245,091	18,769,790	36,582,292	(172,216)
Cash flows from capital and related financing activities:					
Capital grants and contributions	-	855,053	47,426	902,479	-
Principal payment on bonds	-	-	(950,000)	(950,000)	-
Principal payment on leases	(578,457)	-	(175,207)	(753,664)	-
Principal payment on SBITA	(7,731)	(19,070)	(300,876)	(327,677)	(77,752)
Interest payments	(116,277)	-	(379,157)	(495,434)	(999)
Acquisition and construction of capital assets	(2,359,098)	(3,242,010)	(366,981)	(5,968,089)	-
Net proceeds from sale of capital assets	19,200	-	-	19,200	-
Net cash used in capital and related financing activities	(3,042,363)	(2,406,027)	(2,124,795)	(7,573,185)	(78,751)
Cash flows from investing activities:					
Investment income	825,451	994,477	744,278	2,564,206	83,499
Net cash provided (used) by investing activities	825,451	994,477	744,278	2,564,206	83,499
Net increase (decrease) in cash including restricted amounts	4,556,131	(538,932)	7,664,532	11,681,731	(1,849,097)
Cash at beginning of year including restricted amounts	38,850,837	39,284,882	35,311,663	113,447,382	3,149,133
Cash at end of year including restricted amounts	\$ 43,406,968	38,745,950	42,976,195	125,129,113	1,300,036

(Continued)

**METRO**  
**Statement of Cash Flows**  
**Proprietary Funds, *continued***  
**For the fiscal year ended June 30, 2023**

	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	\$ 43,406,968	38,745,950	42,110,917	124,263,835	1,300,036
Restricted equity in internal cash and investment pool	-	-	865,278	865,278	-
<b>Total</b>	<b>\$ 43,406,968</b>	<b>38,745,950</b>	<b>42,976,195</b>	<b>125,129,113</b>	<b>1,300,036</b>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 7,153,401	(24,892,573)	(20,405,149)	(38,144,321)	(843,969)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	2,417,234	7,460,799	5,149,488	15,027,521	44,377
Change in assets and liabilities:					
Trade/other accounts receivable	(1,475,714)	(335,490)	2,081,201	269,997	-
Public-private partnership	-	(209,111)	(160,153)	(369,264)	-
Inventories	405,505	-	-	405,505	-
Prepaid items	60,800	536	21,124	82,460	-
Other assets	-	(17,010)	-	(17,010)	(89,335)
Accounts payable	(917,021)	(124,233)	2,092,428	1,051,174	(895,000)
Accrued salaries, benefits and compensated absences	(3,673,314)	129,152	343,833	(3,200,329)	6,298
Contracts payable	(177,013)	(8,629)	(119,307)	(304,949)	-
Accrued self-insurance claims	-	-	-	-	96,000
Unearned revenue	3,475,554	85,731	1,654,253	5,215,538	-
Deposits payable	(23)	(19,955)	(291,474)	(311,452)	-
Other liabilities	158	558,310	(90,985)	467,483	-
Post-closure costs payable	(63,935)	-	-	(63,935)	-
<b>Total adjustments</b>	<b>52,231</b>	<b>7,520,100</b>	<b>10,680,408</b>	<b>18,252,739</b>	<b>(837,660)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 7,205,632</b>	<b>(17,372,473)</b>	<b>(9,724,741)</b>	<b>(19,891,582)</b>	<b>(1,681,629)</b>
<b>Noncash investing, capital, and financing activities:</b>					
Acquisition of capital assets by means of a lease	\$ -	-	78,940	78,940	-
Acquisition of capital assets by means of a SBITA	33,858	83,517	108,345	225,720	-

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 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 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 and donations and other receipts become measurable and available when cash is received and are recognized as revenue at that time.

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

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

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

**Special Revenue 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 three budgetary funds (Oregon Zoo Operating Fund, Oregon Zoo Asset Management Fund and General Revenue Bond Fund-Oregon Zoo) that are combined as one Enterprise Fund to be in accordance with accounting principles generally accepted in the United States of America.

*MERC Fund* - This fund accounts for revenues and expenses related to the management and operation of facilities managed by MERC, including the Metro-owned Oregon Convention Center (OCC) and the Portland Expo Center (Expo). In addition, under the provisions of an intergovernmental agreement with the City of Portland, MERC is responsible for the operation and management of the City-owned Portland's 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 2023 allocated indirect costs to grants at a rate of approximately 58.7 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 26-178, 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 note 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 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, place constraints on resources that are reported as *committed* fund balance. These commitments can be modified or rescinded only by Council adoption of subsequent ordinances. *Assigned* fund balances are amounts intended to be used for specific purposes but do not meet the criteria to be classified as committed. Metro Council has, by resolution, authorized the Chief Operating Officer to assign fund balance. Metro's assigned fund balance category also reflects the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's adopted budget, as well as the encumbered amounts that represent commitments of resources. *Unassigned* fund balance is available for other uses and only the general fund may report a positive unassigned fund balance amount. It is Metro's policy to use restricted resources first, then unrestricted resources as needed when both restricted and unrestricted resources are available for use. Within unrestricted amounts, committed amounts are considered to have been spent first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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

The government-wide statement of net position includes the result of Metro financing capital assets for the business-type activities through the issuance of general obligation bonds, a governmental activities function. The amount of long-term debt outstanding on the bonds is reflected as a liability (and as a component of unrestricted net position) in the governmental activities column, whereas the associated capital assets financed by this debt are reflected as assets (and as a component of 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, 2023, Metro implemented the following GASB Statements that were applicable to Metro's operations:

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. Issued March 2020, the primary objective of this Statement is to improve financial reporting by addressing

## Notes to the Financial Statements

For the fiscal year ended June 30, 2023

issues related to public-private and public-public partnership arrangements plus provide guidance for availability payment arrangements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Issued May 2020, the primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users.

GASB Statement No. 99, *Omnibus 2022*. Issued April 2022, the primary objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature.

## 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.

## 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	\$ 443,841,117	-	-
Accumulated depreciation and amortization	(44,246,167)	-	-
Deferred pension amounts (deferred outflows)	-	17,888,936	-
Net pension liability	-	(42,075,633)	-
Deferred pension amounts (deferred inflows)	-	(22,708,379)	-
Net OPEB asset	-	935,610	-
Deferred OPEB amounts (deferred outflows)	-	127,574	-
Net OPEB liability	-	(943,006)	-
Deferred OPEB amounts (deferred inflows)	-	(772,298)	-
Accrued interest payable	-	-	(2,286,685)
Leases payable	-	-	(478,343)
SBITA payable	-	-	(820,965)
Bonds payable (net of unamortized premium/discount)	-	-	(900,906,636)
Pollution remediation obligation	-	-	(8,940,969)
Compensated absences	-	-	(5,030,104)
Deferred charge on refunding (deferred inflows)	-	-	(4,080,994)
Net adjustment to fund balance-total governmental funds to arrive at net position-governmental activities	\$ 399,594,950	(47,547,196)	(922,544,696)

## 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, 2023, Metro had the following investments and maturities presented at fair value within the fair value hierarchy established by GAAP:

## Notes to the Financial Statements

For the fiscal year ended June 30, 2023

Investment Type	Standard & Poor's Ratings	Held by		Fair Value		Investment Maturities (in months)		
		Individual funds	Internal pool	Level 1	Level 2	Less than 3	3-17	18-59
U.S. Treasuries	AA+	\$ 293,123,927	61,211,373	354,335,300	-	35,857,496	234,363,347	84,114,457
U.S. Government securities - USGSE	AA+	184,353,714	133,594,822	-	317,948,536	98,744,509	146,953,967	72,250,060
Corporate Debt	AA	-	7,750,064	-	7,750,064	-	1,917,460	5,832,604
	AA+	-	5,241,143	-	5,241,143	-	1,479,015	3,762,128
	AAA	1,301,150	-	-	1,301,150	1,301,150	-	-
	AA-	-	8,704,539	-	8,704,539	-	987,780	7,716,759
	A	-	18,390,280	-	18,390,280	-	2,844,310	15,545,970
	A-	-	9,741,692	-	9,741,692	-	-	9,741,692
	A+	-	572,724	-	572,724	-	-	572,724
Municipal Bonds	AA	-	3,473,152	-	3,473,152	-	-	3,473,152
	AA+	-	10,144,461	-	10,144,461	1,149,069	4,878,534	4,116,858
	AAA	-	5,540,146	-	5,540,146	-	-	5,540,146
	AA-	3,552,395	2,843,573	-	6,395,968	-	3,552,395	2,843,573
	Unrated	-	3,418,463	-	3,418,463	-	2,044,928	1,373,535
Sub-total		482,331,186	270,626,432	354,335,300	398,622,318	137,052,224	399,021,736	216,883,658
State Treasurer's investment pool		-	56,128,489					
Total Investment		482,331,186	326,754,921					
Cash deposits		-	18,461,499					
Total cash and investments		\$ 482,331,186	345,216,420					
Per statement of net position:								
Unrestricted		\$ -	184,140,314					
Restricted		482,331,186	161,076,106					
Total		\$ 482,331,186	345,216,420					

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

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

Maturity	Minimum to mature
Under 3 months	10 percent minimum
Under 18 months	25 percent minimum
Under 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, 2023, 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, 2023, 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, 2023 Metro was in compliance with all percentage restrictions. More than 5 percent of Metro's total investments are in securities by the following issuers:

## Notes to the Financial Statements

For the fiscal year ended June 30, 2023

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)	18.8%	40.0%	-	-
Federal Home Loan Mortgage Corp (FHLMC)	6.2%	40.0%	9.3%	-
Federal National Mortgage Association (FNMA)	8.6%	40.0%	9.3%	16.2%
Federal Farm Credit Banks Funding Corporation (FFCB)	5.3%	40.0%	-	7.4%
State Treasurer's Investment Pool	6.9%	100.0%	-	-
U.S. Treasuries	43.8%	100.0%	63.0%	55.1%

**B. PUBLIC-PRIVATE PARTNERSHIP RECEIVABLE**

The following changes occurred during fiscal year 2023 in public-private partnership (PPP) receivable:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
<b>Business-type activities:</b>				
Food and beverage provider agreement; interest at 1%, principal and interest from \$249,583 to \$333,999 monthly, final payments due 2032	\$ 33,029,430	-	(1,585,966)	31,443,464
Gift shop operator agreement; interest at 1%, principal and interest of \$95,458 to \$97,875 monthly, final payments due 2024	2,254,245	-	(1,098,610)	1,155,635
<b>Business-type activities</b>				
Total public-private partnership receivable	\$ 35,283,675	-	(2,684,576)	32,599,099

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, 2023, Metro recognized \$3,053,839 in PPP revenue and \$237,100 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, 2023 approximate \$2 million.

**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
Trinity Christian Center	432 NE 74th Avenue, Portland, OR	501,800
Barbur Value Inn	10450 SW Barbur Blvd, Portland, OR	4,250,000
Walker Road	9985 & 10085 NE Walker Road, Hillsboro, OR	1,750,000
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>\$ 12,917,367</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	\$ 419,743

## Notes to the Financial Statements

For the fiscal year ended June 30, 2023

**E. CAPITAL ASSETS**

Capital asset balances and activity for fiscal year 2023 were as follows:

	Balance July 1, 2022	Increases	Decreases	Reclassifications and Transfers	Balance June 30, 2023
<b>Governmental activities:</b>					
Capital assets, non-depreciable:					
Land	\$ 311,457,111	-	(21,726)	3,815,478	315,250,863
Intangible-easements	12,248,393	-	(327,840)	9,331	11,929,884
Artwork	274,486	-	-	210,159	484,645
Construction in progress	8,800,468	13,946,490	-	(5,664,005)	17,082,953
Total non-depreciable	332,780,458	13,946,490	(349,566)	(1,629,037)	344,748,345
Capital assets, depreciable:					
Buildings and exhibits	41,512,824	-	(143,711)	-	41,369,113
Leased buildings and exhibits	798,775	-	-	-	798,775
Improvements	43,141,642	-	-	101,297	43,242,939
Equipment and vehicles	6,533,008	-	(112,846)	341,946	6,762,108
Leased equipment and vehicles	192,763	-	-	-	192,763
Intangible-software	4,870,392	-	(1,797,427)	1,221,684	4,294,649
Right to use asset - software	1,780,214	-	-	-	1,780,214
Office furniture and equipment	711,097	-	-	(58,886)	652,211
Total depreciable	99,540,715	-	(2,053,984)	1,606,041	99,092,772
Accumulated depreciation and amortization:					
Buildings and exhibits	(18,772,651)	(1,096,788)	86,269	-	(19,783,170)
Leased buildings and exhibits	(195,618)	(195,618)	-	-	(391,236)
Improvements	(14,931,752)	(1,590,681)	-	-	(16,522,433)
Equipment and vehicles	(3,726,470)	(410,787)	107,057	15,570	(4,014,630)
Leased equipment and vehicles	(52,572)	(70,095)	-	-	(122,667)
Intangible-software	(3,766,155)	(242,755)	1,797,428	(20,610)	(2,232,092)
Right to use asset - software	-	(858,352)	-	-	(858,352)
Office furniture and equipment	(230,427)	(111,770)	-	20,610	(321,587)
Total accumulated depreciation and amortization	(41,675,645)	(4,576,846)	1,990,754	15,570	(44,246,167)
Total capital assets, depreciable, net	57,865,070	(4,576,846)	(63,230)	1,621,611	54,846,605
Governmental activities capital assets, net	\$ 390,645,528	9,369,644	(412,796)	(7,426)	399,594,950

	Balance July 1, 2022	Increases	Decreases	Reclassifications and Transfers	Balance June 30, 2023
<b>Business-type activities:</b>					
Capital assets, non-depreciable:					
Land	\$ 21,045,160	-	-	3,110,440	24,155,600
Artwork	1,184,358	-	-	-	1,184,358
Construction in progress	5,812,178	5,960,664	(3,296)	(6,798,352)	4,971,194
Total non-depreciable	28,041,696	5,960,664	(3,296)	(3,687,912)	30,311,152
Capital assets, depreciable:					
Leased land	10,256,375	78,940	-	-	10,335,315
Buildings and exhibits	490,245,046	-	(1,424,295)	2,035,827	490,856,578
Leased buildings and exhibits	7,073,487	-	(186,372)	-	6,887,115
Improvements	46,136,104	-	(1,167,844)	1,057,102	46,025,362
Equipment and vehicles	29,689,511	-	(613,348)	617,979	29,694,142
Intangible-software	1,442,005	-	(22,016)	-	1,419,989
Right to use asset - software	720,658	225,720	-	-	946,378
Office furniture and equipment	1,511,504	-	(66,648)	-	1,444,856
Railroad equipment and facilities	3,658,683	-	-	-	3,658,683
Total depreciable	590,733,373	304,660	(3,480,523)	3,710,908	591,268,418
Accumulated depreciation and amortization:					
Leased land	(265,679)	(266,531)	-	-	(532,210)
Buildings and exhibits	(218,245,180)	(10,500,108)	1,143,678	-	(227,601,610)
Leased buildings and exhibits	(643,969)	(640,586)	126,252	-	(1,158,303)
Improvements	(26,401,481)	(1,197,796)	1,132,056	-	(26,467,221)
Equipment and vehicles	(14,748,428)	(1,710,515)	526,210	(15,570)	(15,948,303)
Intangible-software	(1,321,742)	(3,727)	22,015	-	(1,303,454)
Right to use asset - software	-	(261,342)	-	-	(261,342)
Office furniture and equipment	(1,020,257)	(97,887)	65,281	-	(1,052,863)
Railroad equipment and facilities	(2,239,902)	(349,029)	-	-	(2,588,931)
Total accumulated depreciation and amortization	(264,886,638)	(15,027,521)	3,015,492	(15,570)	(276,914,237)
Total capital assets, depreciable, net	325,846,735	(14,722,861)	(465,031)	3,695,338	314,354,181
Business-type activities capital assets, net	\$ 353,888,431	(8,762,197)	(468,327)	7,426	344,665,333

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 \$1,153,667 higher than the amount shown on the Statement of Net Position. The difference consists of the June 30, 2023 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, 2023.

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.

## Notes to the Financial Statements

For the fiscal year ended June 30, 2023

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

Governmental activities:		
General government operations	\$	1,607,111
Planning, development and research		164,179
Culture and recreation		2,805,556
Total depreciation and amortization expense - governmental activities	\$	4,576,846
Business-type activities:		
Solid Waste	\$	2,417,234
Oregon Zoo		7,460,799
MERC		5,149,488
Total depreciation and amortization expense - business-type activities	\$	15,027,521

## 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, 2023 were:

	Governmental Activities	Business-type Activities
Advance ticket sales/registrations	\$ 13,246	6,684,086
Unredeemed gift certificates	91,660	65,772
Advance park reservations	154,467	-
Advance lease receipts	283,200	-
Advance tax receipts	17,008	-
Grant and contract drawdowns prior to meeting all eligibility requirements	-	3,532,468
Total	\$ 559,581	10,282,326

## 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 based on years of service and final average salary. A percentage (1.67 percent for General Service

employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General Service employees may retire after reaching age 55. Tier One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

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

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

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

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

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

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

**Pension benefits.** OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for General Service members who attain normal retirement age: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for General Service members is age 65, or age 58 with 30 years of retirement credit.

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

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

**Disability benefits.** A member who has accrued ten or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability

benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

**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, 2019 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2021. Metro has previously made a lump sum payment to establish a side account, and its rates have been reduced. Metro's actuarially determined contribution rate for the Tier One/Tier Two and OPSRP plans was 20.50 percent and 16.76 percent of subject payroll, respectively. Employer contributions recognized by PERS for the fiscal year ended June 30, 2023 were \$15,167,944.

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

**Actuarial valuation** - The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the entry age normal actuarial cost method. This method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized as described in the following table.

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

Valuation Date	December 31, 2020
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. 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	15.0%	25.0%	20.0%
Public equity	25.0	35.0	30.0
Real estate	7.5	17.5	12.5
Private equity	15.0	27.5	20.0
Risk parity	0.0	3.5	2.5
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 June 2021 the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the OIC's investment advisors. The table below shows the actuary's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	Compound Annual Return (Geometric)
Global equity	30.6%	5.9%
Private equity	25.5	7.7
Core fixed income	23.8	2.7
Real estate	12.2	5.7
Master limited partnerships	0.8	5.7
Infrastructure	1.5	6.3
Commodities	0.6	3.1
Hedge fund of funds- multistrategy	1.3	5.1
Hedge fund equity- hedge	0.6	5.3
Hedge fund- macro	5.6	5.1
US Cash	-2.5	1.8
Assumed inflation - mean		2.4

**Sensitivity of Metro's proportionate share of the net pension liability to changes in the discount rate-** The following presents Metro's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.90 percent, as well as what Metro's proportionate share of the net pension liability would be if it were calculated using a discount rate that was one percentage-point lower or one percentage-point higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
<b>Metro's Net Pension Liability (Asset)</b>			
Defined benefit pension plan	\$ 144,980,351	81,752,142	28,833,049

**Determination of Metro's proportionate share** - Metro's actuarially determined proportionate share of the plan amounts was 0.53390875 percent for the fiscal year ended June 30, 2022 (measurement date). Metro's share of pension balances are determined by rolling forward the total net pension liability (actuarially determined at December 31, 2020) to the measurement date of June 30, 2022 and subtracting the plan's net position as of June 30, 2022.

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, 2023, Metro reported a payable of \$623,446 for the outstanding amount of legally required pension contributions to the pension plan for the fiscal year ended June 30, 2023.

**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, 2023, Metro recognized a net pension liability of \$81,752,142 and a pension expense of \$6,519,113. At June 30, 2023, 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	\$ 2,042,433	262,391	1,925,974	247,430	3,458,586
Changes in assumptions	6,601,894	60,315	6,225,460	56,876	12,710,163
Net difference between projected and actual earnings on pension plan investments	-	7,522,309	-	7,093,393	(14,615,702)
Changes in the employer's proportion	1,438,075	8,363,589	1,356,077	7,886,702	(13,456,139)
Differences between employer contributions and employer's proportionate share of system contributions	-	6,499,775	-	6,129,162	(12,628,937)
Total (prior to post-measurement date contributions)	10,082,402	22,708,379	9,507,511	21,413,563	(24,532,029)
Contributions subsequent to the measurement date	7,806,534	-	7,361,410	-	15,167,944
Net deferred outflows/(inflows) of resources	\$ 17,888,936	22,708,379	16,868,921	21,413,563	(9,364,085)

The \$15,167,944 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, 2024. 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
2024	\$ (2,546,650)	(2,401,442)	(4,948,092)
2025	(3,701,233)	(3,490,192)	(7,191,425)
2026	(5,970,427)	(5,629,998)	(11,600,425)
2027	860,721	811,644	1,672,365
2028	(1,268,388)	(1,196,064)	(2,464,452)
Total	\$ (12,625,977)	(11,906,052)	(24,532,029)

## 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 or on the date a rollover account was established. If Metro makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

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

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

Metro paid contributions to the IAP of \$4,930,464 for the fiscal year ended June 30, 2023, which is included in payroll and fringe benefits expense. At June 30, 2023, a payable to the IAP portion of the plan in the amount of \$212,041 for the contractually required contributions for the month of June 2023 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, 2021, the following number of employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	11
Active employees	728
Total	739

**Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - Metro's total OPEB Liability of \$2,179,545 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021. For the fiscal year ended June 30, 2023, Metro recognized OPEB expense from this plan of \$40,685.

At June 30, 2023, 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	\$ -	419,580
Changes in assumptions	153,536	820,642
Benefit payments	113,294	-
Total	\$ 266,830	1,240,222

Deferred outflows of resources related to OPEB of \$113,294 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended June 30:		
2024	\$	(169,797)
2025		(169,797)
2026		(155,617)
2027		(143,893)
2028		(143,672)
Thereafter		(303,910)
Total	\$	(1,086,686)

**Actuarial Assumptions and Other Inputs** - The total OPEB liability in the July 1, 2021 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Salary increases	3.40 percent
Mortality	Pub-2010 General Service Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees. Future mortality improvement is projected generationally with unisex Social Security data scale.
Discount rate	3.54 percent (change from 2.16 percent in previous measurement period)
Healthcare cost trend rate	Medical and vision: 0.75 percent in the first year, 5.25 percent in the second year, and varying from 5.00 to 3.75 percent over the remainder of the projection period. Dental: 4.00 percent per year

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

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance as of June 30, 2022	\$ 2,298,945
Changes for the year:	
Service cost	158,498
Interest on total OPEB liability	51,984
Effect of assumptions changes or inputs	(227,787)
Benefit payments	(102,095)
Balance as of June 30, 2023	\$ 2,179,545

Changes in assumptions is the result of the change in the discount rate from 2.16 percent to 3.54 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 (2.54 percent) or 1-percentage-point-higher (4.54 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 2,345,160	2,179,545	2,024,187

Healthcare Cost Trend Rate:	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 1,960,214	2,179,545	2,435,980

**2. PERS Retirement Health Insurance Account**

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

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

**Contributions** - PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. Metro's contribution rates for the period were 0.06% for Tier One/Tier Two members, and 0.00% for OPSRP members. Metro's total for the year ended June 30, 2023 contribution was \$9,322.

**Total OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - At June 30, 2023, Metro reported an asset of \$1,816,657 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. 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, 2023, Metro's proportionate share was 0.5113% which is an increase from its proportion of 0.3828% as of June 30, 2022.

For the year ended June 30, 2023, Metro recognized OPEB income from this plan of \$285,836. At June 30, 2023, 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	\$ -	138,543
Changes of assumptions	14,225	60,555
Changes in proportionate share	-	209,329
Differences between expected and actual experience	-	49,230
Contributions subsequent to the measurement date	9,322	-
Total	\$ 23,547	457,657

Deferred outflows of resources related to OPEB of \$9,322 resulting from Metro's contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Fiscal year ended June 30:</b>		
2024	\$	(250,810)
2025		(149,566)
2026		(87,427)
2027		44,371
Total	\$	(443,432)

## Notes to the Financial Statements

For the fiscal year ended June 30, 2023

**Actuarial Assumptions and Other Inputs** - The total OPEB asset based on the December 31, 2020 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, 2020
Measurement date	June 30, 2022
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 IV.H.1, for additional information on Actuarial Assumptions and Methods, the Long-Term Expected Rate of Return, and the Discount Rate.

**Sensitivity of Metro's proportionate share of the net OPEB liability (asset) to changes in the discount rate** - The following presents Metro's proportionate share of the net OPEB liability (asset), calculated using the discount rate of 6.90%, as well as what Metro's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate of 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Total OPEB Liability (Asset)	\$ (1,637,320)	(1,816,656)	(1,970,391)

**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 2023 is \$19.86 per ton. The estimated increased rate for fiscal year 2024 is \$20.71 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 2023, the unit price is \$632.85 per load (equivalent to about \$18.47 per ton). The current contract will adjust the per load unit price by a percentage equal to 95 percent of the annual percent change of CPI every July 1. The additional unit prices for the new contract includes a mile tax of \$66.71 and a wage increase of \$36.84 per load. Both additional costs per load are *not* subject to the CPI increases.

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

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, 2024. Monthly payments for personnel costs, maintenance, and equipment are on a reimbursed basis within agreed parameters plus a gross margin. There are prices for putrescible and non-putrescible waste and other waste materials that are subject to CPI adjustments annually and performance adjustments.

## 4. Metro Central Station

The operation of Metro Central, a solid waste transfer station and materials recovery facility is privately contracted through December 31, 2023. A new contract to continue private operation of Metro Central has been executed with a term effective January 1, 2024 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
2024	\$ 10,833,004	11,812,706	11,141,587	13,313,709
2025	11,142,230	12,160,751	5,701,525	15,750,986
2026	11,512,954	12,672,035	-	16,254,377
2027	11,848,344	13,087,347	-	16,698,225
2028	12,155,738	13,446,347	-	17,126,825
Total	\$ 57,492,270	63,179,186	16,843,112	79,144,122

## 6. Construction Projects

Metro is committed under a number of contracts for construction services. The amount of major uncompleted contracts is approximately \$5,000,000 at June 30, 2023.

## Notes to the Financial Statements

For the fiscal year ended June 30, 2023

**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 Hillsboro	The Dolores	10,500,000
Home Forward	Troutdale	13,449,238
Metro Site Acquisition Program (Home Forward)	SAP- Troutdale (Home Forward)	1,764,347
City of Portland	PCC Killingsworth	2,538,237
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	Portland Value Inn	6,155,974
Metro Site Acquisition Program (Portland)	SAP - Portland Value Inn (Portland)	7,336,006
<b>Total</b>		<b>\$ 122,297,378</b>

**K. LEASES****1. Lease Receivable**

The following changes occurred during fiscal year 2023 in lease receivable:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
<b>Governmental activities:</b>				
Restaurant building lease; interest at 2%, principal and interest from \$5,975 to \$8,042 monthly, final payments due 2037	\$ 1,108,798	-	(50,707)	1,058,091
Cell tower land lease; interest at 1%, principal and interest of \$2,057 monthly, final payments due 2036	98,704	-	(23,801)	74,903
Office building sub-lease, interest at 4%, principal and interest of \$8,504 monthly, final payments due 2025	-	209,350	(5,698)	203,652
Governmental activities				
Total lease receivable	\$ 1,207,502	209,350	(80,206)	1,336,646
<b>Business-type activities:</b>				
Theater land leaseback; interest at 3%, principal and interest from \$3,515 monthly, final payments due 2083	\$ 1,182,329	-	(6,808)	1,175,521
Business-type activities				
Total lease receivable (1)	\$ 1,182,329	-	(6,808)	1,175,521

During the year ended June 30, 2023, Metro recognized \$129,218 in lease revenue and \$25,974 in interest revenue for governmental activities. Additionally, during the year ended June 30, 2023, Metro recognized \$19,122 in lease revenue and \$35,360 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

The following changes occurred during fiscal year 2023 in governmental activities leases payable:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
<b>Governmental activities:</b>				
Office building lease; interest at 1%, principal and interest from \$16,239 to \$17,755 monthly, final payments due 2025	\$ 614,647	-	(191,051)	423,596
Trailer equipment lease; interest at 1%, principal and interest of \$4,587 monthly, final payments due 2024	108,949	-	(54,202)	54,747
Governmental activities				
Total leases payable	<u>\$ 723,596</u>	<u>-</u>	<u>(245,253)</u>	<u>478,343</u>
Current portion				(253,633)
Long-term portion				<u>\$ 224,710</u>

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

Future maturities are as follows:

Fiscal year ending June 30:	Principal	Interest
2024	\$ 253,633	3,629
2025	206,979	1,306
2026	17,731	15
	<u>\$ 478,343</u>	<u>4,950</u>

The following changes occurred during fiscal year 2023 in business-type activities leases payable:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
<b>Business-type activities:</b>				
Theater land lease; interest at 3%, principal and interest of \$29,792 monthly, final payments due 2083	\$ 10,019,743	-	(57,697)	9,962,046
Paint building lease; interest at 2%, principal and interest from \$36,476 to \$39,859 monthly, final payments due 2035	5,485,413	-	(342,058)	5,143,355
Patrol building lease; interest at 1%, principal and interest from \$15,000 to \$17,389 monthly, final payments due 2027	973,343	-	(176,020)	797,323
Warehouse lease; interest at 1%, principal and interest from \$6,058 to \$6,240 monthly, final payments due 2024	116,302	-	(116,302)	-
Parking land lease; interest at 1%, principal and interest from \$8,658 to \$8,918 monthly, final payments due 2023	52,833	78,940	(105,197)	26,576
Business-type activities				
Total leases payable (1)	<u>\$ 16,647,634</u>	<u>78,940</u>	<u>(797,274)</u>	<u>15,929,300</u>
Current portion				(631,935)
Long-term portion				<u>\$ 15,297,365</u>

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

## Notes to the Financial Statements

For the fiscal year ended June 30, 2023

Future maturities are as follows:

<b>Fiscal year ending June 30:</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 631,935	404,937
2025	636,059	393,638
2026	655,865	382,041
2027	673,824	370,144
2028	494,425	358,769
2029-33	2,544,631	1,634,394
2034-38	1,439,629	1,384,199
2039-43	495,151	1,292,349
2044-48	575,176	1,212,324
2049-53	668,134	1,119,366
2054-58	776,116	1,011,385
2059-63	901,549	885,951
2064-68	1,047,255	740,246
2069-73	1,216,508	570,992
2074-78	1,413,117	374,384
2079-83	1,641,500	146,000
2084-88	118,426	740
	<u>\$ 15,929,300</u>	<u>12,281,859</u>

(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	1,175,521
<u>Total lease receivable per footnote</u>	<u>\$ 1,175,521</u>
Leases payable due within one year - government-wide statement of net position	\$ 624,920
Leases payable due in more than one year - government-wide statement of net position	14,128,859
Theater Land Leaseback receivable, netted in leases payable on statement of net position	1,175,521
<u>Total leases payable per footnote</u>	<u>\$ 15,929,300</u>

**L. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

The following changes occurred during fiscal year 2023 in governmental activities SBITA payable:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
<b>Governmental activities:</b>				
Operating system subscription; interest at 1%, principal and interest of \$317,073 annually, final payment due 2023	\$ 369,334	-	(317,021)	52,313
GIS mapping software; interest at 1%, principal and interest of \$165,000 annually, final payment due 2023	328,359	-	(165,000)	163,359
Hosting subscription; interest at 1%, principal and interest from \$53,000 to \$64,250 annually, final payment due 2025	246,307	-	(65,667)	180,640
Timekeeping software; interest at 1%, principal and interest from \$94,802 to \$98,594 annually, final payments due 2025	207,895	-	(110,282)	97,613
Public meeting software; interest at 1%, principal and interest of \$70,003 annually, final payment due 2023	113,985	-	(113,985)	-
Point of sale software; interest at 1%, principal and interest of \$2,917 monthly, final payment due 2025	106,401	-	(37,125)	69,276
Cemeteries sales software; interest at 4%, principal and interest of \$2,917 monthly, final payments due 2025	88,999	-	(57,675)	31,324
Public records software; interest at 2%, principal and interest of \$20,631 annually, final payments due 2026	84,075	-	(20,631)	63,444
Desk booking software; interest at 1%, principal and interest from \$19,423 to \$21,413 annually, final payment due 2024	68,446	-	(27,264)	41,182
Safety software; interest at 1%, principal and interest of \$135,000 annually, final payment due 2025	166,413	-	(77,752)	88,661
Governmental activities				
Total SBITA payable	\$ 1,780,214	-	(992,402)	787,812
Current portion				(519,594)
Long-term portion				\$ 268,218

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

Future maturities are as follows:

Fiscal year ending June 30:	Principal	Interest
2024	\$ 519,594	9,358
2025	180,254	2,981
2026	83,751	1,131
2027	4,213	85
	<u>\$ 787,812</u>	<u>13,555</u>

## Notes to the Financial Statements

For the fiscal year ended June 30, 2023

The following changes occurred during fiscal year 2023 in business-type activities SBITA payable:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
<b>Business-type activities:</b>				
Event management software; interest at 1%, principal and interest from \$215,822 to \$229,966 annually, final payment due 2024	\$ 720,658	-	(276,138)	444,520
Asset management software; interest at 3%, principal and interest from \$43,589 to \$49,060 annually, final payment due 2026	-	225,721	(51,539)	174,182
Business-type activities				
Total SBITA payable	\$ 720,658	225,721	(327,677)	618,702
Current portion				(257,431)
Long-term portion				\$ 361,271

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

Future maturities are as follows:

Fiscal year ending June 30:	Principal	Interest
2024	\$ 257,431	9,764
2025	268,839	6,371
2026	44,820	2,811
2027	47,612	1,448
	\$ 618,702	20,394

During the fiscal year, there were no commitments under SBITAs before the commencement of the subscription term in either the governmental or business-type activities. Additionally, there were no associated impairment losses.

## 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 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, Metro issued \$124,295,000 of 2007 Series Natural Areas General Obligation Bonds and an additional \$75,000,000 of 2012A Series bonds. The bonds were issued by Metro under authority granted by voters for a total of \$227.4 million in general obligation bonds to fund activities to acquire and preserve natural areas and stream frontages, maintain and improve water quality, and protect fish and wildlife habitat. On May 15, 2018, Metro issued \$28,105,000 of Series 2018 bonds, which 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.

On May 31, 2023 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. At June 30, 2023, \$3,107,000 of the refunding bonds were outstanding. 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 refunding resulted in a total combined reduction of debt service of \$2,384,090 over 5 years and a net present value savings of \$452,785.

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
2024	\$ -	240,403	2,125,000	342,750	9,801,010	1,055,017
2025	-	240,403	2,280,000	236,500	16,767,038	663,974
2026	3,107,000	240,403	2,450,000	122,500	-	-
	3,107,000	721,209	6,855,000	701,750	26,568,048	1,718,991
Unamortized premium	376,217		936,988		-	
Per statement of net position	\$ 3,483,217		7,791,988		26,568,048	

## 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. On May 15, 2018, Metro issued \$10,000,000 of Series 2018 bonds, which was the final issuance of bonds authorized under the 2008 voter approved measure.

On May 31, 2023 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. At June 30, 2023, \$7,628,000 of the refunding bonds were outstanding. 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.1 for the combined debt service reduction and net present value savings.

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
2024	\$ -	129,448	975,000	289,500	5,277,467	568,086
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	745,644	5,790,000	916,000	14,305,872	925,611
Unamortized premium	975,465		740,169		-	
Per statement of net position	<u>\$ 8,603,465</u>		<u>6,530,169</u>		<u>14,305,872</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
2024	\$ 19,600,000	19,583,904
2025	21,465,000	18,897,904
2026	23,425,000	18,146,629
2027	25,435,000	17,385,316
2028	27,545,000	16,558,679
2029-33	172,595,000	68,579,202
2034-38	243,040,000	36,540,373
2039	58,985,000	2,064,475
	592,090,000	197,756,482
Unamortized premium	2,088,957	
Per statement of net position	<u>\$ 594,178,957</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.

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

Fiscal year ending June 30:	Principal	Interest
2024	\$ 1,060,000	586,450
2025	1,115,000	533,450
2026	1,170,000	477,700
2027	1,230,000	419,200
2028	1,290,000	357,700
2029-33	7,425,000	815,750
	13,290,000	3,190,250
Unamortized premium	1,210,995	
Per statement of net position	\$ 14,500,995	

## 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 and is owned and operated by Hyatt Hotels Corporation; the developer and operator provided approximately \$166 million of the estimated \$240 million cost. As part of the Development and Financing Agreement, Metro committed to provide a portion of the funding, consisting of the revenue bonds, \$4 million contributed by the MERC Proprietary Fund and \$10 million received previously from the State of Oregon lottery funds. Metro has transferred these funding sources to the developer.

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

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

Fiscal year ending June 30:	Principal	Interest
2024	\$ 1,055,000	2,343,750
2025	1,105,000	2,291,000
2026	1,160,000	2,235,750
2027	1,220,000	2,177,750
2028	1,280,000	2,116,750
2029-33	7,430,000	9,557,000
2034-38	9,480,000	7,504,500
2039-43	12,100,000	4,885,000
2044-47	12,045,000	1,542,250
	46,875,000	34,653,750
Unamortized premium	7,043,724	
Per statement of net position	\$ 53,918,724	

## 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.

## Notes to the Financial Statements

For the fiscal year ended June 30, 2023

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

Fiscal year ending June 30:	Principal	Interest
2024	\$ 2,010,000	536,179
2025	2,210,000	435,598
2026	2,430,000	325,010
2027	2,660,000	203,413
2028	1,405,000	70,306
Per statement of net position	<u>\$ 10,715,000</u>	<u>1,570,506</u>

## 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 bond will be used for protecting clean water for people, fish and wildlife; improving habitat for native fish and wildlife; protecting and restoring culturally significant native plant communities; and improving access to parks and nature.

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

Fiscal year ending June 30:	Principal	Interest
2024	\$ 17,425,000	4,104,793
2025	8,685,000	3,900,921
2026	3,000,000	3,786,279
2027	3,000,000	3,741,279
2028	3,000,000	3,691,779
2029-33	31,350,000	16,607,945
2034-38	56,855,000	8,342,314
2039-40	27,795,000	1,101,222
	<u>151,110,000</u>	<u>45,276,532</u>
Unamortized premium	9,200,201	
Per statement of net position	<u>\$ 160,310,201</u>	

### 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
2024	\$ 965,000	49,450
2025	1,005,000	15,075
	1,970,000	64,525
Unamortized premium	131,909	
Per statement of net position	<u>\$ 2,101,909</u>	

**N. CHANGES IN LONG-TERM LIABILITIES**

The following changes occurred during fiscal year 2023 in long-term liabilities:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 855,890,000	40,873,920	(89,310,000)	807,453,920	55,203,477
Full faith and credit bonds	26,610,000	-	(13,320,000)	13,290,000	1,060,000
Dedicated tax revenue bonds	47,880,000	-	(1,005,000)	46,875,000	1,055,000
Pension obligation bonds	12,535,000	-	(1,820,000)	10,715,000	2,010,000
Less unamortized amounts:					
For premium or discount	30,943,703	-	(8,370,987)	22,572,716	-
Total bonds payable	973,858,703	40,873,920	(113,825,987)	900,906,636	59,328,477
Leases payable	723,596	-	(245,253)	478,343	253,633
SBITA payable	1,780,214	-	(992,402)	787,812	519,594
Pollution remediation obligation	9,042,942	-	(101,973)	8,940,969	-
Total OPEB liability	988,611	12,741	(58,346)	943,006	-
Compensated absences	4,591,321	5,064,767	(4,591,321)	5,064,767	5,010,413
Net pension liability	41,653,574	8,228,593	(7,806,534)	42,075,633	-
Governmental activities					
Long-term liabilities	\$ 1,032,638,961	54,180,021	(127,621,816)	959,197,166	65,112,117
<b>Business-type activities:</b>					
Bonds payable:					
Full faith and credit bonds	\$ 2,920,000	-	(950,000)	1,970,000	965,000
Less unamortized amounts:					
For premium or discount	225,022	-	(93,113)	131,909	-
Total bonds payable	3,145,022	-	(1,043,113)	2,101,909	965,000
Leases payable	16,647,634	78,940	(797,274)	15,929,300	631,935
SBITA payable	720,658	225,721	(327,677)	618,702	257,431
Post-closure costs payable	2,896,632	808,614	(872,550)	2,832,696	907,450
Pollution remediation obligation	95,000	-	-	95,000	-
Total OPEB liability	1,310,334	(18,847)	(54,948)	1,236,539	-
Compensated absences	3,886,239	4,013,211	(3,886,239)	4,013,211	3,919,623
Net pension liability	36,433,539	10,604,381	(7,361,411)	39,676,509	-
Business-type activities					
Long-term liabilities	\$ 65,135,058	15,712,020	(14,343,212)	66,503,866	6,681,439

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 \$1,175,521 higher than the face of the financials. The difference consists of the June 30, 2023 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, 2023, there were 3 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, 2023 is estimated to be \$51,760,442 under current Federal and state regulations, an increase of \$808,614 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 \$872,549 in closure costs as the closure process continued (\$48,927,746 cumulative to date); reducing the remaining estimated liability to \$2,832,696 at June 30, 2023.

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 \$101,973 in remediation costs toward this liability. The remaining liability of \$8,938,469 is reflected in governmental activities on the government-wide statement of net position.

#### *Business-type Activities*

At the St. Johns Landfill, work associated with pollution remediation for sediment located adjacent to the landfill levees and potentially shallow groundwater includes: completion of a remedial investigation (RI)/feasibility study (FS) and remedial design; remedial action implementation; and remedial action performance monitoring. The work associated with the RI has been completed and the final RI report has been accepted by DEQ. The work associated with the FS component was completed during fiscal year 2013. DEQ signed and issued a Record of Decision on July 9, 2014, which includes DEQ's selected remedial action. Work going forward is based on the Draft Remedial Action Work Plan (RAWP) for implementation of the preferred alternative which calls for activated carbon pellets to be spread across the sediment surface in the risk-based areas. Metro has elected to expand the treatment area to provide greater coverage of the Westside Mud Flat to reduce uncertainty. Metro received DEQ approval and certification of these results at June 30, 2023. There is no liability related to this site recorded as of June 30, 2023.

For Metro Central Station, Metro received a request from the EPA and recommendation from DEQ to perform an expanded Preliminary Assessment. Metro then entered into an agreement with DEQ regarding the source control evaluation for the property. Metro has contracted with AECOM to update the station's stormwater treatment system to satisfy Tier 2 correction actions related to the DEQ's recommendation. Site improvements have been completed and Metro is awaiting DEQ approval and certification of these results at June 30, 2023. There is no liability related to this site recorded as of June 30, 2023.

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 \$8,940,969 and for business-type activities \$95,000.

## Notes to the Financial Statements

For the fiscal year ended June 30, 2023

## 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	
<b>Fund balances:</b>									
Nonspendable:									
Not in spendable form:									
Prepaid items	\$ 427,003	11,356	-	-	-	-	991	408	439,758
Advances	-	-	96,260,646	290,998,876	-	-	-	-	387,259,522
Corpus of permanent fund	-	-	-	-	-	-	-	747,747	747,747
Total nonspendable	427,003	11,356	96,260,646	290,998,876	-	-	991	748,155	388,447,027
Restricted for:									
Construction excise tax for									
development planning	17,397,911	-	-	-	-	-	-	-	17,397,911
TOD projects	19,515,888	-	-	-	-	-	-	-	19,515,888
Planning IGA	9,600,738	-	-	-	-	-	-	-	9,600,738
Glendoveer capital	1,610,629	-	-	-	-	-	-	-	1,610,629
Parks and Natural Areas	-	10,454,760	-	-	-	-	-	-	10,454,760
Debt service on bonds	3,638,957	-	-	-	3,412,782	-	-	-	7,051,739
Smith & Bybee Wetlands mgmt plan	-	-	-	-	-	-	-	1,204,889	1,204,889
Community Enhancement	517,234	-	-	-	-	-	-	931,809	1,449,043
Willamette Falls Legacy project	15,291,859	-	-	-	-	-	-	-	15,291,859
Affordable Housing	-	-	367,322,964	-	-	-	-	-	367,322,964
Supportive Housing Services	-	-	-	62,734,246	-	-	-	-	62,734,246
Capital projects:									
Bond funded programs	2,554,574	-	-	-	-	3,416,925	163,372,866	-	169,344,365
Total restricted	70,127,790	10,454,760	367,322,964	62,734,246	3,412,782	3,416,925	163,372,866	2,136,698	682,979,031
Committed to:									
TOD projects	9,900,092	-	-	-	-	-	-	-	9,900,092
Total committed	9,900,092	-	-	-	-	-	-	-	9,900,092
Assigned to:									
Encumbered fund balance	405,000	-	-	-	-	-	-	-	405,000
Parks cemetery	256,541	-	-	-	-	-	-	-	256,541
Total assigned	661,541	-	-	-	-	-	-	-	661,541
Unassigned	44,992,123	-	-	-	-	-	-	(11,352)	44,980,771
Total fund balances	\$ 126,108,549	10,466,116	463,583,610	353,733,122	3,412,782	3,416,925	163,373,857	2,873,501	1,126,968,462

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

Interfund receivables and payables are detailed in the table below.

<b>Receivable Fund/Entity</b>	<b>Payable Fund/Entity</b>		<b>Assets per fund statements</b>
	<b>Due to Other Funds</b> (portion of interfund loans expected to be repaid in the subsequent year)	<b>Internal balances</b> (to reflect the consolidation of internal service fund activities) Business-type activities	
	Oregon Zoo		
<b>Due from Other Funds</b> (portion of interfund loans expected to be repaid in the subsequent year)			
Solid Waste	\$ 513,839		513,839
<b>Internal balances</b> (to reflect the consolidation of internal service fund activities)			
Governmental activities		(4,398,154)	
Liabilities per fund statements	\$ 513,839		
Reconciliation to government-wide statements:			
Internal balances per the government-wide statement of net position		(\$ 4,398,154)	

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

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

Interfund transfers for the fiscal year by fund were:

<b>Transfers out</b>	<b>Transfers in</b>				<b>Total</b>
	<b>General</b>	<b>Parks and Nature Operating</b>	<b>Oregon Zoo</b>	<b>MERC</b>	
General	\$ -	2,606,000	15,304,880	603,279	18,514,159
Parks and Nature Operating	732,587	-	-	-	732,587
Affordable Housing	19,958	-	-	-	19,958
Supportive Housing Services	12,057,284	-	-	-	12,057,284
Natural Areas	563	-	-	-	563
Parks and Nature Bond	94,080	-	-	-	94,080
Cemetery Perpetual Care	17,822	-	-	-	17,822
Solid Waste	708,770	-	-	-	708,770
Oregon Zoo	431,574	-	-	-	431,574
MERC	432,042	-	-	-	432,042
Risk Management	8,012	-	-	-	8,012
<b>Total</b>	<b>\$ 14,502,692</b>	<b>2,606,000</b>	<b>15,304,880</b>	<b>603,279</b>	<b>33,016,851</b>

The transfers detailed above are transfers of resources from one fund to another that are not based upon a cost allocation plan or any expectation of a payment for services provided, but rather to provide resources for other uses. These include General Fund support to Parks and Nature Operating for operations and maintenance, to Oregon Zoo for general allocations and renewal and replacement of capital assets, and to MERC for operating support and capital needs.

## 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 \$10,883,802 for fiscal year 2023. 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. In exchange for locating or expanding into an Enterprise Zone, eligible (generally non-retail) businesses receive total exemption from the property taxes normally assessed on new plant and equipment. Subject to local authorization, timely filings and criteria the benefits include:

- Construction-in-Process Enterprise Zone Exemption-For up to two years before qualified property is placed in service, it can be exempt from local taxes, which can cover more property than the regular exemption for commercial facilities under construction.
- Three to five consecutive years of full relief from property taxes on qualified property, after it is in service.
- Depending on the zone, local incentives also may be available.

Metro's property tax abatements under these programs for the fiscal year ended June 30, 2023 were:

Tax Abatement Program	Amount of Taxes Abated
SIP	\$ 9,508,000
E-Zone	1,028,044
Subtotal major abatement program	10,536,044
Other immaterial abatement programs	347,758
Total	\$ 10,883,802

## 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 \$806,100 for a single claimant and \$1,612,000 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 \$1,017,850,456 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, 2023. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. Metro also monitors risk activity to ensure that proper reserves are maintained. All operating funds of Metro participate in the program and make payments to the Risk Management Fund based upon actuarial estimates of the amounts needed to pay prior and current year claims and to establish sufficient reserves.

The estimated claims liability of \$733,000 reported as accrued self-insurance claims in the Risk Management Fund at June 30, 2023 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
2021-22	\$ 770,000	368,000	501,000	637,000
2022-23	637,000	431,000	335,000	733,000

**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

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

General Fund

Special Revenue Funds

Parks and Nature Operating Fund

Affordable Housing Fund

Supportive Housing Services Fund

## **Postemployment benefits other than pensions Retirement Health Insurance Account**

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

Schedule of District's Contributions

## **Postemployment benefits other than pensions Implicit Rate Subsidy**

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

## **Oregon Public Employees Retirement System, Pension Plan**

Schedule of District's Proportionate Share of Net Pension Liability

Schedule of District's Contributions

## **Notes to Required Supplementary Information**

**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, 2023**

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Government fees	\$ -	-	1,980	1,980
Culture and recreation fees	3,372,423	3,772,423	4,149,189	376,766
Other fees	1,350,427	1,350,427	1,082,296	(268,131)
Internal charges for services	1,865,705	1,865,705	1,205,481	(660,224)
Licenses and permits	589,200	589,200	587,155	(2,045)
Miscellaneous revenue	2,477,252	2,477,252	3,662,384	1,185,132
Operating grants and contributions:				
Grants	12,152,861	13,275,895	13,637,797	361,902
Local government shared revenue	220,450	220,450	220,666	216
Government contributions	3,600,373	3,600,373	-	(3,600,373)
General revenues:				
Taxes:				
Property taxes	18,292,135	18,292,135	18,804,903	512,768
Excise taxes	20,245,727	20,245,727	20,439,429	193,702
Construction excise tax	3,595,000	3,595,000	3,598,048	3,048
Investment income	615,000	615,000	2,118,954	1,503,954
<b>Total revenues</b>	<b>68,376,553</b>	<b>69,899,587</b>	<b>69,508,282</b>	<b>(391,305)</b>
<b>EXPENDITURES</b>				
Council	11,452,835	9,374,294	7,978,930	1,395,364
Capital Asset Management	5,152,070	5,474,155	4,623,914	850,241
Communications	5,391,204	5,788,972	4,742,146	1,046,826
Diversity, equity and inclusion	-	2,612,766	1,992,851	619,915
Finance and regulatory services	10,457,510	10,763,925	9,916,531	847,394
Human resources	5,579,349	5,769,995	5,499,893	270,102
Information services	7,326,100	7,468,815	6,968,029	500,786
Office of the auditor	1,030,373	1,030,373	957,207	73,166
Office of Metro attorney	3,517,770	3,620,375	3,501,786	118,589
Parks and nature	3,227,423	3,627,423	3,595,695	31,728
Planning, development and research	37,664,053	38,071,763	22,426,371	15,645,392
Special appropriations	1,961,161	1,961,161	1,510,012	451,149
Non-departmental:				
Debt service	14,482,097	14,482,097	14,482,096	1
Contingency	25,666,020	24,224,885	-	24,224,885
<b>Total expenditures</b>	<b>132,907,965</b>	<b>134,270,999</b>	<b>88,195,461</b>	<b>46,075,538</b>
<b>Revenues over (under) expenditures</b>	<b>(64,531,412)</b>	<b>(64,371,412)</b>	<b>(18,687,179)</b>	<b>45,684,233</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	38,950	38,950
Transfers in	48,545,480	48,545,480	48,545,480	-
Transfers out	(25,759,836)	(25,919,836)	(25,696,840)	222,996
<b>Total other financing sources (uses)</b>	<b>22,785,644</b>	<b>22,625,644</b>	<b>22,887,590</b>	<b>261,946</b>

(Continued)

**METRO**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**  
**Budget and Actual (Non-GAAP Basis of Budgeting), *continued***  
**For the fiscal year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
Revenues and other sources over (under) expenditures and other uses	\$ (41,745,768)	(41,745,768)	4,200,411	45,946,179
Beginning fund balance available for appropriation - July 1, 2022	69,034,607	69,034,607	80,880,181	11,845,574
Unappropriated ending fund balance - June 30, 2023	\$ 27,288,839	27,288,839	85,080,592	57,791,753
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			\$ 4,200,411	
General Revenue Bond Fund-General			13,013	
General Asset Management Fund			3,663,157	
Additional (decrease to) revenues required by Governmental GAAP:				
Adjustment to value investments at fair value			(472,309)	
Adjustment to value lessor arrangements at present value			19,453	
Repayment of TOD loans			4,300	
Accrual of interest receivable on TOD loans			(646,029)	
Decrease to (additional) expenses required by Governmental GAAP:				
Loss on sale of assets held for resale			(1,798,200)	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ 4,983,796	

**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, 2023**

	Budgeted Amounts			Variance with final budget
	Original	Final	Actual Amounts	
REVENUES				
Program revenues:				
Charges for services:				
Government fees	\$ 13,000	13,000	13,825	825
Culture and recreation fees	1,125,000	1,125,000	1,081,176	(43,824)
Other fees	1,143,529	1,143,529	1,340,539	197,010
Miscellaneous revenue	60,000	60,000	29,805	(30,195)
Operating grants and contributions:				
Grants	15,200	266,753	119,675	(147,078)
Local government shared revenue	605,000	605,000	663,986	58,986
Government contributions	150,000	180,541	28,812	(151,729)
Capital contributions and donations	-	74,158	16,946	(57,212)
General revenues:				
Taxes:				
Property taxes	17,462,331	17,462,331	18,155,164	692,833
Investment income	180,000	180,000	400,041	220,041
Total revenues	20,754,060	21,110,312	21,849,969	739,657
EXPENDITURES				
Parks and nature	23,362,092	24,453,757	22,547,604	1,906,153
Contingency	9,336,875	8,601,462	-	8,601,462
Total expenditures	32,698,967	33,055,219	22,547,604	10,507,615
Revenues over (under) expenditures	(11,944,907)	(11,944,907)	(697,635)	11,247,272
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	3,850	(3,850)
Transfers in	2,874,845	2,874,845	2,864,876	9,969
Transfers out	(3,929,938)	(3,929,938)	(3,929,938)	-
Total other financing sources (uses)	(1,055,093)	(1,055,093)	(1,061,212)	6,119
Revenues and other sources over (under) expenditures and other uses	(13,000,000)	(13,000,000)	(1,758,847)	11,253,391
Beginning fund balance available for appropriation - July 1, 2022	13,000,000	13,000,000	12,538,903	(461,097)
Unappropriated ending fund balance - June 30, 2023	\$ -	-	10,780,056	10,792,294

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	\$ (1,758,847)
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value lessor arrangements at present value	30,133
Adjustment to value investments at fair value	(775)
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds	\$ (1,729,489)

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ -	-	14,400	14,400
General revenues:				
Investment income	4,773,989	4,773,989	6,007,952	1,233,963
Total revenues	4,773,989	4,773,989	6,022,352	1,233,963
<b>EXPENDITURES</b>				
Housing	276,867,864	276,892,825	99,457,660	177,435,165
Contingency	50,000,000	49,975,039	-	49,975,039
Total expenditures	326,867,864	326,867,864	99,457,660	227,410,204
Revenues over (under) expenditures	(322,093,875)	(322,093,875)	(93,435,308)	228,644,167
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,548,164)	(2,548,164)	(2,548,164)	-
Total other financing sources (uses)	(2,548,164)	(2,548,164)	(2,548,164)	-
Revenues and other sources over (under) expenditures and other uses	(324,642,039)	(324,642,039)	(95,983,472)	228,644,167
Beginning fund balance available for appropriation - July 1, 2022	530,440,000	530,440,000	555,813,006	25,373,006
Unappropriated ending fund balance - June 30, 2023	\$ 205,797,961	205,797,961	459,829,534	254,017,173

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	\$ (95,983,472)
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value investments at fair value	3,574,851
Budget requirements not qualifying as expenses under Governmental GAAP:	
Purchase of assets held for resale	2,200,000
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds	\$ (90,208,621)

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
General revenues:				
Taxes:				
Business income taxes	\$ 112,500,000	112,500,000	156,450,869	43,950,869
Personal income taxes	112,500,000	112,500,000	190,593,493	78,093,493
Investment income	281,250	281,250	837,336	556,086
Total revenues	225,281,250	225,281,250	347,881,698	122,600,448
<b>EXPENDITURES</b>				
Supportive housing	217,336,486	217,663,285	156,949,260	60,714,025
Contingency	9,475,852	9,149,053	-	9,149,053
Total expenditures	226,812,338	226,812,338	156,949,260	69,863,078
Revenues over (under) expenditures	(1,531,088)	(1,531,088)	190,932,438	192,463,526
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(13,861,913)	(13,861,913)	(13,861,913)	-
Total other financing sources (uses)	(13,861,913)	(13,861,913)	(13,861,913)	-
Revenues and other sources over (under) expenditures and other uses	(15,393,001)	(15,393,001)	177,070,525	192,463,526
Beginning fund balance available for appropriation - July 1, 2022	15,393,001	15,393,001	177,201,219	161,808,218
Unappropriated ending fund balance - June 30, 2023	\$ -	-	354,271,744	354,271,744
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			\$ 177,070,525	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(110,085)	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ 176,960,440	

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

	2017	2018	2019	2020	2021	2022	2023
Metro's proportion of the net OPEB liability (asset)	0.6214%	0.6037%	0.6165%	0.6388%	0.3558%	0.3828%	0.5113%
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)
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
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%
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%

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

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

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

	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 317,059	298,503	316,595	25,405	10,242	12,601	9,322
Contributions in relation to the contractually required contribution	317,059	298,503	316,595	25,405	10,242	12,601	9,322
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
Contribution as a percentage of covered payroll	0.5%	0.5%	0.5%	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 District's Changes in Total OPEB Liability and Related Ratios**  
**Implicit Rate Subsidy Plan**  
**Last Six Fiscal Years**

<b>Total OPEB Liability</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Service cost	\$ 188,084	176,683	177,807	202,330	246,402	158,498
Interest on total OPEB liability	83,594	102,623	113,004	109,231	78,204	51,984
Changes of assumptions or other inputs	(168,115)	(66,972)	47,547	200,089	(708,759)	(227,787)
Economic/demographic gains or losses	-	-	(16,637)	-	(533,513)	-
Benefit payments	(162,251)	(155,404)	(164,866)	(125,359)	(150,368)	(102,095)
Net change in total OPEB liability	(58,688)	56,930	156,855	386,291	(1,068,034)	(119,400)
Total OPEB liability, beginning of year	2,825,591	2,766,903	2,823,833	2,980,688	3,366,979	2,298,945
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>
Metro's covered-employee payroll	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

This schedule is presented to illustrate Metro's changes in total OPEB liability over the last 10 years.

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

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

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

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

2017	2018	2019	2020	2021	2022	2023
0.5465773%	0.5920128%	0.5989718%	0.6323848%	0.6394909%	0.6525487%	0.5339088%
82,053,939	79,803,544	90,736,337	109,387,421	139,558,908	78,087,113	81,752,142
60,051,593	62,262,783	66,236,964	69,412,840	70,340,490	60,103,526	70,193,764
136.6%	128.2%	137.0%	157.6%	198.4%	129.9%	116.5%
80.5%	83.1%	82.1%	80.2%	75.8%	87.6%	84.5%

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

	<b>2014</b>	<b>2015</b>	<b>2016</b>
Actuarially Determined Contributions	\$ 3,840,003	4,062,684	4,729,515
Contributions in Relation to Actuarially Determined Contributions	3,840,003	4,062,684	4,729,515
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
Metro's covered Payroll	<u>\$ 52,521,307</u>	<u>55,726,726</u>	<u>60,051,593</u>
Contributions as a percentage of covered payroll	7.3%	7.3%	7.9%

2017	2018	2019	2020	2021	2022	2023
5,315,109	7,594,605	8,097,797	11,296,142	9,591,373	12,296,540	15,167,944
5,315,109	7,594,605	8,097,797	11,296,142	9,591,373	12,296,540	15,167,944
-	-	-	-	-	-	-
62,262,783	66,236,964	69,412,840	70,340,490	60,103,526	70,193,764	82,310,557
8.5%	11.5%	11.7%	16.1%	16.0%	17.5%	18.4%

**METRO**  
**Notes to Required Supplementary Information**  
**For the fiscal year ended June 30, 2023**

**BUDGETARY INFORMATION****1. BUDGETS**

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

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

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

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

**2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the fiscal year ended June 30, 2023, expenditures exceed appropriations in the General Obligation Bond Debt Service Fund due to the refunding of the 2012A Series Natural Areas General Obligation Bonds and 2012A Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds. Oregon Local Budget Law (ORS 294.338) provides certain exemptions for over expenditures due to the issuance of debt.

**3. RECONCILIATION OF BASIS OF BUDGETING TO GAAP BASIS**

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

## PENSION PLAN INFORMATION

### 1. CHANGES IN BENEFIT TERMS

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro vs. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 pension liability.

### 2. CHANGES IN ASSUMPTIONS

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

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

### 1. CHANGES IN BENEFIT TERMS

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

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

### 2. CHANGES IN ASSUMPTIONS

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

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

### 1. CHANGES IN BENEFIT TERMS

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

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

### 2. CHANGES IN ASSUMPTIONS

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

general inflation and annual salary increases were updated to reflect assumptions used in the Oregon December 31, 2020 actuarial valuation.

### **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

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## **Combining Statements**

Nonmajor Governmental Funds

## **Budgetary Comparison Schedules**

Other Major Governmental Funds

Nonmajor Governmental Funds

Proprietary Funds

Other Budgetary Funds

## **Other Financial Schedules**



A large, solid dark blue hexagon is centered on the page. Inside the hexagon, the text "Combining Statements" is written in a white, bold, sans-serif font.

## **Combining Statements**

# Combining Statement

## Nonmajor Governmental Funds

### **Special Revenue Funds**

#### **Smith and Bybee Wetlands Fund**

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

#### **Community Enhancement Fund**

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

### **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, 2023**

	Special Revenue			Permanent	Total Nonmajor Governmental Funds
	Smith and Bybee Wetlands	Community Enhancement	Total	Cemetery Perpetual Care	
<b>ASSETS</b>					
Equity in internal cash and investment pool	\$ 1,208,697	1,195,962	2,404,659	733,641	3,138,300
Receivables:					
Other	-	59,871	59,871	-	59,871
Interest	4,673	5,064	9,737	2,753	12,490
Prepaid items	-	408	408	-	408
<b>Total assets</b>	<b>1,213,370</b>	<b>1,261,305</b>	<b>2,474,675</b>	<b>736,394</b>	<b>3,211,069</b>
<b>LIABILITIES</b>					
Liabilities:					
Accounts payable	8,481	329,087	337,568	-	337,568
<b>Total liabilities</b>	<b>8,481</b>	<b>329,087</b>	<b>337,568</b>	<b>-</b>	<b>337,568</b>
<b>FUND BALANCES</b>					
Nonspendable	-	409	409	747,746	748,155
Restricted	1,204,889	931,809	2,136,698	-	2,136,698
Unassigned	-	-	-	(11,352)	(11,352)
<b>Total fund balances</b>	<b>1,204,889</b>	<b>932,218</b>	<b>2,137,107</b>	<b>736,394</b>	<b>2,873,501</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,213,370</b>	<b>1,261,305</b>	<b>2,474,675</b>	<b>736,394</b>	<b>3,211,069</b>

**METRO**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the fiscal year ended June 30, 2023**

	Special Revenue			Permanent	Total Nonmajor Governmental Funds
	Smith and Bybee Wetlands	Community Enhancement	Total	Cemetery Perpetual Care	
<b>REVENUES</b>					
Investment income	\$ 35,081	29,803	64,884	16,698	81,582
Solid waste fees	-	1,313,889	1,313,889	-	1,313,889
Total revenues	35,081	1,343,692	1,378,773	16,698	1,395,471
<b>EXPENDITURES</b>					
Current:					
Culture and recreation	242,199	1,314,305	1,556,504	-	1,556,504
Total expenditures	242,199	1,314,305	1,556,504	-	1,556,504
Revenues over (under) expenditures	(207,118)	29,387	(177,731)	16,698	(161,033)
<b>OTHER FINANCING SOURCES</b>					
Transfers out	-	-	-	(17,822)	(17,822)
Total other financing sources	-	-	-	(17,822)	(17,822)
Net change in fund balances	(207,118)	29,387	(177,731)	(1,124)	(178,855)
Fund balances - July 1, 2022	1,412,007	902,831	2,314,838	737,518	3,052,356
Fund balances - June 30, 2023	\$ 1,204,889	932,218	2,137,107	736,394	2,873,501



## Budgetary Comparison Schedules

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

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



# Budgetary Comparison Schedules

Other Major Governmental Funds

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

### **Debt Service Fund**

General Obligation Bond Debt Service Fund

### **Capital Projects Funds**

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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
General revenues:				
Taxes:				
Property taxes	\$ 74,586,398	74,586,398	76,186,943	1,600,545
Investment income	150,000	150,000	996,032	846,032
Total revenues	74,736,398	74,736,398	77,182,975	2,446,577
<b>EXPENDITURES</b>				
Materials and services	-	100,000	80,380	19,620
Debt service:				
Principal	48,485,000	48,485,000	48,485,000	-
Interest	28,099,398	28,099,398	27,142,185	957,213
Total expenditures	76,584,398	76,684,398	75,707,565	976,833
Revenues over (under) expenditures	(1,848,000)	(1,948,000)	1,475,410	1,469,744
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued	-	100,000	40,873,920	(40,773,920)
Payment to refunded bond escrow agent	-	-	(41,750,751)	41,750,751
Total other financing sources (uses)	-	100,000	(876,831)	976,831
Revenues and other sources over (under) expenditures and other uses	(1,848,000)	(1,848,000)	598,579	2,446,575
Beginning fund balance available for appropriation - July 1, 2022	1,848,000	1,848,000	2,887,363	1,039,363
Unappropriated ending fund balance - June 30, 2023	\$ -	-	3,485,942	3,485,938

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	\$ 598,579
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value investments at fair value	(15,375)
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds	\$ 583,204

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
General revenues:				
Investment income	\$ 30,000	30,000	98,583	68,583
Total revenues	30,000	30,000	98,583	68,583
<b>EXPENDITURES</b>				
Parks and nature	3,016,379	3,016,379	421,070	2,595,309
Contingency	730,757	730,757	-	730,757
Total expenditures	3,747,136	3,747,136	421,070	3,326,066
Revenues over (under) expenditures	(3,717,136)	(3,717,136)	(322,487)	3,394,649
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(782,864)	(782,864)	(782,864)	-
Total other financing sources (uses)	(782,864)	(782,864)	(782,864)	-
Revenues and other sources over (under) expenditures and other uses	(4,500,000)	(4,500,000)	(1,105,351)	3,394,649
Beginning fund balance available for appropriation - July 1, 2022	4,500,000	4,500,000	4,615,476	115,476
Unappropriated ending fund balance - June 30, 2023	\$ -	-	3,510,125	3,510,125
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			\$ (1,105,351)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			15,814	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ (1,089,537)	

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ -	-	4,252	4,252
General revenues:				
Investment income	2,225,000	2,225,000	2,030,375	(194,625)
Total revenues	2,225,000	2,225,000	2,034,627	(190,373)
<b>EXPENDITURES</b>				
Parks and nature	64,148,912	61,269,113	15,045,914	46,223,199
Contingency	9,000,000	11,879,799	-	11,879,799
Total expenditures	73,148,912	73,148,912	15,045,914	58,102,998
Revenues over (under) expenditures	(70,923,912)	(70,923,912)	(13,011,287)	57,912,625
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,784,172)	(2,784,172)	(2,774,203)	9,969
Total other financing sources (uses)	(2,784,172)	(2,784,172)	(2,774,203)	9,969
Revenues and other sources over (under) expenditures and other uses	(73,708,084)	(73,708,084)	(15,785,490)	57,922,594
Beginning fund balance available for appropriation - July 1, 2022	180,000,000	180,000,000	186,348,143	6,348,143
Unappropriated ending fund balance - June 30, 2023	\$ 106,291,916	106,291,916	170,562,653	64,270,737
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			\$ (15,785,490)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(453,579)	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ (16,239,069)	



# Budgetary Comparison Schedules

## Nonmajor Governmental Funds

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

#### **Special Revenue Funds**

Smith and Bybee Wetlands Fund  
Community Enhancement Fund

#### **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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
General revenues:				
Investment income	\$ 18,500	18,500	33,043	14,543
Total revenues	18,500	18,500	33,043	14,543
<b>EXPENDITURES</b>				
Parks and nature	175,000	192,500	152,904	39,596
Contingency	500,000	482,500	-	482,500
Total expenditures	675,000	675,000	152,904	522,096
Revenues over (under) expenditures	(656,500)	(656,500)	(119,861)	536,639
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(89,295)	(89,295)	(89,295)	-
Total other financing sources (uses)	(89,295)	(89,295)	(89,295)	-
Revenues and other sources over (under) expenditures and other uses	(745,795)	(745,795)	(209,156)	536,639
Beginning fund balance available for appropriation - July 1, 2022	1,350,000	1,350,000	1,444,989	94,989
Unappropriated ending fund balance - June 30, 2023	\$ 604,205	604,205	1,235,833	631,628
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			\$ (209,156)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			2,038	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			\$ (207,118)	

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Solid waste fees	\$ 1,089,554	1,089,554	1,313,889	224,335
General revenues:				
Investment income	5,446	5,446	32,808	27,362
Total revenues	1,095,000	1,095,000	1,346,697	251,697
<b>EXPENDITURES</b>				
Waste prevention and environmental services	1,524,594	1,524,594	1,264,304	260,290
Contingency	69,500	69,500	-	69,500
Total expenditures	1,594,094	1,594,094	1,264,304	329,790
Revenues over (under) expenditures	(499,094)	(499,094)	82,393	581,487
<b>OTHER FINANCING SOURCES (USES)</b>				
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)	32,393	581,487
Beginning fund balance available for appropriation - July 1, 2022	654,521	654,521	930,443	275,922
Unappropriated ending fund balance - June 30, 2023	\$ 105,427	105,427	962,836	857,409
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ 32,393	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(3,006)	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			\$ 29,387	

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
General revenues:				
Investment income	\$ 11,500	11,500	18,252	6,752
Total revenues	11,500	11,500	18,252	6,752
Revenues over (under) expenditures	11,500	11,500	18,252	6,752
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(40,000)	(40,000)	(17,822)	22,178
Total other financing sources (uses)	(40,000)	(40,000)	(17,822)	22,178
Revenues and other sources over (under) expenditures and other uses	(28,500)	(28,500)	430	(28,930)
Beginning fund balance available for appropriation - July 1, 2022	776,247	776,247	754,747	(21,500)
Unappropriated ending fund balance - June 30, 2023	\$ 747,747	747,747	755,177	(50,430)
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			\$ 430	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			(1,554)	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			\$ (1,124)	



# Budgetary Comparison Schedules

## Proprietary Funds

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

#### **Enterprise Funds**

Solid Waste Revenue Fund  
Oregon Zoo Operating Fund  
MERC Fund

#### **Internal Service Fund**

Risk Management Fund

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

**METRO**  
**Solid Waste Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**  
**Budget and Actual (Non-GAAP Basis of Budgeting)**  
**For the fiscal year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Government fees	\$ 1,204,000	1,204,000	864,709	(339,291)
Culture and recreation fees	-	-	5,831	5,831
Solid waste fees	106,046,325	106,046,325	104,259,447	(1,786,878)
Other fees	-	-	500	500
Miscellaneous revenue	127,000	127,000	148,746	21,746
Operating grants and contributions:				
Grants	10,000,000	10,000,000	6,587,581	(3,412,419)
General revenues:				
Investment income	673,020	673,020	1,108,024	435,004
<b>Total revenues</b>	<b>118,050,345</b>	<b>118,050,345</b>	<b>112,974,838</b>	<b>(5,075,507)</b>
<b>EXPENDITURES</b>				
Waste prevention and environmental services	117,218,173	117,218,173	98,865,200	18,352,973
Contingency	15,516,819	15,516,819	-	15,516,819
<b>Total expenditures</b>	<b>132,734,992</b>	<b>132,734,992</b>	<b>98,865,200</b>	<b>33,869,792</b>
<b>Revenues over (under) expenditures</b>	<b>(14,684,647)</b>	<b>(14,684,647)</b>	<b>14,109,638</b>	<b>28,794,285</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	19,200	19,200
Transfers in	488,590	488,590	488,590	-
Transfers out	(10,875,126)	(10,875,126)	(10,875,126)	-
<b>Total other financing sources (uses)</b>	<b>(10,386,536)</b>	<b>(10,386,536)</b>	<b>(10,367,336)</b>	<b>19,200</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>(25,071,183)</b>	<b>(25,071,183)</b>	<b>3,742,302</b>	<b>28,813,485</b>
<b>Beginning fund balance available for appropriation - July 1, 2022</b>	<b>35,853,468</b>	<b>35,853,468</b>	<b>39,008,324</b>	<b>3,154,856</b>
<b>Unappropriated ending fund balance - June 30, 2023</b>	<b>\$ 10,782,285</b>	<b>10,782,285</b>	<b>42,750,626</b>	<b>31,968,341</b>

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Culture and recreation fees	\$ 22,598,819	22,598,819	24,770,983	2,172,164
Other fees	5,000	5,000	27,121	22,121
Miscellaneous revenue	3,550,000	3,550,000	38,007	(3,511,993)
Operating grants and contributions:				
Grants	683,000	683,000	1,248,435	565,435
Contributions and donations	1,766,358	1,766,358	1,687,008	(79,350)
General revenues:				
Investment income	150,000	150,000	841,708	691,708
Total revenues	28,753,177	28,753,177	28,613,262	(139,915)
<b>EXPENDITURES</b>				
Visitor venues-Oregon Zoo	38,835,130	38,835,130	31,510,864	7,324,266
Contingency	13,232,408	11,262,408	-	11,262,408
Total expenditures	52,067,538	50,097,538	31,510,864	18,586,674
Revenues over (under) expenditures	(23,314,361)	(21,344,361)	(2,897,602)	18,446,759
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	14,568,279	14,568,279	14,568,279	-
Transfers out	(7,253,918)	(9,223,918)	(9,223,918)	-
Total other financing sources (uses)	7,314,361	5,344,361	5,344,361	-
Revenues and other sources over (under) expenditures and other uses	(16,000,000)	(16,000,000)	2,446,759	18,446,759
Beginning fund balance available for appropriation - July 1, 2022	16,000,000	16,000,000	30,673,599	14,673,599
Unappropriated ending fund balance - June 30, 2023	\$ -	-	33,120,358	33,120,358

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Culture and recreation fees	\$ 38,293,664	38,293,664	47,098,142	8,804,478
Other fees	3,845,813	3,845,813	3,918,517	72,704
Miscellaneous revenue	134,895	134,895	207,480	72,585
Operating grants and contributions:				
Grants	-	-	486,303	486,303
Local government shared revenue	17,852,624	17,852,624	18,714,330	861,706
Government contributions	1,053,584	1,053,584	1,903,584	850,000
Contributions and donations	190,955	190,955	128,557	(62,398)
Capital grants and contributions:				
Capital contributions and donations	40,000	40,000	40,000	-
General revenues:				
Investment income	342,000	342,000	982,853	640,853
Total revenues	61,753,535	61,753,535	73,479,766	11,726,231
<b>EXPENDITURES</b>				
MERC	60,215,821	61,983,821	60,919,088	1,064,733
Contingency	17,825,381	16,057,381	-	16,057,381
Total expenditures	78,041,202	78,041,202	60,919,088	17,122,114
Revenues over (under) expenditures	(16,287,667)	(16,287,667)	12,560,678	28,848,345
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	680,000	680,000	603,279	(76,721)
Transfers out	(9,750,358)	(9,750,358)	(9,750,358)	-
Total other financing sources (uses)	(9,070,358)	(9,070,358)	(9,147,079)	(76,721)
Revenues and other sources over (under) expenditures and other uses	(25,358,025)	(25,358,025)	3,413,599	28,771,624
Beginning fund balance available for appropriation - July 1, 2022	25,358,025	25,358,025	37,099,378	11,741,353
Unappropriated ending fund balance - June 30, 2023	\$ -	-	40,512,977	40,512,977

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Other fees	\$ -	-	2,793	2,793
Miscellaneous revenue	75,000	75,000	843,942	768,942
Operating grants and contributions:				
Grants	35,000	35,000	-	(35,000)
General revenues:				
Investment income	20,000	20,000	41,688	21,688
Total revenues	130,000	130,000	888,423	758,423
<b>EXPENDITURES</b>				
Finance and regulatory services	4,174,988	4,184,988	3,370,073	814,915
Contingency	400,000	390,000	-	390,000
Total expenditures	4,574,988	4,574,988	3,370,073	1,204,915
Revenues over (under) expenditures	(4,444,988)	(4,444,988)	(2,481,650)	1,963,338
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,644,988	1,644,988	1,644,988	-
Total other financing sources (uses)	1,644,988	1,644,988	1,644,988	-
Revenues and other sources over (under) expenditures and other uses	(2,800,000)	(2,800,000)	(836,662)	1,963,338
Beginning fund balance available for appropriation - July 1, 2022	2,800,000	2,800,000	2,426,426	(373,574)
Unappropriated ending fund balance - June 30, 2023	\$ -	-	1,589,764	1,589,764

**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, 2023**

	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	\$ 42,750,626	-	-	42,750,626	-
Oregon Zoo Operating Fund	-	33,120,358	-	33,120,358	-
Oregon Zoo Asset Management Fund	-	3,959,233	-	3,959,233	-
MERC Fund	-	-	40,512,977	40,512,977	-
General Revenue Bond Fund-MERC	-	-	511	511	-
Risk Management Fund	-	-	-	-	1,589,764
Additional Statement of Net Position items:					
Interest receivable	-	16,777	12,315	29,092	-
Due from other funds	513,839	-	-	513,839	-
Public-private partnership receivable-current	-	2,638,561	1,315,047	3,953,608	-
Public-private partnership receivable	-	15,182,110	13,463,381	28,645,491	-
OPEB asset	287,259	310,759	283,028	881,046	-
Capital assets, net	38,378,889	160,784,009	144,348,768	343,511,666	122,036
Deferred pension amounts-outflow	6,260,740	5,293,187	5,314,994	16,868,921	-
Deferred OPEB amounts-outflow	58,819	56,184	47,800	162,803	-
Accrued interest payable	(10,031)	(1,960)	(33,032)	(45,023)	(222)
Due to other funds	-	(513,839)	-	(513,839)	-
Leases payable-current	(545,907)	-	(79,013)	(624,920)	-
SBITA payable-current	(5,940)	(14,652)	(236,839)	(257,431)	(44,109)
Bonds payable-current	-	-	(965,000)	(965,000)	-
Post-closure costs payable-current	(907,450)	-	-	(907,450)	-
Compensated absences-current	(1,352,766)	(1,278,762)	(1,288,095)	(3,919,623)	(22,887)
Leases payable	(5,394,772)	-	(8,734,087)	(14,128,859)	-
SBITA payable	(20,187)	(49,795)	(291,289)	(361,271)	(44,552)
Bonds payable (net of unamortized premium or discount)	-	-	(1,136,909)	(1,136,909)	-
Total OPEB liability	(162,776)	(426,025)	(360,479)	(949,280)	-
Post-closure costs payable	(1,925,246)	-	-	(1,925,246)	-
Pollution remediation obligation	-	-	(95,000)	(95,000)	-
Compensated absences	-	(7,013)	(86,575)	(93,588)	(11,763)
Net pension liability	(14,725,560)	(12,449,829)	(12,501,120)	(39,676,509)	-
Deferred pension amounts-inflow	(7,947,441)	(6,719,220)	(6,746,902)	(21,413,563)	-
Deferred PPP amounts-inflow	-	(17,611,560)	(14,618,275)	(32,229,835)	-
Deferred OPEB amounts-inflow	(328,450)	(320,707)	(276,424)	(925,581)	-
Adjustments to Statement of Net Position items:					
Cumulative fair value adjustment to Equity in internal cash and investment pool	(1,109,181)	(990,523)	(1,099,166)	(3,198,870)	(33,282)
Total net position as reported on the Statement of Net Position-Proprietary Funds	\$ 53,814,465	180,977,293	156,750,616	391,542,374	1,554,985



## Budgetary Comparison Schedules

### Other Budgetary Funds

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

##### **General Revenue Bond Fund**

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

##### **General Asset Management Fund**

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

##### **Oregon Zoo Asset Management Fund**

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

**METRO**  
**General Revenue Bond Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**  
**Budget and Actual (Non-GAAP Basis of Budgeting)**  
**For the fiscal year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Operating grants and contributions:				
Local government shared revenue	\$ 3,399,000	3,399,000	3,394,366	(4,634)
General revenues:				
Investment income	6,416	6,416	17,647	11,231
Total revenues	3,405,416	3,405,416	3,412,013	6,597
<b>EXPENDITURES</b>				
Debt service	6,396,395	6,396,395	6,396,395	-
Total expenditures	6,396,395	6,396,395	6,396,395	-
Revenues over (under) expenditures	(2,990,979)	(2,990,979)	(2,984,382)	6,597
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,997,395	2,997,395	2,997,395	-
Total other financing sources (uses)	2,997,395	2,997,395	2,997,395	-
Revenues and other sources over (under) expenditures and other uses	6,416	6,416	13,013	6,597
Beginning fund balance available for appropriation - July 1, 2022	4,098,722	4,098,722	4,098,773	51
Unappropriated ending fund balance - June 30, 2023	\$ 4,105,138	4,105,138	4,111,786	6,648

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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ 57,000	57,000	68,748	11,748
General revenues:				
Investment income	262,000	262,000	721,572	459,572
Total revenues	319,000	319,000	790,320	471,320
<b>EXPENDITURES</b>				
Asset Management Program	24,546,761	24,706,761	2,776,505	21,930,256
Contingency	9,644,345	9,644,345	-	9,644,345
Total expenditures	34,191,106	34,351,106	2,776,505	31,574,601
Revenues over (under) expenditures	(33,872,106)	(34,032,106)	(1,986,185)	32,045,921
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	2,500	2,500
Transfers in	5,655,295	5,815,295	5,646,842	(168,453)
Total other financing sources (uses)	5,655,295	5,815,295	5,649,342	(165,953)
Revenues and other sources over (under) expenditures and other uses	(28,216,811)	(28,216,811)	3,663,157	31,879,968
Beginning fund balance available for appropriation - July 1, 2022	31,693,251	31,693,251	31,050,599	(642,652)
Unappropriated ending fund balance - June 30, 2023	\$ 3,476,440	3,476,440	34,713,756	31,237,316

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ -	-	5,519	5,519
Operating grants and contributions:				
Grants	500,000	500,000	-	(500,000)
Contributions and donations	350,000	540,000	914,222	374,222
Capital grants and contributions:				
Capital contributions and donations	1,205,000	1,205,000	855,053	(349,947)
General revenues:				
Investment income	-	-	143,589	143,589
Total revenues	2,055,000	2,245,000	1,918,383	(326,617)
<b>EXPENDITURES</b>				
Visitor venues-Oregon Zoo	9,525,712	11,685,712	6,791,673	4,894,039
Total expenditures	9,525,712	11,685,712	6,791,673	4,894,039
Revenues over (under) expenditures	(7,470,712)	(9,440,712)	(4,873,290)	4,567,422
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,136,601	3,106,601	3,106,601	-
Transfers out	(865,889)	(865,889)	(865,889)	-
Total other financing sources (uses)	270,712	2,240,712	2,240,712	-
Revenues and other sources over (under) expenditures and other uses	(7,200,000)	(7,200,000)	(2,632,578)	4,567,422
Beginning fund balance available for appropriation - July 1, 2022	7,200,000	7,200,000	6,591,811	(608,189)
Unappropriated ending fund balance - June 30, 2023	\$ -	-	3,959,233	3,959,233

**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, 2023**

	General	MERC	Total
<b>REVENUES</b>			
Program revenues:			
Operating grants and contributions:			
Local government shared revenue	\$ 3,394,366	-	3,394,366
General revenues:			
Investment income	17,635	12	17,647
Total revenues	3,412,001	12	3,412,013
<b>EXPENDITURES</b>			
Debt service	5,370,520	1,025,875	6,396,395
Total expenditures	5,370,520	1,025,875	6,396,395
Revenues over (under) expenditures	(1,958,519)	(1,025,863)	(2,984,382)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,971,520	1,025,875	2,997,395
Total other financing sources (uses)	1,971,520	1,025,875	2,997,395
Revenues and other sources over (under) expenditures and other uses	13,001	12	13,013
Beginning fund balance available for appropriation - July 1, 2022	4,098,274	499	4,098,773
Unappropriated ending fund balance - June 30, 2023	\$ 4,111,275	511	4,111,786

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

A large, solid dark blue hexagon is centered on the page. Inside the hexagon, the text "Other Financial Schedules" is written in a white, bold, sans-serif font.

## **Other Financial Schedules**

**METRO**  
**Schedule of Property Tax Transactions**  
**and Outstanding Receivable**  
**For the fiscal year ended June 30, 2023**

Fiscal Year	Original levy or balance of receivable July 1, 2022	Add (deduct)				Property taxes receivable June 30, 2023
		Discounts	Adjustments	Interest	Collections	
2022-23	\$ 116,417,354	(1,535,447)	(1,967,216)	5,259	(111,481,104)	1,438,846
2021-22	1,374,770	(8,029)	(116,741)	10,720	(749,394)	511,326
2020-21	521,379	6,583	(51,461)	6,710	(204,017)	279,194
2019-20	327,553	12,598	(17,403)	7,207	(191,244)	138,711
2018-19	82,985	17,696	(10,449)	2,404	(66,488)	26,148
2017-18	21,207	(55)	(2,320)	364	(5,489)	13,707
2016-17 & prior	90,141	(1,219)	(4,462)	528	(6,133)	78,855
<b>Total</b>	<b>\$ 118,835,389</b>	<b>(1,507,873)</b>	<b>(2,170,052)</b>	<b>33,192</b>	<b>(112,703,869)</b>	<b>2,486,787</b>

		<b>Governmental Activities</b>
Reconciliation to property tax revenue presented in the Statement of Activities:		
Cash collections July 1, 2022 to June 30, 2023		\$ 112,703,869
Accrual of receivables:		
July 1, 2022 to August 31, 2022		(290,164)
July 1, 2023 to August 31, 2023		588,778
Timing difference between county tax collector and county treasurer		(267,001)
Payments in lieu of property taxes		411,531
Taxes earned but not available:		
June 30, 2022		(2,127,871)
June 30, 2023		1,900,770
Property tax revenue per Statement of Activities		<u>\$ 112,919,912</u>

**METRO**  
**Schedule of Future Bonded Debt Service Requirements**  
**General Obligation Bonds**  
**June 30, 2023**

Year of maturity	2012A Series Natural Areas General Obligation Bonds		2012A Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds		2018 Series Natural Areas General Obligation Bonds		2018 Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023-24	\$ -	240,403	-	129,448	2,125,000	342,750	975,000	289,500
2024-25	-	240,403	-	129,448	2,280,000	236,500	1,060,000	240,750
2025-26	3,107,000	240,403	1,673,000	129,448	2,450,000	122,500	1,150,000	187,750
2026-27	-	-	-	178,650	-	-	1,250,000	130,250
2027-28	-	-	5,955,000	178,650	-	-	1,355,000	67,750
2028-29	-	-	-	-	-	-	-	-
2029-30	-	-	-	-	-	-	-	-
2030-31	-	-	-	-	-	-	-	-
2031-32	-	-	-	-	-	-	-	-
2032-33	-	-	-	-	-	-	-	-
2033-34	-	-	-	-	-	-	-	-
2034-35	-	-	-	-	-	-	-	-
2035-36	-	-	-	-	-	-	-	-
2036-37	-	-	-	-	-	-	-	-
2037-38	-	-	-	-	-	-	-	-
2038-39	-	-	-	-	-	-	-	-
2039-40	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 3,107,000</b>	<b>721,209</b>	<b>7,628,000</b>	<b>745,644</b>	<b>6,855,000</b>	<b>701,750</b>	<b>5,790,000</b>	<b>916,000</b>

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

2019 Series Affordable Housing General Obligation Bonds		2020 Parks and Nature General Obligation Bonds		2023 Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds		2023 Series Natural Areas General Obligation Bonds		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal (1)	Interest
19,600,000	19,583,904	17,425,000	4,104,793	9,801,010	1,055,017	5,277,467	568,086	55,203,477	26,313,901
21,465,000	18,897,904	8,685,000	3,900,921	16,767,038	663,974	9,028,405	357,525	59,285,443	24,667,425
23,425,000	18,146,629	3,000,000	3,786,279	-	-	-	-	34,805,000	22,613,009
25,435,000	17,385,316	3,000,000	3,741,279	-	-	-	-	29,685,000	21,435,495
27,545,000	16,558,679	3,000,000	3,691,779	-	-	-	-	37,855,000	20,496,858
29,765,000	15,663,466	3,000,000	3,638,979	-	-	-	-	32,765,000	19,302,445
32,020,000	14,770,516	3,000,000	3,583,179	-	-	-	-	35,020,000	18,353,695
34,380,000	13,809,916	7,710,000	3,526,179	-	-	-	-	42,090,000	17,336,095
36,895,000	12,744,136	8,435,000	3,140,679	-	-	-	-	45,330,000	15,884,815
39,535,000	11,591,168	9,205,000	2,718,929	-	-	-	-	48,740,000	14,310,097
42,335,000	10,326,048	9,930,000	2,350,729	-	-	-	-	52,265,000	12,676,777
45,290,000	8,950,160	10,695,000	1,953,529	-	-	-	-	55,985,000	10,903,689
48,410,000	7,455,590	11,395,000	1,632,679	-	-	-	-	59,805,000	9,088,269
51,735,000	5,809,650	12,065,000	1,353,501	-	-	-	-	63,800,000	7,163,151
55,270,000	3,998,925	12,770,000	1,051,876	-	-	-	-	68,040,000	5,050,801
58,985,000	2,064,475	13,510,000	726,241	-	-	-	-	72,495,000	2,790,716
-	-	14,285,000	374,981	-	-	-	-	14,285,000	374,981
<u>592,090,000</u>	<u>197,756,482</u>	<u>151,110,000</u>	<u>45,276,532</u>	<u>26,568,048</u>	<u>1,718,991</u>	<u>14,305,872</u>	<u>925,611</u>	<u>807,453,920</u>	<u>248,762,219</u>

**METRO**  
**Schedule of Future Bonded Debt Service Requirements**  
**Full Faith and Credit, Dedicated Tax Revenue and Pension Obligation Bonds**  
**June 30, 2023**

Year of maturity	Full Faith and Credit Bonds				Dedicated Tax Revenue Bonds		Pension Obligation Bonds	
	Refunding Bonds 2016				Oregon Convention Center		Metro Limited Tax Pension	
	Series (2)		2018 Series (1)		Hotel Project Series 2017 (1)		Obligation Bonds Series 2005 (1)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023-24	\$ 965,000	49,450	1,060,000	586,450	1,055,000	2,343,750	2,010,000	536,179
2024-25	1,005,000	15,075	1,115,000	533,450	1,105,000	2,291,000	2,210,000	435,598
2025-26	-	-	1,170,000	477,700	1,160,000	2,235,750	2,430,000	325,010
2026-27	-	-	1,230,000	419,200	1,220,000	2,177,750	2,660,000	203,413
2027-28	-	-	1,290,000	357,700	1,280,000	2,116,750	1,405,000	70,306
2028-29	-	-	1,355,000	293,200	1,345,000	2,052,750	-	-
2029-30	-	-	1,420,000	225,450	1,410,000	1,985,500	-	-
2030-31	-	-	1,495,000	154,450	1,485,000	1,915,000	-	-
2031-32	-	-	1,555,000	94,650	1,555,000	1,840,750	-	-
2032-33	-	-	1,600,000	48,000	1,635,000	1,763,000	-	-
2033-34	-	-	-	-	1,715,000	1,681,250	-	-
2034-35	-	-	-	-	1,800,000	1,595,500	-	-
2035-36	-	-	-	-	1,895,000	1,505,500	-	-
2036-37	-	-	-	-	1,985,000	1,410,750	-	-
2037-38	-	-	-	-	2,085,000	1,311,500	-	-
2038-39	-	-	-	-	2,190,000	1,207,250	-	-
2039-40	-	-	-	-	2,300,000	1,097,750	-	-
2040-41	-	-	-	-	2,415,000	982,750	-	-
2041-42	-	-	-	-	2,535,000	862,000	-	-
2042-43	-	-	-	-	2,660,000	735,250	-	-
2043-44	-	-	-	-	2,795,000	602,250	-	-
2044-45	-	-	-	-	2,935,000	462,500	-	-
2045-46	-	-	-	-	3,080,000	315,750	-	-
2046-47	-	-	-	-	3,235,000	161,750	-	-
<b>Total</b>	<b>\$ 1,970,000</b>	<b>64,525</b>	<b>13,290,000</b>	<b>3,190,250</b>	<b>46,875,000</b>	<b>34,653,750</b>	<b>10,715,000</b>	<b>1,570,506</b>

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

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

**METRO**  
**Schedule of Long-term Bonded Debt Transactions**  
**General Obligation Bonds**  
**For the fiscal year ended June 30, 2023**

	Principal				
	Outstanding July 1, 2022	Issued During Year	Matured and Paid During Year	Outstanding June 30, 2023	Interest Expenditure
DEBT SERVICE FUND					
2012A Series Natural Areas General Obligation Bonds with interest rates from 4.0 to 5.0%, final maturity 6/1/26	\$ 32,675,000	-	29,568,000	3,107,000	1,002,300
2012A Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds with interest rates from 3.0 to 5.0%, final maturity 6/1/28	29,725,000	-	22,097,000	7,628,000	866,763
2018 Series Natural Areas General Obligation Bonds with interest rate of 5.0%, final maturity 6/1/26	8,830,000	-	1,975,000	6,855,000	441,500
2018 Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds with interest rate of 5.0%, final maturity 6/1/28	6,680,000	-	890,000	5,790,000	334,000
2019 Series Affordable Housing General Obligation Bonds with interest rates from 3.0 to 3.5%, final maturity 6/1/39	609,925,000	-	17,835,000	592,090,000	20,208,129
2020 Parks and Nature General Obligation Bonds with interest rates from 1.2 to 5.0%, final maturity 6/1/40	168,055,000	-	16,945,000	151,110,000	4,289,493
2023 Series Natural Areas General Obligation Refunding Bonds with interest rate of 3.96%, final maturity 6/1/25	-	26,568,048	-	26,568,048	-
2023 Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Refunding Bonds with interest rate of 3.96%, final maturity 6/1/25	-	14,305,872	-	14,305,872	-
Total	\$ 855,890,000	40,873,920	89,310,000	807,453,920	27,142,185

**METRO**  
**Schedule of Long-term Bonded Debt Transactions**  
**Full Faith and Credit, Dedicated Tax Revenue, and Pension Obligation Bonds**  
**For the fiscal year ended June 30, 2023**

	Principal				
	Outstanding July 1, 2022	Issued During Year	Matured and Paid During Year	Outstanding June 30, 2023	Interest Expenditure
GOVERNMENTAL FUNDS					
GENERAL FUND:					
<u>Full Faith and Credit</u>					
Refunding Bonds 2013 Series (MRC) with interest rates from 1.0 to 2.2%, final maturity 8/1/22	\$ 1,370,000	-	1,370,000	-	15,070
<u>Full Faith and Credit</u>					
2018 Series with interest rates from 3.0 to 5.0%, final maturity 6/1/33	13,290,000	-	-	13,290,000	586,450
<u>Dedicated Tax Revenue</u>					
OCC Hotel Project Series 2017 with interest rates from 3.0 to 5.0%, final maturity 6/15/47	47,880,000	-	1,005,000	46,875,000	2,394,000
<u>Pension Obligation</u>					
Metro Limited Tax Series 2005 with interest rates from 4.859 to 5.004%, final maturity 6/1/28	12,535,000	-	1,820,000	10,715,000	627,251
<u>Full Faith and Credit</u>					
Supportive Housing Tax 2021 with interest rate of 0.71%, final maturity 6/1/23	11,950,000	-	11,950,000	-	84,845
Total	\$ 87,025,000	-	16,145,000	70,880,000	3,707,616
ENTERPRISE FUNDS					
MERC FUND:					
<u>Full Faith and Credit</u>					
Refunding Bonds 2016 Series with interest rates from 1.5 to 5.0%, final maturity 12/1/24	\$ 2,920,000	-	950,000	1,970,000	75,875
Total	\$ 2,920,000	-	950,000	1,970,000	75,875



# Statistical Section



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

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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**

	2014	2015	2016
<b>GOVERNMENTAL ACTIVITIES</b>			
Net investment in capital assets (1)	\$ 293,851,981	326,328,783	237,716,303
Restricted	60,588,283	79,540,758	141,591,292
Unrestricted	(24,867,150)	(51,369,202)	(151,660,696)
<b>Total governmental activities net position</b>	<b>\$ 329,573,114</b>	<b>354,500,339</b>	<b>227,646,899</b>
<b>BUSINESS-TYPE ACTIVITIES</b>			
Net investment in capital assets	\$ 179,069,899	175,914,225	311,325,512
Restricted	3,734,868	8,914,318	19,991,871
Unrestricted	56,992,148	61,672,307	53,779,562
<b>Total business-type activities net position</b>	<b>\$ 239,796,915</b>	<b>246,500,850</b>	<b>385,096,945</b>
<b>PRIMARY GOVERNMENT</b>			
Net investment in capital assets (1)	\$ 472,921,880	502,243,008	501,174,344
Restricted	64,323,151	88,455,076	161,583,163
Unrestricted	32,124,998	10,303,105	(50,013,663)
<b>Total primary government net position</b>	<b>\$ 569,370,029</b>	<b>601,001,189</b>	<b>612,743,844</b>

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

2017	2018	2019	2020	2021	2022	2023
267,856,359	265,925,123	281,246,439	294,848,252	324,068,485	331,538,185	344,469,479
128,141,074	132,860,263	122,522,041	138,330,011	122,154,281	334,925,580	502,757,659
(141,181,696)	(189,495,054)	(151,303,822)	(130,469,211)	(177,771,010)	(258,211,437)	(279,150,905)
<u>254,815,737</u>	<u>209,290,332</u>	<u>252,464,658</u>	<u>302,709,052</u>	<u>268,451,756</u>	<u>408,252,328</u>	<u>568,076,233</u>
310,527,670	311,737,639	321,159,565	338,396,545	343,691,434	333,384,655	326,037,270
24,326,517	24,100,994	38,698,873	6,410,761	7,506,843	7,480,840	5,523,549
55,130,008	60,498,533	24,855,194	22,788,471	12,197,703	44,764,019	55,296,142
<u>389,984,195</u>	<u>396,337,166</u>	<u>384,713,632</u>	<u>367,595,777</u>	<u>363,395,980</u>	<u>385,629,514</u>	<u>386,856,961</u>
533,080,026	532,358,759	570,027,275	591,873,688	621,205,786	623,668,341	647,808,583
152,467,591	156,961,257	161,220,914	144,740,772	129,661,124	342,406,420	508,281,208
(40,747,685)	(83,692,518)	(94,069,899)	(66,309,631)	(119,019,174)	(172,192,919)	(201,156,597)
<u>644,799,932</u>	<u>605,627,498</u>	<u>637,178,290</u>	<u>670,304,829</u>	<u>631,847,736</u>	<u>793,881,842</u>	<u>954,933,194</u>

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

	2014	2015	2016
<b>EXPENSES</b>			
Governmental activities:			
General government operations (1)	\$ 17,216,935	14,121,383	21,833,274
Planning, development and research (5)	11,609,788	12,164,998	16,311,836
Housing (4)	-	-	-
Culture and recreation	19,969,697	23,281,061	29,221,523
Zoo (2)	35,660,651	32,483,204	-
Interest on long-term debt	9,712,521	6,736,232	7,071,050
<b>Total governmental activities expenses</b>	<b>94,169,592</b>	<b>88,786,878</b>	<b>74,437,683</b>
Business-type activities:			
Solid Waste	56,759,612	57,279,945	64,542,514
Oregon Zoo (2)	-	-	51,633,613
MERC	53,945,435	54,868,782	69,110,637
<b>Total business-type activities expenses</b>	<b>110,705,047</b>	<b>112,148,727</b>	<b>185,286,764</b>
<b>Total primary government expenses</b>	<b>\$ 204,874,639</b>	<b>200,935,605</b>	<b>259,724,447</b>
<b>PROGRAM REVENUES</b>			
Governmental activities:			
Charges for services:			
General government operations	\$ 1,615,075	1,501,207	2,132,646
Planning, development and research (5)	1,422,619	1,180,754	789,058
Housing (4)	-	-	-
Culture and recreation	6,121,579	7,444,771	8,851,083
Zoo (2)	22,082,776	21,546,136	-
Operating grants and contributions (3)	11,945,779	22,495,818	13,145,776
Capital grants and contributions	3,454,245	7,141,282	261,290
<b>Total governmental activities program revenues</b>	<b>46,642,073</b>	<b>61,309,968</b>	<b>25,179,853</b>
Business-type activities:			
Charges for services:			
Solid Waste	58,583,492	62,743,167	68,196,150
Oregon Zoo (2)	-	-	23,741,859
MERC	35,091,155	42,892,276	50,972,855
Operating grants and contributions (4)	17,183,489	19,974,313	23,414,591
Capital grants and contributions	-	200,000	609,917
<b>Total business-type activities program revenues</b>	<b>110,858,136</b>	<b>125,809,756</b>	<b>166,935,372</b>
<b>Total primary government program revenues</b>	<b>\$ 157,500,209</b>	<b>187,119,724</b>	<b>192,115,225</b>

2017	2018	2019	2020	2021	2022	2023
16,571,054	92,414,695	18,419,574	26,670,161	23,947,617	10,172,047	9,665,907
18,252,248	18,694,103	26,623,652	29,178,474	79,863,702	167,988,989	22,085,632
-	-	-	-	-	-	258,576,138
33,156,498	34,237,180	31,389,370	33,858,568	36,625,998	43,987,029	39,097,568
-	-	-	-	-	-	-
6,766,723	8,150,951	11,408,272	29,756,452	32,096,042	29,286,520	27,331,869
74,746,523	153,496,929	87,840,868	119,463,655	172,533,359	251,434,585	356,757,114
67,359,647	70,581,702	76,879,522	84,882,301	95,968,724	91,608,851	105,381,938
46,636,849	51,803,762	47,446,196	50,169,271	37,511,393	37,814,691	50,082,803
69,090,836	74,435,547	106,849,882	84,868,082	29,584,071	55,992,846	74,517,626
183,087,332	196,821,011	231,175,600	219,919,654	163,064,188	185,416,388	229,982,367
257,833,855	350,317,940	319,016,468	339,383,309	335,597,547	436,850,973	586,739,481
3,133,150	2,764,649	4,942,275	3,677,685	4,954,137	744,833	823,350
1,485,757	1,172,496	1,562,666	2,287,732	2,012,481	2,640,799	1,940,465
-	-	-	-	-	-	14,400
9,616,244	10,483,073	10,922,080	9,998,063	7,598,326	7,314,054	8,052,173
-	-	-	-	-	-	-
16,845,537	18,750,842	26,137,387	25,671,383	24,471,667	34,802,948	20,033,360
313,816	7,675,000	425,138	338,894	693,456	34,755	41,946
31,394,504	40,846,060	43,989,546	41,973,757	39,730,067	45,537,389	30,905,694
70,798,890	71,897,428	74,185,046	72,174,379	77,213,288	96,647,343	105,294,626
26,062,207	29,390,534	29,994,324	23,013,687	17,881,058	23,809,146	24,918,459
47,876,192	51,011,674	56,921,768	37,937,166	4,594,458	35,648,511	51,285,504
28,801,808	27,284,520	30,313,581	27,786,467	23,297,033	38,683,686	31,670,020
1,293,000	1,687,660	1,595,833	788,333	1,506,667	371,155	895,053
174,832,097	181,271,816	193,010,552	161,700,032	124,492,504	195,159,841	214,063,662
206,226,601	222,117,876	237,000,098	203,673,789	164,222,571	240,697,230	244,969,356

(Continued)

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

	2014	2015	2016
<b>NET (EXPENSE)/REVENUE</b>			
Governmental activities	\$ (47,527,519)	(27,476,910)	(49,257,830)
Business-type activities	153,089	13,661,029	(18,351,392)
Total primary government net expense	\$ (47,374,430)	(13,815,881)	(67,609,222)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>			
Governmental activities:			
Property taxes	\$ 59,506,228	61,957,344	55,546,801
Personal and business income taxes	-	-	-
Excise taxes	15,999,908	16,584,669	18,144,766
Construction excise tax	2,537,894	2,669,188	3,338,479
Cemetery revenue surcharge	49,581	48,335	46,711
Unrestricted investment earnings	1,202,458	904,399	1,383,708
Transfers	(506,859)	(701,266)	(156,056,075)
Total governmental activities	78,789,210	81,462,669	(77,595,610)
Business-type activities:			
Unrestricted investment earnings	416,652	425,728	891,412
Transfers	506,859	701,266	156,056,075
Total business-type activities	923,511	1,126,994	156,947,487
Total primary government	\$ 79,712,721	82,589,663	79,351,877
<b>CHANGE IN NET POSITION</b>			
Governmental activities	\$ 31,261,691	53,985,759	(126,853,440)
Business-type activities	1,076,600	14,788,023	138,596,095
Total primary government	\$ 32,338,291	68,773,782	11,742,655
Prior period adjustment/cumulative change in accounting principle	\$ -	(8,084,088)	-

- (1) The large change in General government operations governmental activities expense between fiscal years 2017 and 2018 is due to the approximately \$74 million Convention Center Hotel project bond proceeds which were transferred to the developer of the project in fiscal year 2018.
- (2) In fiscal year 2016, Metro began reporting the activities of the Zoo in the Oregon Zoo enterprise fund. Prior to this, activities of the Zoo were reported as part of the General Fund, a governmental fund.
- (3) Changes in governmental activities operating grants and contribution revenue between fiscal years 2014 and 2015 is due primarily to the receipt in fiscal year 2015 of one-time grants of approximately \$15 million for the Willamette Falls Legacy and Convention Center Hotel projects.
- (4) 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.
- (5) 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.

2017	2018	2019	2020	2021	2022	2023
(43,352,019)	(112,650,869)	(43,851,322)	(77,489,898)	(132,803,292)	(205,897,196)	(325,851,420)
(8,255,235)	(15,549,195)	(38,165,048)	(58,219,622)	(38,571,684)	9,743,453	(15,918,705)
<u>(51,607,254)</u>	<u>(128,200,064)</u>	<u>(82,016,370)</u>	<u>(135,709,520)</u>	<u>(171,374,976)</u>	<u>(196,153,743)</u>	<u>(341,770,125)</u>
59,711,015	64,162,251	78,203,583	114,176,644	106,525,202	108,386,146	112,919,912
-	-	-	-	1,524,473	242,650,036	347,044,362
18,830,032	18,343,257	18,587,682	16,916,905	18,704,633	21,631,175	20,439,427
3,561,675	3,792,595	3,583,092	3,627,232	3,318,783	3,877,675	3,598,048
47,095	51,479	39,854	45,533	55,300	67,195	60,039
857,777	1,711,821	9,205,677	30,268,742	2,750,741	(16,119,074)	15,956,736
<u>(12,486,737)</u>	<u>(20,896,055)</u>	<u>(22,594,240)</u>	<u>(37,300,764)</u>	<u>(34,333,138)</u>	<u>(14,795,385)</u>	<u>(14,343,199)</u>
<u>70,520,857</u>	<u>67,165,348</u>	<u>87,025,648</u>	<u>127,734,292</u>	<u>98,545,994</u>	<u>345,697,768</u>	<u>485,675,325</u>
655,748	1,182,066	3,947,274	3,801,003	38,749	(2,305,304)	2,802,953
<u>12,486,737</u>	<u>20,896,055</u>	<u>22,594,240</u>	<u>37,300,764</u>	<u>34,333,138</u>	<u>14,795,385</u>	<u>14,343,199</u>
13,142,485	22,078,121	26,541,514	41,101,767	34,371,887	12,490,081	17,146,152
<u>83,663,342</u>	<u>89,243,469</u>	<u>113,567,162</u>	<u>168,836,059</u>	<u>132,917,881</u>	<u>358,187,849</u>	<u>502,821,477</u>
27,168,838	(45,485,521)	43,174,326	50,244,394	(34,257,298)	139,800,572	159,823,905
<u>4,887,250</u>	<u>6,528,927</u>	<u>(11,623,534)</u>	<u>(17,117,855)</u>	<u>(4,199,797)</u>	<u>22,233,534</u>	<u>1,227,447</u>
<u>32,056,088</u>	<u>(38,956,594)</u>	<u>31,550,792</u>	<u>33,126,539</u>	<u>(38,457,095)</u>	<u>162,034,106</u>	<u>161,051,352</u>
<u>-</u>	<u>(215,840)</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**

	2014	2015	2016
General Fund			
Nondisposable	\$ 1,434,164	1,413,353	1,013,709
Restricted	23,335,910	38,197,509	37,683,525
Committed	5,836,553	5,626,594	11,135,969
Assigned	-	-	-
Unassigned	21,358,970	16,093,516	17,162,433
<b>Total General Fund</b>	<b>51,965,597</b>	<b>61,330,972</b>	<b>66,995,636</b>
All other governmental funds			
Nondisposable (2)	436,202	482,037	528,748
Restricted (1)	124,685,440	86,346,886	89,903,244
Committed	-	32,839	-
Assigned	30,336	-	37,398
Unassigned	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 125,151,978</b>	<b>86,861,762</b>	<b>90,469,390</b>

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

2017	2018	2019	2020	2021	2022	2023
798,952	42,693	186,438	296,426	228,507	199,946	427,003
42,309,999	52,899,445	64,016,351	63,313,745	65,824,929	73,239,624	70,127,790
12,316,557	10,522,814	12,493,221	14,740,429	-	12,167,202	9,900,092
-	-	15,529,940	-	306,762	1,437,105	661,541
21,133,911	29,180,618	9,988,598	24,836,760	25,371,310	34,080,876	44,992,123
<u>76,559,419</u>	<u>92,645,570</u>	<u>102,214,548</u>	<u>103,187,360</u>	<u>91,731,508</u>	<u>121,124,753</u>	<u>126,108,549</u>
555,580	607,059	647,996	15,735,447	15,724,486	223,995,155	388,020,024
62,107,158	86,678,277	725,292,232	910,772,093	867,763,459	708,776,914	612,851,241
-	-	-	-	-	-	-
60,859	16,612	36,772	64,430	67,401	-	-
-	-	-	-	-	(10,229)	(11,352)
<u>62,723,597</u>	<u>87,301,948</u>	<u>725,977,000</u>	<u>926,571,970</u>	<u>883,555,346</u>	<u>932,761,840</u>	<u>1,000,859,913</u>

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

	2014	2015	2016
<b>REVENUES</b>			
Property taxes	\$ 59,245,166	61,790,541	55,397,507
Excise taxes	16,002,790	16,587,938	18,144,768
Personal and business income taxes	-	-	-
Construction excise tax	2,537,894	2,669,188	3,338,479
Cemetery revenue surcharge	49,581	48,335	46,711
Investment income	1,180,790	888,088	1,358,919
Government fees	99,809	95,725	76,236
Culture and recreation fees (1)	23,306,808	24,856,959	4,592,527
Solid waste fees	317,949	340,912	985,486
Other fees	3,470,826	3,271,705	1,485,642
Internal charges for services	3,223,107	1,812,342	3,969,961
Licenses and permits	369,855	393,796	507,560
Miscellaneous revenue	365,234	540,467	177,329
Grants	8,056,565	17,840,916	8,569,740
Local government shared revenues	621,111	773,657	761,253
Government contributions	2,975,000	3,370,903	3,814,143
Contributions and donations	293,104	510,343	640
Capital grants	842,564	18,740	238,790
Capital contributions and donations	2,611,681	7,122,542	22,500
<b>Total revenues</b>	<b>125,569,834</b>	<b>142,933,097</b>	<b>103,488,191</b>
<b>EXPENDITURES</b>			
General government operations	15,189,343	16,506,570	12,583,030
Planning, development and research (3)	11,598,462	13,888,509	13,304,049
Housing (2)	-	-	-
Culture and recreation	18,866,771	22,358,773	24,568,215
Zoo (1)	31,274,828	31,967,441	-
Debt service:			
Principal	27,320,000	29,665,000	23,770,000
Interest	12,428,417	9,722,466	9,354,224
Capital outlay	39,647,950	46,140,996	30,098,540
<b>Total expenditures</b>	<b>156,325,771</b>	<b>170,249,755</b>	<b>113,678,058</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(30,755,937)</b>	<b>(27,316,658)</b>	<b>(10,189,867)</b>

2017	2018	2019	2020	2021	2022	2023
59,562,937	64,369,020	79,370,064	114,101,431	106,520,166	108,248,252	113,147,010
18,830,032	18,343,257	18,587,682	16,916,905	18,704,633	21,631,175	20,439,429
-	-	-	-	1,524,473	242,650,036	347,044,362
3,561,675	3,792,595	3,583,093	3,627,232	3,318,783	3,877,675	3,598,048
47,095	51,479	39,854	45,534	55,300	67,195	60,039
846,966	1,688,487	9,072,979	30,084,653	2,728,902	(16,043,479)	15,874,590
85,353	96,500	83,043	85,692	71,874	68,273	15,805
4,612,352	4,821,013	5,156,720	4,066,569	4,530,790	4,487,130	5,245,485
1,033,211	1,053,525	1,077,086	1,086,468	1,126,754	1,275,830	1,313,889
1,951,142	1,985,501	1,971,267	1,975,668	865,159	1,442,744	1,698,550
5,477,184	5,145,553	7,989,975	7,079,106	6,284,090	1,775,729	1,205,481
558,504	593,228	577,621	583,115	587,595	583,490	587,155
540,483	730,850	579,426	1,092,948	869,588	958,779	975,168
11,733,942	11,595,479	9,130,571	11,539,100	12,167,332	8,192,666	13,757,472
766,318	3,954,656	3,863,885	4,185,973	4,263,289	4,257,600	4,279,018
4,345,277	3,200,708	13,142,245	9,917,660	334,919	28,426,493	28,812
-	-	-	28,650	-	-	-
107,046	175,000	261,638	44,334	268,456	34,755	16,946
206,770	7,500,000	178,510	294,560	-	-	-
114,266,287	129,096,851	154,665,659	206,755,598	164,222,103	411,934,343	529,287,259
13,885,115	88,524,517	15,877,682	20,930,455	12,877,761	6,937,209	11,610,464
16,814,210	17,666,404	25,444,323	27,184,653	75,449,202	170,652,884	24,017,210
-	-	-	-	-	-	258,539,755
28,730,153	30,295,557	28,049,868	28,746,257	26,683,691	32,193,318	37,433,410
-	-	-	-	-	-	-
24,315,000	30,165,000	40,740,000	56,290,000	48,705,000	60,670,000	64,630,000
10,321,223	11,131,207	12,780,341	33,513,011	35,382,628	33,551,564	30,849,801
29,097,093	16,635,087	25,515,599	35,181,744	24,984,317	15,895,908	15,579,259
123,162,794	194,417,772	148,407,813	201,846,120	224,082,599	319,900,883	442,659,899
(8,896,507)	(65,320,921)	6,257,846	4,909,478	(59,860,496)	92,033,460	86,627,360

(Continued)

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

	2014	2015	2016
<b>OTHER FINANCING SOURCES (USES)</b>			
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	1,743,987	23,361	348,744
Transfers in	281,742	964,282	5,779,685
Payment to refunded bond escrow agent	-	(65,967,620)	-
Transfers out	(506,859)	(1,364,097)	(20,145,434)
Total other financing sources (uses)	1,518,870	(1,608,183)	19,462,159
Net change in fund balances	<u>\$ (29,237,067)</u>	<u>(28,924,841)</u>	<u>9,272,292</u>
Debt service as a percentage of noncapital expenditures	34.1%	31.8%	39.6%

(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.

2017	2018	2019	2020	2021	2022	2023
-	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	-
-	-	-	-	-	-	1,613,801
430,096	933,046	64,909	23,655	9,800	91,807	45,300
6,815,333	2,485,448	1,904,259	1,449,821	3,732,520	16,897,853	17,108,692
-	-	-	-	-	-	(41,750,751)
(16,530,932)	(15,798,151)	(15,413,317)	(15,737,577)	(25,854,300)	(31,366,942)	(31,436,453)
(9,285,503)	105,985,423	641,986,186	196,658,304	5,388,020	(13,433,721)	(13,545,491)
(18,182,010)	40,664,502	648,244,032	201,567,782	(54,472,476)	78,599,739	73,081,869
36.8%	23.2%	43.5%	53.9%	42.2%	31.0%	22.4%



**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
2014	428,788	\$ 94.33	651,912	\$ 30.85	91,843	259,120	1,431,663
2015	471,727	93.33	664,214	29.97	86,753	346,772	1,569,466
2016	509,286	94.98	769,684	29.87	76,970	348,428	1,704,368
2017	523,199	96.25	827,891	30.24	79,533	384,283	1,814,906
2018	532,333	94.95	888,129	28.93	74,525	279,730	1,774,717
2019	549,143	97.45	915,423	30.22	77,630	196,651	1,738,847
2020	495,164	97.45	919,160	30.15	83,610	290,444	1,788,378
2021	544,510	98.35	911,497	31.05	86,246	229,645	1,771,898
2022	576,342	115.15	951,628	39.45	77,598	243,543	1,849,111
2023	557,405	123.45	1,009,031	42.17	71,650	163,642	1,801,728

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

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

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

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

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>METRO FACILITIES</b>										
Disposal fee	\$ 61.74	61.62	62.87	63.19	63.20	64.41	64.41	64.41	72.81	78.39
Regional system fee	18.56	18.21	18.39	18.48	18.12	17.81	18.58	18.58	25.65	29.37
Excise tax	12.29	11.76	11.48	11.76	10.81	12.41	11.57	12.47	13.80	12.80
Community & enhancement/host fee	0.50	0.50	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	1.11	1.69	1.69	1.69	1.76	1.76	1.76	1.76
<b>Total rate per ton (1)</b>	<b>\$ 94.33</b>	<b>93.33</b>	<b>94.98</b>	<b>96.25</b>	<b>94.95</b>	<b>97.45</b>	<b>97.45</b>	<b>98.35</b>	<b>115.15</b>	<b>123.45</b>
Transaction fee-scalehouse	\$ 12.00	12.00	12.00	10.00	10.00	10.00	10.00	10.00	14.75	18.00
Transaction fee-automated	\$ 3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.75	4.25
<b>PRIVATELY-OWNED FACILITIES</b>										
Regional system fee	\$ 18.56	18.21	18.39	18.48	18.12	17.81	18.58	18.58	25.65	29.37
Excise tax	12.29	11.76	11.48	11.76	10.81	12.41	11.57	12.47	13.80	12.80
<b>Total rate per ton</b>	<b>\$ 30.85</b>	<b>29.97</b>	<b>29.87</b>	<b>30.24</b>	<b>28.93</b>	<b>30.22</b>	<b>30.15</b>	<b>31.05</b>	<b>39.45</b>	<b>42.17</b>

(1) Rates are per ton of mixed waste disposal. For fiscal year 2023, minimum charge is \$35.00 for 300 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	2023			2014		
	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	\$ 20,335,035	1	19.71%	\$ 12,431,087	1	23.49%
Miller's Sanitary Service Inc.	5,929,070	2	5.75	-	-	-
Oregon City Garbage Company	4,835,542	3	4.69	2,772,612	2	5.24
Heiberg Garbage Service	3,280,643	4	3.18	1,657,311	7	3.13
Allied Waste Services of Portland	2,957,098	5	2.87	-	-	-
Arrow Sanitary Service	2,676,959	6	2.59	2,235,553	5	4.22
AGG Recology Inc.	1,821,949	7	1.77	2,652,233	3	5.01
Walker Garbage Services Inc.	1,619,631	8	1.57	1,015,438	9	1.92
City Sanitary Service	1,557,035	9	1.51	-	-	-
Sunset Garbage Collection Inc	1,500,723	10	1.45	789,789	10	1.49
Trashco Services Inc.	-	-	-	1,946,959	6	3.68
Kellar Drop Bos Inc.	-	-	-	1,232,035	8	2.33
Portland Disposal & Recycling	-	-	-	2,471,035	4	4.67
<b>Total</b>	<b>\$ 46,513,685</b>		<b>45.09%</b>	<b>\$ 29,204,052</b>		<b>55.18%</b>

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

Sources: Metro Waste Prevention and Environmental Services Department and Metro Accounting Division.

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

Fiscal year ended June 30,	Governmental Activities						
	General Obligation Bonds	Full Faith and Credit Refunding Bonds	Dedicated Tax Revenue Bonds	Pension Obligation Bonds	Loans Payable	Leases Payable	SBITA Payable
2014	\$ 237,456,537	\$ 12,495,000	\$ -	\$ 21,685,000	\$ 2,136	\$ -	\$ -
2015	209,240,729	10,900,000	-	20,975,000	-	-	-
2016	217,472,440	9,125,000	-	20,155,000	-	-	-
2017	191,285,127	7,880,000	-	19,225,000	-	-	-
2018	202,515,540	21,721,580	60,048,719	18,170,000	-	-	-
2019	816,251,155	20,319,463	58,889,720	16,985,000	-	-	-
2020	970,079,966	18,902,344	57,700,721	15,660,000	-	-	-
2021	925,901,419	41,275,229	56,476,722	14,180,000	-	-	-
2022	878,162,868	27,943,112	55,217,723	12,535,000	-	723,596	-
2023	821,771,917	14,500,995	53,918,724	10,715,000	-	478,343	787,812

(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		
\$ 10,357,673	\$ -	\$ -	\$ 281,996,346	0.26%	\$ 164.16
9,605,617	-	-	250,721,346	0.21	143.65
8,988,560	-	-	255,741,000	0.21	143.74
7,895,584	-	-	226,285,711	0.17	124.89
7,017,472	-	-	309,472,911	0.22	168.28
6,099,360	-	-	918,544,698	0.63	494.22
5,141,247	-	-	1,067,484,278	0.68	580.35
4,158,135	-	-	1,041,991,505	0.61	565.00
3,145,022	15,465,305	-	993,192,626	0.57	540.32
2,101,909	14,753,779	618,702	919,647,181	N/A *	496.92

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

General Bonded Debt Outstanding							
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)	Percentage of Actual Real Market Value of Property	Per Capita (2)
2014	\$ 237,456,537	\$ 21,685,000	\$ 1,107,953	\$ 258,033,584	\$ 191,403,168,645	0.13%	\$ 150.21
2015	209,240,729	20,975,000	1,270,502	228,945,227	211,844,217,262	0.11	131.17
2016	217,472,440	20,155,000	495,726	237,131,714	232,729,794,715	0.10	133.28
2017	191,285,127	19,225,000	814,903	209,695,224	266,256,751,631	0.08	115.73
2018	202,515,140	18,170,000	847,417	219,837,723	299,124,101,408	0.07	119.54
2019	816,251,155	16,985,000	3,178,629	830,057,526	326,072,241,004	0.25	446.61
2020	970,079,966	15,660,000	3,539,568	982,200,398	336,012,820,952	0.29	533.98
2021	925,901,419	14,180,000	3,933,561	936,147,858	353,506,458,459	0.26	507.61
2022	878,162,868	12,535,000	2,829,578	887,868,290	376,897,140,782	0.24	483.02
2023	821,771,917	10,715,000	3,412,782	829,074,137	423,733,033,399	0.20	447.98

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, 2023**  
**Unaudited**

Overlapping government	Net property tax backed debt	Percent within Metro	Share of Overlapping Debt
City of Beaverton	\$ 30,045,000	99.87%	\$ 30,006,512
City of Cornelius	1,967,596	94.64	1,862,099
City of Fairview	6,117,607	100.00	6,117,607
City of Gladstone	7,597,202	99.67	7,597,202
City of Gresham	32,697,554	100.00	32,697,554
City of Hillsboro	74,915,000	98.67	73,915,784
City of Lake Oswego	85,050,000	100.00	85,050,000
City of Milwaukie	54,892,508	100.00	54,892,508
City of Oregon City	12,005,000	99.81	11,982,287
City of Portland	392,915,000	100.00	392,912,250
City of Sherwood	66,211,920	99.95	66,179,609
City of Tigard	17,159,468	99.75	17,117,015
City of Troutdale	8,885,000	100.00	8,885,000
City of Tualatin	33,378,254	100.00	33,378,254
City of West Linn	27,035,000	100.00	27,035,000
City of Wilsonville	19,695,400	99.97	19,689,984
City of Wood Village	2,845,000	100.00	2,845,000
Clackamas Community College	127,080,045	73.35	93,209,274
Clackamas County	105,100,000	73.37	77,107,771
Clackamas County ESD	19,855,267	73.55	14,603,728
Clackamas County RFPD 1	23,488,636	85.49	20,079,261
Clackamas County SD 115 (Gladstone)	22,709,934	100.00	22,709,934
Clackamas County SD 12 (North Clackamas)	639,927,666	98.66	631,368,634
Clackamas County SD 3J (West Linn-Wilsonville)	488,595,822	95.06	464,464,075
Clackamas County SD 46 (Oregon Trail)	71,866,276	6.36	4,572,851
Clackamas County SD 62 (Oregon City)	268,107,085	70.79	189,802,925
Clackamas County SD 7J (Lake Oswego)	382,387,657	100.00	382,387,657
Clackamas County SD 86 (Canby)	101,418,963	11.42	11,578,800
Clackamas Soil & Water Conservation	5,416,000	73.37	3,973,508
Columbia County SD 1J (Scappoose)	17,185,000	7.28	1,250,535
Corbett Water District	331,711	22.87	75,853
Lusted Water District	445,000	97.33	433,124
Mt. Hood Community College	73,420,000	85.99	63,130,995
Multnomah County	583,000,736	99.12	577,890,151
Multnomah County Drainage District 1	8,432,000	100.00	8,432,000
Multnomah County RFPD 10	881,485	85.07	749,887
Multnomah County RFPD 14	4,500,000	18.98	854,289
Multnomah County SD 10J (Gresham-Barlow)	293,412,224	96.26	282,438,020
Multnomah County SD 1J (Portland)	2,008,774,288	99.69	2,002,575,211
Multnomah County SD 28J (Centennial)	63,177,796	100.00	63,177,796
Multnomah County SD 3 (Parkrose)	88,611,599	100.00	88,611,599
Multnomah County SD 40 (David Douglas)	189,349,914	100.00	189,349,914
Multnomah County SD 51J (Riverdale)	11,723,311	100.00	11,723,311
Multnomah County SD 7 (Reynolds)	157,601,494	100.00	157,601,494
Multnomah ESD	60,233,416	99.19	59,744,983

(Continued)

**METRO**  
**Direct and Overlapping Governmental Activities Debt, *continued***  
**As of June 30, 2023**  
**Unaudited**

Overlapping government	Net property tax backed debt	Percent within Metro	Share of Overlapping Debt
Northwest Regional ESD	\$ 13,670,000	75.39%	\$ 10,305,485
Oak Lodge Water Services District	595,000	100.00	595,000
Pleasant Home Water District	1,110,000	57.49	638,117
Portland Community College	669,475,000	92.58	619,825,395
Rivergrove Water District 14J	655,635	100.00	655,635
Tualatin Hills Park & Recreation District	47,825,680	99.92	47,785,554
Tualatin Valley Fire & Rescue District	55,780,000	89.93	50,160,332
Valley View Water District	918,441	100.00	918,441
Washington County	164,628,758	93.68	154,215,989
Washington County SD 15 (Forest Grove)	150,138,930	80.89	121,447,981
Washington County SD 1J (Hillsboro)	497,841,362	86.37	429,971,645
Washington County SD 23J (Tigard-Tualatin)	298,969,280	99.74	298,177,908
Washington County SD 48J (Beaverton)	1,155,458,918	99.90	1,154,276,884
Washington County SD 88J (Sherwood)	292,793,434	82.47	241,467,624
Subtotal, overlapping debt	<u>\$ 10,040,306,272</u>		9,426,503,235
Metro direct debt			900,906,636
Total direct and overlapping debt			<u>\$ 10,327,409,871</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
2014	\$ 19,140,316,865	\$ 210,460,000	\$ 18,929,856,865	1.10 %
2015	21,184,421,726	182,305,000	21,002,116,726	0.86
2016	23,272,979,472	190,565,000	23,082,414,472	0.82
2017	26,625,675,163	168,425,000	26,457,250,163	0.63
2018	29,912,410,141	179,415,000	29,732,995,141	0.60
2019	32,607,224,100	794,805,000	31,812,419,100	2.44
2020	33,781,364,510	942,030,000	32,839,334,510	2.79
2021	35,350,645,846	900,740,000	34,449,905,846	2.55
2022	37,689,714,078	855,890,000	36,833,824,078	2.27
2023	42,373,303,340	807,453,920	41,565,849,420	1.91

**Legal Debt Margin Calculation for Fiscal Year 2023**

True cash value	\$ 423,733,033,399
Debt limit (10% of true cash value)	42,373,303,340
Debt applicable to limit:	
Gross bonded debt principal	\$ 880,303,920
Less legal deductions from debt limit:	
Full Faith and Credit Refunding Bonds 2016 Series	(1,970,000)
Full Faith and Credit Bonds 2018 Series	(13,290,000)
Dedicated Tax Revenue OCC Hotel Project Bonds 2017 Series	(46,875,000)
Metro Limited Tax Pension Obligation Bonds Series 2005	(10,715,000)
Total net debt applicable to limit	807,453,920
Legal debt margin	\$ 41,565,849,420

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)
2014	\$ 13,237,477	11,030,282	10,989,687	7,843,453	3,146,234	-
2015	16,187,084	13,489,237	13,447,078	7,987,333	5,459,745	-
2016	18,713,326	15,594,438	15,587,195	8,480,753	7,106,442	-
2017	19,193,769	15,999,832	15,999,832	9,574,819	6,425,013	6,425,013
2018	18,978,594	15,800,071	15,800,071	8,777,222	7,022,849	6,963,788
2019	22,251,356	18,515,110	18,515,110	9,030,659	9,484,451	4,942,458
2020	17,283,587	14,381,807	14,381,807	9,306,196	5,075,611	5,842,244
2021	6,996,146	5,824,674	5,824,674	8,571,735	(2,747,061)	3,885,047
2022	13,452,244	12,058,261	12,058,261	7,575,913	4,482,348	4,620,489
2023	16,924,363	16,164,618	16,164,618	7,201,884	8,962,734	4,990,116

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

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

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

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

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

(6) Debt service begins fiscal year 2018.

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

ETF Payments to Metro (5)	Total Pledged Revenue (VFTA Payments plus ETF Payments) (5)	Pledged Revenue Used to Pay Debt Service (6)	Debt Service Requirements		
			Principal	Interest	Coverage
8,896,719	-	-	-	-	-
9,519,489	-	-	-	-	-
10,185,853	-	-	-	-	-
10,898,863	17,323,876	-	-	-	-
11,193,132	18,215,981	2,896,215	725,000	2,171,215	6.29
11,634,142	21,118,593	3,396,550	865,000	2,531,550	6.22
12,448,532	17,524,143	3,400,600	895,000	2,505,600	5.15
12,805,464	10,058,403	3,399,800	930,000	2,469,800	2.96
13,015,285	17,497,633	3,397,600	965,000	2,432,600	5.15
13,926,355	22,889,089	3,399,000	1,005,000	2,394,000	6.73

**METRO**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**Unaudited**

<b>Fiscal year ended June 30,</b>	<b>Population (1)</b>	<b>Total Personal income (in thousands) (2)</b>	<b>Per capita personal income (2)</b>	<b>Portland metropolitan unemployment rate (2)</b>
2014	1,717,765	\$ 108,554,639	\$ 46,243	6.3%
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	146,230,869	58,544	3.9
2020	1,839,390	157,502,510	62,550	10.3
2021	1,844,226	172,141,831	68,536	5.1
2022	1,838,150 (4)	174,245,501	69,435	4.0
2023	1,850,697 (3)	N/A*	N/A*	N/A*

\* Not available

(1) For Clackamas, Multnomah and Washington counties.

(2) Portland-Vancouver-Hillsboro OR-WA MSA. Revised statistics for 2014 - 2022.

(3) Preliminary estimate.

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

Sources:

Population Research Center, Portland State University.

Oregon Employment Department.

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

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

Employer	2023			2014		
	Employees	Rank	Percentage of Total Metropolitan Area Employment	Employees	Rank	Percentage of Total Metropolitan Area Employment
Providence Health System	23,100	1	1.86%	15,239	4	1.50%
Intel Corporation	22,328	2	1.80	17,500	3	1.72
Oregon Health & Science University	19,603	3	1.58	14,616	5	1.44
US Government	18,500	4	1.49	17,600	2	1.73
Nike, Inc.	15,522	5	1.25	-	-	-
Legacy Health System	13,087	6	1.06	10,436	6	1.03
State Government	13,000	7	1.05	23,500	1	2.31
Kaiser Permanente	12,514	8	1.01	9,896	8	0.97
Fred Meyer Stores	9,000	9	0.73	10,237	7	1.01
Portland Public Schools	7,111	10	0.57	-	-	-
City of Portland	-	-	-	8,558	10	0.84
Regence BlueCross BlueShield	-	-	-	9,580	9	0.94
<b>Total</b>	<b>153,765</b>		<b>12.40%</b>	<b>137,162</b>		<b>13.49%</b>

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

Source: Piper Sandler & Co.



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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>FUNCTIONS/PROGRAMS</b>										
<b>Primary Government:</b>										
<i>Governmental activities:</i>										
General government operations	175.79	181.80	183.20	170.85	175.77	179.66	193.40	177.00	246.40	280.40
Planning, development and research	72.15	75.65	76.30	85.30	84.80	93.06	93.80	90.50	80.10	76.00
Housing (10)	-	-	-	-	-	-	-	-	-	22.50
Culture and recreation (10)	76.75	83.55	92.10	99.80	103.95	112.06	121.90	135.90	127.20	138.50
Zoo (1)	174.85	187.15	-	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>499.54</b>	<b>528.15</b>	<b>351.60</b>	<b>355.95</b>	<b>364.52</b>	<b>384.78</b>	<b>409.10</b>	<b>403.40</b>	<b>453.70</b>	<b>517.40</b>
<i>Business-type activities:</i>										
Solid Waste	90.75	101.30	107.45	114.16	121.79	139.96	179.76	181.96	192.80	195.25
Oregon Zoo (1)	-	-	198.65	200.60	207.60	209.25	209.00	186.55	182.85	192.35
MERC	175.50	182.35	186.35	189.95	195.65	200.97	201.70	194.95	197.85	197.10
<b>Total business-type activities</b>	<b>266.25</b>	<b>283.65</b>	<b>492.45</b>	<b>504.71</b>	<b>525.04</b>	<b>550.18</b>	<b>590.46</b>	<b>563.46</b>	<b>573.50</b>	<b>584.70</b>
<b>Total primary government</b>	<b>765.79</b>	<b>811.80</b>	<b>844.05</b>	<b>860.66</b>	<b>889.56</b>	<b>934.96</b>	<b>999.56</b>	<b>966.86</b>	<b>1,027.20</b>	<b>1,102.10</b>
		(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)

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

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

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

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

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

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

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

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

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

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

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

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

(9) Increase over previous fiscal year is primarily due to adding back COVID Zoo staffing cuts and 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.

(10) 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.

Source: Metro Adopted Budget documents.

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

<b>FUNCTIONS/PROGRAMS</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Primary Government:</b>			
<i>Governmental activities:</i>			
General government operations:			
Business licenses issued	2,739	2,918	3,079
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 (9)	\$ 78,635	81,943	70,467
Culture and recreation:			
Visitors to Blue Lake Park, Oxbow Park and Chinook Landing (6)	739,324	719,804	850,623
Volunteer visits (10)	3,034	4,472	3,370
Volunteer hours (10)	9,384	14,385	15,349
Acres acquired in Open Spaces and Natural Areas land target areas	234	361	180
<i>Business-type activities:</i>			
Solid Waste:			
Recycling Information Center calls/hits on website (4)	147,389	147,875	146,708
Students reached in elementary and secondary school presentations (7)	26,591	44,482	45,150
Regional recovery rate (1)	64.2%	59.8%	47.0%
Hazardous waste net cost per pound	\$ 0.89	0.97	1.04
Gallons of recycled paint produced	199,192	243,341	220,016
Latex paint revenue	\$ 1,258,303	1,360,872	1,286,638
PaintCare revenue (management of post-consumer paint) (5)	\$ 1,131,360	1,521,246	1,567,449
Oregon Zoo (2):			
Adult admission price (peak & off season)	\$ 11.50	11.50	14.95 & 9.95
Annual attendance	1,514,192	1,560,035	1,494,316
Volunteer hours	158,551	130,065	98,722
Enterprise revenue as percentage of operating revenue	60.4%	61.2%	59.5%
Contributions and donations as percent of total revenue	2.4%	2.0%	3.8%
<b>MERC:</b>			
Annual attendance			
Oregon Convention Center (8)	581,195	633,047	632,823
Portland Expo Center	466,213	381,169	398,705
Portland's Centers for the Arts (3) (8)	743,560	876,819	928,151
Number of events/performances			
Oregon Convention Center (8)	88	81	74
Portland Expo Center	154	112	121
Portland's Centers for the Arts (3) (8)	906	967	964
Capacity			
Occupancy rate (75% considered maximum)			
Oregon Convention Center (8)	44%	51%	58%

\*Not available

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

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

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

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

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

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

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

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

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

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

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

2017	2018	2019	2020	2021	2022	2023
3,019	3,207	3,122	3,152	3,176	3,154	3,174
Aaa AAA	Aaa AAA	Aaa AAA	Aaa AAA	Aaa AAA	Aaa AAA	Aaa AAA
65,305	77,675	67,245	64,095	64,215	57,115	10,725
847,453	1,027,604	993,133	841,942	727,144	537,582	531,676
5,508	2,841	3,459	1,865	234	576	N/A*
15,083	12,080	10,576	5,703	887	2,872	N/A*
507	183	246	213	101	240	188
169,444	184,084	231,000	224,380	220,535	207,180	180,482
51,519	54,723	42,998	24,642	11,405	6,533	28,513
46.6%	44.7%	46.1%	N/A*	N/A*	N/A*	N/A*
1.04	1.13	0.99	1.36	1.39	1.96	1.59
203,421	176,489	201,895	161,041	145,035	156,824	238,428
1,149,852	1,064,213	1,205,964	941,447	876,610	857,673	904,888
1,481,844	1,650,050	1,792,651	1,459,255	1,635,153	1,393,020	1,349,037
14.95 & 9.95	17.95	22.95	17.95	24.00	24.00	24.00
1,549,394	1,704,918	1,529,078	977,639	901,315	1,246,800	1,217,068
91,911	93,174	78,113	64,666	6,665	12,546	16,636
62.6%	70.2%	68.5%	54.9%	60.7%	72.9%	61.2%
6.2%	6.2%	4.9%	9.3%	17.6%	5.7%	5.9%
624,538	619,068	697,923	435,612	-	449,580	300,873
385,184	392,760	471,400	247,815	60,462	347,794	245,848
946,691	958,064	917,425	672,246	-	560,333	712,608
70	77	70	46	-	43	61
109	114	121	90	83	66	76
971	946	983	648	-	586	713
48%	45%	51%	47%	0%	41%	49%

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

	2014	2015	2016
<b>FUNCTIONS/PROGRAMS</b>			
<b>Primary Government:</b>			
<i>Governmental activities:</i>			
General government operations:			
Regional Center facilities	1	1	1
Square footage	110,000	110,000	110,000
Parking spaces - Regional Center garage	162	162	162
Parking spaces - Irving Street garage	485	485	485
Culture and recreation:			
Regional park facilities	8	8	8
Acres (including acres acquired using Natural areas bond proceeds)	2,207	2,305	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	4,647	4,910	5,090
<i>Business-type activities:</i>			
Solid Waste:			
Transfer stations (including hazardous waste facilities)	2	2	2
Latex paint facilities	1	1	1
Closed landfills maintained	1	1	1
Oregon Zoo (1):			
Acres	65	65	65
Buildings and exhibits	67	67	67
Railways	1	2	2
MERC:			
Convention Centers	1	1	1
Square footage	907,000	907,000	907,000
Parking spaces	800	800	716
Exposition Centers	1	1	1
Square footage	330,000	330,000	330,000
Parking spaces	2,256	2,256	2,256

Note: No capital asset indicators are available for the 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.

2017	2018	2019	2020	2021	2022	2023
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	24
7,684	7,684	7,684	7,684	7,684	7,684	7,684
27	27	27	27	27	27	27
5,596	5,778	6,024	6,237	6,338	6,578	6,766
2	2	2	2	2	2	2
1	1	1	1	1	1	1
1	1	1	1	1	1	1
65	65	65	65	65	65	65
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
716	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	
2014	\$ 61,068,522	\$ 57,913,674	94.8%	\$ 1,374,922	\$ 59,288,596	97.1%	\$ 3,122,857
2015	63,625,056	60,524,636	95.1	1,251,065	61,775,701	97.1	3,256,373
2016	56,981,126	54,251,668	95.2	907,462	55,159,130	96.8	3,355,651
2017	61,417,731	58,526,399	95.3	846,997	59,373,396	96.7	3,523,722
2018	66,623,193	63,459,709	95.3	830,796	64,290,505	96.5	3,392,641
2019	80,232,825	76,823,359	95.8	1,016,197	77,839,556	97.0	2,184,005
2020	118,129,185	112,972,917	95.6	1,413,657	114,386,574	96.8	2,403,194
2021	109,569,884	105,001,839	95.8	991,162	105,993,001	96.7	2,406,117
2022	111,354,054	106,713,185	95.8	749,394	107,462,579	96.5	2,418,035
2023	116,417,354	111,481,104	95.8	-	111,481,104	95.8	2,486,787

(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,	Real Market Value (1)	Total Assessed Valuation (AV)	Urban Renewal Excess	AV used to Calculate Rates (2)
Metro – Total Area				
2014	\$ 191,403,168,645	143,016,215,233	6,911,680,698	136,104,534,535
2015	211,844,217,262	149,658,475,167	7,196,823,537	142,461,651,630
2016	232,729,794,715	157,332,876,813	7,692,366,115	149,640,510,698
2017	266,256,751,631	164,726,153,314	8,800,597,517	155,925,555,797
2018	299,124,101,410	173,009,992,753	9,598,803,019	163,411,189,734
2019	326,072,241,004	179,748,438,545	10,330,532,400	169,417,906,145
2020	336,012,820,952	187,871,290,559	11,037,634,600	176,833,655,959
2021	353,506,458,459	196,522,905,777	11,731,215,064	184,791,690,713
2022	376,897,140,782	203,819,569,151	10,707,037,199	193,112,531,952
2023	423,733,033,399	213,198,170,547	11,422,397,296	201,775,773,251
Portion of Metro Located in Multnomah County				
2014	\$ 97,169,032,640	65,397,982,385	5,552,059,852	59,845,922,533
2015	107,182,217,862	68,400,496,894	5,690,908,219	62,709,588,675
2016	118,439,572,417	71,365,034,261	6,080,696,726	65,284,337,535
2017	138,109,555,282	74,755,397,687	6,804,941,684	67,950,456,003
2018	157,192,504,703	78,638,078,635	7,438,667,311	71,199,411,324
2019	171,296,770,318	81,401,405,120	7,939,555,685	73,461,849,435
2020	175,102,627,961	84,962,241,690	8,295,865,811	76,666,375,879
2021	182,501,863,490	88,820,136,360	8,672,590,819	80,147,545,541
2022	192,519,602,742	91,514,626,280	7,247,261,158	84,267,365,122
2023	206,962,138,926	95,281,450,380	7,165,195,789	88,116,254,591
Portion of Metro Located in Washington County				
2014	\$ 60,172,881,111	47,774,596,085	278,476,700	47,496,119,385
2015	66,641,438,168	49,956,068,958	328,606,130	49,627,462,828
2016	72,210,640,850	53,190,401,212	308,315,912	52,882,085,300
2017	80,476,887,028	55,606,866,466	528,351,591	55,078,514,875
2018	89,533,841,339	58,356,654,076	660,442,801	57,696,211,275
2019	97,859,133,163	60,798,329,166	802,404,836	59,995,924,330
2020	102,088,763,082	63,665,739,901	1,020,055,114	62,645,684,787
2021	107,528,977,578	66,677,697,092	1,177,844,163	65,499,852,929
2022	115,239,115,251	69,595,064,434	1,447,495,303	68,147,569,131
2023	136,030,329,810	73,310,084,012	1,966,849,817	71,343,234,195
Portion of Metro Located in Clackamas County				
2014	\$ 34,061,254,894	29,843,636,763	1,081,144,146	28,762,492,617
2015	38,020,561,232	31,301,909,315	1,177,309,188	30,124,600,127
2016	42,079,581,448	32,777,441,340	1,303,353,477	31,474,087,863
2017	47,670,309,321	34,363,889,161	1,467,304,242	32,896,584,919
2018	52,397,755,368	36,015,260,042	1,499,692,907	34,515,567,135
2019	56,916,337,523	37,548,704,259	1,588,571,879	35,960,132,380
2020	58,821,429,909	39,243,308,968	1,721,713,675	37,521,595,293
2021	63,475,617,391	41,025,072,325	1,880,780,082	39,144,292,243
2022	69,138,422,789	42,709,878,437	2,012,280,738	40,697,597,699
2023	80,740,564,663	44,606,636,155	2,290,351,690	42,316,284,465

(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**

<u>Fiscal Year Ended June 30,</u>	<u>Permanent Rate</u>	<u>Local Option Levy Rate</u>	<u>General Obligation Bond Levy Rate (1)</u>	<u>Total Rate</u>
2014	\$ 0.0966	\$ 0.0960	\$ 0.2768	\$ 0.4694
2015	0.0966	0.0960	0.2660	0.4586
2016	0.0966	0.0960	0.1958	0.3884
2017	0.0966	0.0960	0.2044	0.3970
2018	0.0966	0.0960	0.2163	0.4089
2019	0.0966	0.0960	0.2802	0.4728
2020	0.0966	0.0960	0.4703	0.6629
2021	0.0966	0.0960	0.3974	0.5900
2022	0.0966	0.0960	0.3774	0.5700
2023	0.0966	0.0960	0.3736	0.5662

(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, 2023**  
**Unaudited**

<b>Taxpayer account</b>	<b>Type of business</b>	<b>Assessed valuation</b>	<b>Percent of total valuation</b>
<b>MULTNOMAH COUNTY</b>			
Portland General Electric Co.	Electric utility	\$ 753,856	0.86%
Port of Portland	Marine and aviation facilities	737,510	0.84
Pacificorp (PP&L)	Electric utility	692,609	0.79
Boeing Company	Aircraft manufacturing	463,664	0.53
Alaska Airlines Inc	Air travel	371,871	0.42
Lumen Technologies Inc	Telecommunications	324,861	0.37
Weston Investment Co. LLC	Nonresidential construction	306,030	0.35
Verizon Communications Inc	Telecommunications	272,456	0.31
Comcast Corporation	Telecommunications	263,602	0.30
Northwest Natural Gas Co	Natural gas utility	227,139	0.26
All other taxpayers	-	83,702,657	94.97
	<b>Total</b>	<b>\$ 88,116,255</b>	<b>100.00%</b>
<b>WASHINGTON COUNTY</b>			
Intel Corporation	Computer electronics	\$ 1,895,003	2.66%
Nike Inc	Athletic apparel	1,464,501	2.05
Portland General Electric Co	Electric utility	1,124,598	1.58
Pacific Realty Associates	Real estate	440,232	0.62
Northwest Natural Gas Co	Natural gas utility	468,313	0.66
Verizon Communications Inc	Telecommunications	360,262	0.50
Genentech Inc	Biotechnology	328,239	0.46
Comcast Corporation	Telecommunications	274,530	0.38
Northwest Fiber LLC	Telecommunications	223,357	0.31
Lam Research Corporation	Semiconductor production equipment	230,443	0.32
All other taxpayers	-	64,533,756	90.46
	<b>Total</b>	<b>\$ 71,343,234</b>	<b>100.00%</b>
<b>CLACKAMAS COUNTY</b>			
Portland General Electric Co	Electric utility	\$ 444,254	1.05%
General Growth Properties Inc	Real estate	295,644	0.70
PCC Structurals Inc	Metal castings and machining	281,316	0.66
Shorenstein Properties LLC	Real estate	239,742	0.57
Fred Meyer Stores Inc	Retailer	193,980	0.46
Northwest Natural Gas Co	Natural gas utility	184,911	0.44
Comcast Corporation	Telecommunications	81,061	0.19
Meadows Road LLC	Real estate	78,723	0.19
Kaiser Foundation Hosp	Healthcare	74,916	0.18
HS Mercantile Village Venture LLC	Real estate	73,049	0.17
All other taxpayers	-	40,368,688	95.39
	<b>Total</b>	<b>\$ 42,316,284</b>	<b>100.00%</b>

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, 2023, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 27, 2023. 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 27, 2023

## **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, 2023, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 27, 2023. 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 dark ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

Portland, Oregon  
November 27, 2023

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

The Metro Council and Metro Auditor  
Metro

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Metro's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Metro's major federal programs for the year ended June 30, 2023. Metro's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Metro complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

#### ***Responsibilities of Management for Compliance***

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Metro's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Metro's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in dark ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

Portland, Oregon  
November 27, 2023

**METRO**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2023**

Grantor and Program Title	Assistance Listing Number	Grant/Pass Through Number	Federal Expenditures
<b>U. S. DEPARTMENT OF AGRICULTURE</b>			
Forest Service-			
Direct Programs:			
UNO Program	10.U01	21-CS-11062200-013	\$ 2,487
Columbia River Gorge National Scenic Area	10.U02	18-PA-11062200-005	5,734
Total U. S. Department of Agriculture			8,221
<b>U. S. DEPARTMENT OF COMMERCE</b>			
Economic Development Cluster-			
Direct Programs:			
Economic Adjustment Assistance:			
Albina Redevelopment Feasibility Study	11.307	07-69-07716	207,836
Public Works and Economic Adjustment Assistance Program	11.307	07-79-07775	474,229
Subtotal Economic Development Cluster			682,065
National Oceanic and Atmospheric Administration-			
Passed through Oregon Watershed Enhancement Board:			
Pacific Coast Salmon Recovery, Salmon Treaty Program	11.438	220-8207-18722	105,500
Total U. S. Department of Commerce			787,565
<b>U. S. DEPARTMENT OF THE INTERIOR</b>			
Fish and Wildlife Service-			
Direct Programs:			
Endangered Species Recovery Implementation Funds	15.657	F22AP00362-00	343,198
Passed through Association of Zoos and Aquariums:			
Endangered Species Recovery Implementation Funds	15.657	Section 6003(a)(2)ARP	459,655
Passed through Woodland Park Zoo:			
Endangered Species Recovery Implementation Funds	15.657	F22AC00345-00	31,072
Subtotal Endangered Species Recovery Implementation Funds			833,925
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	285,001
Subtotal Fish and Wildlife Cluster			285,001
Passed through Oregon Department of Parks and Recreation:			
Cooperative Endangered Species Conservation Fund	15.615	FY21-E28TW18OZ	25,343
Cooperative Endangered Species Conservation Fund	15.615	FY22-E28TW20OZ	36,970
Subtotal Cooperative Endangered Species Conservation Fund			62,313
Passed through Oregon State Marine Board:			
Clean Vessel Act	15.616	2123-048	1,800
Passed through Washington Department of Fish & Wildlife:			
State Wildlife Grants	15.634	F21AP00716	2,221
State Wildlife Grants	15.634	WDFW23-22214	3,440
Total U. S. Department of the Interior			1,188,700

(Continued)

**METRO**  
**Schedule of Expenditures of Federal Awards, *continued***  
**For the year ended June 30, 2023**

<u>Grantor and Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant/Pass Through Number</u>	<u>Federal Expenditures</u>
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>			
Federal Highway Administration-			
Highway Planning and Construction-			
Passed through Oregon Department of Transportation:			
PL Funds - Lead (federal share)	20.205	ODOT-73000-00008469-02	2,833,390
STBG Funds	20.205	ODOT-73000-00008469-02	1,697,220
Freight Planning / Economic Value Atlas STBG Funds	20.205	ODOT-73000-00008469-02	74,263
Next Corridor STBG Funds	20.205	ODOT-73000-00008469-02	364,160
TSMO STBG Funds	20.205	ODOT-73000-00008469-02	255,267
Selection 5303 Funds	20.205	ODOT-73000-00008469-02	1,127,074
"State" STBG Funds - Lead (federal share)	20.205	ODOT-73000-00008469-02	201,893
Delivering Transportation Options (aka ODOT RTO 5)	20.205	ODOT-73000-00008348	143,650
I-5 and I-205: Portland Metropolitan Value Pricing Program	20.205	ODOT # 33518/73000-00004859	41,670
Westside Multimodal Improvement Study	20.205	ODOT # 34729	115,635
Regional Freight Delay & Commodities Movement Study	20.205	ODOT # 34791/34784-SPA01	89,272
<b>Total Highway Planning and Construction</b>			<b>6,943,494</b>
Federal Transit Administration-			
Federal Transit Cluster-			
Federal Transit Capital Investment Grants-			
Direct Programs:			
Montgomery Park to Hollywood HCT Development Strategy	20.500	OR-2020-006	55,111
Passed through to subrecipients:			
City of Portland			55,110
S.W.E.D.S. II	20.500	OR-2021-058	113,769
Passed through to subrecipients:			
HAKI Community Organization			43,283
Hispanic Metro Chamber of Commerce			20,390
Neighborhood House			904
Prosper Portland			11,517
The Immigrant & Refugee Community			18,703
Federal Transit Formula Grants-			
Direct Programs:			
Tualatin Valley (TV) Highway Corridor	20.507	OR-2023-003	36,090
Passed through to subrecipients:			
TriMet			20,734
Regional Travel Options Program	20.507	OR-2023-004	4,183,797
Passed through to subrecipients:			
City of Gresham			33,404
City of Oregon City			30,695
City of Portland			596,662
City of Wilsonville			269,855
Clackamas Community College			64,319
Clackamas County			97
Clackamas Cycling Center			99,422
Forth			10,865
Go Lloyd			12,590
Oregon Walks			206,428
Pear			135,876
Portland Community College			46,136
Ride Connection Inc			288,714
The Street Trust Community Fund			49,242
Tri Met			806,963
Washington Park Transportation			50,530
Westside Transportation Alliance Inc			167,793

(Continued)

**METRO**  
**Schedule of Expenditures of Federal Awards, *continued***  
**For the year ended June 30, 2023**

<b>Grantor and Program Title</b>	<b>Assistance Listing Number</b>	<b>Grant/Pass Through Number</b>	<b>Federal Expenditures</b>
<b>U. S. DEPARTMENT OF TRANSPORTATION, <i>continued</i></b>			
Safe Routes to Schools (SRTS)	20.507	OR-2019-028 / OR-2023-026	652,816
Passed through to subrecipients:			
Beaverton School District 48			96,492
City of Hillsboro			58,129
City of Portland			53,318
City of Tigard			58,993
Clackamas County			75,296
Community Cycling Center			16,401
Multnomah County			73,042
<b>Total Federal Transit Cluster</b>			<b>5,041,583</b>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			
Direct Programs:			
H.O.P.E - Tualatin Valley Highway	20.505	OR-2021-057	592,198
Passed through to subrecipients:			
TriMet			228,456
<b>Total U.S. Department of Transportation</b>			<b>12,577,275</b>
<b>NATIONAL ENDOWMENT FOR THE ARTS</b>			
Promotion of the Arts Grants to Organizations and Individuals			
Passed through Mid Atlantic Arts:			
Promotion of the Arts Grant	45.024	1890195-56-C21	7,000
<b>Total National Endowment for the Arts</b>			<b>7,000</b>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Metro Brownfield Assessment FY21-23	66.818	BF-01J86401-0	180,803
<b>Total U.S. Environmental Protection Agency</b>			<b>180,803</b>
<b>U. S. DEPARTMENT OF HOMELAND SECURITY, Federal Emergency Management Agency (FEMA)</b>			
Passed through the City of Portland			
Social Vulnerability Tools	97.067	32002271	21,003
<b>Total U. S. Department of Homeland Security</b>			<b>21,003</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 14,770,567</b>

The accompanying notes are an integral part of this schedule.

**METRO**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended June 30, 2023**

**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, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because this Schedule presents only a selected portion of the operations of Metro, it is not intended to and does not present the financial position, changes in net position or cash flows of Metro.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in note II.C to Metro's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenses are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where applicable. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3 – ELECTION OF DE MINIMIS INDIRECT RATE**

During the current year ended June 30, 2023, Metro did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4 – ENDANGERED SPECIES RECOVERY IMPLEMENTATION FUNDS**

Metro received Endangered Species Recovery Implementation funding from the Fish and Wildlife Service passed through from the Association of Zoos and Aquariums during the year ended June 30, 2023; however, in accordance with the 2023 OMB Compliance Supplement, issued in May 2023, Metro was able to include expenditures in the Schedule which did not occur during the year ended June 30, 2023. A portion of expenditures reported in the Schedule are for expenditures that occurred prior to the year ended June 30, 2023 totaling \$459,655.

**Metro**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2023**

**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>
15.657	Endangered Species Conservation-Recovery Implementation Funds	Unmodified
20.205	Highway Planning and Construction	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, 2023**

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**Section II – Financial Statement Findings**

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None noted

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

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None noted

**Metro**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2023**

No findings identified in the prior year.

