Tri-County Metropolitan Transportation District of Oregon

Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2024 and 2023

Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2024 and 2023

www.TriMet.org

Prepared by the Financial Services Department
101 SW Main Street, Suite 700
Portland, Oregon 97204

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Introductory Section

October 14, 2024

TriMet Board of Directors and citizens of Multnomah, Clackamas and Washington Counties

We are pleased to present the Annual Comprehensive Financial Report for Tri-County Metropolitan Transportation District of Oregon (TriMet or the District) for the fiscal years ended June 30, 2024, and June 30, 2023. This transmittal letter provides a summary of the District's finances, services, achievements, and economic prospects. Readers may refer to the Management's Discussion and Analysis (MD&A) portion of the Financial Section of this report for a more detailed discussion of the District's financial results. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A.

The accuracy of the District's financial statements and the completeness and fairness of their presentation is the responsibility of District management. To the best of our knowledge, we believe this report to be complete and reliable in all material respects. To provide a reasonable basis for making this representation, we have established a comprehensive system of internal controls designed to protect the District's assets from loss, to identify and record transactions accurately and to compile the information necessary to produce financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not exceed the likely benefits, the District's internal control system intends to provide reasonable, but not absolute, assurance that the financial statements are free from material misstatement.

The District's financial statements have been audited by Eide Bailly LLP, Certified Public Accountants. The firm is based in Menlo Park, CA, and is licensed to practice in the State of Oregon. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal years ended June 30, 2024, and June 30, 2023, are free of material misstatement. The auditor expressed an opinion that the District's financial statements are fairly stated in all material respects and in compliance with accounting principles generally accepted in the United States of America. This conclusion is the most desirable and is commonly known as an "unmodified" opinion. Financial statements and the auditor's opinion can be found in the Financial Section of this report.

The District is responsible for the preparation of this report as required by Oregon Revised Statutes (ORS 297.425). Also included are Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations of the Oregon Administrative Rules (OAR).

In addition, the District is required to undergo an annual single audit of its Federal Assistance Programs in conformity with the provisions of 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) and the provisions of Governmental Auditing Standards promulgated by the U.S. Comptroller General as they pertain to financial and compliance audits. The results of this audit can be found in the Federal Grant Program Section of this report.

Profile of TriMet

TriMet is a public agency established in 1969 by the Oregon legislature under the provisions of Oregon Revised Statutes (ORS) 267. TriMet provides transportation services in the Portland metropolitan area across three counties covering 533 square miles and serving over 1.56 million people. Under the provisions of Oregon Revised Statutes (ORS) 267, TriMet is a governmental proprietary enterprise fund.

TriMet is governed by a seven-member board of directors. Board members are appointed by the Governor of the State of Oregon to represent certain geographical districts, in which they must reside. The term of office is four years. The board is responsible for agency policy, oversees the District's annual budget, enacts legislation (taxing and policy ordinances), reviews contracts greater than one million dollars and directs the activities of the General Manager (GM). The GM reports to the Board of Directors and is part of the Executive Leadership Team. The Leadership Team is responsible for directing and overseeing the District activities, management of District employees and for providing support to General Manager and the Board of Directors. TriMet also has a number of advisory committees with objectives that include the interests and needs of current and future customers, extending the agency's transit equity strategy, promoting safety and programs for seniors and people with disabilities.

The overall purpose of the District is to plan, develop, finance, operate and maintain a coordinated system of transportation that meets local mobility demands and promotes growth and economic development for the greater Portland region. TriMet provides bus, light rail, commuter rail service and paratransit services to connect people with their community, while easing traffic congestion and reducing air pollution — making our region a better place to live.

History

TriMet is the most recent in a long line of transit pioneers in the Portland area. The region was once crossed by one of the nation's most extensive systems of streetcar and interurban routes, supplemented by mainline railroads and river ferry crossings. Early innovations in electric power and coordinated transit service were harbingers of the extensive transit system that serves the region today.

Upon its creation in 1969, TriMet replaced Rose City Transit Company, which operated private bus routes in the three counties in Portland's urban area: Multnomah, Washington, and Clackamas Counties. TriMet has been profoundly influential in shaping the growth and character of the Portland region. Through innovations in policy development, system design and technological advancement, the agency continues to set benchmarks for the transit industry at home and abroad. For more on the transit history of our region please see
TriMet History & Interactive Timeline

TriMet operates 84 bus lines and one high-capacity bus for frequent express. TriMet's paratransit service program known as LIFT started in 1976 to provide demand response transportation services to people experiencing disability or disabling health conditions. The LIFT Program currently operates origin to destination service according to service standards that exceed or are equal to the standards established by the Americans with Disabilities Act. In 1986, TriMet began operating a light rail system, MAX which stands for Metropolitan Area Express. The first MAX line (MAX Blue Line or the Banfield Light Rail) connected a 15 mile alignment from the suburb of the City of Gresham to downtown Portland. Today, there are five MAX lines on 60 miles of track with 97 stations serving the tri-county region with a population of about 1.56 million people. In 2009, TriMet's Westside Express Service, WES, commuter heavy rail line began operations connecting approximately 15 miles of Southwest Portland suburbs of Beaverton and Wilsonville. The WES commuter rail line involved a joint use agreement with Portland & Western Railroad that allowed TriMet and the freight railroad to use the same tracks under complex operating arrangements. TriMet's high-capacity bus service, the Frequent Express (FX), launched in fall of 2022.

In addition to the light rail, bus system, paratransit service and WES, TriMet also provides the operators and maintenance personnel for the city of Portland-owned Portland Streetcar system. For more history on the City of Portland's streetcar, please see Streetcar History - Portland Streetcar

Budgetary Control

TriMet is a government organized under the provisions of Oregon Revised Statutes (ORS) 267 to provide mass transit services to the Portland Metropolitan area with the assumption of the operations of a privately owned bus and light rail system. As such, TriMet is authorized to levy taxes and charge fares to pay for its operations. TriMet is also authorized to issue general obligation and revenue bonds.

State law requires the District to adopt an annual budget by resolution of the Board of Directors. As required by ORS 294.456, TriMet appropriates funds at the organizational unit (Divisions) and program (Other Post-Employment Benefits (OPEB), Other non-Operating Requirements, Debt Service and Contingency) level. The legal level of budgetary control is at the organizational unit. TriMet uses one major budgetary fund to account for all its activities. Once adopted, the Board of Directors has the authority to amend the budget. Division managers monitor budget-to-actual performance on a monthly basis. The Board is required to approval all increases in expenditures.

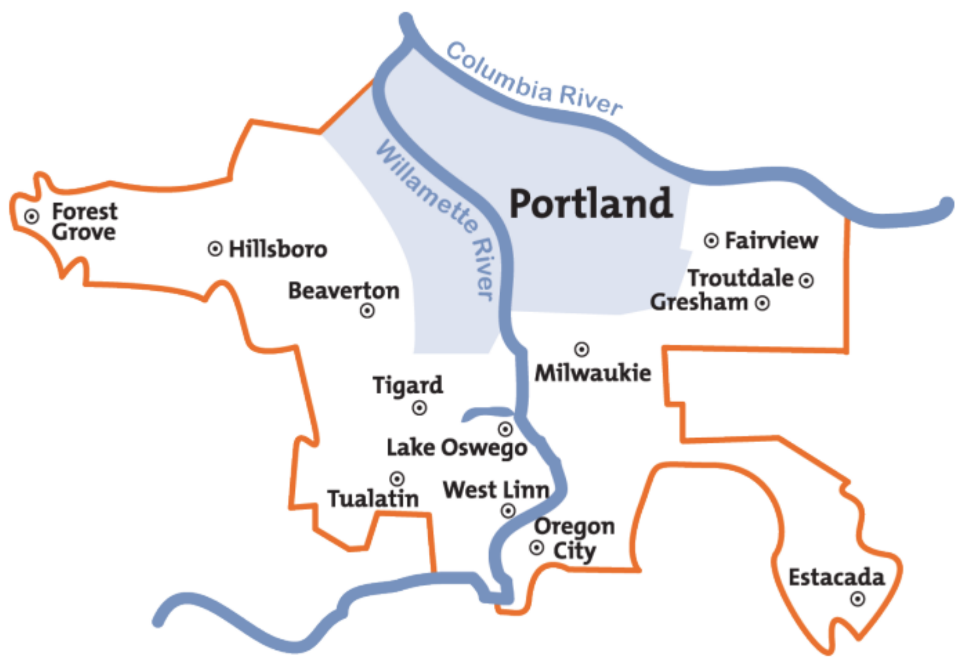
TriMet's annual budget is adopted on a basis consistent with generally accepted accounting principles (GAAP) and the annual audited financials are issued on the full accrual basis of accounting or GAAP. Differences in revenues and expenses from budgetary basis to full accrual (GAAP) include depreciation of capital assets, bond transactions, OPEB and related deferred amounts, defined benefit pensions, claims liabilities, lease-leaseback amounts and compensated absences. The Financial Section of this report includes a supplemental schedule that compares actual results on a budgetary basis of accounting to the final adopted budgets.

FINANCIAL AND ECONOMIC CONDITIONS

Local Economy

TriMet's service area covers three counties in the greater Portland metropolitan area, Multnomah County, Clackamas County and Washington County. In the map below, TriMet's service area is outlined in orange. Approximately 47 percent of Oregon's population lives in the Portland Metropolitan area, with Multnomah County as the most populous county in the State with 784,833 residents as of July 1, 2023. Washington County has 597,644 residents and Clackamas County has 423,228 residents as of July 1, 2023.

TriMet Service District Area



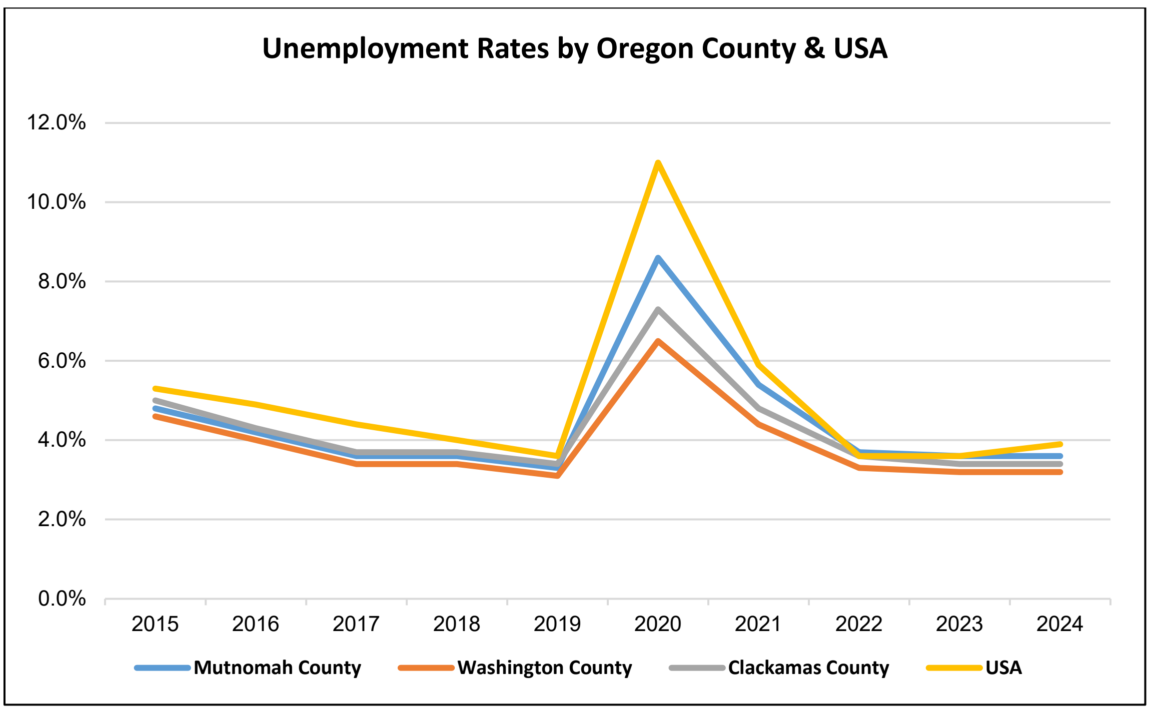
The national economy continues to struggle with inflationary pressures but inflation has eased in the past year and economic growth is outpacing expectations. The general consensus among economists is that we will see a soft landing rather than a mild recession. The outlook for revenue growth in the Portland metropolitan area remains strong despite inflationary pressures and a growing concern of a potential recession. TriMet's payroll tax revenues are closely tied to the region's salary growth, which has proven to be strong in 2023 and 2024.

On employment, despite layoffs in certain industries, salary growth experienced strong gains through 2023 and 2024. For fiscal years 2023 and 2024, the pace of inflation on housing, consumer goods and services and job markets growth remain key factors and can present continued challenges to the Portland economy. High interest rates have cooled the housing market and property development in the region. Throughout 2023 and 2024, the Federal Reserve interest rate hikes has decreased headline inflation (total inflation in the economy) but core inflation (inflation without food and energy prices) continues to remain high. With inflation down and the job market cooling, the Federal Reserve cut interest rates by fifty basis points in September in an effort to further control inflation and stimulate economic growth. This is the first rate cut in four years after interest rates hit a twenty-three year high. Lower interest rates will reduce borrowing costs for homes, cars and other major purchases, all of which could help accelerate growth.

Personnel costs are the District's largest expenditure, labor contracts tie annual cost of living (COLA) to official measures of inflation. The District's labor contract included an annual increase of 4.0 percent effective on December 1, 2023. TriMet's Working Wage Agreement expires on November 30, 2024 and in August the District and ATU were able to come to an agreement. TriMet's Board of Directors approved the Working Wage Agreement at the September 2024 board meeting. Details on TriMet's union can be found here ATU Local 757 (atu757.org)

According to the state of Oregon Employment Department, the Portland metropolitan area unemployment rate was 3.9 percent in June 2024, up 0.4 percent from 3.5 percent in June 2023. Local unemployment remains slightly below national levels, and like many other metro areas around the country, employment remains below pre-pandemic levels. Economic activity has rebounded and exceeded pre-pandemic levels, employment has not recovered in several hard-hit industries. As the presidential election year progresses, job growth continues to exceed expectations and for some industries, wage growth has outpaced inflation. However, increasing inflation, supply chain challenges, a tight labor market and concerns about the escalating conflict in the Ukraine and the Israel Gaza war point to political instability and the potential for an economic downturn.

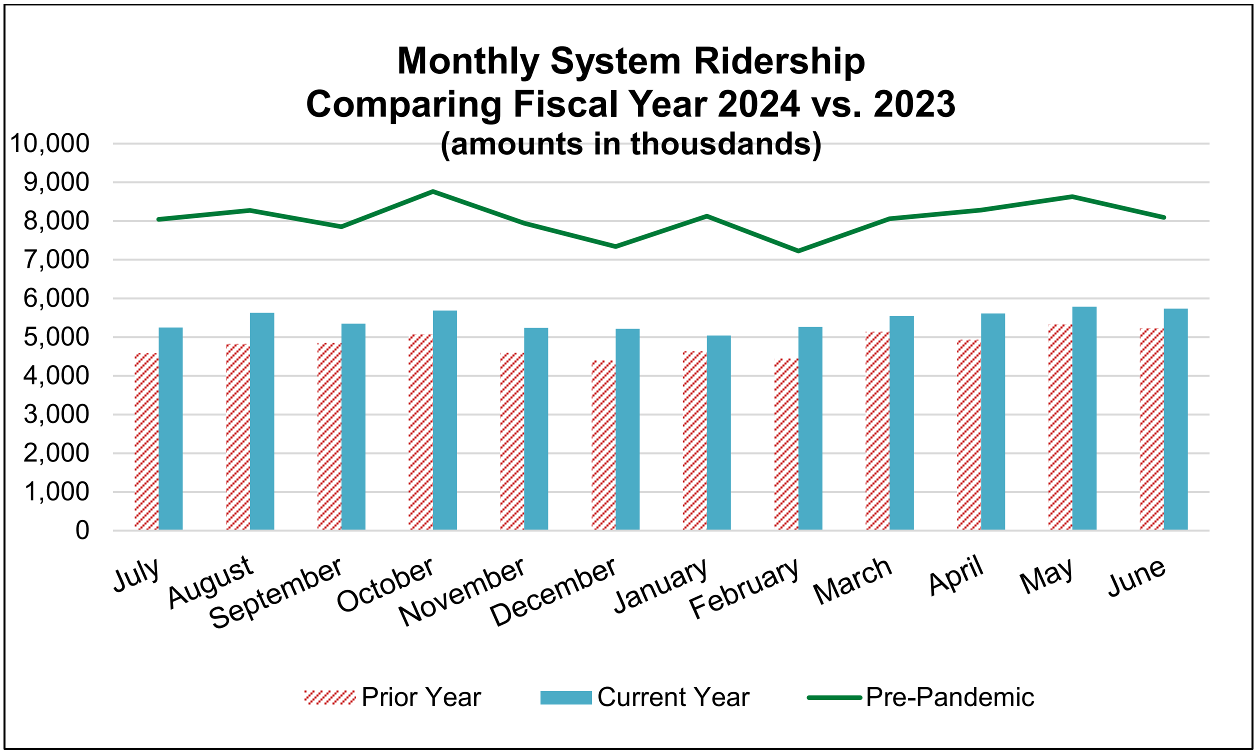
The chart below displays unemployment rates over the last ten years, with the local county rates being slightly below the national average. The economic impact of the global pandemic has resulted in the local unemployment rates peaking in 2020 slightly below national rate of 11.1 percent and then decreasing to 3.6 percent in June 2024 slightly below national average of 3.9 percent.



The majority of TriMet's revenues come from three sources: passenger revenues, payroll tax revenues and federal grants. TriMet's operating revenues are generated from passenger fares, service contract revenues and advertising. Also reported with passenger revenues are State and Federal sources dedicated to LIFT Paratransit Services.

Passenger Revenues

Since the COVID-19 pandemic (the pandemic) arrived four years ago, TriMet's ridership has been gradually recovering. Total ridership volume is still depressed compared to pre-pandemic levels as the District faces headwinds related to remote work and commuting preferences. TriMet's LIFT paratransit program was hit hardest by the first two years of the pandemic, recent years have seen significant improvements in LIFT ridership. At the end of fiscal year 2024, LIFT ridership was 31 percent below pre-pandemic levels. Overall fixed route ridership (bus, rail and commuter rail, excluding paratransit services) for fiscal year 2024 was up 12.6 percent compared to fiscal year 2023. Looking at overall fixed route ridership for fiscal year 2023 compared to fiscal year 2022, ridership increased 16.2 percent, but was down by 39.9 percent compared to pre-pandemic data. At the end of fiscal year 2024, fixed route ridership is down by 32.4 percent compared to pre-pandemic ridership. The graph below highlights monthly ridership data for fiscal year 2024 compared to fiscal year 2023, including monthly ridership numbers before the pandemic.



On January 1, 2024, the District passed the first fare increase in a decade. The fare increase was an increase of thirty cents for adult fares and fifteen cents for Honored Citizens and youth reduced fares. Fiscal year 2025 passenger revenues are forecasted based on ridership activity since the pandemic began and is estimated to be $6.1 million higher than the fiscal year 2024 adopted budget, although lower than fiscal year 2019 (pre-pandemic level). The continuation of the reduced fare based on income, Hop Fastpass market penetration, and continued on-time performance will have positive effects on returning ridership.

In fiscal year 2018, Hop Fastpass ® launched, bringing the region's riders a state-of-the-art fare collection system, serving TriMet, C-TRAN and Portland Streetcar customers. C-TRAN provides public transportation throughout the region of Clark County, Washington. Since the initial launch, adoption of the electronic fare system has increased dramatically. Now more than eighty-five percent of TriMet's passenger revenues flow through the Hop system.

TriMet has continued to innovate Hop payments since its initial launch, partnering with Apple and Google to roll out the first virtual transit cards in North America for both platforms, which made it even easier for riders to pay fares while getting the benefit of fare-capping. This progressive electronic payment feature provides riders the ability to earn a day or month pass as they ride, without the upfront cost of a pass.

With fare capping, Honored Citizen fare payers, which includes (among others) those who qualify with a low income that is up to 200 percent of the federal poverty level, receive a fifty percent reduction in two and one-half hour tickets and day passes, as well as unlimited rides within a calendar month for twenty eight dollars. Hop offers many options for those without access to bank or similar financial institution payment methods, as TriMet's Hop retail network includes hundreds of locations where cash can be converted to Hop Fastpass ® value.

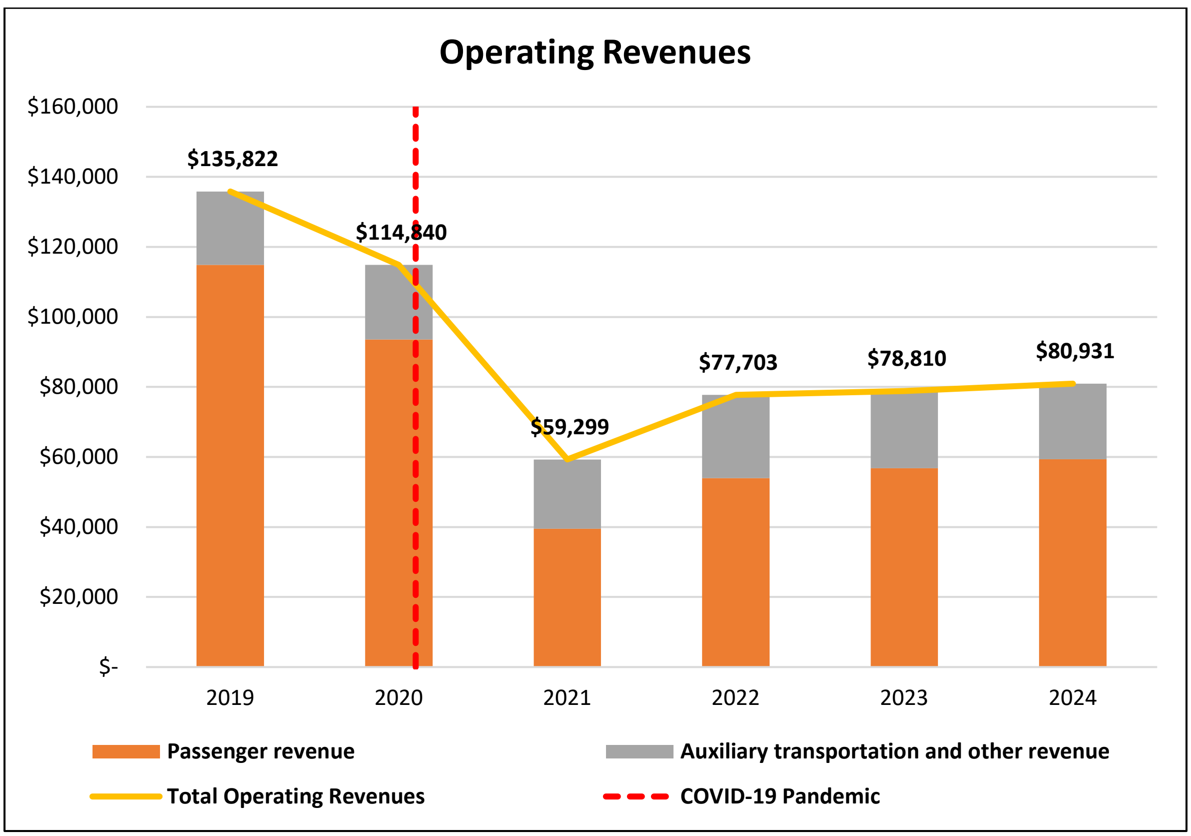
Auxiliary Transportation, Service Contract Revenues and Advertising Revenue

Auxiliary transportation and other revenue line item includes the District's accessible transportation program or LIFT paratransit services. LIFT is a door to door demand service that is operating approximately 31 percent below pre-pandemic level.

The City of Portland and TriMet have entered into an intergovernmental agreement (IGA) to operate and maintain the Portland Streetcar. Service Contract revenues under this IGA are reported in the line item for auxiliary transportation and other revenue. The revenues are from the contract with the City of Portland Streetcar for TriMet operating personnel.

Advertising revenue from local vendors advertising on TriMet buses and light rail vehicles is reported in the line item for auxiliary transportation and other revenue.

The chart below highlights the prior six fiscal years operating revenues for passenger revenues and auxiliary transportation and other revenue. The chart also displays the point in time when the pandemic impacted the District's operating revenues during fiscal year 2020.



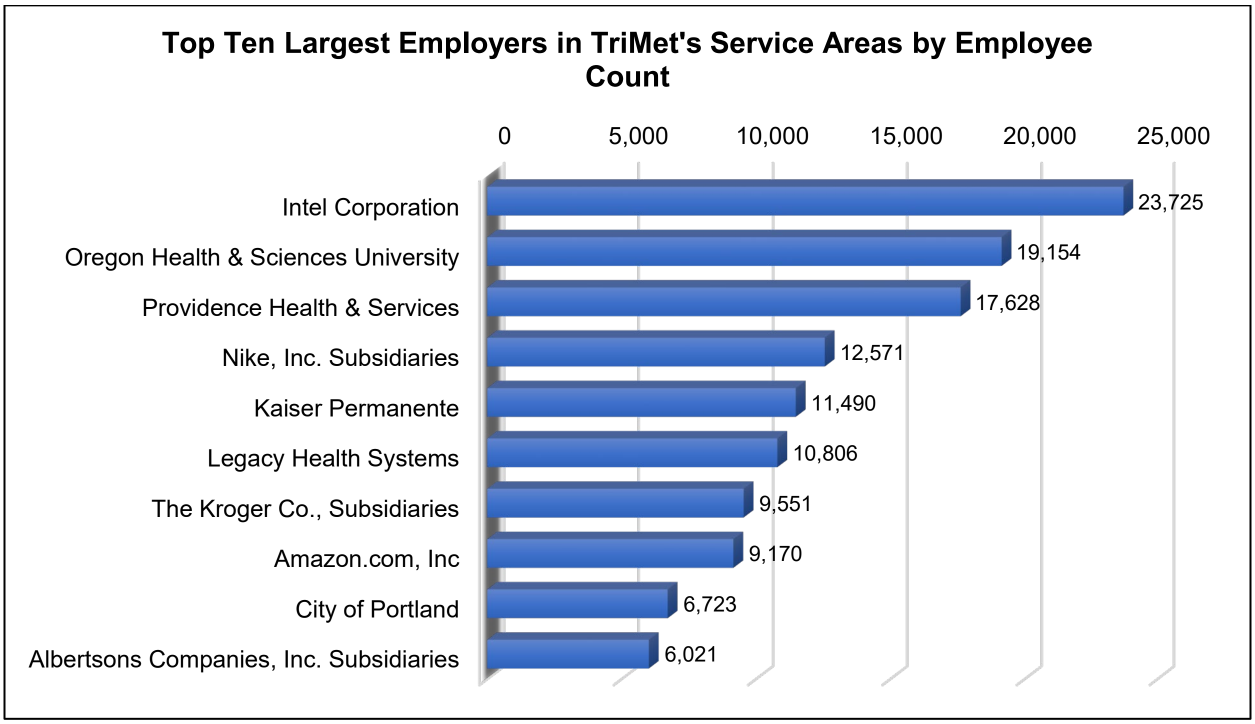
Payroll Tax Revenues

TriMet's payroll and self-employment tax is a tax on wages providing operating revenue for TriMet. The District was empowered by the state legislature, under Oregon Revised Statutes 267, to impose an excise tax on every employer on the wages paid with respect to employment of individuals. The same authority permits the District to levy an equal tax on self-employed individuals. The allowable rate has been gradually increased by amendment to the statute and the authority of the District's Board of Directors.

The tax is administered and collected by the State of Oregon – Department of Revenue (DOR). Effective on January 1, 2024, the tax rate increased to 0.8137 percent of the wages paid by an employer and the net earnings from self-employment for services performed within the TriMet District boundary. The mass-transit (TriMet) tax is paid to the Oregon DOR and businesses file tax returns using their EIN assigned by the IRS. The TriMet tax is based on where the work is performed, and whether that location is within the TriMet District Boundary.

The fiscal year 2025 forecast assumes a total growth rate of 6.5 percent for payroll tax revenues, indicating employment in the region continues to remain strong. Payroll tax revenues were not negatively impacted from the pandemic and demonstrated resiliency as employment remained strong. TriMet is projecting stable payroll tax revenue growth through fiscal year 2025, with a total growth rate of 6.5 percent.

The table below notes the top ten largest employers based on the total employee count. This data is from the 2022 Quarterly Census of Employment Wages.



Federal and State Grant Revenues

TriMet participates in Federal and State grant programs. Federal grants operating funds total $139.3 million or 17.0 percent of TriMet's resources for operations. This includes Section 5337 State of Good Repair of $44.5 million, 5310 Enhanced Mobility of Seniors & Individuals with Disabilities of $1.3 million, and other smaller federal grants of $6.1 million. Additionally, TriMet receives $21.8 million dollars a year in federal highway program funds through the Surface Transportation Block Grant (STBG) Program and Congestion Mitigation & Air Quality (CMAQ) Program to pay for regional rail program debt service.

The Federal government took extraordinary measures to combat the economic disruption of the pandemic. In response to COVID, the Federal government awarded the District approximately $669.7 million in grants via the Coronavirus Aid, Relief, and Economic Security (CARES) Act and Coronavirus Response and Relief

Supplemental Appropriations Act (CRRSAA) funding and the American Rescue Plan Act (ARP). These Federal funds are a one-time-only resource used to prevent, prepare for and respond to the pandemic and allows TriMet to continue providing service that would otherwise need to be cut due to overall lost revenues resulting from the pandemic and orders to work-from-home. As of June 30, 2024, TriMet had received all of the pandemic relief funds, CARES Act, CRRSAA, and ARP Federal Funds.

In 2017, the state legislature passed House Bill 2017 (HB 2017 or STIF). Section 122 of HB 2017 known as "Keep Oregon Moving" established funding intended to support improvements in public transportation in Oregon to help build vibrant economies with good jobs, increased quality of life, clean environment, and safe and healthy people. The fund provides a dedicated statewide resource for transit and is funded by an employee payroll tax of one-tenth of one percent. TriMet received its first allocation of STIF grant funds in May 2019 and has since received regular quarterly allocations. TriMet is budgeted to utilize $45.3 million in STIF funding in fiscal year 2025 for operating and capital improvement programs.

Budgeting & Financial Planning

For fiscal year 2025, TriMet expects to receive about $540 million in payroll taxes; $62 million in passenger fares; and about $139 million from federal operating grants. The District expects to receive a small portion of funding from accessible transportation, service contracts and advertising. The fiscal year 2025 budget includes the first full year of revenues from the 2024 fare increase that went into effect on January 1, 2024.

LONG-TERM FINANCIAL PLANNING

As part of the budget and forecasting process, the District updates the rolling ten-year long-term financial forecasting model to help guide the financial health of the agency. Long-term modeling takes into account upcoming pressure on the capital and operating impacts. Areas such as payroll tax growth, inflation, infrastructure needs, staffing levels and vehicle replacements are evaluated in the financial forecast. The long-term financial plan is a separate financial forecast combining revenues over or under expenditure projections and looks at the beginning and ending unrestricted budgetary fund balance.

Assumptions used in the long-term financial plan were developed in accordance with the strategic goals as identified in the fiscal year 2025 business plan. The assumptions are identified by the five strategic pillars of the Vision 2030 Business Plan: Ridership, Community, People, Infrastructure, and Resources. These long-range goals when linked with the assumptions support TriMet's financial and operating commitment when serving customers – riders, partners and taxpayers, and the broader community.

Certain key assumptions in the 2025 long-term planning include light rail expansion for the Interstate Bridge Replacement and funding the District's post-employment benefits plan trust.

FINANCIAL POLICIES

TriMet utilizes several financial policies in guiding day-to-day operations and ensuring long-term financial sustainability. TriMet's Strategic Financial Plan, last amended and restated in December 2019, outlines the financial and operational policies that guide TriMet forward in navigating near-term challenges and achieving a sustainable future. A brief description of certain Board adopted financial policies that affect the District's financial position include:

- Debt Management Policy governs the issuance and management of all debt and capital lease financings and establishes the authority to issue different types of debt. The policy also limits annual senior lien payroll tax debt service to 7.5 percent of continuing revenues.

- Unrestricted Fund Balance and Contingency Policy provides guidelines for budgeting and fiscal management throughout the year to ensure that sufficient financial resources are maintained for unanticipated expenditures or revenue shortfalls. TriMet's prudent financial practices defines appropriate levels of unrestricted fund balance and contingency, and also provides guidance for corrective action should these levels not be met. The policy sets a minimum fund balance reserve of two months to two and a half months of operating expenses and states contingency is appropriated at a minimum of 3 percent of operating requirements.

- Investment Policy establishes guidelines and practices to be used in effectively managing TriMet's available cash and investment portfolio, while providing maximum security with a market rate of investment return, while meeting cash flow requirements and adhering to State of Oregon statutes governing the investing of District funds.

MAJOR INITIATIVES

Transit Service

The proposed $1.75 billion budget for the 2025 fiscal year provides the financial framework to grow ridership, improve the customer experience and add service, as staffing allows. It includes nearly $849 million for daily operations; $201 million for capital investments; and about $58 million in pass-through and contingency funds. It also includes $642 million in ending fund balance totals, which are unappropriated and unavailable for spending in fiscal year 2025.

As Oregon's largest public transportation provider, TriMet's proposed fiscal year 2025 budget focuses on providing exceptional transit service and proposes service improvements guided by our Forward Together service concept. In addition to continuing to run a robust network of buses and trains across our service district, in fiscal year 2025, we would like to:

- Add four new Frequent Service bus lines
- Add new bus lines in East Portland, Sellwood and West Linn
- Extend service in East Multnomah County and I-205 between Tualatin and Oregon City
- Add more buses to well-used lines that do not currently have Frequent Service
- Continue to streamline routes and discontinue service with less ridership and demand

TriMet's service improvement and expansion plans must be supported by the appropriate staffing levels to be successful and sustainable. Hiring and training additional operators and maintenance staff will continue to be an important emphasis in fiscal year 2025, as will efforts to increase retention of both new and long-time employees.

In addition to their focus on the safe operation of vehicles, the maintenance team also heads up a key initiative to increasing ridership, and that's the cleanliness of our buses, trains and the overall transit system. The fiscal year 2025 budget includes more resources for ongoing spot cleaning, deep cleaning, graffiti cleanup and aesthetic repairs that make the system feel more desirable and welcoming overall.

Climate Action and Bus Electrification

In response to global warming and the ongoing climate crisis, TriMet is continuing the transition to a zero-emissions bus fleet, with the expansion of electric bus charging infrastructure at the Merlo and Powell bus operations facilities.

TriMet has buses arriving from the first bulk purchase of twenty-four battery-electric buses (BEBs). When the delivery is complete, TriMet will have thirty-four BEBs operating throughout the system, making up about five percent of the total bus fleet. In fiscal year 2025, TriMet will continue to build capacity for the goal to transition to a full zero-emissions fixed-route fleet by 2040.

Safety & Security

The proposed Safety & Security budget for fiscal year 2025 is quadruple what it was just three years prior. TriMet more than doubled the number of security personnel on the system in the last year, as we continue to adopt a comprehensive and layered approach to safety and security. Today, there are more than 350 unarmed security personnel providing presence, assistance and resources to riders – more than ever before. Among them, is the innovative Safety Response Team, whose members carry Narcan, a life-saving, FDA-approved nasal spray that can reverse the effects of an opioid overdose. The Safety Response Team, increased personnel and a number of other efforts were the result of the District's Reimagining Public Safety on Transit initiatives, which grew out of the social justice movement of 2020. In addition to the increased presence on board buses and trains and across the system, TriMet has established a Safety Operations Center, which helps coordinate responses to non-emergency security concerns that occur on TriMet's system. Riders can reach the team 24 hours per day by texting or calling 503-238-7433 (RIDE) or by using the security button on www.trimet.org

Capital Investment and State of Good Repair

The District's capital projects are focused on making our transit system safe, comfortable, reliable and convenient. In August 2024, TriMet completed The Better Red project improving train movement at key sections of the system near the Portland International Airport and the Gateway Transit Center. It also extend the MAX Red Line with an additional ten stations into Hillsboro, helping to provide more capacity to the growing job region of Washington County. The Better Red project brought over $100 million in federal investments, creating jobs and modernizing TriMet's light rail system to create a better experience for all riders. TriMet is also replacing the oldest light rail vehicles in the fleet with new Type VI models, expanding the SE Park Avenue Park & Ride and developing the Columbia Operations Facility, which is pivotal for testing and expansion of our Zero-Emissions Bus Program.

Vision 2030

TriMet provides tens of millions of rides every year to people throughout the region. TriMet strives to connect people to a better life, whether that's access to opportunity, work, education, connection to medical and other services, or connecting people to family, friends, and community. With a bold new vision to deliver more benefits to more people, TriMet has created a strategy for ridership growth called Vision 2030. The effort has informed a number of changes in TriMet's Business Plan which is updated every year in advance of TriMet's Board adoption of the annual budget in order to prepare for the start of the new fiscal year on July 1. More information on the business plan can be found here: TriMet Business Plan

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for the preparation of a state or local government financial report. To be eligible for the award, a government must publish an easily readable and efficiently organized report. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. The Certificate of Achievement is valid for a period of one year only. This is the first year TriMet is submitting our Annual Comprehensive Financial Report (ACFR) to the GFOA. We believe our current ACFR meets the Certificate of Achievement Program's requirements.

The preparation of this report would not have been possible without the efficient and dedicated services of several departments, especially Financial Services. Special thanks are extended to Cara Fitzpatrick, Eric Mireiter and Kingston Sprague of Financial Services. The preparation of the ACFR demonstrates the staff's dedication to improving the standard of reporting to the Board of Director's and TriMet's stakeholders. We express our appreciation to Eide Bailly, certified public accountants. We also wish to compliment the Board of Directors for their interest and support in planning and conducting the District's financial operations responsibly. I would like to express my appreciation to all TriMet staff who assisted and contributed to the preparation of this report.

Respectfully submitted,

Nancy Young-Oliver

Nancy Young-Oliver, CPA, CPFO, CFE, CISA
Chief Financial Officer

Board of Directors and District Service Area Map as of June 30, 2024

Thomas Kim
District 1 Washington County

Ozzie Gonzalez, President
District 2 N, NW & portions of SW Portland

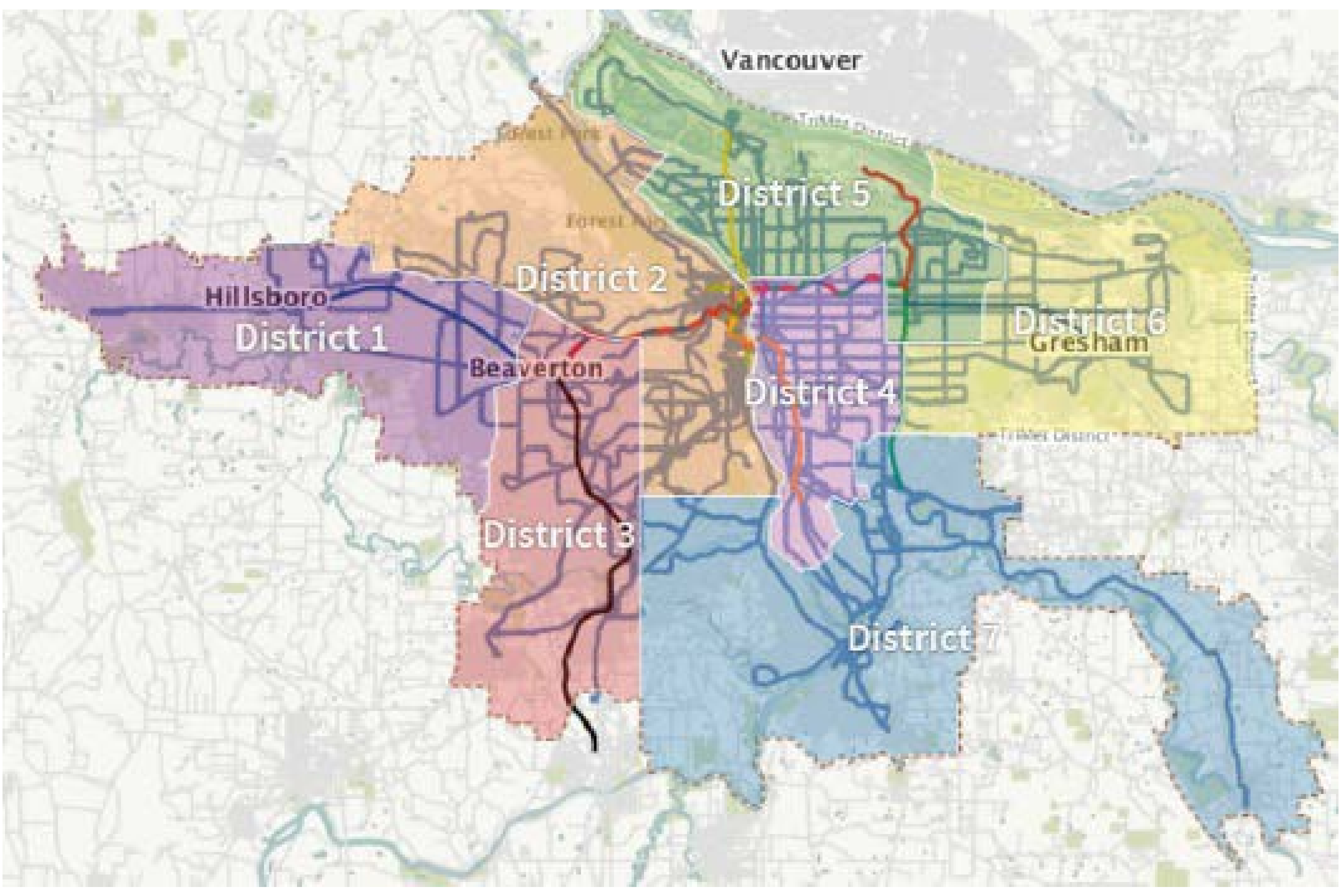
Robert Kellogg
District 3 SW Portland

Tyler Frisbee
District 4 SE Portland Current term

Keith Edwards
District 5 N and NE Portland

Dr. LaVerne Lewis
Vice President
District 6 E Multnomah County

Kathy Wai
Secretary/Treasurer
District 7 Clackamas County



TriMet Board of Directors

- Internal Audit
- Office of the General Manager
  - Labor Relations & Human Resources
  - Public Affairs
  - Finance & Administrative Services
  - Legal Services
  - Inclusion, Diversity, Equity & Accessibility
  - Information Technology
  - Engineering & Construction
  - Office of the Chief Operating Officer
    - Transportation
    - Safety & Security
    - Maintenance
    - Transit System & Asset Support

Executive Leadership Team

- **General Manager**
  Sam Desue
- **Executive Director, Legal Services**
  Shelley Devine
- **Chief Financial Officer**
  Nancy Young-Oliver
- **Executive Director, Labor Relations & Human Resources**
  Kim Sewell
- **Executive Director, Public Affairs**
  JC Vannatta
- **Executive Director, Information Technology**
  Ethan Benatan
- **Interim Executive Director, Engineering & Construction**
  Sean Batty
- **Chief Inclusion, Diversity, Equity & Access Officer**
  John Gardner
- **Chief Operating Officer**
  Bonnie Todd
- **Executive Director, Transportation**
  Inessa Vitko
- **Executive Director, Safety & Security**
  Andrew Wilson
- **Executive Director, Maintenance Operations**
  John Weston
- **Executive Director, Transit System & Asset Support**
  Dan Blair

Financial Section

Independent Auditor's Report

The Board of Directors
Tri-County Metropolitan Transportation District of Oregon
Portland, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the Tri-County Metropolitan Transportation District of Oregon (District) as of and for the years ended June 30, 2024 and June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the District, as of June 30, 2024 and June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. 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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the District'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 the District'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 the District'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 the management's discussion and analysis, schedules of changes in net pension liability and related ratios, schedules of pension contributions and investment returns, and schedules of changes in the District's net OPEB liability and investment returns, 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 GAAS, 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 the District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the reconciliation of revenues and expenses (budget basis) to schedule of revenues and expenses (GAAP basis), the reconciliation of fund balance (budget basis) to net position (GAAP basis), the schedule of revenues and expenses budget (budget basis) and actual – general fund, combining statements of fiduciary net position, combining statements of changes in fiduciary net position, and the schedule of bonds payable obligations outstanding 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 GAAS. In our opinion, the schedule of expenditures of federal awards, the reconciliation of revenues and expenses (budget basis) to schedule of revenues and expenses (GAAP basis), the reconciliation of fund balance (budget basis) to net position (GAAP basis), the schedule of revenues and expenses budget (budget basis) and actual – general fund, combining statements of fiduciary net position, combining statements of changes in fiduciary net position, and the schedule of bonds payable obligations outstanding are 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 October 14, 2024, on our consideration of the District'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 the District'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 the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated October 14, 2024, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Ahmad Gharaibeh, Partner, for
Eide Bailly, LLP
Menlo Park, California
October 14, 2024

Management's Discussion and Analysis

(dollars in thousands)

This section provides an overview and analysis of key data presented in the basic financial statements of Tri-County Metropolitan Transportation District of Oregon ("TriMet" or "the District") for the fiscal years ended June 30, 2024 and 2023, including the District operations within the Enterprise Fund, the TriMet Defined Benefit Retirement Plan for Management and Staff Employees Trust Fund, the Pension Plan for Bargaining Unit Employees of TriMet Trust Fund ("the Trust funds") and the Trust Fund for Other Post-Employment Benefits (OPEB). The Enterprise Fund reports transit activities and operations of the District except for the activities included within the Trust funds and the District's Other Post-Employment Benefits Trust Fund. The TriMet Defined Benefit Retirement Plan for Management and Staff Employees Trust Fund accounts for the resources held for the non-union employee benefit plan. The Pension Plan for Bargaining Unit Employees of TriMet Trust Fund accounts for the resources held for the union employee benefit plan. The Other Post-Employment Benefits Trust Fund accounts for the resources held for the OPEB benefit plan. Information within this section should be used in conjunction with the basic financial statements and accompanying notes. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

OVERVIEW OF THE FINANCIAL STATEMENTS

TriMet, a public corporation in the State of Oregon, is a regional transit authority providing a high-capacity transportation system throughout parts of Multnomah, Washington and Clackamas Counties through light rail ("MAX"), bus transportation systems, commuter rail ("WES"), paratransit service ("LIFT") and Streetcar (owned by the City of Portland, operated by TriMet).

In accordance with requirements set forth by the Governmental Accounting Standards Board (GASB), the District's financial statements employ the accrual basis of accounting in recognizing increases and decreases in economic resources. Accrual accounting recognizes all revenues and expenses incurred during the year, regardless of when cash is received or paid.

The basic financial statements, presented on a comparative format for the years ended June 30, 2024 and 2023, are comprised of:

Statements of Net Position – The District presents its statement of net position using the balance sheet format. The statement reflects assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the District. Net position is separated into: net investment in capital assets, net position – restricted for debt service, net position – restricted for capital projects and net position – unrestricted.

Statements of Revenues, Expenses and Changes in Net Position – This statement reflects the transactions that have increased or decreased the District's total economic resources during the fiscal year. Revenues are presented net of allowances and are summarized by major source. Revenues and expenses are classified as operating or non-operating based on the nature of the transaction.

Statements of Cash Flows – This statement presents the sources and uses of cash separated into four categories of activities: operating, noncapital financing, capital and related financing, and investing.

Statements of Fiduciary Net Position – This statement presents the Plan's assets and liabilities and the resulting net position restricted for pensions and net position restricted for other post-employment benefits. The statement reflects the Plan's investments, at fair value, along with cash and cash equivalents, receivables and other assets and liabilities.

Statements of Changes in Fiduciary Net Position – This statement reflects the transactions that have increased or decreased net position for the fiscal year for the pension plans and for the District's other post-employment benefits. This statement reflects District contributions and investment earnings along with deductions for retirement benefits and administrative expenses.

The Notes to the Financial Statements, presented at the end of the basic financial statements, are considered an integral part of the District's presentation of financial position, results of operations, and changes in cash flows.

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligations to provide pension and OPEB benefits to its employees. Additional information is presented in the supplementary section of the basic financial statements related to the District's budget, bond compliance and combining funds financial statements of the fiduciary funds.

ENTERPRISE FUND FINANCIAL HIGHLIGHTS

Financial Highlights for Fiscal Year 2024

- Total net position serves over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $1,920,098 at June 30, 2024, a $74,552 or 3.7 percent decrease from June 30, 2023.

  The largest portion of the District's net position is $2,285,824 or 119.0 percent at June 30, 2024, that represents its investment in capital assets (i.e., track, guideway, buses, light rail vehicles, buildings, improvements, and equipment), net of accumulated depreciation reduced by the amount of related debt outstanding used to acquire those capital assets.

  The restricted portion of the District's net position is $60,840 or 3.2 percent at June 30, 2024, that represents resources that are subject to external restrictions imposed by creditors (debt covenants), grantors, contributors, or laws or regulations of other governments that restrict the use of net position. The unrestricted deficit in net position was ($426,566) at June 30, 2024. The unrestricted deficit grew or deteriorated by $61,659 over the prior fiscal year primarily due to an increase in the net other post-employment benefits liability.

- Total operating revenues were $80,931 for fiscal year 2024. This is an increase by $2,121 or 2.7 percent from 2023. The increase is noted in passenger revenues which was up by $2,645 or 4.7 percent over the prior year due to a fare increase that went into effect on January 1, 2024. Total system-wide ridership for fiscal year 2024 increased 12.6 percent compared to fiscal year 2023. However overall ridership at end of fiscal year 2024 is down 32.4 percent compared to pre-pandemic levels. Further discussion on passenger revenues and ridership is highlighted in Operating Revenues of the Management Discussion and Analysis.

- Payroll and other tax revenues were $511,423 for fiscal year 2024. This is an increase of $26,241 or 5.4 percent over the prior fiscal year. The increase is due to the .01 percent increase in the employer payroll tax revenues that was effective on January 1, 2024. Management closely monitors payroll tax revenues to assess any long-term impact from the pandemic.

- Grant revenue was $89,880, which is an increase of $60,504 over the prior fiscal year. The increase is due an increase in the Statewide Transportation Improvement Fund (HB2017/STIF) formula funds. Spending on the District's STIF programs range from service expansion and service preservation to electrical vehicle charging infrastructure and enhanced transit concepts. STIF funds were also used to purchase battery electric buses in fiscal year 2024. June 30, 2024 represents the first year of the two year biennium for the STIF grant program.

- Grant revenue – CARES, CRRSAA, ARP for fiscal year 2024 was $100,725, which is a decrease of $34,375 or 25.4 percent compared to the prior fiscal year. This line item highlights Federal operating grants the District received to operate, maintain and manage bus, rail and paratransit transportation systems through the COVID-19 pandemic. In response to COVID, the federal government awarded the District approximately $669,677 in grants via the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funding and the American Rescue Plan Act (ARP).

  Fiscal year 2024 includes $100,725 in ARP revenues and fiscal year 2023 includes $125,570. By May 2024, the District had exhausted all COVID relief grant funds. The expenses related to these federal grants are subject to audit by the grantor under the Uniform Guidance.

- Total operating expenses were $931,784 per the Statements of Revenues, Expenses and Changes in Net Position. This is an increase of $110,138 or 13.4 percent from fiscal year 2023. The largest increases are noted in labor and materials and services. Labor increased by $31,506 or 13.8 percent over the prior year primarily due to a 4.0 percent scheduled pay increase on December 1, 2023 for union represented employees as a result of the August 2022 revisions to the Working Wage Agreement. See TriMet's Labor Contract   Material and services increased by $47,073 or 28.8 percent in part due to an increase in security services as the District entered into contracts to ensure safety on the system. The increase in material and services is also due to costs for the light rail vehicle overhaul activities and expenses for light rail and track structures for maintenance of way work on the Banfield track rehabilitation project.

- Purchased transportation expenses in fiscal year 2024 were $40,879, which is an increase of $10,679 or 35.4 percent from fiscal year 2023 as the District's Accessible Transportation Program (ATP or LIFT) continues to rebound from the pandemic. Fiscal year 2024 includes an increase in service hours and an increase in the hourly rate for TriMet's contract for operators and dispatch services for the LIFT program that provides paratransit services for people who are unable to use regular buses or trains due to a disability or disabling health condition. As many of these riders are in the high-risk group for COVID, demand for paratransit services dropped about 75.0 percent at the start of the pandemic. At June 30, 2024, LIFT ridership was at 33.5 percent below pre-pandemic levels.

Financial Highlights for Fiscal Year 2023

- Total net position serves over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $1,994,650 at June 30, 2023, a $38,806 or 1.9 percent decrease from June 30, 2022.

  The largest portion of the District's net position is $2,314,337 or 116.0 percent at June 30, 2023, that represents its investment in capital assets (i.e., track, guideway, buses, light rail vehicles, buildings, improvements, and equipment), net of accumulated depreciation reduced by the amount of related debt outstanding used to acquire those capital assets.

  The restricted portion of the District's net position is $45,220 or 2.3 percent at June 30, 2023, that represents resources that are subject to external restrictions imposed by creditors (debt covenants), grantors, contributors, or laws or regulations of other governments that restrict the use of net position. The unrestricted deficit in net position was ($364,907) at June 30, 2023 which is an improvement of $25,862 over the prior year due primarily to a decrease in net other post-employment benefits liability.

- Total operating revenues were $78,810 for fiscal year 2023. This is an increase by $1,107 or 1.4 percent from 2022. The increase is noted in passenger revenues which was up by $2,811 or 5.2 percent over the prior year. Total system-wide ridership for fiscal year 2023 increased 16.2 percent compared to fiscal year 2022. However, overall ridership at end of fiscal year 2023 is down 39.9 percent compared to pre-pandemic levels.

- Payroll and other tax revenues were $485,182 for fiscal year 2023. This is an increase of $21,648 or 4.7 percent over the prior fiscal year. The increase is in part due to the .01 percent increase in the employer payroll tax revenues that was effective on January 1, 2023. Management continues to closely monitor payroll tax revenues to assess any long-term impact from the pandemic.

- Grant revenue was $29,376, which is a decrease of $142,932 or 83.0 percent over the prior fiscal year. The decrease is due to a decrease in the fiscal year 2023 for Federal Transit Administration (FTA) formula grants for preventative maintenance. Fiscal year 2022 includes grant revenues for preventative maintenance that were not recorded in fiscal year 2023 due to prioritizing COVID-19 relief grants over preventative maintenance grants. This line item also includes State (Oregon Department of Transportation) and local grants. Spending on the District's Statewide Transportation Improvement Fund (STIF) programs range from service expansion and service preservation to electrical vehicle charging infrastructure and enhanced transit concepts. Fiscal year 2023 includes $41,954 for STIF program revenues, which is a decrease of $18,390 or 30.5 percent over fiscal year 2022. June 30, 2023 represents the end of the two year biennium for the STIF grant program.

- Grant revenue – CARES, CRRSAA, ARP for fiscal year 2023 was $135,100, which is an increase of $13,191 or 10.8 percent compared to the prior fiscal year. This line item highlights Federal operating grants the District received to operate, maintain and manage bus, rail and paratransit transportation systems through the COVID. In response to COVID, the federal government awarded the District approximately $669,677 in grants via the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funding and the American Rescue Plan Act (ARP). At June 30, 2023, the ARP award is the remaining FTA grant with funds outstanding and available to draw. CARES and CRRSAA grants have previously been recognized as grant revenues.

  Fiscal year 2023 includes $125,570 in ARP revenues and fiscal year 2022 includes $62,807. Fiscal year 2022 includes $58,642 in CRRSAA revenue related to reimbursement for eligible costs. The expenses related to this federal funding are subject to audit by the grantor under the Uniform Guidance.

- Total operating expenses were $821,646 per the Statements of Revenues, Expenses and Changes in Net Position. This is an increase of $61,146 or 8.0 percent from fiscal year 2022. The largest increases are noted in labor and materials and services. Labor increased by $20,343 or 9.8 percent over the prior year due to a 7.5 percent scheduled pay increase for union represented employees as a result of the August 2022 revisions to the Working Wage Agreement. See TriMet's Labor Contract Material and services increased by $46,172 or 10.5 percent primarily due to an increase in security services as the District entered into contracts to ensure safety on the system. Material and services also includes diesel fuel and light-rail vehicle overhaul, which both increased in fiscal year 2023.

Management's Discussion and Analysis

continued

(dollars in thousands)

- Fringe benefits decreased $24,907 or 10.5 percent over the prior year. The decrease is a direct result of an increase in the discount rate used in the January 1, 2023 actuarial report for the OPEB obligation. The discount rate was 3.7 percent for the 2023 valuation as compared to 2.1 percent discount rate for the 2022 valuation. Complete actuarial valuations for the District are posted on Transparency and Accountability (trimet.org) under Pension/OPEB Valuations.
- Purchased transportation expenses in fiscal year 2023 were $30,200, which is an increase of $6,153 or 25.6 percent from fiscal year 2022 indicating a rebound in the District's Accessible Transportation Program (ATP or LIFT). TriMet's LIFT program provides paratransit services for people who are unable to use regular buses or trains due to a disability or disabling health condition. As many of these riders are in the high-risk group for COVID, demand for paratransit services dropped about 75.0 percent at the start of the pandemic. LIFT ridership has been slow to recover and has remained low. LIFT ridership has slightly rebounded but still remains low at 55.0 percent below pre-pandemic levels.

ENTERPRISE FUND FINANCIAL SUMMARY

Statements of Net Position

The following reflects a condensed summary of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of TriMet as of June 30, 2024, 2023 and 2022.

Net Position
As of June 30
(dollars in thousands)

				Increase (decrease)			
				2024 - 2023		2023 - 2022	
	2024	2023	2022	$	%	$	%
Assets							
Current and other assets	$ 1,092,755	$ 1,154,750	$ 1,261,869	$ (61,995)	(5.4)%	$ (107,119)	(8.5)%
Capital assets, net of depreciation	3,216,239	3,193,617	3,155,024	22,622	0.7 %	38,593	1.2 %
Total assets	4,308,994	4,348,367	4,416,893	(39,373)	(0.9)%	(68,526)	(1.6)%
Deferred outflows of resources	188,504	192,945	248,131	(4,441)	(2.3)%	(55,186)	(22.2)%
Total assets and deferred outflows of resources	$ 4,497,498	$ 4,541,312	$ 4,665,024	$ (43,814)	(1.0)%	$ (123,712)	(2.7)%
Liabilities							
Current liabilities	$ 303,369	$ 242,876	$ 260,992	$ 60,493	24.9 %	$ (18,116)	(6.9)%
Noncurrent liabilities	1,930,377	1,897,182	2,089,831	33,195	1.7 %	(192,649)	(9.2)%
Total liabilities	2,233,746	2,140,058	2,350,823	93,688	4.4 %	(210,765)	(9.0)%
Deferred inflows of resources	343,654	406,604	280,745	(62,950)	(15.5)%	125,859	44.8 %
Net position							
Net investment in capital assets	2,285,824	2,314,337	2,355,020	(28,513)	(1.2)%	(40,683)	(1.7)%
Restricted	60,840	45,220	69,205	15,620	34.5 %	(23,985)	(34.7)%
Unrestricted deficit	(426,566)	(364,907)	(390,769)	(61,659)	16.9 %	25,862	(6.6)%
Total net position	1,920,098	1,994,650	2,033,456	(74,552)	(3.7)%	(38,806)	(1.9)%
Total liabilities, deferred inflows of resources, and net position	$ 4,497,498	$ 4,541,312	$ 4,665,024	$ (43,814)	(1.0)%	$ (123,712)	(2.7)%

Management's Discussion and Analysis

continued

(dollars in thousands)

Current and other assets decreased $61,995 or 5.4 percent, in 2024. Most of the decrease is noted in unrestricted cash and cash equivalents and investments, which decreased $38,514 or 6.7 percent from fiscal year 2023. The decrease in cash and investments, unrestricted is primarily due to the sunset of the District's COVID grant revenues as of May 2024.

Total cash and cash equivalents, unrestricted and investments, unrestricted at June 30, 2023 increased over the prior year by $134,961 or 31.7 percent as a result of an increase in payroll tax revenues as well as an increase in unrestricted funds received in fiscal year 2023 from FTA for COVID relief grants (CRRSAA, ARP).

Deferred outflows of resources decreased by $4,441 or 2.3 percent at June 30, 2024. Deferred outflows related to Net Other Post-Employment Benefits (OPEB) increased by $27,527 or almost 20.0 percent from June 30, 2023 due to a decrease in the discount rate used to measure the OPEB obligation. The discount rate as of the 2024 valuation was 3.3 percent, which was a decrease of 0.4 percent over the 2023 discount rate of 3.7 percent. Deferred outflows related to pensions decreased by $29,474 or 81.8 percent from the prior fiscal year due to amortization of experience losses from current and prior years. The unamortized loss on refunded debt decreased by $2,494.

Deferred outflows of resources decreased by $55,186 or 22.2 percent at June 30, 2023. Deferred outflows related to Other Post-Employment Benefits (OPEB) decreased by $37,813 or 21.5 percent from June 30, 2022 due to amortization of experience losses from current and prior years. Deferred outflows related to pensions decreased by $14,785 of 29.1 percent from the prior fiscal year due to amortization of assumption changes from prior years. The unamortized loss on refunded debt decreased by $2,494.

Current liabilities consist primarily of accounts payable, accrued compensation, current portion of bonds payable and unearned revenue. At June 30, 2024, current liabilities increased by $60,493 or 24.9 percent. The increase is noted in accounts payable and unearned capital project revenue. Accounts payable at June 30, 2024 includes milestone payments for Type VI Light rail vehicles (LRV) to replace the District's oldest LRV fleet, payments to contractors for work on various capital programs and purchases for battery electric buses. Fiscal year 2024 was the start of a two year biennium for the Statewide Transportation Improvement Fund (STIF) program, receipts from Oregon Department of Transportation are recorded to unearned capital project revenue.

At June 30, 2023, current liabilities decreased by $18,116 or 6.9 percent. The decrease is noted in accounts payable and unearned capital project revenue. At fiscal year end June 30, 2023, spending for programs within the Statewide Transportation Improvement Fund (STIF) increased and therefore unearned capital project revenue had decreased.

Noncurrent liabilities consist primarily of long-term debt, long-term lease liabilities, net pension liabilities and other post-employment benefits (OPEB) liability. In fiscal year 2024, noncurrent liabilities increased $33,195 or 1.8 percent from the prior year. The increase is primarily noted in the OPEB liability as the discount rate used in the actuarial valuation decreased from the prior year's valuation discount rate. Long-term debt decreased from fiscal year 2024 due to payments for principal and interest on outstanding debt and the net pension liability also decreased from the prior fiscal year due to favorable investment returns offset by benefit payments and expenses.

In fiscal year 2023, noncurrent liabilities decreased $192,649 or 9.2 percent from the prior year. The decrease is due to the decrease in long-term debt for principal and interest payments on outstanding debt. In addition, OPEB liability decreased significantly from the prior year was $175,743 as a result of an increase in the discount rate used in the actuarial valuation.

Deferred inflows of resources decreased by $62,950 or 15.5 percent from fiscal year 2023. Deferred inflows related to Other Post-Employment Benefits (OPEB) decreased by $78,198 or 20.0 percent from June 30, 2023 due to due to amortization of experience losses and assumption changes from current and prior years. Deferred outflows related to pensions increased by $15,992 or 251.1 percent from fiscal year 2023 due higher than expected investment returns.

In fiscal year 20203, deferred inflows of resources increased by $125,859 or 44.8 percent from fiscal year 2022. Deferred inflows related to Other Post-Employment Benefits (OPEB) increased by $112,104 or 41.4 percent from June 30, 2022 due to an increase in the discount rate used to measure the OPEB obligation. The discount rate as of the 2023 valuation was 3.7 percent, which was an increase of 1.6 percent over the 2022 discount rate of 2.1 percent. Deferred inflows related to leases increased $12,276 or 230.4 percent due to the execution of a long term lease in which TriMet acts as lessor.

Unrestricted net position was reported as a deficit balance for the last three fiscal years. This is primarily due to the other post-employment benefits (OPEB) liability in the District's financial statements. The OPEB liability, current and noncurrent, recorded on the statement of net position totaled $710,911 and $622,829 for the years ended June 30, 2024 and 2023, respectively. The OPEB plan is closed to non-union employees and remains open for union employees. Also contributing to the deficit in unrestricted net position is the balance for the net pension liabilities. At June 30, 2024, the net pension liability was $199,819 as compared to $222,070 as of June 30, 2023. The decrease in the net pension liability is due to favorable investment returns and contributions to the plan by the District.

Changes in Net Position

The District's total revenues increased by $68,095 or 8.9 percent, during fiscal year 2024. Passenger revenue increased $2,645 or 4.7 percent. Ridership continues to be slow to recover and ridership is still far from pre-pandemic levels. Payroll and other tax revenue increased $26,241 or 5.4 percent demonstrating stability in PRT. Also, the region's unemployment levels continue to remain low. Grant revenues increased $60,504 or 206.0 percent from the prior year. The Federal award for the Red Line Extension saw an increase in activities and related the FTA grant revenues in fiscal year 2024 as well as an increase in STIF program revenues. Grant revenue – CARES, CRRSAA, ARP decreased $34,375, or 25.4 percent. The decrease in this line item indicates the end of the District's COVID relief funding.

In fiscal year 2023, the District's total revenues decreased by $66,392 or 8.0 percent from fiscal year 2022. Passenger revenue increased $2,811 or 5.2 percent indicating ridership is recovering, however ridership is still far from pre-pandemic levels as many local businesses support working from home for their employees. Payroll and other tax revenue increased $21,648 or 4.7 percent indicating these resources have been stable in addition, the region's unemployment levels have been low throughout the pandemic. Grant revenues decreased $142,932 or 83.0 percent from the prior year. Fiscal year 2022 includes significant grant revenues for preventative maintenance that were not recorded during fiscal year 2023. Grant revenue – CARES, CRRSAA, ARP increased $13,191, or 10.8 percent. TriMet prioritized drawing ARP grant funds over preventative maintenance grant funds as the nature of the expenses are eligible costs under both federal programs.

TriMet continues to provide essential transit service to the tri-county area while recovering from the pandemic and navigating the challenge to restore ridership and address operator shortages. The District will continue to adapt to our environment and is committed to ensuring safety for passengers and its employees.

General Fund Budgetary Highlights

The General Fund is the operating fund of the District. At the end of fiscal year 2024, the ending fund balance was $873,140, which was a decrease of $108,731 from the prior year's ending fund balance of $981,871. The following are noteworthy changes from the original budget to the final adopted budget in the General Fund. These transfers did not impact Contingency.

- Public affairs adopted budget increased by $459 from the original budget in order to continue TriMet's commitment to increase its presence on the system through additional Field Outreach and Community Relations Representatives. These additional positions will be utilized by Public Affairs to increase the number of TriMet representatives on the system for a limited term.
- Safety and security adopted budget decreased by $7,459 as recruitments and hiring for the positions in both contracted safety and security services and Transit Police has been slower than expected.
- Information technology adopted budget increased by $4,246 for the replacement of aging mission-critical radio system equipment that was initially scheduled to be replaced in fiscal year 2025.
- Legal services adopted budget increased by $2,754 from the original budget in order to expedite the timing for the Hollywood Transit Oriented Development (TOD) and Substation project. The increase in the adopted budget will also fund modifications to the District's downtown administrative building lease, One Main Place.

Management's Discussion and Analysis

continued

(dollars in thousands)

Changes in Net Position
For the Years Ended June 30
(dollars in thousands)

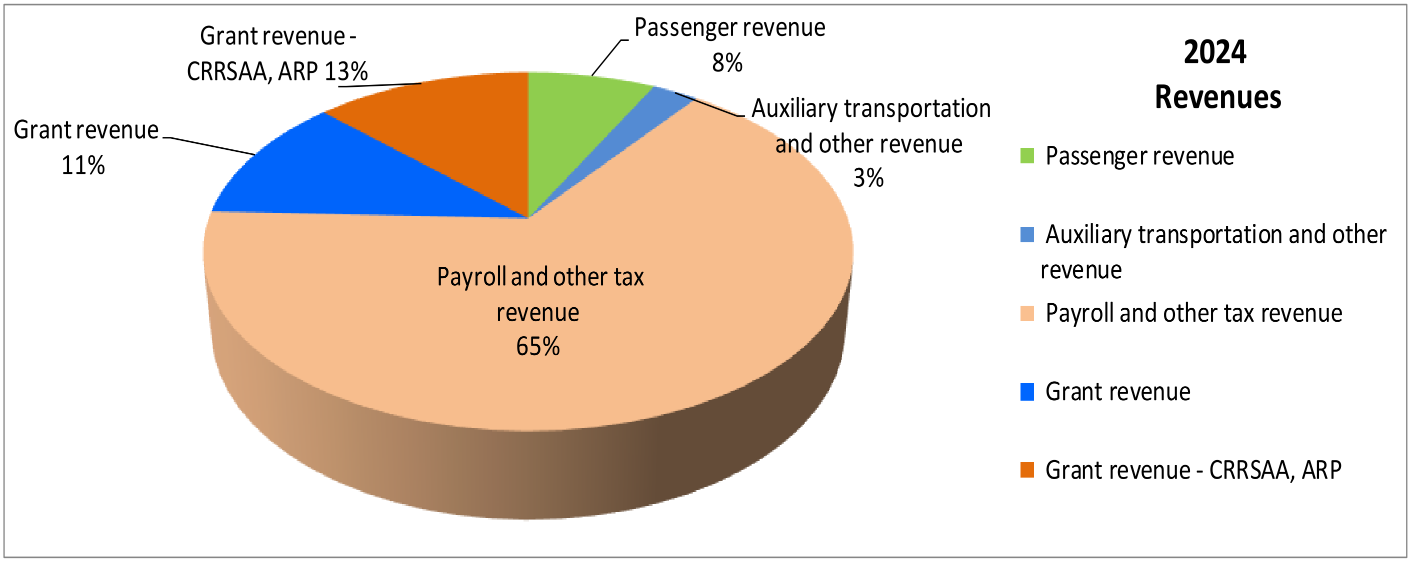
			2022	**Increase (decrease)**			
				2024 - 2023		**2023 - 2022**	
	2024	**2023**	***as restated***	**$**	**%**	**$**	**%**
Revenues							
Operating revenues							
Passenger revenue	$ 59,397	$ 56,752	$ 53,941	$ 2,645	4.7 %	$ 2,811	5.2 %
Auxiliary transportation and other	21,534	22,058	23,762	(524)	(2.4)%	(1,704)	(7.2)%
Non-operating revenues							
Payroll and other tax revenue	511,423	485,182	463,534	26,241	5.4 %	21,648	4.7 %
Grant revenue	89,880	29,376	172,308	60,504	206.0 %	(142,932)	(83.0)%
Grant revenue-CARES, CRRSAA, ARP	100,725	135,100	121,909	(34,375)	(25.4)%	13,191	10.8 %
Gain on disposal of capital assets	498	1,301	132	(803)	(61.7)%	1,169	885.6 %
Pass through revenue	16,407	14,137	6,686	2,270	16.1 %	7,451	111.4 %
Investment income	36,310	26,392	(749)	9,918	37.6 %	27,141	(100.0)%
Net leveraged lease loss	(1,024)	(3,243)	(8,076)	2,219	(68.4)%	4,833	(59.8)%
Total operating and non-operating revenues	835,150	767,055	833,447	68,095	8.9 %	(66,392)	(8.0)%
Expenses							
Labor	260,082	228,576	208,233	31,506	13.8 %	20,343	9.8 %
Fringe benefits	214,542	213,150	238,057	1,392	0.7 %	(24,907)	(10.5)%
Materials and services	210,280	163,207	117,035	47,073	28.8 %	46,172	39.5 %
Utilities	13,508	12,815	11,150	693	5.4 %	1,665	14.9 %
Purchased transportation	40,879	30,200	24,047	10,679	35.4 %	6,153	25.6 %
Depreciation expense	169,507	151,730	145,216	17,777	11.7 %	6,514	4.5 %
Other operating expense	22,986	21,968	16,762	1,018	4.6 %	5,206	31.1 %
Pass through expense	16,407	14,137	6,686	2,270	16.1 %	7,451	111.4 %
Interest and other expense	30,172	30,286	31,242	(114)	(0.4)%	(956)	(3.1)%
Funding exchanges and other payments	4,493	2,161	18,253	2,332	107.9 %	(16,092)	(88.2)%
Total expenses	982,856	868,230	816,681	114,626	13.2 %	51,549	6.3 %
Income (loss) before contributions	(147,706)	(101,175)	16,766	(46,531)	46.0 %	(117,941)	(703.5)%
Capital contributions	73,154	62,369	128,013	10,785	17.3 %	(65,644)	(51.3)%
Increase (decrease) in net position	(74,552)	(38,806)	144,779	(35,746)	92.1 %	(183,585)	(126.8)%
Net position - beginning of year	1,994,650	2,033,456	1,888,677	(38,806)	(1.9)%	180,560	7.7 %
Total net position - end of year	$ 1,920,098	$1,994,650	$ 2,033,456	$ (74,552)	(3.7)%	$ (3,025)	(1.9)%

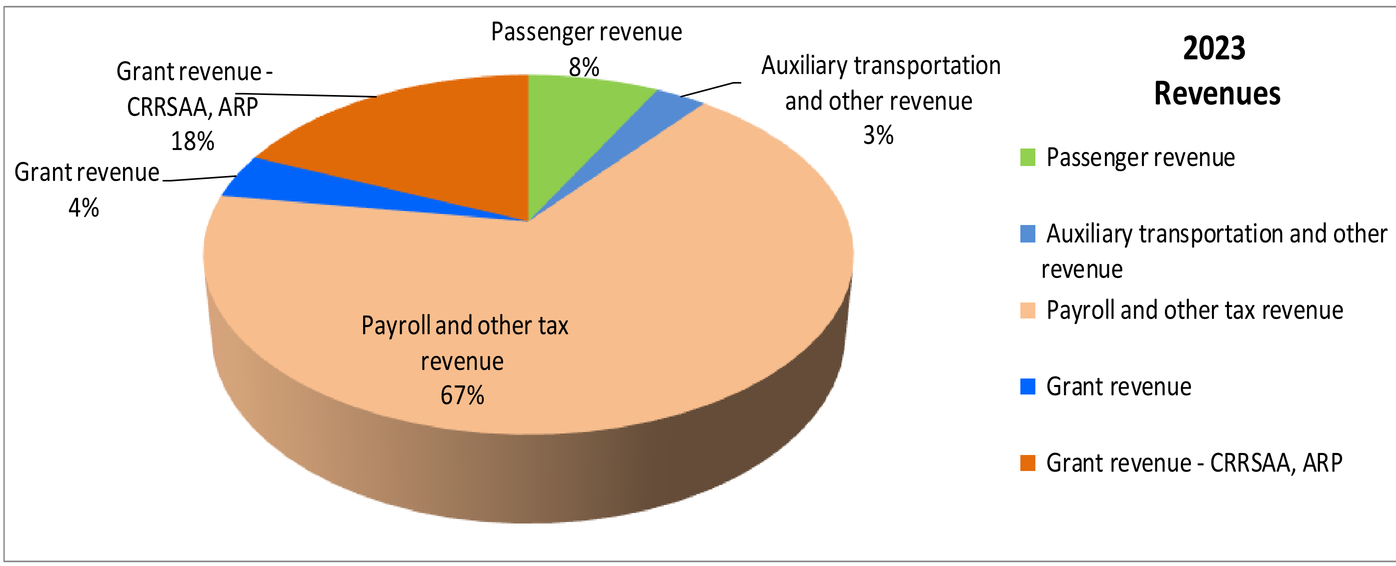
The following charts display the allocation of District revenues for fiscal years 2024 and 2023:

Management's Discussion and Analysis

continued

(dollars in thousands)





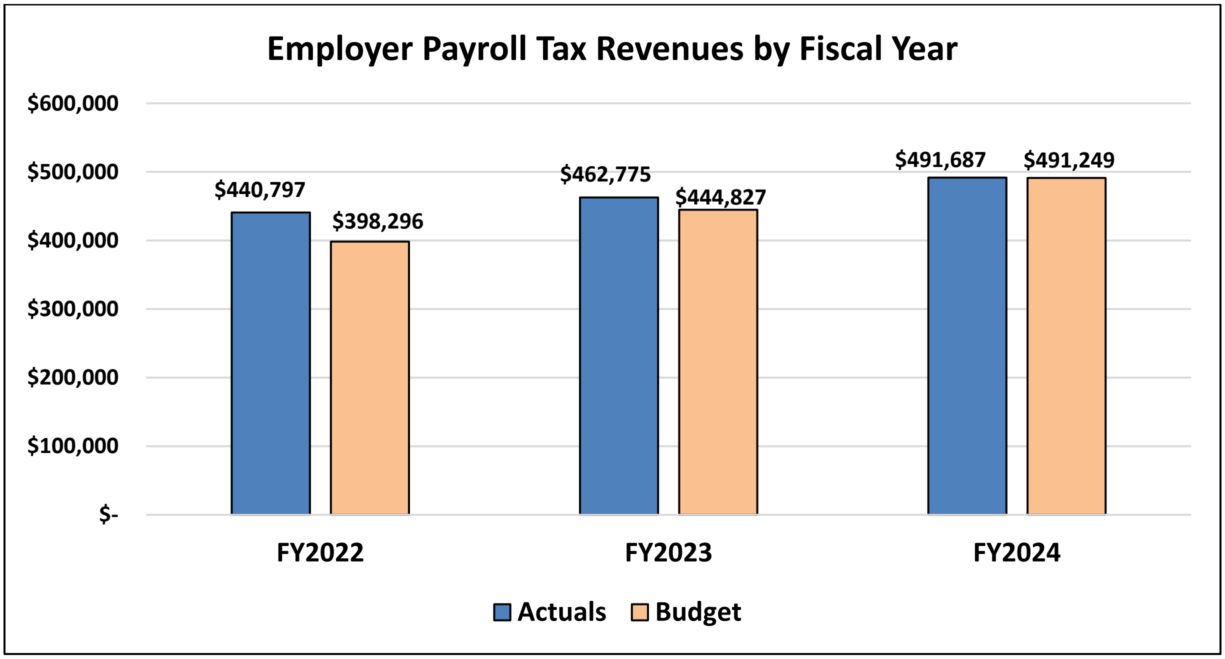
- Total operating and non-operating revenues were $835,150 for fiscal year 2024, an increase of 8.9 percent.
- Total operating and non-operating revenues were $767,055 for fiscal year 20243, a decrease of 8.0 percent.
- Total payroll and other tax revenues increased $26,241 or 5.4 percent, totaling $511,423 for fiscal year 2024. Of that amount, Employer payroll tax revenue increased $28,912, or 6.3 percent as regional employment conditions remained stable throughout the fiscal year and the rate increased on January 2024. Self-employment and other tax revenues (SET) are also reported in this line item.
- Total payroll and other tax revenues increased $21,648 or 4.7 percent, totaling $485,182 for fiscal year 2023. Of that amount, Employer payroll tax revenue increased $21,978, or 5.0 percent as regional employment conditions remained stable throughout the fiscal year and the rate increased on January 2023. Self-employment and other tax revenues (SET) are also reported in this line item.

  In 2004, the TriMet Board of Directors (Board) adopted Ordinance No. 279 increasing TriMet's employer payroll and self-employment tax rate. The increase went into effect January 1, 2005 and was phased in over a 10 year period. The rate has increased by .0001 each January 1 since 2005 and the final increase occurred January 1, 2014, when it reached 0.007237. The graph below shows the change in employer payroll tax revenues comparing the budget to actuals for that fiscal year.

Management's Discussion and Analysis

continued

(dollars in thousands)



In 2009, the Legislative Assembly gave the Board the authority to increase the rate for payroll and self-employment taxes by an additional .001, in addition to any increases resulting from service area withdrawals. That legislation requires that the additional increases be phased in over ten years, prohibits any annual increase from exceeding .0002, and requires the TriMet Board to find, before implementing any additional increase, that the economy in the District has recovered to an extent sufficient to warrant the increase in tax. Effective January 1, 2016, the TriMet Board approved a 0.0001 increase as authorized by the 2009 legislation. The January 1, 2023 effective rate was 0.8037 percent and on January 1, 2024, the effective rate increased to 0.8137 percent as a result of the 2009 legislation. Additional information on TriMet's payroll and self-employment tax is noted at: Payroll and Self-Employment Tax Information (trimet.org)

- In fiscal year 2024, Grant revenue increased $26,241 compared to fiscal year 2023. Revenues in this category include the Statewide Transportation Improvement Funds and FTA awards for certain transit projects such as Red Line Extension and low-no emission buses. FTA grant revenues for congestion mitigation and air quality and surface transportation block grant are part of this line item. Grant revenue – CARES Act, CRRSAA decreased by $34,375 or 25.4 percent over fiscal year 2023 indicating the sunset of the District's COVID relief grants.

- In fiscal year 2023, Grant revenue decreased $142,932 compared to fiscal year 2022. Revenues in this category include Federal Preventive Maintenance Funds and other operating support. In 2023, the District prioritized ARP grant revenues over preventative maintenance grants due to the timing of when ARP. Grant revenue – CARES Act, CRRSAA increased by $13,191 or 10.8 percent over fiscal year 2022. CRRSAA and ARP awards provide Federal relief as a result of the impact the Coronavirus has on operations. Revenues under these programs are recognized when the grants are approved/authorized by the granting agency, funds are appropriated, and eligible expenses have been incurred.

- Passenger revenue was $59,397 for the fiscal year 2024, an increase of $2,465 or 4.7 percent. Post pandemic passenger revenues are down approximately 48 percent from pre-pandemic levels. Fixed route ridership (bus, rail and commuter rail, excludes paratransit services) for fiscal year 2024 was up 12.5 percent compared to fiscal year 2023. However, fixed route ridership is down by 32.4 percent compared to pre-pandemic data.

  Passenger revenue was $56,752 for the fiscal year 2023, an increase of $2,811 or 5.2 percent over fiscal year 2022. Fixed route ridership (bus, rail and commuter rail, excludes paratransit services) for fiscal year 2023 was up 16.2 percent compared to fiscal year 2022. However, fixed route ridership is down by 39.9 percent compared to pre-pandemic data. Ridership has been slow to rebound from the Coronavirus pandemic.

- Total net position at June 30, 2024 was $1,920,098, a decrease of $74,552 or 3.7 percent from 2023. The change in net position is primarily attributable to the following factors:
    - Increase in labor expenses of $31,506 or 13.8 percent over 2023 due to union and non-union wage increases.
    - Increase in materials and services of $47,073 or 28.8 percent over 2023 due to an increase in contracted services for security and transit police as well as increases in expenses for the light rail vehicle overhaul and maintenance of way costs for light rail track for the Banfield track rehabilitation project.
- Total net position at June 30, 2023 was $1,994,650, a decrease of $38,806 or 1.9 percent from 2022. The change in net position is primarily attributable to the following factors:
    - Total decrease of $121,284 in grant revenue and grant revenue-CARES, CRRSAA, ARP as a result of prioritizing COVID relief grants over preventative maintenance grants.
    - Increase in labor expenses of $20,343 or 9.8 percent over 2022 due to union and non-union wage increases.

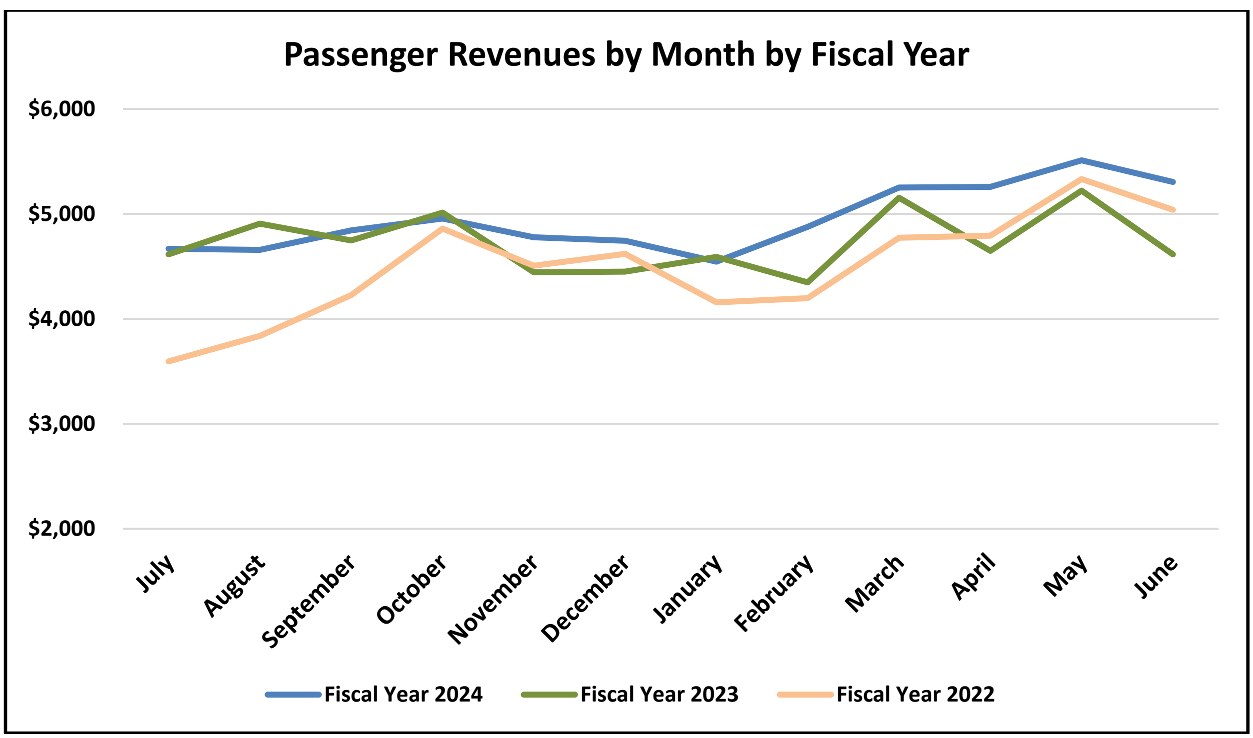
Operating Revenues

Operating revenues are composed of passenger fares and other revenue related to operations.

Passenger Revenue

Passenger revenue includes fares earned from cash receipts from riders for the sale of passes and tickets, and employer paid pass and other group fare revenue programs. In fiscal year 2024, passenger revenues increased 4.7 percent over the prior year. And in fiscal year 2023, passenger revenues increased 5.2 percent over 2022.

Prior to COVID, monthly passenger revenues averaged $9,500 per month. During fiscal year 2021, COVID significantly impacted passenger revenues, dropping the average monthly passenger revenues to $3,294. In fiscal year 2023, average monthly passenger revenues increased to $4,729 and throughout fiscal year 2024, average passenger revenues has increased slightly to $4,950. The following chart shows actual monthly passenger revenues for fiscal years ending June 30, 2024, 2023 and 2022.



Management's Discussion and Analysis

continued

(dollars in thousands)

Auxiliary Transportation and Other Revenue

Auxiliary Transportation and Other Revenue includes revenue from LIFT paratransit service, Streetcar operating revenues, and operating assistance from other local governments as well as advertising revenues. In fiscal year 2024, auxiliary transportation and other revenues decreased slightly $524 or 2.4 percent. Fiscal year 2023 noted a decrease of $1,704, or 7.2 percent from fiscal year 2022.

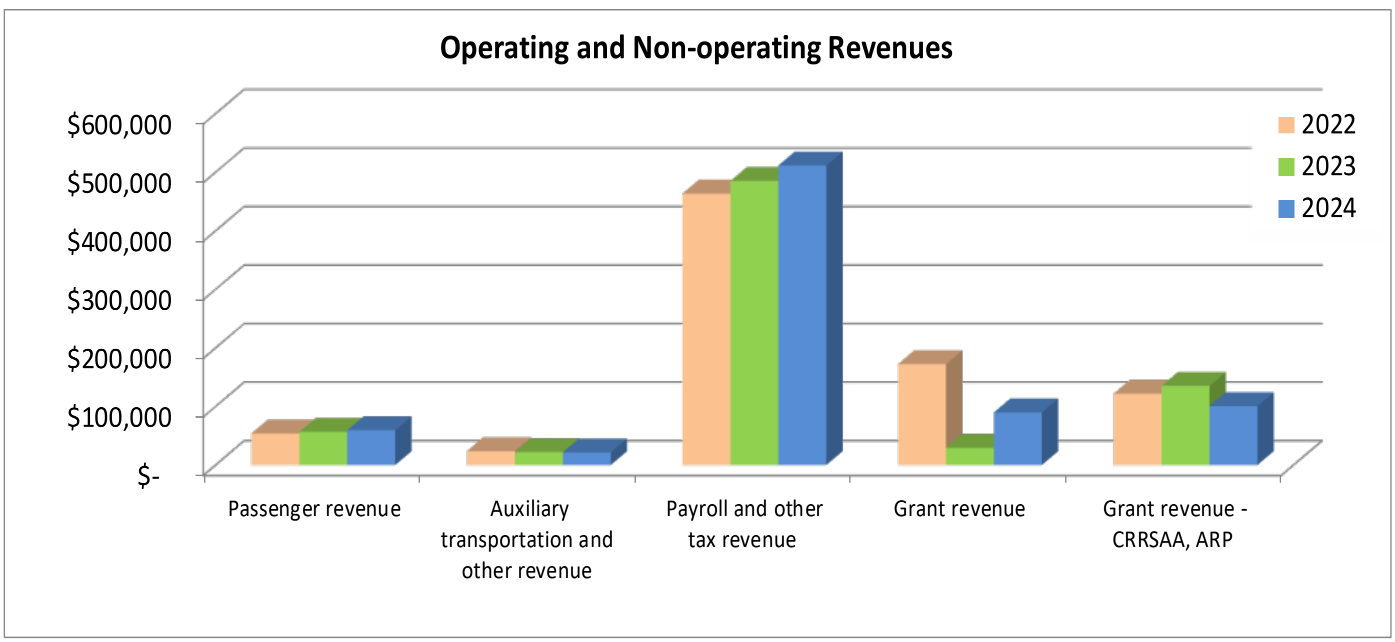
Non-operating Revenues

Non-operating revenues include Payroll and other tax revenue, Grant revenue, Pass-through revenues, Gain on disposal of capital assets and Interest revenue. The largest increase in fiscal year 2024 in non-operating revenues is noted in grant revenue for the various FTA funded programs, such as the Red Line extension.

Non-operating revenues include Payroll and other tax revenue, Grant revenue, Pass-through revenues, Gain on disposal of capital assets and Interest revenue. The largest increase in fiscal year 2023 in non-operating revenues is noted in payroll tax and other tax revenue and grant revenue-CARES, CRRSAA, ARP.

Payroll and Other Tax Revenues

Payroll tax revenues are the District's main source of revenue. Payroll and other tax revenues increased $26,241, or 5.4 percent in fiscal year 2024. In fiscal year 2023, payroll and other tax revenues increased $21,648, or 4.7 percent, compared to fiscal year 2022. The pandemic did not negatively impacted payroll tax revenues and this non-operating revenue source has remained stable. The following chart displays trends in Operating and Non-operating Revenues for the last three fiscal years:



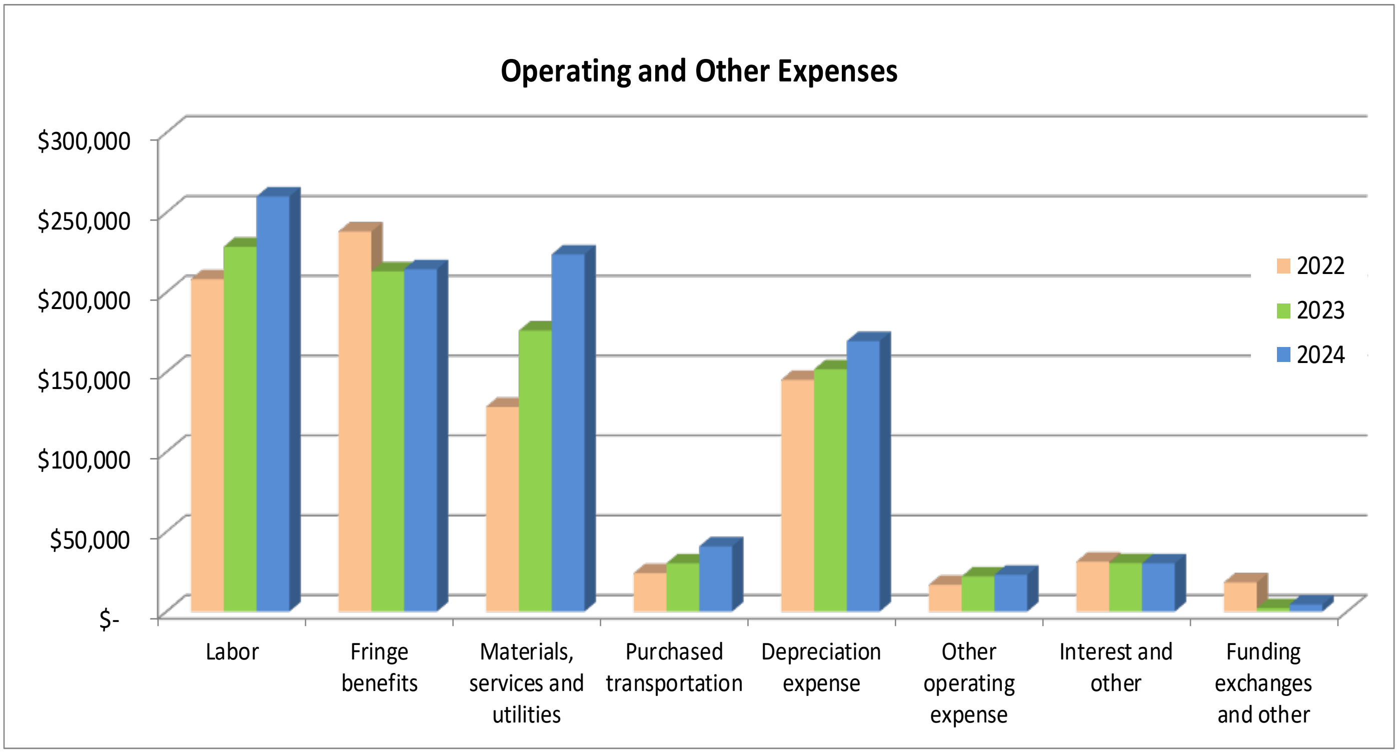
Operating and Other Expenses

Operating and Other Expenses include operations and maintenance costs, general and administrative expenses, purchased transportation costs associated with the LIFT program, depreciation of capital assets, interest on outstanding debt and other costs.

Total operating and non-operating expenses increased $114,626 or 13.2 percent to $982,856, during fiscal year 2024. Labor increased $31,506, or 13.8 percent due to scheduled pay rate increase for union employees and overall increase in non-union salaries from fiscal year 2023. Materials and services increased by $47,073 or 28.8 percent over fiscal year 2023 due to maintenance of way projects for track rehabilitation, light rail vehicle overhaul and increases in contracts for security services and transit police. Purchased transportation increased $10,679 or 35.4 percent over fiscal year 2023 due to an increase in the hourly rate for the District's contract for operators and dispatch services for the LIFT program (ADA paratransit).

Total operating and non-operating expenses increased $51,549 or 6.3 percent to $868,230 during fiscal year 2023. Fringe benefits decreased $24,907, or 10.5 percent due to a decrease in the OPEB liability resulting from the 2023 actuarial valuation. Funding exchanges and other payments decreased by $16,092 from fiscal year 2022. Included in this line item is an intergovernmental agreement (IGA) the District entered into with the City of Portland to provide relief from the pandemic's impact on the City of Portland's Streetcar operations, which was negatively impacted by the pandemic. Fiscal year 2022 includes payments of $5.6 million to the City of Portland under this IGA.

The following chart displays trends in Operating and Other expenses during the last three fiscal years:



Capital Contributions

Capital contributions include federal grants and other local government contributions restricted for purchase or construction of capital assets. The increase of $10,785 in fiscal year 2024 is directly related to the Red Line rail extension project. In fiscal year 2023, capital contributions decreased by $65,644 or 51.3 percent primarily due to the completion of the Division Transit project in September 2022. Capital contributions are funded by Federal and State grants.

Capital Assets

At June 30, 2024, the District had invested $3,216,239, in total capital assets, net of accumulated depreciation and amortization (see Note 4).

Management's Discussion and Analysis
continued
(dollars in thousands)

Capital Assets
As of June 30
(net of accumulated depreciation, dollars in thousands)

				Increase (decrease)			
				2024 - 2023		2023 - 2022	
	2024	2023	2022	$	%	$	%
Land and other	$ 233,614	$ 230,154	$ 229,692	$ 3,460	1.5 %	$ 462	0.2 %
Rail right-of-way and stations	1,164,072	1,222,079	1,267,923	(58,007)	(4.7)%	(45,844)	(3.6)%
Buildings	759,008	512,614	517,972	246,394	48.1 %	(5,358)	(1.0)%
Transportation equipment	315,312	348,728	365,200	(33,416)	(9.6)%	(16,472)	(4.5)%
Furniture and other equipment	128,901	118,986	124,820	9,915	8.3 %	(5,834)	(4.7)%
Construction in progress	570,375	720,661	638,179	(150,286)	(20.9)%	82,482	12.9 %
Right to use assets	44,957	40,395	11,238	4,562	11.3 %	29,157	100.0 %
Total capital assets	$ 3,216,239	$ 3,193,617	$ 3,155,024	$ 22,622	0.7 %	$ 38,593	1.2 %

Total capital assets net of depreciation and amortization increased $22,622, or 0.7 percent, during fiscal year 2024; the largest increase of $246,394 or 48.1 percent was noted in buildings. Fiscal year 2024 includes the completion of the capital asset for the Powell bus garage recorded at $160,129. Total capital assets net of depreciation and amortization increased $38,593, or 1.2 percent, during fiscal year 2023. For fiscal year 2023, the largest increase is noted in construction in progress, which includes construction for a distribution center and the Powell bus garage, improvements to the Red line light-rail and improvements to bus service routes.

Long-Term Debt

Long-term debt includes revenue bonds guaranteed by payroll tax and grant receipt revenues. At June 30, 2024, the District had $964,485 in revenue bonds outstanding (see Note 7). This is a decrease of $31,545 or 3.2 percent from the prior year. At June 30, 2023, total bonds outstanding were $996,030, which is a decrease of $27,062 or 2.7 percent from fiscal year 2022.

The information below represents the District's bond ratings on its long-term debt as rated by Moody's Investor Services, Inc. (Moody's), Standard & Poor's and Kroll credit rating agencies:

As of June 30
(dollars in thousands)

Revenue Bonds	Original issue amount	Balance at June 30, 2024	Moody's	Standard & Poor's	Kroll
Payroll Tax Revenue Bonds:					
2009 Series A and B Payroll Tax	$ 49,550	$ 12,530	Aaa	AAA	AAA
2015 Series A and B Payroll Tax	134,590	22,520	Aaa	AAA	AAA
2016 Series A Payroll Tax	74,800	54,095	Aaa	AAA	AAA
2017 Series A Payroll Tax	97,430	32,025	Aaa	AAA	AAA
2018 Series A Payroll Tax	148,245	39,205	Aaa	AAA	AAA
2019 Series A and B Payroll Tax	237,815	234,885	Aaa	AAA	AAA
2021 Series A and B Payroll Tax	409,640	406,415	Aaa	AAA	AAA
Total Payroll Tax Revenue Bonds	$ 1,152,070	$ 801,675			
Grant Receipt Revenue Bonds:					
2017 Capital Grant Receipt Revenue Refunding, Series A	76,015	53,105	A3	A	Not Rated
2018 Capital Grant Receipt, Series A	113,900	109,705	A3	A	Not Rated
Total Capital Grant Receipt Revenue Bonds	$ 189,915	$ 162,810			
Total Revenue Bonds	$ 1,341,985	$ 964,485			

Lease-leaseback Transactions

In 2005 TriMet entered into a lease-leaseback and sale-leaseback transactions with investors. During fiscal year 2016, the District received a put option related to the remaining sale-leaseback. In fiscal year 2021, the District implemented GASB Statement No. 87, *Leases*. Further details on the impact of Statement No. 87 are disclosed in Note 10. The District is not aware of any default, event of default or event of loss under any of the operative lease documents at June 30, 2024.

FIDUCIARY FUND STATEMENTS

Retirement Plan for Management and Staff Employees Trust Fund

The TriMet Defined Benefit Retirement Plan for Management and Staff Employees Trust Fund accounts for the assets of the employee benefit plan held by TriMet in a trustee capacity. The plan covers most TriMet non-union employees hired before April 27, 2003. Covered employees who retire at or after age 62, with five years of service, are entitled to an annual retirement benefit, payable monthly for life, with annual cost of living increases. TriMet is required to maintain funds under the plan sufficient to pay benefits when due. Further details on the Retirement Plan for Management and Staff Employees are disclosed in Note 14.

Pension Plan for Bargaining Unit Employees of TriMet Trust Fund

The Pension Plan for Bargaining Unit Employees of TriMet Trust Fund accounts for the assets of the employee benefit plan held by TriMet in a trustee capacity. The plan covers all full-time and part-time employees represented by the Amalgamated Transit Union hired before August 1, 2012. Benefits under the plan are 100 percent vested after 10 years of service. Under the terms of the Bargaining Unit Pension Plan and Permanent Disability Agreement, covered members retiring at or after age 58 with 10 or more years of service will receive a monthly benefit for life with annual cost of living adjustments. TriMet is required to maintain funds under the plan sufficient to pay benefits when due. Further details on the Pension Plan for Bargaining Unit Employees are disclosed in Note 15.

Other Post-Employment Benefits Plan Trust Fund

The District's Other Post Employment Benefit Plan Trust Fund (OPEB) accounts for the assets for post-employment benefits held by TriMet in a trustee capacity. The OPEB plan is a single employer defined benefit plan providing healthcare and life insurance benefits for eligible employees and their qualified dependents. The OPEB plan covers most non-union employees hired before May 1, 2009 and union employees hired before October 24, 2014. Union employees hired after October 24, 2014 receive a monthly stipend to cover healthcare costs. In general, OPEB benefits under the plan are 100 percent vested after 10 years of service. Further details on the Other Post-Employment Benefits plan is disclosed in Note 13.

The following displays assets, liabilities, and fiduciary net position for both pension trust funds and the OPEB trust as well as the funded status of the plan as of June 30, 2024, 2023, and 2022:

Statement of Fiduciary Net Position
As of June 30
(dollars in thousands)

	2024	2023	2022
Trust assets	$ 896,491	$ 854,419	$ 815,064
Trust liabilities	13	20	58
Net position	$ 896,478	$ 854,399	$ 815,006
Total pension and OPEB liabilities	$ 1,807,207	$ 1,699,298	$ 1,827,813
Funded percentage	50%	50%	45%

Management's Discussion and Analysis

continued

(dollars in thousands)

Net position as of June 30, 2024 increased by $42,079 or 4.9 percent due to an increase in investment earnings over fiscal year 2023. (see Note 14). Net position as of June 30, 2023 increased by $39,393 or 4.8 percent due to an increase in District contributions to the plan over the prior fiscal year. In July 2014, TriMet's board adopted a Strategic Financial Plan (SFP) via resolution 14-07-37 to provide a strategy for funding both defined benefits pension plans and an OPEB trust. In December 2019, the board updated the SFP via resolution 19-12-89. In 2023, the board adopted resolutions 23-06-24 and 23-09-41 to allow for a more flexible funding policy for the defined benefit pension plans and the OPEB trust.

The following displays changes in fiduciary net position for the years ended June 30, 2024, 2023, and 2022:

Changes in Fiduciary Net Position
For the years ended June 30
(dollars in thousands)

	2024	2023	2022
Employer contributions	$ 48,708	$ 53,246	$ 8,974
Investment earnings	81,641	48,027	(28,490)
Total additions	130,349	101,273	(19,516)
Benefit payments	87,946	61,491	57,943
Administrative expenses	324	389	299
Total deductions	88,270	61,880	58,242
Change in net position	42,079	39,393	(77,758)
Net position, beginning	854,399	815,006	892,764
Net position, ending	$ 896,478	$ 854,399	$ 815,006

Combining Statements of Fiduciary Net Position and the Combining Statements of Changes in Fiduciary Net Position for the pension trust funds for the Retirement Plan for Management and Staff Employees, the Pension Plan for Bargaining Unit Employees and the Other Post-Employment Benefit Plan are included in the Supplementary Information section to the financial statements.

ECONOMIC FACTORS AND FISCAL YEAR 2025 BUDGET

The District's Board of Directors adopted the fiscal year 2025 budget on May 22, 2024. The fiscal year 2025 budget includes $1,124,358 in total appropriations, a 6.3 percent decrease from fiscal year 2024. From the approved budget on March 27, 2024 to the final adopted budget in May, changes were implemented in response to the addition of new positions and final adjustments to the salary program, as well as materials and services pertaining to reclassifying capital projects in Maintenance and Transportation divisions and increased requirements in Public Affairs funded through STIF. Adjustments were made to update revenue projections and actual results. Restricted bond proceeds and other restricted funds for capital programs also decreased due to capital program projects cash flow updates. On the resource side unrestricted fund balance was increased due to the final reconciliation of capital projects and updated projections for fiscal year 2024 and increased capital improvement program resources as a result of updated cash flows and reclassification of light rail program into CIP resources. Also increased were Federal, State and local operating grants to reflect most recent projections.

Fiscal year 2025 is highlighted by improved and expanded service through the Forward Together Service Concept and the opening of our "A Better Red" MAX Project. This major project will improve reliability of the entire MAX system, by adding new sections of track to alleviate choke points and extending the MAX Red Line to Hillsboro/Fair Complex. Ridership continues to recover but remains depressed by the persistence of work-from-home employment. Rider concerns about safety are also prompting substantial investments in security operations. Payroll and self-employment taxes are growing, giving a solid platform for future operations. In addition the first full-year of the fare increase which increased adult fares by $0.30 and the Honored Citizen and youth fares by $0.15.—but with no increase to the price of monthly passes. The fiscal year 2025 adopted budget can be found online under "Financial Information" and "Budgets" at: https://trimet.org/about/accountability.htm

The fiscal year 2025 adopted budget also includes rebuilding the frontline workforce that has been limited by the labor shortage, the cost of operating and maintaining the existing transit system, the costs of fixed route bus and rail service to

Management's Discussion and Analysis

continued

(dollars in thousands)

maintain headways and capacity as the region grows, costs of ADA complementary paratransit service, capital investments in infrastructure and assets, mid-life overhaul of light rail vehicles and debt service expense. Highlights from the $1,124,358 adopted budget include:

- Operating and tax revenues total $623,600.
- Total day-to-day operating requirements of $864,500, which includes $507,600 for all activities required to operate the system, $228,500 in general and administrative costs, $62,900 for other post-employment benefits and $65,600 for debt service.
- TriMet will continue service lines and begin to add service back to pre-pandemic conditions throughout fiscal year 2025 including increased frequency and route changes.
- Capital Improvement Program (CIP) requirements of $200,000. The CIP includes major projects such as light rail vehicle replacements, light rail expansion to the Fair Complex in Hillsboro on the Red Line (https://trimet.org/betterred/), expansion of the Park Avenue Park & Ride, development on the Columbia Bus Base site, and replacement of light rail vehicles are four of the major projects in process at TriMet..
- TriMet will also be implementing extensive replacements and upgrades to its existing infrastructure in line with our State of Good Repair program.
- Pass through requirements, funding exchange payments and special payments totaling $23,100, under which TriMet receives funds required to be provided to other governmental agencies.
- Contingency is an appropriated amount of a minimum of 3.0 percent of operating requirements and is adjusted for risks and those activities unknown at the time of budget adoption. Fiscal year 2025 contingency totals $36,800.
- Ending fund balance totals $713,900 and is unappropriated and not available for spending in fiscal year 2025. Fund balance includes $52,800 in restricted bond proceeds and other restrictions to be spent after fiscal year 2025; $47,600 restricted for future debt service payments; and $613,600 in unrestricted fund balance, which meets the 2.0 to 2.5 months operating reserves required per the TriMet Board of Directors Strategic Financial Plan. The unrestricted fund balance is much higher than the 2.5 months requirement but will be utilized in future years.
- Carbon Reduction: In adherence with the Clean Air Act and Oregon's Climate Smart Strategies, in fiscal year 2019, TriMet adopted a non-diesel bus plan that called for a transition away from diesel fuel for buses and a move toward battery-electric buses. TriMet is committed to having a zero-emission bus fleet by the year 2040 and will be completing the acquisition of 24 long range battery electric buses in fiscal year 2025.
- New Divisions: The fiscal 2025 budget will allocate funds to two new divisions to better align the agency with the evolution of diversity and equity, and the need for providing ongoing and improved transit service. The Inclusion, Diversity, Equity & Accessibility (IDEA) division, previously within the Office of the General Manager, will better serve the agency as its own division. Additionally, the newly formed Strategy & Planning division will support the Business Plan Key Strategic Actions, Vision 2030, conversion to a zero-emissions bus fleet, and the planning essential for service improvements.

The District continues to experience the long-term impact of the pandemic while ensuring customers and employees are safe. Additionally, the agency will continue enhancing customer and employee safety, utilization of Statewide Transportation Improvement Fund programs, such as transit assistance programs. Continuation of key state of good repairs on critical infrastructure; development of a long term carbon reduction strategy that includes zero emissions power sources for TriMet's facilities and fleet, implementation of bus and rail fleet replacement and expansion, and increased speed and capacity in the Portland metro areas key transit corridors. Operator and mechanic shortages, cleanliness of buses, trains and platforms, as well as safety and security will remain paramount for fiscal year 2025.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide readers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

TriMet
Attn: Finance & Administrative Services
101 SW Main Street, Suite 700
Portland, OR 97204
www.trimet.org

Enterprise Fund
Statements of Net Position

June 30, 2024 and 2023
(dollars in thousands)

Assets	2024	2023
Current assets:		
Cash and cash equivalents	$ 171,989	$ 174,796
Cash and cash equivalents - restricted	2,159	54,802
Investments	367,343	403,050
Investments - restricted	124,004	46,142
Taxes and other receivables, net	156,625	137,735
Grants receivable	44,434	14,226
Grants receivable - CARES Act, CRRSAA, ARP	-	34,256
Leases receivable	437	943
Prepaid expenses	9,569	8,746
Materials and supplies	76,501	67,106
Total current assets	953,061	941,802
Noncurrent assets:		
Leases receivable	14,783	15,117
Prepaid lease expenses	61	61
Restricted assets:		
Cash and cash equivalents	19,698	28,451
Investments	104,527	169,254
Interest receivables	625	65
Capital assets:		
Land and other, not being depreciated	233,614	230,154
Construction in process	570,375	720,661
Capital assets, net of accumulated depreciation	2,367,293	2,202,407
Right to use assets, net of accumulated amortization	44,957	40,395
Net capital assets	3,216,239	3,193,617
Total noncurrent assets	3,355,933	3,406,565
Total assets	4,308,994	4,348,367
Deferred outflows of resources		
Pension related	6,563	36,037
Debt refunding related	16,112	18,606
OPEB related	165,829	138,302
Total deferred outflows of resources	188,504	192,945
Total assets and deferred outflows of resources	$ 4,497,498	$ 4,541,312

See accompanying notes to basic financial statements

Enterprise Fund
Statements of Net Position
June 30, 2024 and 2023
(dollars in thousands)
Continued

Liabilities	2024	2023
Current liabilities:		
Accounts payable	$ 83,820	$ 60,930
Accrued payroll	21,462	19,279
Current portion of other long-term liabilities	11,485	9,597
Unearned revenue	19,609	17,134
Lease and subscription liabilities	4,015	1,303
Current portion of long-term debt	33,025	31,545
Unearned capital project revenue	76,544	56,484
Accrued interest payable on long-term debt	10,476	10,897
Compensated absences	17,061	11,426
Net other post-employment benefits liability (OPEB)	25,872	24,281
Total current liabilities	303,369	242,876
Noncurrent liabilities:		
Other long-term liabilities	7,717	5,904
Lease and subscription liabilities	43,675	38,214
Compensated absences	22,037	21,437
Long-term debt	968,138	1,008,081
Lease leaseback obligation, net	3,952	2,928
Net pension liability	199,819	222,070
Net other post-employment benefits liability (OPEB)	685,039	598,548
Total noncurrent liabilities	1,930,377	1,897,182
Total liabilities	2,233,746	2,140,058
Deferred inflows of resources		
Pension related	22,360	6,368
Leases related	16,859	17,603
OPEB related	304,435	382,633
Total deferred inflows of resources	343,654	406,604
Net position		
Net investment in capital assets	2,285,824	2,314,337
Restricted for debt service requirements	37,836	21,227
Restricted for capital projects	23,004	23,993
Unrestricted (deficit)	(426,566)	(364,907)
Total net position	1,920,098	1,994,650
Total liabilities, deferred inflows of resources and net position	$ 4,497,498	$ 4,541,312

See accompanying notes to basic financial statements

Enterprise Fund
Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended June 30, 2024 and 2023
(dollars in thousands)

	2024	2023
Operating revenues		
Passenger revenue	$ 59,397	$ 56,752
Auxiliary transportation and other revenue	21,534	22,058
Total operating revenues	80,931	78,810
Operating expenses		
Labor	260,082	228,576
Fringe benefits	214,542	213,150
Materials and services	210,280	163,207
Utilities	13,508	12,815
Purchased transportation	40,879	30,200
Depreciation and amortization expense	169,507	151,730
Other operating expense	22,986	21,968
Total operating expenses	931,784	821,646
Operating loss	(850,853)	(742,836)
Non-operating revenues (expenses)		
Payroll and other tax revenue	511,423	485,182
Grant revenue	89,880	29,376
Grant revenue - CARES Act, CRRSAA, ARP	100,725	135,100
Investment income	36,310	26,392
Net leveraged lease loss	(1,024)	(3,243)
Gain on disposal of capital assets	498	1,301
Pass through revenue	16,407	14,137
Pass through expense	(16,407)	(14,137)
Interest and other expense	(30,172)	(30,286)
Funding exchanges and other payments	(4,493)	(2,161)
Total non-operating revenues, net	703,147	641,661
Loss before contributions	(147,706)	(101,175)
Capital contributions	73,154	62,369
Changes in net position	(74,552)	(38,806)
Net position - beginning of year	1,994,650	2,033,456
Net position - end of year	$ 1,920,098	$ 1,994,650

See accompanying notes to basic financial statements

Enterprise Fund
Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023
(dollars in thousands)

	2024	2023
Cash flows from operating activities		
Receipts from passengers	$ 58,478	$ 56,403
Receipts from other sources	21,871	21,044
Payments to employees	(459,439)	(434,644)
Payments to suppliers	(272,447)	(259,704)
Net cash used in operating activities	(651,537)	(616,901)
Cash flows from noncapital financing activities		
Receipts from payroll taxes	494,818	478,150
Receipts from operating grants	214,126	309,014
Funding exchange payments	(4,493)	(2,131)
Net cash provided by noncapital financing activities	704,451	785,033
Cash flows from capital and related financing activities		
Receipts from capital grants	73,743	53,855
Proceeds from sales of capital assets	498	2,233
Acquisition and construction of capital assets	(182,612)	(158,596)
Principal payments on long-term debt	(31,545)	(27,060)
Interest payments on long-term debt	(34,067)	(35,440)
Receipts from leases	1,193	233
Payment on leases	(879)	(2,484)
Payment on subscription based IT arrangements (SBITAs)	(1,415)	(2,108)
Net cash used in capital and related financing activities	(175,084)	(169,367)
Cash flows from investing activities		
Purchases of investment securities	(1,251,083)	(1,992,410)
Proceeds from sales and maturities of investment securities	1,307,703	2,040,421
Interest received	1,347	1,804
Net cash provided by investing activities	57,967	49,815
Net (decrease) increase in cash and cash equivalents	(64,203)	48,580
Cash and cash equivalents, beginning of year	258,049	209,469
Cash and cash equivalents, end of year	$ 193,846	$ 258,049
Reconciliation of cash and cash equivalents		
Unrestricted cash and cash equivalents	$ 171,989	$ 174,796
Restricted cash and cash equivalents	21,857	83,253
Total cash and cash equivalents	$ 193,846	$ 258,049

See accompanying notes to basic financial statements

Enterprise Fund
Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023
(dollars in thousands)
Continued

Reconciliation of operating loss to net cash used in operating activities

	2024	2023
Operating loss	$ (850,853)	$ (742,836)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	169,507	151,730
Increase in net pension liability and related deferrals	23,215	24,099
Decrease in OPEB and related deferrals	(17,642)	(25,827)
Decrease in deferred inflows on leases	(744)	(694)
Increase in taxes and other receivables	(2,285)	(1,292)
Increase in prepaid expenses and other assets	(823)	(111)
Increase in materials, supplies and other	(9,395)	(5,444)
Increase (decrease) in accounts payable	22,890	(29,010)
Increase in accrued payroll	6,042	6,808
Increase in unearned revenue	2,474	602
Increase in other liabilities	6,077	5,074
Total adjustments	199,316	125,935
Net cash used in operating activities	$ (651,537)	$ (616,901)

Supplemental Disclosures of Non-Cash Investing, Capital and Financing Activities

(dollars in thousands)

	2024	2023
Right to use assets acquired through leases as lessee	$ 7,517	$ 31,003
Right to use assets acquired through subcription based IT arrangements	2,000	1,653
Receivables acquired though lessor type leases	-	12,970

See accompanying notes to basic financial statements

Trust Fund
Statements of Fiduciary Net Position
June 30, 2024 and 2023
(dollars in thousands)

	2024	2023
Assets		
Cash and cash equivalents	$ 9,371	$ 13,718
Receivables - Accrued Income	70	46
Investments:		
Domestic large/mid cap equity	255,356	227,798
International equity	203,808	188,108
Principal protection	115,606	72,995
Systematic trend following	79,840	79,650
Real estate	75,627	79,677
Alternative risk premia	64,758	79,466
Long duration treasuries	44,053	32,699
Domestic small cap equity	26,952	24,447
Private equity	19,299	20,102
Private credit	1,751	2,167
Inflation protection	-	33,546
Total investments	887,050	840,655
Total assets	896,491	854,419
Liabilities		
Accounts payable	13	20
Total liabilities	13	20
Net position		
Restricted for pension benefits	896,042	853,984
Restricted for other post-employment benefits	436	415
Total net position	$ 896,478	$ 854,399

See accompanying notes to basic financial statements

Trust Fund
Statements of Changes in Fiduciary Net Position

For the Years Ended June 30, 2024 and 2023
(dollars in thousands)

	2024	2023
Additions		
Employer contributions	$ 48,708	$ 53,246
Investment income (loss):		
Interest	734	475
Dividends	6,265	5,270
Other income	4,629	3,278
Net change in fair value of investments	71,258	39,888
Less investment expense	(1,245)	(884)
Net investment income	81,641	48,027
Total additions	130,349	101,273
Deductions		
Benefits paid to plan members	87,946	61,491
Administrative expenses	324	389
Total deductions	88,270	61,880
Change in net position	42,079	39,393
Net position:		
Beginning of year	854,399	815,006
End of year	$ 896,478	$ 854,399

See accompanying notes to basic financial statements

1. Organization and Summary of Significant Accounting Policies

The Tri-County Metropolitan Transportation District of Oregon ("TriMet" or "the District") was organized under the provisions of Oregon Revised Statutes (ORS) Chapter 267 to provide mass transit services to the Portland metropolitan area. Formation of the District, which includes parts of Multnomah, Clackamas, and Washington counties, was effective October 14, 1969 with the assumption of the operations of a privately owned bus system. Under ORS 267, the District is authorized to levy taxes and charge fares to pay for the operations of the District. TriMet is also authorized to issue general obligation bonds and revenue bonds.

The District is governed by a seven-member Board of Directors appointed by the Governor of the State of Oregon. Board members represent and must live in certain geographical sub-districts. The Board of Directors set District policy, levy taxes, appropriate funds, adopt budgets, serve as contract board, and perform other duties required by state and federal law.

The District uses one budgetary fund to account for its operating activities: General. The General Fund accounts for the financial resources associated with operating the District. Principle sources of revenue in the General Fund are passenger fares, employer payroll and self-employment taxes, State of Oregon payroll assessments ("in lieu"), federal grants, and interest. Primary expenditures in the General Fund are personal services, materials and services, and principal and interest on debt secured by General Fund revenues.

The fiduciary fund is used to account for assets held by the District as a trustee. These assets cannot be used to support the District's programs. TriMet's trust funds includes the Defined Benefit Plan for Management and Staff Employees Trust Fund, the Pension Plan for Bargaining Unit Employees of TriMet Trust Fund and the Other Post-Employment Benefits Trust Fund. The investments, funding and benefit payment activity of these funds, and the funds' net position are reported in the Trust Fund.

(a) Financial reporting entity

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, all organizations for which the primary government is financially accountable and other organizations that, by the nature and significance of their relationship with the primary government, would cause the financial statements to be incomplete or misleading if excluded. Based on these criteria, TriMet is considered a primary government and is not a component unit of any other government.

(b) Basis of accounting and presentation

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to proprietary and fiduciary funds of governments. Under GAAP, the District accounts for activity under the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The District has a fiduciary responsibility for the two defined benefit pension plans. The financial activities of the pension plans are included in the trust fund statements in the financial section of this report. In addition, the District has a fiduciary responsibility for the other post-employment benefit plan (OPEB).

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District has applied all applicable GASB pronouncements in the financial statements.

(c) Revenue recognition

Proprietary funds distinguish operating revenues and expense from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connections with a proprietary fund's principal ongoing operations. The principal operating revenues of the General Fund are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Federal planning assistance, operating and preventative maintenance grants are received from the Federal Transit Administration (FTA) and are recognized as revenue and receivable during the period in which the related expenses are incurred and eligibility requirements are met.

Statewide Transportation funding for House Bill 2017 that went into effect on July 1, 2017 (STIF or HB2017) is a 0.1 percent employee payroll tax collected by the State and distributed to the District quarterly. Revenues are recognized as expenses are incurred with unspent resources recorded to unearned revenues.

(d) Restricted Assets

Restricted assets are assets set aside to meet externally imposed legal and contractual obligations. Restricted assets are used in accordance with their requirements and where both restricted and unrestricted resources are available for use, restricted resources are used first, and then unrestricted resources as they are needed. Restricted assets include certain proceeds of the District's revenue bonds, investments held in trust for the 2005 lease leaseback transaction and capital contributions restricted for costs of certain capital projects.

(e) Tax revenues

Funding of day-to-day operations is primarily provided by the payroll tax imposed by TriMet pursuant to ORS 267.380 and the self-employment tax imposed by TriMet pursuant to ORS 267.385. The payroll tax is imposed on employers with respect to wages earned within the TriMet service district. An employer is not permitted to deduct any portion of the tax from the wages of an employee. The self-employment tax is imposed on self-employed individuals with respect to their net earnings generated within the TriMet service district. TriMet currently imposes these taxes at a rate of 0.8137 percent as of January 1, 2024 and 0.8037 as of January 1, 2023 of the wages paid to individuals (for the payroll tax) and the net earnings from self-employed individuals (for the self-employment tax). The State in Lieu rate is 0.6 percent assessed on wages paid to State employees within the District's tax boundaries The taxes are collected on TriMet's behalf by the Department of Revenue of the State of Oregon under an agreement entered into pursuant to ORS 305.620. Imposed tax revenues are recorded as assets and revenues in the period that the obligation is incurred by the employers and the self-employed individuals. Amounts accrued are estimated based upon historical trends in payroll tax cash receipts. TriMet records an allowance for past due amounts that have not been collected by the state as of year-end.

(f) Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, and shares of the State of Oregon Local Government Investment Pool and financial institutions, and marketable securities with original maturities of three months or less.

(h) Investments

ORS Chapter 294 authorizes the District to invest in obligations of the U.S. Treasury and U.S. Government agencies and instrumentalities, certain bankers' acceptances and corporate indebtedness, and repurchase agreements. The District records all investments at fair value based upon quoted market rates, with changes in unrealized gains and losses reported as investment income.

Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment earnings comprise interest earnings, changes in fair value and any gains or losses realized upon the liquidation or sale of investments.

(i) Materials and supplies

Materials and supplies inventory consists primarily of maintenance parts and supplies for the system and light rail vehicles. Materials and supplies inventory are stated at cost determined on a moving average basis. Materials and supplies are expensed as consumed.

(j) Prepaid expenses

Certain payments to vendors reflects costs or deposits applicable to future accounting periods and are recorded as prepaid expenses.

(dollars in thousands)

(k) Receivables

Taxes and other receivables. Taxes and other receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts for payroll taxes, self-employment taxes and property taxes are based on the District's experience and management's judgment over recent years. The allowance for returns for trade accounts are based upon the District's experience of returns in the most recent year.

Grants receivable. Grants receivable are recorded in accordance with the non-exchange guidance. Accordingly, receivables are recorded when TriMet has the contractual right to grant resources, generally when the grant has been awarded to the District. Resources are offset with unearned revenues if the receivable has not yet been earned.

Grants receivable – CARES Act, CRRSAA, ARP. Grants receivable are recorded in accordance with the non-exchange guidance and represent Federal Transit Administration relief for the COVID-19 pandemic. In April 2020, TriMet was awarded $184,925 under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. In May 2021, TriMet was awarded $195,420 under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). In December 2021, TriMet was awarded $289,102 under the American Rescue Plan (ARP). The June 30, 2023 financial statements includes $34,256 in Grants receivable – CARES Act, CRRSAA, ARP.

(l) Lease-leaseback

In the District's lease leaseback transaction, each party is a lessor and a lessee. Because of 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.* 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 10.

(m) Capital assets and depreciation (excluding lease and subscription-based IT arrangement assets)

Capital assets (excluding lease and subscription-based IT arrangement assets) are reported at cost, except for donated capital assets, which are stated at the acquisition value on the date of donation. Capital outlay for additions and improvements, with a value in excess of $5 and a useful life of more than one year, are capitalized. Expenses for maintenance, repairs and minor improvements are charged to operating expense as incurred. Upon disposal of capital assets, the accounts are relieved of the related costs and accumulated depreciation and the resulting gains or losses are stated in the statement of revenues, expenses and changes in net position.

Depreciation of capital assets is recorded using the straight-line method over the estimated useful lives of the assets.

Capital assets are assigned the following estimated useful lives:

Rail right-of-way, bridges and stations	5-70 years
Buildings	40 years
Transportation equipment	5-30 years
Furniture and other equipment	3-20 years

(n) Leases (Lessee and Lessor) and similar subscription-based Information Technology (IT) arrangements

The District is a lessee for various non-cancellable leases. The District also has non-cancellable subscription-based IT arrangements for the right-to-use information technology software. For leases and subscription-based IT arrangements with a maximum possible term of twelve months or less at commencement, the District recognizes an expense based on the provisions of the lease contract or subscription-based IT arrangements, respectively. For all other leases and subscription-based IT arrangements, the District recognizes a lease or subscription-based IT liability and an intangible right-to-use lease asset or subscription-based IT asset, respectively.

At lease commencement, the District measures the lease liability 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, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. The lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If the District is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset.

At subscription commencement, the District initially measures the subscription-based IT liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription-based IT liability is reduced by the principal portion of subscription payments made. The subscription-based IT asset is initially measured as the initial amount of the subscription-based IT liability, less subscription payments made at or before the subscription commencement date, less any vendor incentives received at or before the subscription commencement date, plus the capitalizable implementation costs. The subscription-based IT arrangement asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying hardware or software.

To measure the lease or subscription-based IT arrangement liability, the District generally uses its estimated incremental borrowing rate as the discount rate unless the lease contract or subscription-based IT arrangement contains an explicit rate. The District's incremental borrowing rate is based on the rate of interest it would need to pay if it issued bonds, or similar, to borrow an amount equal to the payments under similar terms at the commencement or remeasurement date. The term includes the noncancellable period, plus any additional periods covered by an option to extend for which it is reasonably certain to be exercised, or by an option to terminate for which it is reasonably certain not to be exercised. Periods in which both the District and the lessor/vendor have a unilateral option to terminate (or if both parties must agree to extend) are excluded from the lease or subscription term. The District evaluates payments to determine if they should be included in the measurement of the lease and subscription-based IT liabilities, including those payments that require a determination of whether they are reasonably certain to be made. The District monitors lease and subscription-based IT arrangements for possible changes that may require remeasurement if they could materially affect the amount of the liability and related asset that should be recognized.

The District is also a lessor for various noncancelable leases. For leases with a maximum possible term of twelve months or less at commencement, the District recognizes revenue based on the provisions of the lease contract. For all other leases, the District initially recognizes a lease receivable at the present value of lease payments expected to be received during the lease term. It also recognizes a deferred inflow of resources at the amount of the initial measurement of the lease receivable, adjusted for any lease payments received prior to the commencement of the lease term.

Lease receivables and the related deferred inflows of resources are reported in the financial statements and further disclosed in Note 5. Subscription-based IT arrangements, right-to-use asset and the related accumulated amortization are disclosed in Note 6.

(o) Deferred outflows and inflows of resources

In addition to assets, the Statement of Net Position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) until that time. The District reports deferred outflows of resources for pension-related and other post-employment benefits (OPEB); depending on the plan, deferred outflows of resources may include: changes in assumptions, contributions made subsequent to the measurement date, net difference between projected and actual earnings on investments, or the net difference between projected and actual experience. Unamortized loss on refunded debt is also reported in deferred outflows of resources, which represents the unamortized loss on bond refundings that is deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt.

In addition to liabilities, the Statement of Net Position will report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources for pension-related and other post-employment benefits (OPEB); depending on the plan, deferred inflows of resources may include the: net difference between projected and actual earning on investments. Deferred inflows related to leases is also reported in deferred inflows of resources where the District is the Lessor and recognizes the present value of lease payments to be received in the future. Deferred lease inflows are recognized as revenues over the lease term based on the payment provisions in the contracts.

(p) Self-insurance liabilities

Liabilities for workers' compensation, employee dental insurance, and public liability and property damage claims are recognized as incurred on the basis of the estimated cost to the District upon resolution. Estimated liabilities for injury and damage claims are charged to operations in the year the claim event occurs.

Self-insured liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Since self-insured claims depend on complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are evaluated on a case-by-case basis and are re-evaluated periodically to take into consideration historical experience of recently settled claims, the frequency of claims, and other economic and social factors.

(q) Compensated absences

Vacation leave that has been earned but not paid has been accrued. Vacation pay and floating holidays are payable upon termination, retirement or death for both union and non-union employees. Sick leave is accrued as benefits are earned, but only to the extent the District will compensate the employee through a cash payment conditional on the employee's termination or death. Pursuant to the TriMet Defined Contribution Retirement Plan for Management and Staff Employees (the Management DC Plan) and the TriMet Defined Contribution Retirement Plan for Union Employees (The Union DC Plan), the District contributes 60 percent of unused sick leave when the employee leaves TriMet. The District records a liability in the accompanying financial statements related to the unused sick leave for employees covered by the Management DC Plan and the Union DC Plan. Unused sick leave benefits that enhance either defined benefit pension plan are included in the actuarial accrued liability.

(r) Bond discounts, premiums and refundings

Unamortized bond discounts and premiums are amortized to interest expense, using the effective interest method, over the term of the bonds. The excess of costs incurred over the carrying value of bonds refunded on early extinguishment of debt is amortized, using the effective interest method, over the shorter of the remaining life of the old bonds or the life of the new issue and recorded as a deferred outflow of resources.

(s) Contributed capital

Contributions received for the construction of capital assets are initially recorded as unearned revenue, then reclassified to revenue (contributed capital) when the associated capital projects are constructed or acquired.

(t) Net position

Net position is categorized as follows:

- Net investment in capital assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvements of those capital assets.
- Restricted net position – This consists of constraints placed on net position imposed by grantors, contributors or laws. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first and then unrestricted resources when they are needed.
- Unrestricted net position – This consists of net position that does not meet the definition of "Restricted" or "Net investment in capital assets."

(u) Stewardship, compliance and accountability

The annual budget is adopted on a basis consistent with generally accepted accounting principles (GAAP), with the exception of the accounting for defined benefit pension plans, other post-employment benefits, the depreciation of capital assets and long-term debt transactions that are budgeted on a cash basis. Differences from the budgetary basis to the GAAP basis are noted on the Reconciliation of Revenues and Expenses (Budget Basis) to Schedule of Revenues and Expenses (GAAP Basis). The District's legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is at the fund and divisional level and include expenses for operating, operating projects and capital projects. All annual appropriations lapse at fiscal year-end. The Board of Directors approved any budgetary modifications to the adopted fiscal year 2024 budget throughout the year. For fiscal year-end June 30, 2024, the District was in budget compliance at all division levels.

(v) Reclassification for Financial Presentation

Reclassifications of certain amounts from the prior year were necessary in order to conform to the current year presentation. Certain amounts were reclassified in financial statement line items for unrestricted cash and cash equivalents, restricted cash, grants receivable, unearned capital project revenue, net position restricted for debt service and unrestricted net position.

(w) Accounting Pronouncements Implemented

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. There was not a significant impact to the District's financial statements.

(x) Future Adoption of Accounting Pronouncements

The following pronouncements have been issued by the Governmental Accounting Standards Board (GASB), but are not effective as of June 30, 2024:

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. GASB 101 will be effective for the District's fiscal year ending June 30, 2025. The District is evaluating the impact of this standard to the financial statements.

GASB Statement No. 102, *Certain Risk Disclosures.* The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. GASB 101 will be effective for the District's fiscal year ending June 30, 2025. The District is evaluating the impact of this standard to the financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. GASB 103 will be effective for the District's fiscal year ending June 30, 2026. The District is evaluating the impact of this standard to the financial statements.

TriMet will implement new GASB pronouncements no later than the required effective date. The District is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the District's financial statements.

(dollars in thousands)

2. Cash and Investments

Cash and Investments at June 30, 2024 and 2023, consisted of the following:

	2024			2023		
	Fair value	% of portfolio	Weighted average maturity (years)	Fair value	% of portfolio	Weighted average maturity (years)
Cash and cash equivalents:						
Cash on hand	$ 335	0.0 %	-	$ 277	0.0 %	-
Demand deposits with financial institutions	83,250	10.5 %	-	107,395	12.3 %	-
Oregon local government investment pool (LGIP)	56,606	7.2 %	-	58,892	6.7 %	-
U.S. Treasuries	33,492	4.2 %	0.02	82,955	9.5 %	0.11
Commercial paper	20,163	2.6 %	0.07	8,530	1.0 %	0.13
Total cash and cash equivalents	193,846			258,049		
Investments:						
U.S. Agencies - Federal Home Loan Bank	156,759	19.9 %	0.50	229,808	26.2 %	0.39
U.S. Agencies - Farm Credit	4,020	0.5 %	0.63	-	0.0 %	-
U.S. Treasuries	314,901	39.9 %	0.28	327,971	37.4 %	0.32
Commercial Paper	120,194	15.2 %	0.27	60,667	6.9 %	0.16
Total investments	595,874			618,446		
Total cash, cash equivalents and investments	$ 789,720			$ 876,495		

Cash and investments are reflected in the Statements of Net Position as follows:

	2024	2023
Cash and cash equivalents		
Unrestricted	$ 171,989	$ 174,796
Restricted - current	2,159	54,802
Restricted - noncurrent	19,698	28,451
Total restricted cash and cash equivalents	193,846	258,049
Investments		
Unrestricted	367,343	403,050
Restricted - current	124,004	46,142
Restricted - noncurrent	104,527	169,254
Total restricted investments	595,874	618,446
Total cash, cash equivalents, and investments	$ 789,720	$ 876,495

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date (exit price). Observable inputs reflect market participants' assumptions in pricing the asset or liability and 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 or liability. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels as noted in the tables below for June 30, 2024 and 2023. The categorization is based on pricing transparency of the investments, and not an indication of the risks associated with investing in the security.

(dollars in thousands)

Investment Type	Balance at June 30, 2024	Fair Value Measurement Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Not Measured At Fair Value
U.S. Treasuries	$ 348,393	$ 348,393	$ -	$ -	$ -
U.S. Agencies (FHLB)	156,759	-	156,759	-	-
U.S Agencies (Farm Credit)	4,020		4,020		-
Commercial Paper	140,357	-	140,357	-	-
LGIP	56,606	-	-	-	56,606
Demand deposits	83,250	-	-	-	83,250
Cash on hand	335	-	-	-	335
Total	$ 789,720	$ 348,393	$ 301,136	$ -	$ 140,191

Investment Type	Balance at June 30, 2023	Fair Value Measurement Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Not Measured At Fair Value
U.S. Treasuries	$ 410,926	$ 410,926	$ -	$ -	$ -
U.S. Agencies (FHLB)	229,808	-	229,808	-	-
Commercial Paper	69,197	-	69,197	-	-
LGIP	58,892	-	-	-	58,892
Demand deposits	107,395	-	-	-	107,395
Cash on hand	277	-	-	-	277
Total	$ 876,495	$ 410,926	$ 299,005	$ -	$ 166,564

TriMet's demand deposits are covered by the Federal Deposit Insurance Corporation ("FDIC") or by collateral held by the State of Oregon. Cash held in the State of Oregon local government investment pool is managed by the State of Oregon Treasurer's office. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board, which is not registered with the U.S. Securities and Exchange Commission as an investment company. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. The Oregon Audits Division of the Secretary of State's Office audits the LGIP annually. The Division's most recent audit report on the LGIP was unmodified. The fair value of pool shares is equal to TriMet's proportionate position in the pool. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LGIP, which are recorded on a cost basis. The LGIP is not rated by any national rating service. The most recent audited financial statements are available at Oregon Short Term Fund Audited Financial Statements June 30, 2023

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, TriMet manages its exposure to declines in fair values by limiting the maximum maturity of its investment portfolio to 5 years, with a weighted average maturity of less than 2.5 years. The investment policy also states the District will not directly invest unrestricted funds in securities maturing more than 5 years from the date of purchase. Restricted investments will be invested to match the expected requirements. The District complied with policy at year-end June 30, 2024.

Credit risk. Credit risk is the risk that an issuer will fail to pay principal or interest in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause the fair value of the investment to decline. TriMet's investment policy, which is in compliance with Oregon State law (ORS 294 and 295), limits investment in corporate indebtedness on the settlement date to a rating of P-1 or Aa3 or better by Moody's Investors Service or A-1 or AA- or better by Standard & Poor's (S&P) Corporation or equivalent rating by any nationally recognized statistical rating organization. All investments identified in the ORS are included as permitted investments in the District's investment policy. The District's investment policy is posted to TriMet-Investment-Policy.pdf

(dollars in thousands)

As of June 30, 2024 and 2023, TriMet's investments were rated as follows:

Investment Type	Moody's Long-term	Moody's Short-term	Standard & Poor's Long-term	Standard & Poor's Short-term	Fair Value at June 30, 2024	Fair Value at June 30, 2023
U.S. Treasuries	Aaa	P-1	AA+	A-1+	$ 348,393	$ 410,926
U.S. Agencies (FHLB)	Aaa	P-1	AA+	A-1+	156,759	229,808
U.S. Agencies (Federal Farm Credit)	Aaa	P-1	AA+	A-1+	4,020	-
Commercial Paper	N/A	P-1	N/A	A-1+/A-1	140,357	69,197
					$ 649,529	$ 709,931

Concentration of credit risk. Concentration of credit risk is the risk associated with the lack of diversification or having too much invested in a few individual issues. TriMet's investment policy sets forth the procedures, guidelines, and criteria for the operation of TriMet's investment program. This policy governs the investment of all TriMet funds, except funds held in trust for pensions and deferred compensation. The investment policy establishes maximum amounts, either as a percentage of total portfolio or fixed dollar amount, that may be invested in investment types and any single issuer.

Investment Type per Investment Policy	Maximum Maturity	Maximum Percent of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	100%	100%
U.S. Agency Obligations	5 years	90%	35%
Commercial Paper & Corporate Bonds	5 years	35%	5%
Bankers' Acceptance	5 years	10%	5%
Oregon Short Term Fund	5 years	Maximum per ORS 294.810	
Time Deposits, Certificates of Deposit, Savings	5 years	50%	25%
Municipal Debt Obligations	5 years	10%	5%

At June 30, 2024, the District had 44.1 percent invested in U.S. government securities, 19.9 percent in agency securities – Federal Home Loan Bank, 0.5 percent in agency securities – Farm Credit, 17.8 percent in commercial paper, 10.5 percent in demand deposits and 7.2 percent in local government investment pool. At June 30, 2023, the District had 46.9 percent invested in U.S. government securities, 26.2 percent in agency securities, 7.9 percent in commercial paper, 12.3 percent in demand deposits and 6.7 percent in local government investment pool. As of June 30, 2024, the District held commercial paper with Lloyd's Bank at 5.9 percent and MUFG Bank at 5.2 percent. At year-end, these investments were in compliance with the investment policy as their relative percentage of the portfolio only exceeded the 5.0 percent maximum per issuer constraint due to a decrease in the size of the portfolio after the securities initial purchase. As of June 30, 2023, there were no instances of investments in commercial paper exceeding the 5.0 percent per issuer.

Custodial credit risk - deposits and investments. For deposits, this is the risk that in the event of a bank failure, TriMet's deposits may not be returned. ORS Chapter 295 governs the collateralization of certain Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program (PFCP). Bank depositories are required to pledge collateral against any public funds deposits in excess of federal deposit insurance amounts. All banks holding funds in TriMet's name, that are not held in trust for debt service, are included on the list of qualified depositories maintained by the Oregon State Treasurer. At June 30, 2024, the carrying amount of the District's deposits (excluding amounts held in trust for debt service) was $83,542 and the bank balance was $93,559. Of this bank balance, $508 was covered by the federal depository insurance's general deposit rules and $93,051 was collateralized by the PFCP.

All investments purchased by the District are held and registered in TriMet's name by a safekeeping bank acting as safekeeping agent. A portion of TriMet's funds are invested in an external investment pool, held by the State of Oregon in the Local Government Investment Pool (LGIP), as described above. TriMet also deposits funds in four bank savings accounts. Balances in these accounts are in compliance with TriMet investment policy limits and are collateralized in accordance with ORS Chapter 295.

(dollars in thousands)

3. Receivables

At June 30, 2024 and 2023, the District had the following receivables under various federal and state grant agreements:

Balance at June 30, 2024	
Other federal	$ 38,560
State and local grants	5,874
	$ 44,434
Balance at June 30, 2023	
Federal pass through	$ 239
Other federal	10,463
State and local grants	3,524
	$ 14,226

In addition to the Federal grants noted above, at June 30, 2023, TriMet recorded $34,256 in American Rescue Plan (ARP) funds. There was no corresponding outstanding receivable for ARP as of June 30, 2024. ARP, CARES and CRRSAA are Federal Transportation Administration (FTA) grants awarded to TriMet in response to the Coronavirus pandemic. The outstanding receivable balance on these FTA grants are unrestricted.

Taxes and other receivables at June 30, 2024 and 2023, including the applicable allowances for uncollectible accounts, are as follows:

Balance as June 30, 2024	Receivable	Allowance for uncollectible accounts	Net receivable
Unrestricted:			
Payroll tax	$ 138,330	$ 4,700	$ 133,630
Self-employment tax	11,047	860	10,187
Trade accounts	3,459	10	3,449
Other	9,359	-	9,359
Total unrestricted	162,195	5,570	156,625
Restricted:			
Other	625	-	625
Total restricted	625	-	625
Total taxes and other receivables	$ 162,820	$ 5,570	$ 157,250

Balance as June 30, 2023	Receivable	Allowance for uncollectible accounts	Net receivable
Unrestricted:			
Payroll tax	$ 120,285	$ 4,740	$ 115,545
Self-employment tax	12,328	820	11,508
Trade accounts	2,663	400	2,263
Other	8,419	-	8,419
Total unrestricted	143,695	5,960	137,735
Restricted:			
Other	65	-	65
Total restricted	65	-	65
Total taxes and other receivables	$ 143,760	$ 5,960	$ 137,800

(dollars in thousands)

4. Capital Assets

Capital assets at June 30, 2024 and 2023 consisted of the following:

For Fiscal Year Ended June 30, 2024	Lives (in years)	Beginning balance	Additions	Deletions	Transfers	Ending balance
Capital assets, not being depreciated						
Land and other		$ 230,154	$ 3,409	$ -	$ 51	$ 233,614
Construction in process		720,661	175,859	-	(326,145)	570,375
Total capital assets, not being depreciated		950,815	179,268	-	(326,094)	803,989
Capital assets, being depreciated						
Rail right-of-way and stations	5-70	2,454,132	3,348	-	-	2,457,480
Buildings	40	841,307	-	(4,350)	283,449	1,120,406
Transportation equipment	5-30	825,284	-	(23,154)	12,735	814,865
Furniture and other equipment	3-20	343,024	-	(422)	29,910	372,512
Total capital assets, being depreciated		4,463,747	3,348	(27,926)	326,094	4,765,263
Less accumulated depreciation for						
Rail right-of-way and stations		(1,232,053)	(61,355)	-	-	(1,293,408)
Buildings		(328,693)	(37,055)	4,350	-	(361,398)
Transportation equipment		(476,556)	(46,151)	23,154	-	(499,553)
Furniture and other equipment		(224,038)	(19,995)	422	-	(243,611)
Total accumulated depreciation		(2,261,340)	(164,556)	27,926	-	(2,397,970)
Total capital assets, being depreciated, net		2,202,407	(161,208)	-	326,094	2,367,293
Total capital assets, net		$ 3,153,222	$ 18,060	$ -	$ -	$ 3,171,282

For Fiscal Year Ended June 30, 2023	Lives (in years)	Beginning balance	Additions	Deletions	Transfers	Ending balance
Capital assets, not being depreciated						
Land and other		$ 229,692	$ -	$ (571)	$ 1,033	$ 230,154
Construction in process		638,179	158,596	-	(76,114)	720,661
Total capital assets, not being depreciated		867,871	158,596	(571)	(75,081)	950,815
Capital assets, being depreciated						
Rail right-of-way and stations	5-70	2,436,347	-	(403)	18,188	2,454,132
Buildings	40	825,679	-	-	15,628	841,307
Transportation equipment	5-30	802,327	-	(6,021)	28,978	825,284
Furniture and other equipment	3-20	333,941	-	(3,204)	12,287	343,024
Total capital assets, being depreciated		4,398,294	-	(9,628)	75,081	4,463,747
Less accumulated depreciation for						
Rail right-of-way and stations		(1,168,424)	(64,032)	403	-	(1,232,053)
Buildings		(307,707)	(20,986)	-	-	(328,693)
Transportation equipment		(437,127)	(45,450)	6,021	-	(476,556)
Furniture and other equipment		(209,121)	(18,121)	3,204	-	(224,038)
Total accumulated depreciation		(2,122,379)	(148,589)	9,628	-	(2,261,340)
Total capital assets, being depreciated, net		2,275,915	(148,589)	-	75,081	2,202,407
Total capital assets, net		$ 3,143,786	$ 10,007	$ (571)	$ -	$ 3,153,222

Included in the line item for Depreciation and amortization expense on the Statement of Revenues, Expenses and Changes in Net Position is $4,955 and $3,501 for amortization related to leases and subscription based information technology agreements for fiscal years ended June 30, 2024 and 2023, respectively.

5. Leases

The District has several leasing arrangements accounted for under GASB No. 87, *Leases*, summarized below.

Lessee Activities

The District has accrued liabilities for six office space leases. Certain leases also include parking. The remaining liability for these leases is $40,564 and $32,654 as of June 30, 2024 and 2023, respectively. Right to use assets, net of amortization, for these leases is $36,380 as of June 30, 2024 and $32,214 as of June 30, 2023. Interest expense recognized on these leases was $790 and $128 for the fiscal years ended June 30, 2024 and 2023, respectively. Principal payments of $334 and $1,918 were recognized in the years ended June 30, 2024 and June 30, 2023, respectively. Final payment on these leases is expected in fiscal year 2040.

The District has accrued liabilities for four parking leases. Many of these leases help support parking at the District's park and ride locations. The remaining liability for these leases is $1,201 and $1,276 as of June 30, 2024 and 2023 respectively. Right to use assets, net of amortization, for these leases is $1,152 as of June 30, 2024 and $1,230 as of June 30, 2023. Interest expense recognized on these leases was $33 and $34 for fiscal years ended June 30, 2024 and June 30, 2023 respectively. Principal payments of $75 and $72 were recognized in the years ended June 30, 2024 and June 30, 2023, respectively. Final payment on these leases is expected in fiscal year 2108.

The District has accrued liabilities for four radio tower (telecommunications) leases. The remaining liability for these leases is $1,398 and $1,493 as of June 30, 2024 and 2023 respectively. Right to use assets, net of amortization, for these leases is $1,233 as of June 30, 2024 and $1,353 as of June 30, 2023. Interest expense recognized on these leases was $38 and $41 in the years ended June 30, 2024 and June 30, 2023, respectively. Principal payments of $95 and $87 were recognized in the years ended June 30, 2024 and June 30, 2023, respectively. Final payment on these leases is expected in fiscal year 2043.

The District has accrued a liability for a bridge sub-lease from the State of Oregon. The remaining liability for this lease is $2,345 and $2,509 as of June 30, 2024 and 2023 respectively. The right to use asset, net of amortization, for this lease is $2,212 as of June 30, 2024 and $2,394 as of June 30, 2023. Interest expense recognized on this lease was $64 and $68 for the years ended June 30, 2024 and June 30, 2023 respectively. Principal payments of $164 and $159 were recognized in the years ended June 30, 2024 and June 30, 2023, respectively. Final payment is expected in fiscal year 2036.

The District has recognized an accrued liability for land-associated developments. The remaining liability for this lease is $40 as of June 30, 2024 and $60 as of June 30, 2023. The right to use asset, net of amortization was $353 as of June 30, 2024 and $384 as of June 30, 2023. Interest expense recognized on this lease was $2 and $2 for the years ended June 30, 2024 and June 30, 2023 respectively. Principal payments of $20 and $19 were recognized in the years ended June 30, 2024 and June 30, 2023, respectively. The final lease expires in fiscal year 2052.

(dollars in thousands)

Below is a schedule of the changes in the right to use assets with the accumulated amortization for the fiscal years ended June 30, 2024 and June 30, 2023:

Right to use assets For Fiscal Year-End June 30, 2024	Beginning balance	Additions	Deletions	Ending balance
Lessee leases:				
Office space	$ 39,773	$ 7,517	$ (5,989)	$ 41,301
Parking	1,544	-	-	1,544
Radio towers	1,833	-	-	1,833
Bridge	3,121	-	-	3,121
Land	652	-	-	652
Total right to use assets	$ 46,923	$ 7,517	$ (5,989)	$ 48,451

Accumulated amortization For Fiscal Year-End June 30, 2024	Beginning balance	Additions	Deletions	Ending balance
Lessee leases:				
Office space	$ (7,559)	$ (3,351)	$ 5,989	$ (4,921)
Parking	(314)	(78)	-	(392)
Radio towers	(480)	(120)	-	(600)
Bridge	(727)	(182)	-	(909)
Land	(268)	(31)	-	(299)
Total accumulated amortization	$ (9,348)	$ (3,762)	$ 5,989	$ (7,121)
Total right to use assets, net	$ 37,575	$ 3,755	$ -	$ 41,330

Right to use assets For Fiscal Year-End June 30, 2023	Beginning balance	Additions	Deletions	Ending balance
Lessee leases:				
Office space	$ 8,836	$ 30,937	$ -	$ 39,773
Parking	1,773	66	(295)	1,544
Radio towers	1,833	-	-	1,833
Bridge	3,121	-	-	3,121
Land	652	-	-	652
Total right to use assets	$ 16,215	$ 31,003	$ (295)	$ 46,923

Accumulated amortization For Fiscal Year-End June 30, 2023	Beginning balance	Additions	Deletions	Ending balance
Lessee leases:				
Office space	$ (5,483)	$ (2,076)	$ -	$ (7,559)
Parking	(531)	(78)	295	(314)
Radio towers	(360)	(120)	-	(480)
Bridge	(546)	(181)	-	(727)
Land	(237)	(31)	-	(268)
Total accumulated amortization	$ (7,157)	$ (2,486)	$ 295	$ (9,348)
Total right to use assets, net	$ 9,058	$ 28,517	$ -	$ 37,575

(dollars in thousands)

Below is a schedule of the changes in the lease obligations for the fiscal years ended June 30, 2024 and June 30, 2023:

Lease Obligations For Fiscal Year-End June 30, 2024	Beginning balance	Additions	Deletions	Ending balance	Current Portion
Lessee leases:					
Office space	$ 32,654	$ 8,244	$ (334)	$ 40,564	$ 2,794
Parking	1,276	-	(75)	1,201	39
Radio towers	1,493	-	(95)	1,398	101
Bridge	2,509	-	(164)	2,345	168
Land	60	-	(20)	40	20
Total Lease Obligations	$ 37,992	$ 8,244	$ (688)	$ 45,548	$ 3,122

Lease Obligations For Fiscal Year-End June 30, 2023	Beginning balance	Additions	Deletions	Ending balance	Current Portion
Lessee leases:					
Office space	$ 3,635	$ 30,937	$ (1,918)	$ 32,654	$ 335
Parking	1,282	66	(72)	1,276	75
Radio towers	1,580	-	(87)	1,493	94
Bridge	2,668	-	(159)	2,509	164
Land	79		(19)	60	19
Total Lease Obligations	$ 9,244	$ 31,003	$ (2,255)	$ 37,992	$ 687

The District's schedule of future payments included in the measurement of leases payable is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 3,122	$ 997	$ 4,119
2026	3,480	920	4,400
2027	3,512	842	4,354
2028	3,716	762	4,478
2029	3,913	678	4,591
2030 - 2034	22,842	1,963	24,805
2035 - 2039	2,990	407	3,397
2040 - 2044	622	194	816
2045 - 2049	(82)	187	105
2050 - 2054	(76)	198	122
2055 - 2059	(67)	208	141
2060 - 2064	(52)	216	164
2065 - 2069	(32)	222	190
2070 - 2074	(5)	225	220
2075 - 2079	31	224	255
2080 - 2084	78	217	295
2085 - 2089	139	204	343
2090 - 2094	216	181	397
2095 - 2099	313	147	460
2100 - 2104	435	98	533
2104 - 2108	453	32	485
Totals	$ 45,548	$ 9,122	$ 54,670

(dollars in thousands)

Lessor Activities

The District has accrued a receivable for an office space lease. The remaining receivable for this lease is $449 and $487 as of June 30, 2024 and 2023 respectively. Deferred inflows related to this lease were $390 as of June 30, 2024 and $435 as of June 30, 2023. Interest revenue recognized on this lease was $13 and $14 for the years ended June 30, 2024 and June 30, 2023 respectively. Principal receipts of $38 and $35 were recognized in the years ended June 30, 2024 and June 30, 2023, respectively. Final receipt is expected in fiscal year 2033.

The District has accrued a receivable for four land based leases. The remaining receivable for these leases was $640 and $664 at June 30, 2024 and 2023 respectively. Deferred inflows related to these leases were $2,632 as of June 30, 2024 and $2,686 as of June 30, 2023. Interest revenue recognized on these leases was $21 and $22 for the year ended June 30, 2024 and June 30, 2023 respectively. Principal receipts of $24 and $23 were recognized in the years ended June 30, 2024 and June 30, 2023, respectively. Final receipt is expected in fiscal year 2107.

The District had accrued a receivable for four radio tower (telecommunications) leases. These obligations were repaid in full during the fiscal year ended June 30, 2024. The remaining receivable was $61 as of June 30, 2023. Deferred inflows related to these leases were $55 as of June 30, 2023. Interest revenue recognized on these leases was $1 and $2 for the years ended June 30, 2024 and June 30, 2023, respectively. Principal receipts of $62 and $58 were recognized in the years ended June 30, 2024 and June 30, 2023, respectively. Final receipt occurred in fiscal year 2024.

The District has accrued a receivable two conduit space leases. The remaining receivable for these leases was $14,028 and $14,739 as of June 30, 2024 and 2023 respectively. Deferred inflows related to these leases were $13,837 as of June 30, 2024 and $14,426 as of June 30, 2023. Interest revenue recognized on these leases was $320 and $118 for the years ended June 30, 2024 and June 30, 2023, respectively. Principal receipts of $711 and $29 were recognized in the years ended June 30, 2024 and 2023, respectively. Final receipt is expected in fiscal year 2045.

Below is a schedule of the changes in the leases receivable for the fiscal years ended June 30, 2024 and June 30, 2023:

Leases receivable For Fiscal Year-End June 30, 2024	Beginning balance	Additions	Deletions	Ending balance	Due within One Year
Lessor leases:					
Office space	$ 487	$ -	$ (38)	$ 449	$ 40
Land	664	-	(24)	640	26
Radio towers	61	-	(61)	-	-
Conduit space	14,739	-	(711)	14,028	268
Total lease receivable	$ 15,951	$ -	$ (834)	15,117	$ 334
Less current portion				(334)	
Long-term leases receivable, net				$ 14,783	

Leases receivable For Fiscal Year-End June 30, 2023	Beginning balance	Additions	Deletions	Ending balance	Due within One Year
Lessor leases:					
Office space	$ 522	$ -	$ (35)	$ 487	$ 38
Land	687	-	(23)	664	24
Radio towers	120	-	(59)	61	62
Conduit space	1,798	12,970	(29)	14,739	711
Total lease receivable	$ 3,127	$ 12,970	$ (146)	15,951	$ 835
Less current portion				(834)	
Long-term leases receivable, net				$ 15,117	

(dollars in thousands)

Interest receivable of $103 and $108 is included in the current portion of leases receivable on the Statement of Net position for fiscal years ending June 30, 2024 and 2023 respectively. The District's schedule of future receipts included in the measurement of the leases receivable is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 334	$ 346	$ 680
2026	361	338	699
2027	390	329	719
2028	411	321	732
2029	443	311	754
2030 - 2034	2,614	1,386	4,000
2035 - 2039	3,164	1,071	4,235
2040 - 2044	4,213	671	4,884
2045 - 2049	2,821	187	3,008
2050 - 2054	11	64	75
2055 - 2059	13	62	75
2060 - 2064	15	59	74
2065 - 2069	18	56	74
2070 - 2074	21	53	74
2075 - 2079	25	49	74
2080 - 2084	30	44	74
2085 - 2089	36	38	74
2090 - 2094	43	32	75
2095 - 2099	51	24	75
2100 - 2104	61	14	75
2105 - 2107	42	3	45
	$ 15,117	$ 5,458	$ 20,575

6. Subscription-Based Information Technology Arrangements

A subscription-based information technology (IT) arrangement (SBITA) is defined as a contractual agreement that conveys control of the right-to-use another entity's IT asset, alone, or in conjunction with a tangible capital asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The District enters into SBITAs such as software licenses downloaded or available remotely, data storage, and hardware necessary to use the IT asset. The related obligations are presented in the amounts equal to the present value of SBITA payments, payable during the remaining SBITA term. As the subscriber, the District recognizes a SBITA liability and an associated intangible-SBITA asset on the Statement of Net Position.

The District has several subscription arrangements accounted for under GASB No. 96, *Subscriptions Based Information Technology Arrangements*. These arrangements are summarized below.

The District has accrued liabilities for 11 subscription based information technology (IT) arrangements as of June 30, 2024. Software subscriptions accrued provide TriMet with remote desktops capabilities, ride scheduling, vendor integration, voice calling, relational database systems, and enterprise application functionality. The remaining liability for these subscriptions is $1,967 and $1,353 as of June 30, 2024 and 2023, respectively. Right to use assets, net of accumulated amortization, for these subscriptions is $3,627 as of June 30, 2024 and $2,820 as of June 30, 2023. Interest expense recognized on these subscriptions was $24 and $32 for the fiscal years ended June 30, 2024 and 2023, respectively. Principal payments of $703 and $415 were recognized in the years ended June 30, 2024 and June 30, 2023, respectively. Final payment on these subscription arrangements is expected in fiscal year 2031.

Below is a schedule of the changes in the right to use subscription IT assets with the accumulated amortization for the fiscal years ended June 30, 2024 and June 30, 2023:

Notes to Financial Statements
June 30, 2024 and June 30, 2023
(dollars in thousands)
continued

Right to use assets For Fiscal Year-End June 30, 2024	Beginning balance	Additions	Deletions	Ending balance
Right to Use Subscription Based IT Arrangements:				
Subscription software	$ 4,147	2,000	(334)	$ 5,813
Accumulated amortization				
Subscription software	$ (1,327)	(1,193)	334	$ (2,186)
Total right to use assets, net	$ 2,820	807	-	$ 3,627

Right to use assets For Fiscal Year-End June 30, 2023	Restated Beginning balance	Additions	Deletions	Ending balance
Right to Use Subscription Based IT Arrangements:				
Subscription software	$ 2,691	1,653	(197)	$ 4,147
Accumulated amortization				
Subscription software	$ (511)	(1,013)	197	$ (1,327)
Total right to use assets, net	$ 2,180	640	-	$ 2,820

Below is a schedule of the changes in subscription based IT obligations for the fiscal years ended June 30, 2024 and June 30, 2023:

For Fiscal Year-End June 30, 2024	Beginning balance	Additions	Deletions	Ending balance	Current Portion
Subscription IT Obligations					
Subscription software	$ 1,353	1,317	(703)	$ 1,967	$ 719

For Fiscal Year-End June 30, 2023	Restated beginning balance	Additions	Deletions	Ending balance	Current Portion
Subscription IT Obligations					
Subscription software	$ 1,768	-	(415)	$ 1,353	$ 444

The District's schedule of future payments included in the measurement of subscription liability is as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2025	$ 719	$ 42	$ 761
2026	398	27	425
2027	327	18	345
2028	345	11	356
2029	62	3	65
2030 - 2031	116	3	119
Totals	$ 1,967	$ 104	$ 2,071

(dollars in thousands)

The tables below summarize the amounts reported on the Statement of Net Position for lessee leases and subscription based information technology arrangements (SBITAs) as of June 30, 2024 and June 30, 2023, respectively.

For fiscal year-end June 30, 2024	Right to Use Assets (net)	Current Lease and Subscription Liabilities	Noncurrent Lease and Subscription Liabilities
Lessee leases	$ 41,330	$ 3,286	$ 42,426
Subscription software	3,627	729	1,249
Total per Statement of Net Position	$ 44,957	$ 4,015	$ 43,675

For fiscal year-end June 30, 2023	Right to Use Assets (net)	Current Lease and Subscription Liabilities	Noncurrent Lease and Subscription Liabilities
Lessee leases	$ 37,575	$ 844	$ 37,305
Subscription software	2,820	459	909
Total per Statement of Net Position	$ 40,395	$ 1,303	$ 38,214

The amount for lessee leases reported in the column for current lease and subscription liabilities includes $164 and $157 of interest payable as of June 30, 2024 and June 30, 2023, respectively.

The amount for subscription software reported in the column for current lease and subscription liabilities includes $10 and $15 of interest payable as of June 30, 2024 and June 30, 2023, respectively.

(dollars in thousands)

7. Long-Term Debt

Long-Term Debt at June 30, 2024 and 2023 consists of the following:

For Fiscal Year End June 30, 2024	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Payroll Tax Bonds:					
2009 Senior Lien Payroll Tax Bonds, Series A and B	$ 12,530	$ -	$ -	$ 12,530	$ -
2015 Senior Lien Revenue and Refunding Bonds, Series A and B	28,420	-	(5,900)	22,520	6,125
2016 Senior Lien Revenue Refunding Bonds, Series A	57,645	-	(3,550)	54,095	3,700
2017 Senior Lien Payroll Tax Bonds, Series A	34,840	-	(2,815)	32,025	2,945
2018 Senior Lien Payroll Tax Bonds, Series A	41,040	-	(1,835)	39,205	1,990
2019 Senior Lien Revenue and Refunding Bonds, Series A and B	235,640	-	(755)	234,885	770
2021 Senior Lien Revenue and Refunding Bonds, Series A and B	409,640	-	(3,225)	406,415	3,390
Subtotal Payroll Tax Bonds	819,755	-	(18,080)	801,675	18,920
Capital Grant Receipt Revenue Bonds:					
2017 Capital Grant Receipt Revenue Refunding Bonds, Series A	64,840	-	(11,735)	53,105	12,320
2018 Capital Grant Receipt Revenue Bonds, Series A	111,435	-	(1,730)	109,705	1,785
Subtotal Capital Grant Receipt Revenue Bonds	176,275	-	(13,465)	162,810	14,105
Total	$ 996,030	$ -	$ (31,545)	$ 964,485	$ 33,025
Add (deduct):					
Unamortized bond premium	43,596		(6,918)	36,678	
Current portion of long-term debt	(31,545)			(33,025)	
Long-term debt, due in more than one year	$ 1,008,081			$ 968,138	

For Fiscal Year End June 30, 2023	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Payroll Tax Bonds:					
2009 Senior Lien Payroll Tax Bonds, Series A and B	$ 12,530	$ -	$ -	$ 12,530	$ -
2012 Senior Lien Payroll Tax Bonds, Series A	3,000	-	(3,000)	-	-
2015 Senior Lien Revenue and Refunding Bonds, Series A and B	34,020	-	(5,600)	28,420	5,900
2016 Senior Lien Revenue Refunding Bonds, Series A	58,040	-	(395)	57,645	3,550
2017 Senior Lien Payroll Tax Bonds, Series A	37,535	-	(2,695)	34,840	2,815
2018 Senior Lien Payroll Tax Bonds, Series A	42,835	-	(1,795)	41,040	1,835
2019 Senior Lien Revenue and Refunding Bonds, Series A and B	236,380	-	(740)	235,640	755
2021 Senior Lien Revenue and Refunding Bonds, Series A and B	409,640	-	-	409,640	3,225
Subtotal Payroll Tax Bonds	833,980	409,640	(14,225)	819,755	18,080
Capital Grant Receipt Revenue Bonds:					
2017 Capital Grant Receipt Revenue Refunding Bonds, Series A	76,015	-	(11,175)	64,840	11,735
2018 Capital Grant Receipt Revenue Bonds, Series A	113,095	-	(1,660)	111,435	1,730
Subtotal Capital Grant Receipt Revenue Bonds	189,110	-	(12,835)	176,275	13,465
Leases:					
Other	2	-	(2)	-	-
Total	$ 1,023,092	$ 409,640	$ (27,062)	$ 996,030	$ 31,545
Add (deduct):					
Unamortized bond premium	51,259		(7,663)	43,596	
Current portion of long-term debt	(27,062)			(31,545)	
Long-term debt, due in more than one year	$ 1,047,289			$ 1,008,081	

Total interest cost on all outstanding bonds was $29,221 and $29,981 in fiscal years 2024 and 2023, respectively. The following table presents outstanding bonds at year-end with principal and interest paid during the fiscal year and the related pledged revenues on the debt.

Notes to Financial Statements
June 30, 2024 and June 30, 2023
(dollars in thousands)
continued

Description of Debt:	June 30, 2024 Principal and interest to maturity	Principal and interest paid in the year	Pledged revenue for the year
Payroll Tax Bonds - pledged: Employer payroll, self employment tax, and state in lieu revenue			
2009 Revenue Bonds, Series A and B	$ 18,325	$ 718	
2015 Revenue Bonds, Series A and B	28,948	7,040	
2016 Revenue Bonds, Series A	67,444	5,547	
2017 Revenue Bonds, Series A	40,803	4,218	
2018 Revenue Bonds, Series A	62,499	3,550	
2019 Revenue Bonds, Series A and B	360,202	8,173	
2021 Revenue Bonds, Series A and B	568,875	14,875	
	$ 1,147,096	$ 44,121	$ 511,423
Capital Grant Receipt Revenue Bonds - pledged: Section 5307, STP, and CMAQ grant receipts			
2017 Capital Grant Receipt Revenue Refunding Bonds, Series A	58,577	14,684	
2018 Capital Grant Receipt Revenue Bonds, Series A	145,150	6,808	
	$ 203,727	$ 21,492	$ 126,742

Description of Debt:	June 30, 2023 Principal and interest to maturity	Principal and interest paid in the year	Pledged revenue for the year
Payroll Tax Bonds - pledged: Employer payroll, self employment tax, and state in lieu revenue			
2009 Revenue Bonds, Series A and B	$ 19,043	$ 718	
2012 Senior Lien Payroll Tax Bonds, Series A	-	3,075	
2015 Revenue Bonds, Series A and B	35,988	6,995	
2016 Revenue Bonds, Series A	72,991	2,466	
2017 Revenue Bonds, Series A	45,021	4,221	
2018 Revenue Bonds, Series A	66,050	3,601	
2019 Revenue Bonds, Series A and B	368,375	8,172	
2021 Revenue Bonds, Series A and B	583,750	11,731	
	$ 1,191,218	$ 40,979	$ 485,182
Capital Grant Receipt Revenue Bonds - pledged: Section 5307, STP, and CMAQ grant receipts			
2017 Capital Grant Receipt Revenue Refunding Bonds, Series A	73,261	14,696	
2018 Capital Grant Receipt Revenue Bonds, Series A	151,958	6,823	
	$ 225,219	$ 21,519	$ 70,144

The District is required to comply with certain bond covenants related to the operations of the District. Significant covenants include timely payment of principal and interest, and to budget appropriate funds needed to pay all debt service obligations.

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after August 31, 1986 is subject to arbitrage rebate requirements. The requirements stipulate, in general, that the yield on earnings from the investment of tax-exempt bond proceeds, which exceeds the yield on related bonds, must be remitted to the Federal Government on every fifth anniversary of each bond issue. The District has evaluated each bond issue and has recognized no arbitrage liabilities as of June 30, 2024 and 2023.

Payroll Tax Bonds

TriMet has the following Revenue Bonds outstanding which are backed by Payroll Tax Revenues: 2009 Revenue Bonds Series A and B, 2012 Senior Lien Payroll Tax Revenue Bonds Series A, 2015 Revenue Bonds Series A and B, 2016 Revenue Bonds Series A, 2017 Revenue Bonds Series A, 2018 Revenue Bonds Series A, 2019 Revenue Bonds Series A and B and 2021 Revenue Bonds, Series A and B. The Revenue Bonds are payable from and secured by a pledge of the employer payroll and self-employment taxes levied by the District. The Payroll Tax Revenue Bonds are not general obligations of the District. The 2013 Payroll Tax and Grant Receipt Bonds are noted below.

2009 Revenue Bonds, Series A and B

On October 27, 2009, TriMet issued $37,020 in limited tax pledge 2009 Revenue Bonds, Series A and $12,530 in 2009 Build America Bonds, Series B (2009 Revenue Bonds) to fund the District's repayment of funds drawn on interim financing and other capital projects.

The 2009 Series A Revenue Bonds mature serially each September 1, beginning September 1, 2010 through 2025, with a $16,405 term bond due September 1, 2029. The term bond is subject to mandatory sinking fund requirements annually on September 1, 2025 through 2029. The 2009 Series B Revenue Bonds mature September 1, 2033, and are subject to mandatory sinking fund requirements annually on September 1, 2030 through 2033. Interest is payable semiannually on March 1 and September 1 and fixed interest rates range from 3.0 percent to 5.73 percent on outstanding maturities. The 2009 Series A Revenue Bonds are subject to redemption prior to maturity in whole or in part at the option of TriMet on any date on or after September 1, 2019 at a price of par (100%) plus accrued interest thereon to the date of redemption. The 2009 Series B Revenue Bonds are subject to redemption prior to maturity in whole or in part at the option of TriMet at the higher of 100 percent of outstanding principal or the present value of the outstanding principal and interest payment remaining at redemption.

On September 9, 2015, TriMet defeased in substance future principal and interest payments on a portion of its 2009 Series A Revenue Bonds.

2012 Senior Lien Payroll Tax Bonds, Series A

On August 30, 2012, TriMet issued $93,290 in Senior Lien Payroll Tax Revenue Bonds, Series 2012A to fund the District's share of Portland Milwaukie Light Rail (PMLR) and other capital projects.

The 2012 Revenue Bonds mature serially each September 1, beginning September 1, 2013 through 2032, with $28,705 in term bonds maturing on September 1, 2037. Interest is payable semiannually on March 1 and September 1 and fixed interest rates range from 1.0 percent to 5.0 percent on outstanding maturities. On May 11, 2016, TriMet defeased in substance future principal and interest payments on a portion of its 2012 Senior Lien Payroll Tax Bonds, Series A. Final payment on the 2012 bonds occurred on September 1, 2022.

2015 Revenue Bonds, Series A and B

On September 9, 2015, TriMet issued $71,885 in Senior Lien Payroll Tax Revenue Bonds, Series A to fund capital projects. TriMet also issued $62,705 in Senior Lien Payroll Tax Revenue Refunding Bonds, Series B to refinance certain series of revenue bonds outstanding.

The 2015 Revenue Bonds mature serially each September 1, beginning September 1, 2016 through 2040, with $25,430 in term bonds maturing on September 1, 2040. Interest is payable semiannually on March 1 and September 1 and fixed interest rates range from 2.0 percent to 5.0 percent on outstanding maturities. The 2015 Revenue Bonds are subject to redemption prior to maturity in whole or in part at the option of TriMet on any date on or after September 1, 2025, at a price of par (100%) plus accrued interest thereon to the date of redemption.

On October 9, 2019 and again on October 27, 2021, TriMet defeased in substance future principal and interest payments on a portion of its 2015 Senior Lien Payroll Tax Bonds, Series A and B. As of June 30, 2024, there were $66,285, in defeased bonds with scheduled maturities annually on September 1, 2026 through 2040.

2016 Revenue Refunding Bonds, Series A

On May 11, 2016, TriMet issued $74,800 in Senior Lien Payroll Tax Revenue Refunding Bonds, Series A to refinance certain series of revenue bonds currently outstanding.

The 2016 Revenue Bonds mature serially each September 1, beginning September 1, 2017 through 2034, with $17,915 in term bonds maturing on September 1, 2037. Interest is payable semiannually on March 1 and September 1 and fixed interest rates range from 1.5 percent to 5.0 percent on outstanding maturities. The 2016 Revenue Bonds are subject to redemption prior to maturity in whole or in part at the option of TriMet on any date on or after September 1, 2026, at a price of par (100%) plus accrued interest thereon to the date of redemption.

On October 27, 2021, TriMet defeased in substance future principal and interest payments on a portion of its 2016 Senior Lien Payroll Tax Bonds. As of June 30, 2024, there were $14,910 in defeased bonds with scheduled maturities annually on September 1, 2029 through 2032.

2017 Revenue Bonds, Series A

On February 22, 2017, TriMet issued $97,430 in Senior Lien Payroll Tax Revenue Bonds to fund capital projects.

The 2017 Revenue Bonds mature serially each September 1, beginning September 1, 2018 through 2041, with $24,400 in term bonds maturing on September 1, 2041. Interest is payable semiannually on March 1 and September 1 and fixed interest rates range from 2.0 percent to 5.0 percent on outstanding maturities. The 2017 Revenue Bonds are subject to redemption prior to maturity in whole or in part at the option of TriMet on any date on or after September 1, 2026, at a price of par (100%) plus accrued interest thereon to the date of redemption.

On October 27, 2021, TriMet defeased in substance future principal and interest payments on a portion of its 2017 Senior Lien Payroll Tax Bonds. As of June 30, 2024, there were $50,215 in defeased bonds with scheduled maturities annually on September 1, 2029 through 2041.

2018 Revenue Bonds, Series A

On June 20, 2018, TriMet issued $148,245 in Senior Lien Payroll Tax Revenue Bonds to fund capital projects including the Powell Garage, replacement of buses, a 4th bus base, and replacement of light rail vehicles.

The 2018 Revenue Bonds mature serially each September 1, beginning September 1, 2019 through 2038, with $38,770 in term bonds maturing on September 1, 2043, and $51,555 maturing on September 1, 2048. Interest is payable semiannually on March 1 and September 1 and fixed interest rates range from 3.25 percent to 5.0 percent on outstanding maturities. The 2018 Revenue Bonds are subject to redemption prior to maturity in whole or in part at the option of TriMet on any date on or after September 1, 2028, at a price of par (100%) plus accrued interest thereon to the date of redemption.

On October 27, 2021, TriMet defeased in substance future principal and interest payments on a portion of its 2018 Senior Lien Payroll Tax Bonds. As of June 30, 2024, there were $100,680 in defeased bonds with scheduled maturities annually on September 1, 2030 through 2044.

2019 Revenue Bonds, Series A and B

On October 9, 2019, TriMet issued $188,390 in Senior Lien Payroll Tax Revenue Bonds, Series A to fund capital projects including Columbia Bus Base, replacement of buses and light rail vehicles, the Red Line extension to the fair complex, division transit, and ruby junction expansion. TriMet also issued $49,425 in Senior Lien Payroll Tax Revenue Refunding Bonds, Series B (taxable) to refinance certain series of revenue bonds currently outstanding. The District completed this advance refunding to reduce its total debt service payments over the next 21 years by $2,937 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $2,263.

The 2019 Revenue Bonds mature serially each September 1, beginning September 1, 2020 through 2049, with $16,235 in term bonds maturing on September 1, 2049. Interest is payable semiannually on March 1 and September 1 and fixed interest rates range from 1.8 percent to 5.0 percent on outstanding maturities. The 2019 Revenue Bonds are subject to redemption prior to maturity in whole or in part at the option of TriMet on any date on or after September 1, 2029, at a price of par (100%) plus accrued interest thereon to the date of redemption.

2021 Revenue Bonds, Series A and B

On October 27, 2021, TriMet issued $180,610 in Senior Lien Payroll Tax Revenue Bonds, Series A to fund capital projects including replacement of light rail vehicles, the Red Line extension to the fair complex, and the Powell garage project. TriMet also issued $229,030 in Senior Lien Payroll Tax Revenue Refunding Bonds, Series B (taxable) to refinance certain series of revenue bonds currently outstanding. The District completed this advance refunding to reduce its total debt service payments over the next 28 years by $22,345 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $18,948.

The 2021 Revenue Bonds mature serially each September 1, beginning September 1, 2023 through 2041, with $39,080 in term bonds maturing on September 1, 2049 and another $44,150 in term bonds maturing September 1, 2051. Interest is payable semiannually on March 1 and September 1 and fixed interest rates range from 0.95 percent to 5.0 percent on outstanding maturities. The 2021 Revenue Bonds are subject to redemption prior to maturity in whole or in part at the option of TriMet on any date on or after September 1, 2031, at a price of par (100%) plus accrued interest thereon to the date of redemption.

Capital Grant Receipt Bonds

TriMet has issued three series of Capital Grant Receipt Revenue Bonds: 2011 Capital Grant Receipt Revenue Bonds, 2017 Capital Grant Receipt Revenue Refunding Bonds (Series A), and 2018 Capital Grant Receipt Revenue Bonds. The Grant Receipt Revenue Bonds are payable from and secured solely by a pledge of Section 5307, Surface Transportation Program (STP), and Congestion Mitigation and Air Quality (CMAQ) federal grants, or replacement grant programs and amounts credited to a debt service account.

2011 Capital Grant Receipt Revenue Bonds

On June 20, 2011, TriMet issued $142,380 in 2011 Capital Grant Receipt Revenue Bonds to pay for a portion of the costs of capital projects, including new buses, construction on PMLR, and other regional projects. The 2011 Capital Grant Receipt Revenue Bonds are not general obligations of the District.

The 2011 Capital Grant Receipt Revenue Bonds mature serially each October 1, beginning October 1, 2016 through 2027. Interest is payable semiannually on April 1 and October 1 and fixed interest rates range from 2.5 percent to 5.0 percent on outstanding maturities. The 2011 Capital Grant Receipt Revenue Bonds are subject to redemption prior to maturity in whole or in part at the option of TriMet on any date on or after October 1, 2021 at a price of par (100%) plus accrued interest thereon to the date of redemption.

On August 30, 2017, TriMet defeased in substance future principal and interest payments on a portion of its 2011 Capital Grant Receipt Revenue Bonds. In October 2021, the final principal payment of $11,390 on the 2011 Capital Grant Receipt Revenue Bonds was made by TriMet and there are no future debt service obligations for the District.

2017 Capital Grant Receipt Revenue Refunding Bonds, Series A

On August 30, 2017, TriMet issued $76,015 in Capital Grant Receipt Revenue Refunding Bonds, Series A to refinance certain series of revenue bonds currently outstanding.

The 2017 Capital Grant Receipt Revenue Refunding Bonds mature serially each October 1, beginning October 1, 2022 through 2027. Interest is payable semiannually on April 1 and October 1 and the interest rate is 5.0 percent on outstanding maturities. The 2017 Revenue Bonds are not subject to optional or mandatory redemption prior to maturity.

(dollars in thousands)

2018 Capital Grant Receipt Revenue Bonds, Series A

On February 6, 2018, TriMet issued $113,900 in 2018 Capital Grant Receipt Revenue Bonds to pay for a portion of the costs of capital projects, including the Southwest Corridor, Division Transit, and Powell Garage projects among others.

The 2018 Capital Grant Receipt Revenue Bonds mature serially each October 1, beginning October 1, 2020 through 2034. Interest is payable semiannually on April 1 and October 1 and fixed interest rates range from 3.25 percent to 5.0 percent on outstanding maturities. The 2018 Capital Grant Receipt Revenue Bonds are subject to redemption prior to maturity in whole or in part at the option of TriMet on any date on or after April 1, 2028 at a price of par (100%) plus accrued interest thereon to the date of redemption.

Bond Debt Service Requirements to Maturity:

The District's various bonds outstanding and related interest requirements as of June 30, 2024, are as follows:

	Payroll Tax Bonds			*Capital Grant Receipt Bonds*			*Total All Bonds*		
Fiscal Year ending June 30,	*Principal*	*Interest*	*Total*	*Principal*	*Interest*	*Total*	*Principal*	*Interest*	*Total*
2025	$ 18,920	$ 25,202	$ 44,122	$ 14,105	$ 7,337	$ 21,442	$ 33,025	$ 32,539	$ 65,564
2026	23,370	24,241	47,611	14,795	6,615	21,410	38,165	30,856	69,021
2027	24,210	23,400	47,610	15,515	5,857	21,372	39,725	29,257	68,982
2028	24,980	22,634	47,614	16,270	5,062	21,332	41,250	27,696	68,946
2029	25,895	21,721	47,616	12,620	4,340	16,960	38,515	26,061	64,576
2030 - 2034	142,335	95,718	238,053	72,895	11,435	84,330	215,230	107,153	322,383
2035 - 2039	167,520	70,525	238,045	16,610	271	16,881	184,130	70,796	254,926
2040 - 2044	164,280	42,141	206,421	-	-	-	164,280	42,141	206,421
2045 - 2049	166,780	18,566	185,346	-	-	-	166,780	18,566	185,346
2050 - 2052	43,385	1,273	44,658	-	-	-	43,385	1,273	44,658
Totals	$ 801,675	$ 345,421	$ 1,147,096	$ 162,810	$ 40,917	$ 203,727	$ 964,485	$ 386,338	$ 1,350,823

8. Risk Management

In conjunction with its normal operations, the District is exposed to various risks related to the damage or destruction of its assets, tort/liability claims, injuries to personnel, and errors and omissions. To this end, the District has developed a comprehensive risk management program, utilizing insurance and self-insurance resources, to provide protection from these exposures.

The Oregon Tort Claims Act (the Act) is the common law sovereign immunity from suit for public bodies in Oregon, including TriMet. Prior to July 1, 2009, the Act capped the liability of public bodies, including TriMet, at $200 for individual claims. In addition, the public body may be substituted as a defendant in lieu of individual employees of the public body, thereby limiting recovery for claims against individual employees to the limits applicable to public bodies. Under the Act, TriMet currently indemnifies its employees for any liability that they incur within the scope of their work. The limits are subject to per claims per occurrence based on changes to the consumer price index. At June 30, 2024, the single claimant limit was $830 and the multiple claimants was $1,660. Effective July 1, 2024 those limits raise to $855 for single claimant and $1,710 for multiple claimants.

The District is self-insured for all public liability claims, subject to the limits under Oregon SB 311. The District is self-insured to the extent of the first $2,000 for single claimant for industrial accident claims, with excess insurance up to statutory limits. For third party liability claims related to heavy rail or PMLR operations, the District is self-insured to the extent of the first $2,500 with excess insurance up to the amount of $323,000 inclusive of the self-insured retention. For all other covered third party liability claims, the District has a $5,000 self-insured retention per occurrence with excess insurance in the amount of $25,000 inclusive of the self-insured retention. No settled claims have exceeded the coverage described over the last three years. The District provides for the estimated losses to be incurred from the pending and potential claims that result from industrial and public liability accidents occurring prior to year-end. The District's policy is to record claims incurred but not reported at the estimated level of the undiscounted liability. The liabilities are based on the ultimate cost of settling the claims, including the effects of inflation and other legal and economic factors.

(dollars in thousands)

Changes in the District's public liability and industrial accident claims liabilities (reported in other accrued liabilities on the Statement of Net Position) are as follows as of and for the years ended June 30, 2024 and 2023 and 2022:

	For the Year Ended June 30, 2024		For the Year Ended June 30, 2023		For the Year Ended June 30, 2022	
	Industrial accident claims	Public liability	Industrial accident claims	Public liability	Industrial accident claims	Public liability
Liability at beginning of year	$ 6,441	$ 6,451	$ 5,962	$ 3,930	$ 5,528	$ 4,403
Current year claims	3,127	3,283	4,271	1,309	4,140	275
Changes in estimates for claims of prior periods	3,969	1,158	1,874	2,457	982	926
Payments of claims	(5,730)	(2,529)	(5,666)	(1,245)	(4,688)	(1,674)
Liability at end of year	$ 7,807	$ 8,363	$ 6,441	$ 6,451	$ 5,962	$ 3,930

Based on historical experience, the District has classified $8,455 and $6,988 of the industrial accident and public liability claims liabilities as current liabilities, at June 30, 2024 and 2023, respectively.

9. Other Long-term Liabilities

Other long-term liabilities include public liability, industrial accident claims liabilities and employee dental and health insurance as follows:

For Fiscal Year-End June 30, 2024	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Uninsured claims liability:					
Industrial accident claims	$ 6,441	$ 7,096	$ (5,730)	$ 7,807	$ 3,376
Employee dental insurance	306	3	-	309	309
Employee health insurance	2,309	414	-	2,723	2,721
Public liability	6,451	4,441	(2,529)	8,363	5,079
Total claims liability	15,507	$ 11,954	$ (8,259)	19,202	11,485
Current portion	(9,603)			(11,485)	
Noncurrent portion of other long-term liabilities	$ 5,904			$ 7,717	

For Fiscal Year-End June 30, 2023	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Uninsured claims liability:					
Industrial accident claims	$ 5,962	$ 6,145	$ (5,666)	$ 6,441	$ 3,821
Employee dental insurance	262	44	-	306	306
Employee Health Insurance	2,364	-	(55)	2,309	2,309
Public liability	3,930	3,766	(1,245)	6,451	3,167
Total claims liability	12,518	$ 9,955	$ (6,966)	15,507	9,603
Current portion	(6,157)			(9,603)	
Noncurrent portion of other long-term liabilities	$ 6,361			$ 5,904	

10. Lease-leaseback Transaction

2005 Lease transaction

In November 2005, the District entered into a series of agreements related to 28 light rail vehicles. In simultaneous transactions, the District leased the 28 light rail vehicles (the Head Lease) to a trust (TriMet 2005 Statutory Trust) for the benefit of a third party investor (2005 Equity Investor) for a basic term of 28 or 29 years, depending on the age of the vehicles. The Head Lease qualified for accounting treatment as a capital lease prior to implementing GASB Statement No. 87, *Leases*. The trust subleased all 28 vehicles back to the District (the Lease Agreement) for a period of 28 or 29 years. The District received all required lease payments totaling $123,700, which have been recorded in the accompanying statement of net position as unamortized gain of $12,557 (before expenses of $911) and a long-term lease liability for lease payments of $111,143. The liability is reduced as lease payments are made over the term of the lease. The District's net benefit from the 2005 transactions was $11,646. The Federal Transit Administration reviewed the operative documents and approved the transaction.

(dollars in thousands)

TriMet used $111,143 of the proceeds from the Head Lease transaction to fully fund three payment agreements ($84,382 to Premier International Funding Co. for the Series A Payment Agreement and $26,761 to MBIA Inc. for the Equity Payment Undertaking Agreement and the Debt Payment Undertaking Agreement). The obligations of Premier International Funding Co. are unconditionally and irrevocably guaranteed by Financial Security Assurance Inc. (FSA), which has subsequently been acquired by Assured Guaranty Ltd. In February 2009, TriMet terminated the MBIA Equity Payment Undertaking agreement and received $28,033 and terminated the Debt Payment Undertaking Agreement and received $14,528. Simultaneously, TriMet purchased and placed in trust US Treasury securities for $28,399 to collateralize all future equity payment obligations. The debt payment obligations have not been collateralized and are general obligations of TriMet. Net of transaction expenses, the 2009 MBIA termination created $13,954 in net benefit.

The District's prepayment of the payment agreements is recorded as a prepaid lease expense and is reduced as payments are made over the term of the lease. The payment agreements do not constitute legal defeasance.

The 2005 leases include the following trigger events relating to TriMet: (1) outstanding General Obligation Bond ratings are downgraded by Standard & Poor's below "A+" or by Moody's below "A1", or if General Obligation Bonds are no longer rated, long-term senior payroll tax revenue bonds are downgraded by Standard & Poor's below "A+" or by Moody's below "A1", or (2) TriMet becomes eligible to be a debtor under Bankruptcy code, or (3) TriMet loses its taxing authority related to payroll and self-employment taxes. If a trigger event occurs, TriMet is required to provide equity strip collateral in amounts defined in the lease agreements. TriMet's long-term senior lien payroll tax revenue bonds are rated AAA by Standard & Poor's, Aaa by Moody's and AAA by Kroll at June 30, 2024. As of June 30, 2024, TriMet is not aware of any default, event of default or event of loss under any of the operative documents. The total outstanding future lease obligations under the 2005 leases are as follows:

Fiscal Year Ending June 30,	FSA uncollateralized	US Treasuries in trust	TriMet obligation	Total payment obligations
2025	$ -	$ -	$ -	$ -
2026	-	-	-	-
2027	-	-	-	-
2028	-	27	-	27
2029	-	108	-	108
2030-2034	14,876	4,840	1,891	21,607
2035-2036	56,686	63,720	7,695	128,101
	$ 71,562	$ 68,695	$ 9,586	$ 149,843

Legislative and regulatory activities

Pursuant to the terms of the tax indemnity agreements of TriMet's 2005 and 2009 lease transactions, unless an indemnification event occurs, the District bears no liability for the related adverse U.S. federal income tax consequence to the domestic investors. As of June 30, 2024, no indemnity claims have been made against TriMet. With respect to TriMet's 2005 and 2009 lease transactions, the Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA), as codified in Section 4965 of the Internal Revenue Code of 1986 as amended (Code), the guidance provided by the Internal Revenue Service (IRS) in IRS Notice 2007-18 published on February 7, 2007 and the Proposed and Temporary Regulations released on July 6, 2007 subsequently thereto, TriMet does not have a TIPRA excise tax liability.

(dollars in thousands)

Financial Statement Summary

In connection with the implementation of GASB No. 87, *Leases*, the 2005 lease-leaseback is recorded on the Statement of Net Position as a net long-term restricted lease-leaseback. The following is a summary of amounts related to the lease-leaseback as of June 30:

Assets:	2024	2023
Restricted Cash and Investments - Lease Collateral	$ 49,553	$ 49,194
Prepaid lease expense	36,851	34,534
Total assets	$ 86,404	$ 83,728
Liabilities and unamortized gain:		
Long-term lease liability	$ 80,118	$ 75,505
Total liabilities	$ 80,118	$ 75,505
Unamortized gain on leases	$ 10,238	$ 11,150
Total liabilities and deferred inflows	$ 90,356	$ 86,655
Net long-term restricted lease-leaseback	$ (3,952)	$ (2,927)
Net leveraged lease revenue (expense)	$ (1,024)	$ (3,243)

11. Commitments and Contingencies

TriMet has authorized commitments unexpended as of June 30, 2024 of $1,060,065 that represent contracts awarded with future performance obligations. The most significant commitments include contracts for new articulated buses and other standard bus fleet replacements and expansions, Type VI light rail vehicle purchases, Type II and IV light rail vehicle mid-life overhauls, administrative office space, construction of Columbia Bus Base Facility construction, fuel purchases, along with other capital projects and funding commitments. Resources for the District's commitments include grant funding sources, debt and unrestricted resources.

The District is a defendant in various legal actions resulting from normal transit operations. Although the outcome of such actions cannot presently be determined, it is the opinion of management and legal counsel that settlement of these matters will not have a material adverse effect on the District's financial position, results of operations or cash flows.

12. Pension Benefits

Union Defined Contribution Plan

TriMet contributes to a single employer defined contribution plan - the TriMet Defined Contribution Retirement Plan for Union Employees ("the Union DC Plan"). A third party administrator, ICMA-RC, provides administration of the Union DC Plan trust. The TriMet Board of Directors ("Board") has appointed a committee to oversee the Union DC Plan. Funding of the defined contribution plan is performed on a perpetual basis as part of the District's normal payroll processes.

Plan description

Effective July 13, 2012, the District adopted the Union DC Plan in accordance with Internal Revenue Code (IRC) Section 401(a). Participation in the Union DC Plan is mandatory for all union employees hired on or after August 1, 2012. Under the Union DC Plan, the District will contribute 8.0 percent of considered compensation each pay period. Considered compensation is taxable compensation plus employee elected pre-tax deferrals, less overtime pay, bonuses, commissions, or other extraordinary pay and cash-out of unused vacation. Within 30 days of becoming eligible for the

Union DC Plan, employees make a one-time irrevocable election to contribute between zero and 15 percent of their compensation to the Plan on a pretax basis. Due to tax laws, the pre-tax election must be made within 30 days after an employee becomes eligible to participate in the DC Plan and the election cannot be changed for as long as the employee is eligible. In addition, the employee can elect to make voluntary, after-tax, contributions, up to 15 percent of compensation. The employee may adjust the after-tax contribution election at any time. Plan participants fully vest in the District's contributions after three years of service with the District. Upon severance from employment, TriMet will contribute 60 percent of the employee's unused sick leave (up to a maximum of 1,700 hours) to the employee's account. The TriMet Board has authority over amendments to plan benefit and contribution provisions, in conjunction with the Working and Wage Agreement.

Method used to value investments

As of June 30, 2024 and 2023, there were 2,078 and 1,806 active employees, respectively, covered by the Union DC Plan. The District contributed 100 percent of the required contributions to the Union DC Plan. District contributions were $10,408 and $8,741 for the years ended June 30, 2024 and 2023, respectively. Employee contributions to the Union DC Plan were $7,883 and $6,684 for the years ended June 30, 2024 and 2023, respectively.

Management Defined Contribution Plan

TriMet contributes to a single employer defined contribution plan - the TriMet Defined Contribution Retirement Plan for Management and Staff Employees ("the Management DC Plan"). A third party administrator, ICMA-RC, provides administration of the Management DC Plan trust. The TriMet Board of Directors ("Board") has appointed a committee to oversee the Management DC Plan. Funding of the defined contribution plan is done on a perpetual basis as part of the District's normal payroll processes.

Plan description

Effective April 27, 2003, the District adopted the Management DC Plan in accordance with Internal Revenue Code (IRC) Section 401(a). Participation in the Management DC Plan is mandatory for all non-union employees hired after April 26, 2003. All non-union employees hired before April 27, 2003 were required to make an irrevocable election to (1) stay in TriMet Defined Benefit Retirement Plan for Management and Staff Employees ("the Management DB Plan"), (2) freeze their credited service as of April 27, 2003 in the Management DB Plan (but not their final average salary) and be covered by the Management DC Plan for all service after April 26, 2003, or (3) transfer the present value of their accrued benefit under the Management DB Plan as of April 27, 2003 to the Management DC Plan and be covered by the Management DC Plan for all service after April 26, 2003.

Under the Management DC Plan, the District contributes 10.0 percent of considered compensation each pay period. Considered compensation is taxable compensation plus employee elected pre-tax deferrals, less overtime pay, bonuses, commissions, or other extraordinary pay and cash-out of unused vacation. Within thirty days of becoming eligible for the Management DC Plan, employees make a one-time irrevocable election to contribute between zero and fifteen percent of their compensation to the Plan on a pretax basis. Due to tax laws, the pre-tax election must be made within thirty days after an employee becomes eligible to participate in the DC Plan and the election cannot be changed for as long as the employee is eligible. In addition, the employee can elect to make voluntary, after-tax, contributions, up to fifteen percent of compensation. The after-tax contribution election may be adjusted by the employee at any time. Plan participants fully vest in the District's contributions after three years of service with the District. Upon severance from employment, TriMet will contribute sixty percent of the employee's unused sick leave (up to a maximum of 1,700 hours) to the employee's account. The TriMet Board has authority over amendments to plan benefit and contribution provisions.

As of June 30, 2024 and 2023 there were 637 and 548 active employees, respectively, covered by the Management DC Plan. The District contributed 100 percent of the required contributions to the Management DC Plan. District contributions were $7,587 and $6,368 for the years ended June 30, 2024 and 2023, respectively. Employee contributions to the Management DC Plan were $3,402 and $2,519 for the years ended June 30, 2024 and 2023, respectively.

(dollars in thousands)

13. Other Employee Benefits

Deferred compensation plan

The District offers all employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457(b). The plan permits employees to defer a portion of their current salary until termination, retirement, death or financial hardship. All assets and income of the plan are in a trust for the exclusive benefit of the participants and their beneficiaries. The employee participants determine plan participant investments. The Board appoints a committee to perform the administrative and fiduciary responsibilities of the employer under the plan.

Compensated absences

Union employees receive paid vacation benefits and long-term sick leave in accordance with the Working and Wage Agreement. Employees are eligible for one to six weeks of vacation depending on their years of service with the District. Non-union employees receive similar vacation and sick leave benefits as prescribed by TriMet's personnel policies. The noncurrent portion of compensated absences is expected to be paid in future years from future resources. Compensated absences for the years ending June 30, 2024 and 2023 were as follows:

For Fiscal Year-End June 30, 2024	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Long-term employee sick leave	$ 11,953	$ 2,377	$ -	$ 14,330	$ -
Vacation	20,910	18,274	(14,416)	24,768	17,061
Total compensated absences	32,863	20,651	(14,416)	39,098	17,061
Current portion	(11,426)			(17,061)	
Noncurrent portion of other long-term liabilities	$ 21,437			$ 22,037	

For Fiscal Year-End June 30, 2023	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Long-term employee sick leave	$ 9,869	$ 2,084	$ -	$ 11,953	$ -
Vacation	17,755	15,198	(12,043)	20,910	11,426
Total compensated absences	27,624	17,282	(12,043)	32,863	11,426
Current portion	(6,157)			(11,426)	
Noncurrent portion of other long-term liabilities	$ 21,467			$ 21,437	

General Information about the Other Post-Employment Benefits (OPEB) Plan

Plan description. The District's defined benefit OPEB plan provides healthcare and life insurance benefits for eligible employees and their qualified dependents. The District's plan is a single employer defined benefit OPEB plan administered by the TriMet Board. The authority to establish and amend the benefit terms and financing is accomplished through contractual agreement with union employees and through board adopted personnel policies for non-union employees.

Benefits provided. The District's plan provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms vary depending on whether the employee is union or non-union, and the employee's date of hire. Below is a brief summary of employee eligibility and the benefits provided:

	Eligibility for OPEB	
Union	Employee must be at least 55 and have 10 years of continuous service.	
Non-Union	Hired prior to April 27, 2003	Must be at least 55 and have 5 years of credited service
Non-Union	Hired on or after April 27, 2003 and before May 1, 2009	Must be at least 55 and have 10 years of credited service.
Non-Union	Hired after May 1, 2009	Must be at least 62 and have 3 years of credited service.

(dollars in thousands)

Union Benefits Offered		
Relevant Dates	**Prior to Medicare Eligibility**	**Medicare Eligible**
Retired prior to 02/01/1992	Medical, prescription drug, and dental provided to all retirees, spouses, and domestic partners.	Medical, prescription drug, and dental provided to all retirees, spouses, and domestic partners. Some retirees are reimbursed for Medicare Part B premiums.
Retired after 02/01/1992 and hired before 10/24/2014	Medical, prescription drug, and dental are provided to all retirees. The retirees contribute a portion of the premium depending on the plan selected.	Employees receive coverage through a Medicare Advantage Plan (for which they contribute, in part) or a monthly stipend (HRA VEBA). Retirees are reimbursed for Medicare Part B if they enroll Medicare Advantage plan or the HRA VEBA (a stipend).
Hired after 10/24/2014	Employees receive a monthly stipend to be used for healthcare purposes.	No benefits through TriMet.

Non-Union Benefits Offered		
Relevant Dates	**Prior to Medicare Eligibility**	**Medicare Eligible**
Hired Prior to 05/01/2009	Full time employees contribute a portion of the premium cost of medical, dental, and vision benefits.	Employee must enroll in a Medicare Advantage plan (employees contribute a portion of the premiums).
Hired after 05/01/2009	Employee can contribute 100% of the premium amount paid by TriMet and receive healthcare coverage.	No benefits through TriMet.

Eligible retirees are also provided a $10 whole life insurance benefit fully paid by TriMet. On an annual basis, the monthly stipend for union employees is increased with inflation.

Employees covered by benefit terms. At January 1, 2024 and 2023, the following employees (union and non-union) were covered by the benefit terms:

As of January 1,	2024	2023
Inactive employees or beneficiaries currently receiving benefit payments	2,147	2,095
Inactive employees entitled to but not yet receiving benefits	-	-
Active Employees	3,214	3,000
Total	5,361	5,095

Summary of accounting policies

The financial statements are prepared using the accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

OPEB Trust Investments

In June 2012, TriMet placed $400 in a trust, which meets the criteria of paragraph 4 of GASB Statement 75. This initial amount has continuously reinvested in short term fixed income securities through June 30, 2024. TriMet currently pays for post-employment benefits other than pensions on a pay as you go basis.

(dollars in thousands)

Plan investments are reported at fair value. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Below are the amounts of TriMet's OPEB Trust investments as of January 1, 2024 and January 1, 2023, respectively.

		Fair Value Measurement Using		
	Balance at January 1, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Measured at Fair Value Level				
Federal Home Loan Banks	$ 426	$ -	$ 426	$ -

		Fair Value Measurement Using		
	Balance at January 1, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Measured at Fair Value Level				
Federal Home Loan Banks	$ 407	$ -	$ 407	$ -

Rate of Return

For the years ended January 1, 2024 and 2023, respectively, the annual money-weighted rate of return on OPEB plan investments, net of plan investment expense, was 5.08 percent and (3.08) percent. The money-weighted return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investment Policy

The plan trustees have not yet established an investment policy with targeted returns and diversification goals due to the small size of the trust and current practice of financing OPEB on a pay as you go basis. Since inception of the trust, TriMet has invested its entire balance in short term obligations of the US government as well as short-term obligations of US governmental sponsored entities (GSEs). As of January 1, 2024 and January 1, 2023, the plan had investments of more than 5% of the total Plan fiduciary net position, as follows:

	January 1, 2024	January 1, 2023
Federal Home Loan Banks	100%	100%

Funding policy and Net OPEB liability

The OPEB Trust does not currently have a funding policy beyond making pay-as-you go benefit payments. As the District begins to contribute to the trust to fund future OPEB costs, an investment policy will be adopted. The components of the net OPEB liability were as follows

(dollars in thousands)

Net OPEB liability	As of January 1, 2024	2023
Total OPEB liability	$ 711,347	$ 623,244
Plan fiduciary net position	436	415
Net OPEB liability	$ 710,911	$ 622,829
Plan fiduciary net position as a percent of total OPEB liability	0.1%	0.1%
Covered employee payroll	$ 282,313	$ 251,643
Net OPEB liability as a percentage of covered employee payroll	251.8%	247.5%

Net OPEB Liability

The District's net OPEB liability of $710,911 was measured as of January 1, 2024, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability for the January 1, 2024 and 2023 actuarial valuations was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	January 1, 2024	January 1, 2023
Inflation:	2.75%	2.75%
Salary Increases:	3.0% - 3.25%	3.0 - 3.25%
Discount Rate:	3.26%	3.72%

The discount rate was based on Bond Buyer 20-Bond GO Index, December 28, 2023 and December 29, 2022 respectively.

Healthcare cost trend rates:

Union Plans			Non Union Plans	
Pre-Medicare	**Medicare**	**Medicare Part B**	**Pre-Medicare**	**Medicare**
8% in 2024, trending down to 4.03% in 2044 and thereafter.	*19.8% in 2024, and the 7% in 2025 trending down to 4.03% in 2044 and thereafter.*	*5.9% in 2024 trending up to 7.23% in 2026, then trending down to 4.03% in 2044 and thereafter.*	*6.2% in 2024 down to 4.03% in 2044 and thereafter.*	*19.8% in 2024, and the 7% in 2025 trending down to 4.03% in 2044 and thereafter.*

(dollars in thousands)

Retirees' share of benefit related costs:

Union: Individuals who retired prior to February 1, 1992 do not contribute for coverage. Retirees who retire on or after February 1, 1992 and were hired on or before October 2014 contribute according to the following table:

Plan Selected	Premium Contribution
Regence 90/10	Retirees pay the difference between the Regence 90/10- and TriMet's employer contribution for the Regence PPO 80/20
Regence 80/20	Retirees pay 5% of the premium cost
Regence HSA	Retirees receive deposit from TriMet equal to the difference between the HSA premium and TriMet's employer contribution for the Regence PPO 80/20
All other Medical and Dental	Retirees pay 5% of the premium cost

Retirees hired on or after October 25, 2014 only receive a monthly stipend. This benefit ceases when the employee turns 65.

Non-Union: Employees contribute according to hire and retirement dates as detailed below:

Dates	Premium Contribution
Retired prior to January 1, 1988	No contribution
Hired before May 1, 2009	6% for full time employees up to 25% for part-time employees
Hired on or after May 1, 2009	100% Contribution

Mortality rates were based on the tables as detailed below:

Employee Class	Mortality Tables
Union Healthy	2016 Cheiron ATU employee mortality table with generational projection using SOA Scale MP-2020
Union Disabled	2016 Cheiron ATU disabled mortality table with generational projection using SOA Scale MP-2020
Non-Union Healthy	PubG-2010(A) Healthy Retiree projected fully generational with SOA Scale MP-2019.
Non-Union Disabled	PubG-2010(A) Healthy Retiree projected fully generational with SOA Scale MP-2019.

(dollars in thousands)

Changes in the Net OPEB Liability

Other Post-Employment Benefits Plan (OPEB)

	For the Years Ended January 1, 2024	2023
Total OPEB liability		
Service cost	$ 16,459	$ 26,073
Interest cost	23,064	16,489
Differences between actual and expected experience	(5,842)	(58,317)
Changes in assumptions or other inputs	77,446	(136,869)
Benefit Payments	(23,024)	(23,132)
Net Change in Total OPEB Liability	88,103	(175,756)
Total OPEB liability, beginning	623,244	799,000
Total OPEB liability, ending	711,347	623,244
Plan fiduciary net position		
Contributions	23,024	23,132
Net Investment Income	21	(13)
Benefit payments	(23,024)	(23,132)
Net change in plan fiduciary net position	21	(13)
Plan fiduciary net position, beginning	415	428
Plan fiduciary net position, ending	436	415
Net OPEB liability, ending	$ 710,911	$ 622,829
Plan fiduciary net position as a percent of total OPEB liability	0.06%	0.07%
Covered employee payroll	$ 282,313	$ 251,643
Net OPEB liability as a percent of covered payroll	251.82%	247.50%

In the current fiscal year, the differences between expected and actual experience noted a decrease of $5,842 due to population and claims experience. In the prior fiscal year, the differences between expected and actual experience noted a large decrease of $58,317 due to population and claims experience.

There were no changes to benefit terms during either measurement period. Changes of assumptions and other inputs reflect a change in the discount rate from 2.06 percent as of January 1, 2022, to 3.72 percent as of January 1, 2023, and to 3.26 percent as of January 1, 2024. Benefit payments in the measurement period included amounts for the purchase of allocated insurance contracts of $12,972 during the measurement period ending January 1, 2024 and $12,373 during the measurement period ended January 1, 2023. Such benefits included employee medical, dental, and life insurance. The obligation for the payment of benefits covered by allocated insurance contracts has been transferred from the District to one or more insurance companies.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

(dollars in thousands)

as of January 1, 2024	1% Decrease	Discount Rate	1% Increase
	2.26%	3.26%	4.26%
Net OPEB Liability	$ 810,918	$ 710,911	$ 628,487

as of January 1, 2023	1% Decrease	Discount Rate	1% Increase
	2.72%	3.72%	4.72%
Net OPEB Liability	$ 708,852	$ 622,829	$ 551,774

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

as of January 1, 2024	1% Decrease	Healthcare Trend	1% Increase
Net OPEB Liability	$ 624,389	$ 710,911	$ 817,190

as of January 1, 2023	1% Decrease	Healthcare Trend	1% Increase
Net OPEB Liability	$ 547,776	$ 622,829	$ 714,904

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended June 30, 2024 and 2023, the District recognized OPEB expense (credit) of $6,082 and ($2,809), respectively. At June 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	
	2024	2023
Differences between actual and expected experience	$ -	$ 219
Changes of assumptions or other inputs	153,491	126,438
Contributions subsequent to the measurement date	12,338	11,638
Net difference between projected and actual earnings on OPEB plan investments	-	7
Total	$ 165,829	$ 138,302

	Deferred Inflows of Resources	
	2024	2023
Differences between actual and expected experience	$ (197,187)	$ (246,366)
Changes of assumptions or other inputs	(107,239)	(136,267)
Net difference between projected and actual earnings on OPEB plan investments	(9)	-
Total	$ (304,435)	$ (382,633)

(dollars in thousands)

At June 30, 2024, $12,338 is reported as deferred outflows of resources resulting from payments subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in expense as follows:

Fiscal Year Ending June 30,		Amortization
2025	$	(33,827)
2026		(19,707)
2027		(40,172)
2028		(41,289)
2029		(15,949)
Thereafter	$	-

14. TriMet Defined Benefit Retirement Plan for Management and Staff Employees Trust Fund

The TriMet Defined Benefit Retirement Plan for Management and Staff Employees Trust Fund accounts for the assets of the employee benefit plan held by TriMet in a trustee capacity. TriMet is the sole administrator for the TriMet Defined Benefit Retirement Plan for Management and Staff Employees ("Management DB Plan"). The Management DB Plan is a governmental plan maintained and operated solely by TriMet. The TriMet Board has appointed four people to oversee the Management DB Plan.

TriMet recorded $4,450 and $8,170 in pension expense for the Management DB Plan in the years ended June 30, 2024 and 2023, respectively.

Plan description

The Management DB Plan is a single-employer defined benefit plan. The plan covers all TriMet non-union employees hired before April 27, 2003 who are not covered by the Management DC Plan. The plan is closed to new enrollment. Participation began at the date of hire with benefits being 100 percent vested after five years of service. Covered employees who retire at or after age 62, with five years of service, are entitled to an annual retirement benefit, payable monthly for life. Benefits vary based on final average salary, job classification and date of hire. Vested non-union employees convert unused sick leave to monthly pension benefits at a rate of final average salary (stated on an hourly basis) multiplied by one-half of unused sick leave (up to a maximum of 850 hours) divided by 101.9. Benefits in payout status are increased annually by 90 percent of the percentage increase in the U.S. Consumer Price Index. The Management DB Plan is a plan document originally adopted on December 7, 1970 and as amended restated as of July 1, 2013. The TriMet Board of Directors authorizes amendments to the plan. TriMet is required to maintain funds under the Management DB Plan sufficient to pay benefits when due. No employee contributions are required or permitted under the Management DB Plan.

The following is a summary of plan participants at June 30, 2024 and 2023:

	2024	2023
Active employees	45	51
Retirees and beneficiaries		
Receiving benefits	361	352
Deferred Retirement benefits		
Terminated employees	50	55
Total Participants	456	458

(dollars in thousands)

Summary of accounting policies

The financial statements are prepared using the accrual basis of accounting. TriMet contributions are recognized in the period in which the contributions are earned. Benefits are recognized when due and payable in accordance with the terms of the plan.

Investment policy and method to value investments

The Management DB Plan investment policy allows the plan to utilize multiple professional investment management firms to implement the investment program. The long-term performance objective of the plan is to achieve a compound rate of return on invested assets consistent with the forward looking return assumptions adopted annually by the trustees of the plan. Eligible investments include the following: Principal protection, US equity, international equity, long duration treasuries, systematic trend following, alternative risk premia, private real estate, private equity, private credit, and inflation protection

Plan investments are reported at fair value. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value of securities is determined by the plan asset managers at quoted market price, where available, except for securities, which are not actively traded, which are valued at net asset value by the asset manager.

The following presents a summary of the Plan's investments by type as of June 30, 2024, at fair value:

		Fair Value Measurement Using		
	Balance at June 30, 2024	in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Measured at Fair Value Level				
Principal protection	$ 35,234	$ -	$ 35,234	$ -
U.S. large-mid cap equities	15,828	-	15,828	-
U.S. small cap equities	2,781	-	2,781	-
International equity	12,121	-	12,121	-
	$ 65,964	$ -	$ 65,964	$ -
Measured at Net Asset Value				
International Equity	12,259			
US Large-mid cap equities	14,635			
Long duration treasuries	4,917			
Systematic trend following	14,775			
Alternative risk premia	17,020			
Private real estate	12,405			
Private equity	3,638			
Private credit	879			
	80,528			
Total	$ 146,492			

(dollars in thousands)

The following presents a summary of the Plan's investments by type as of June 30, 2023, at fair value:

		Fair Value Measurement Using		
	Balance at June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Measured at Fair Value Level				
Principal protection	$ 20,388	$ -	$ 20,388	$ -
U.S. large-mid cap equities	13,841	-	13,841	-
U.S. small cap equities	2,525	-	2,525	-
International equity	11,919	-	11,919	-
	$ 48,673	$ -	$ 48,673	$ -
Measured at Net Asset Value				
International Equity	12,536			
US Large-mid cap equities	15,667			
Inflation protection	6,412			
Long duration treasuries	5,211			
Systematic trend following	14,386			
Alternative risk premia	23,208			
Private real estate	13,483			
Private equity	3,652			
Private credit	1,131			
	95,686			
Total	$ 144,359			

Investments measured at Net Asset Value ("NAV")

International Equity includes assets in commingled investments or mutual funds investing in marketable common stocks and other rights to acquire or receive stock of foreign (non-US) corporate issuers. Exposure may be achieved through a combination of both actively and passively managed portfolios. Fair values are determined using the NAV per share of the Plan's ownership interest.

US Equity includes assets in commingled investments or mutual funds investing in marketable common stocks and other rights to acquire or receive stock of domestic corporate issuers or American Depositary Receipts (ADR) traded on established US and Canadian exchanges. Exposure may be achieved through a combination of both actively and passively managed portfolios. Fair values are determined using the NAV per share of the Plan's ownership interest.

Long Duration Treasuries are longer dated (long-term) US Government bonds invested through a passive commingled vehicle tracking the Bloomberg US Long Treasury Index. It is expected to provide material exposure to interest rate risk and provide meaningful diversification during deflationary risk-off market scenarios. Fair values are determined using the NAV per share of the Plan's ownership interest.

Systematic Trend Following includes investments in private offering funds (typically structured as limited partnerships) with exposure to time series momentum utilizing both cash and derivatives-based instruments provide meaningful diversification during broad market drawdowns. Fair values are determined in a monthly basis as the Plan's ownership interest in the NAV of the partnership or the NAV per share of the Plan's ownership interest.

(dollars in thousands)

Alternative Risk Premia includes investments in private offering funds (typically structured as limited partnerships) with the goal of generation of consistent positive returns with lower levels of volatility and low levels of correlation to traditional stocks and bonds. Fair values are determined in a monthly basis as the Plan's ownership interest in the NAV of the partnership or the NAV per share of the Plan's ownership interest.

Private Real Estate includes investments in commingled investment vehicles (typically structured as limited partnerships) with a goal of generating consistent, low volatility returns. It is implemented through core real estate equity and real estate-related debt strategies. Core real estate equity investments are in high quality, well-leased properties, with a focus on income generation. Fair values are determined in a quarterly basis using the NAV per unit of the Plan's ownership interest in the partnership. Real estate-related debt security investments focus on debt instruments with significant coverage ratios that have exposures to global public and private residential and commercial real estate markets.

Private Equity includes investments in private offering, funds-of-funds (typically structured as limited partnerships). Fair values are determined quarterly as the Plan's ownership interest in the NAV of the partnerships. Current investments in Private Equity are in liquidation or exit phase; distributions will be received as the underlying investments are liquidated. Fair values are determined using the NAV per share of the Plan's ownership interest.

Private Credit includes investments in private offering funds (typically structured as limited partnerships), which invest globally utilizing less liquid or illiquid credit market instruments. Fair values are determined quarterly as the Plan's ownership interest in the NAV of the partnership. Current investments in Private Credit are in liquidation phase; distributions will be received as the underlying investments are liquidated.

Inflation Protection is expected to provide a consistent return in excess of inflation. Prior to its termination in July 2023, this functional role was implemented through a passive commingled vehicle to participate in the broad U.S. Treasury Inflation Protected Securities (TIPS) market by tracking the Bloomberg US TIPS Index. Fair values are determined using the NAV per share of the Plan's ownership interest.

Outstanding commitments and redemption limitations for each applicable investment class as of June 30, 2024 and 2023 are as follows:

Measured at Net Asset Value	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
As of June 30, 2024:				
Private real estate	$ 12,405	$ -	Quarterly	45 days
Private equity	$ 3,638	$ 45	N/A	N/A
Private credit	$ 879	$ 2,936	N/A	N/A
As of June 30, 2023:				
Private real estate	$ 13,483	$ -	Quarterly	45 days
Private equity	$ 3,652	$ 81	N/A	N/A
Private credit	$ 1,131	$ 2,936	N/A	N/A

Rate of Return

For the years ended June 30, 2024 and 2023, respectively, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.78 percent and 4.15 percent. The money-weighted return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investments – concentration of credit risk

The plan trustees have adopted an Investment Policy, which defines target allocations in each class of investment. The target allocations are based upon asset liability studies, which are performed every five years. The following are the trustee adopted asset allocation policies as of June 30, 2024 and 2023.

(dollars in thousands)

Management DB Plan	Allocation Policy	
Investment Class	2024	2023
Private equity	1.0%	1.0%
US Large cap equity	20.0%	20.0%
US Small cap equity	2.0%	2.0%
International equity	15.0%	15.0%
Private credit	0.0%	6.0%
Private real estate	12.0%	6.0%
Inflation protection	0.0%	5.0%
Principal protection	20.0%	15.0%
Alternative risk premia	15.0%	15.0%
Systematic trend following	10.0%	10.0%
Long duration treasuries	5.0%	5.0%
Total	100.0%	100.0%

As of June 30, 2024 and 2023, the plan had investments of more than 5% of the total Plan fiduciary net position, as follows:

Pension Fund Manager	2024	2023
Baird Core Bond Fund	23.8%	14.0%
Graham Tactical Trend	10.0%	9.9%
State Street RAFI US 1000 Fund	13.2%	18.8%
Vanguard Russell 1000 Index Fund	10.7%	9.5%
Vanguard Total International Stock Fund	8.2%	8.2%
RREEF America REIT II	6.8%	7.9%
Capital Guardian International Fund	8.3%	8.6%
AQR Enhanced Style Premia Fund, L.P.	5.6%	5.6%
Two Sigma	5.9%	5.2%
Aspect Fund	-	5.2%

Funding policy and net pension liability

The funding policy of the Management DB Plan provides for an actuarially determined contribution (ADC) calculated using the individual entry age normal actuarial cost method. The ADC consists of normal cost and an amortization of the unfunded actuarial accrued liability. The normal cost is determined as the level percentage of pay basis over the service of the active employees between entry age and assumed exit age. Past service liabilities are amortized over a closed ten-year period. The components of the net pension liability of the Management DB Plan were as follows:

Net Pension Liability as of June 30,	2024	2023
Total pension liability	$ 171,133	$ 167,641
Plan fiduciary net position	147,814	145,162
Net pension liability	23,319	22,479
Plan fiduciary net position as a percent of total pension liability	86.4%	86.6%
Annual covered payroll	$ 7,404	$ 7,641
Net pension liability as a percentage of covered payroll	315.0%	294.2%

(dollars in thousands)

Actuarial methods and assumptions

Significant actuarial assumptions used in the June 30, 2024 valuation include a rate of return on the investment of present and future assets of 6.0 percent, price inflation of 2.75 percent, annual salary increases of 3.0 percent, and an annual post-retirement benefit increase of 2.475 percent. Mortality rates were based on the PubG-2010(A) with generational projection using MP-2019. All participants are assumed to retire by the age of 67, with a certain percentage of active participants assumed to elect retirement beginning at age 55. Net pension liability has been measured and reported as of June 30, 2024.

Significant actuarial assumptions used in the June 30, 2023 valuation include a rate of return on the investment of present and future assets of 6.0 percent, price inflation 2.75 percent, annual salary increases of 3.0 percent and an annual post-retirement benefit increase of 2.48 percent. Mortality rates were based on the PubG-2010(A) with generational projection using MP-2019. All participants are assumed to retire by the age of 67, with a certain percentage of active participants assumed to elect retirement beginning at age 55. The net pension liability has been measured and reported as of June 30, 2023.

The 2024 and 2023 long-term expected rate of return on pension plan investments of 6.0 percent was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are then combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage.

Estimated real rates of return by asset class were as follows at June 30, 2024 and June 30, 2023:

Long-Term Expected Real Rate of Return

	2024	2023
Risk Based Class/Components	Expected Return	Expected Return
Private equity	13.7%	11.0%
US large cap equity	9.6%	8.7%
US small cap equity	11.2%	9.3%
International equity	10.3%	10.0%
Private credit	9.2%	9.0%
Principal protection	4.9%	4.7%
Real estate	9.1%	7.8%
Inflation protection	4.7%	4.5%
Alternative risk premia	5.4%	5.6%
Systematic trend following	5.7%	4.8%
Long duration treasuries	5.6%	5.0%
Cash equivalents	2.5%	2.9%

The discount rate used to measure the total pension liability was 6.0 percent for both the 2024 and 2023 valuations. The projection of cash flows used to determine the discount rate assumed that District contributions will be made consistent with the current funding plan. Based on those assumptions, the 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 was applied to all periods of projected benefit payments to determine total pension liability.

(dollars in thousands)

Changes in net pension liability

The following table presents the changes in the net pension liability:

Retirement Plan for Management and Staff Employees
For the Years Ended June 30,

Total pension liability		
Service cost	$ 514	$ 554
Interest cost	9,783	9,402
Benefit payments	(10,352)	(8,969)
Experience (gain) loss	3,547	6,096
Net change in total pension liability	3,492	7,083
Total pension liability, beginning	167,641	160,558
Total pension liability, ending	171,133	167,641
Plan fiduciary net position		
Contributions	700	-
Net Investment Income	12,390	5,978
Benefit payments	(10,352)	(8,969)
Administrative Expense	(86)	(108)
Net change in plan fiduciary net position	2,652	(3,099)
Plan fiduciary net position, beginning	145,162	148,261
Plan fiduciary net position, ending	147,814	145,162
Net pension liability, ending	$ 23,319	$ 22,479
Plan fiduciary net position as a percent of total pension liability	86%	87%
Covered payroll	$ 7,404	$ 7,641
Net pension liability as a percent of covered payroll	315%	294%

(dollars in thousands)

Sensitivity of the net pension liability to changes in the discount rate

The following table presents the sensitivity of the net pension liability calculation to a one percent increase or decrease in the discount rate used to measure the total pension liability:

Discount rate as of June 30, 2024	Net pension liability	
1% decrease (5.0%)	$	42,804
Current discount rate (6.0%)	$	23,319
1% increase (7.0%)	$	6,914

Discount rate as of June 30, 2023	Net pension liability	
1% decrease (5.0%)	$	41,970
Current discount rate (6.0%)	$	22,479
1% increase (7.0%)	$	6,108

Deferred Inflows and Outflows of Resources

The following table presents the components of Deferred inflows and outflows of resources for the Management DB Plan for the years ended June 30, 2024 and 2023:

	2024		2023	
Deferred outflows:				
Differences between projected and actual earnings	$	-	$	1,492
Total deferred outflows of resources	$	-	$	1,492
Deferred inflows:				
Differences between projected and actual earnings	$	(1,418)		-
Total deferred inflows of resources	$	(1,418)	$	-

The following table presents the future amortization of deferred inflows and outflows of resources for the Management DB Plan:

For the Year Ended June 30,	Deferred outflows and inflows of resources	
2025	$	(2,380)
2026		2,019
2027		(264)
2028		(793)
	$	(1,418)

(dollars in thousands)

15. Pension Plan for Bargaining Unit Employees of TriMet Trust Fund

The Pension Plan for Bargaining Unit Employees of TriMet Trust Fund accounts for the assets of the employee benefit plan held by TriMet in a trustee capacity. TriMet is the sole administrator for the Pension Plan for Bargaining Unit Employees of TriMet ("Bargaining Unit DB Plan"). The Bargaining Unit DB Plan is a governmental plan maintained and operated solely by TriMet. Three trustees appointed by the TriMet Board and three union representatives appointed by the Amalgamated Transit Union ("Union") oversee the Bargaining Unit DB Plan.

TriMet recorded $44,449 and $67,197 in pension expense for the Bargaining Unit DB Plan in the years ended June 30, 2024 and 2023, respectively.

Plan description

The Bargaining Unit DB Plan is a single-employer defined benefit plan. The Bargaining Unit DB Plan covers all full-time and part-time employees represented by the Amalgamated Transit Union hired in a union position before August 1, 2012. Eligible union employees begin to participate on their date of hire, with benefits being 100 percent vested after 10 years of service. Under the terms of the Bargaining Unit Pension Plan and Permanent Disability Agreement, covered members retiring at or after age 58 with 10 or more years of service will receive a monthly benefit for life with annual cost of living adjustments. Pension benefits for covered members retiring after February 1, 2016 are $83.78 per month, per year of service. Effective with the current Working and Wage agreement, each February 1, the retirement benefit is adjusted based on the amount of any general wage adjustments received by bargaining unit employees during the previous 12 months. Pension benefits for retirees in payout status are adjusted each February 1, also based on the general wage adjustments during the prior 12 months. Effective July 12, 2012, pension benefits for retirees in payout status will be adjusted each May 1, based upon the U.S. Urban Wage Earners and Clerical Workers Consumer Price Index (CPI) (annual average). Provisions of the Working and Wage Agreement between TriMet and the Union effective December 1, 2009, requires vested union employees to convert any unused accumulated sick leave (up to a maximum of 1,700 hours) to monthly pension benefits at a rate of 25 cents per hour. Amendments to the plan are made under provision in the Working and Wage Agreement. No employee contributions are required or permitted under the Bargaining Unit DB Plan. Benefit provisions are established and amended through provisions of the Working and Wage Agreement between TriMet and the Union.

The following is a summary of plan participants at June 30, 2024 and 2023:

	2024	2023
Active employees	700	782
Retirees and beneficiaries		
Receiving benefits	2,264	2,240
Deferred Retirement benefits	140	137
Total Participants	3,104	3,159

Summary of accounting policies

The financial statements are prepared using the accrual basis of accounting. TriMet contributions are recognized in the period in which the contributions are earned. Benefits are recognized when due and payable in accordance with the terms of the plan.

Investment policy and method to value investments

The Bargaining Unit DB Plan investment policy allows the plan to utilize multiple professional investment management firms to implement the investment program. The long-term performance objective of the plan is to achieve a compound rate of return on invested assets consistent with the forward-looking return assumptions adopted annually by the trustees of the plan. Eligible investments include the following: US equity, international equity, principal protection, systematic trend following, alternative risk premia, long duration treasuries, private real estate, private equity, private credit, and inflation protection.

(dollars in thousands)

Plan investments are reported at fair value. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value of securities is determined by the plan asset managers at quoted market prices, where available, except for securities, which are not actively traded, which are valued at net asset value by the asset manager.

The following table presents a summary of the Plan's investments by type as of June 30, 2024, at fair value.

		Fair Value Measurement Using		
Measured at Fair Value Level	**Balance at June 30, 2024**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
U.S. large-mid cap equities	$ 118,823	$ -	$ 118,823	$ -
U.S. small cap equities	24,171	-	24,171	-
International equity	90,500	-	90,500	-
	$ 233,494	$ -	$ 233,494	$ -
Measured at Net Asset Value				
Principal protection	80,372			
International Equity	88,928			
US large-mid cap equities	106,070			
Systematic trend following	65,065			
Alternative risk premia	47,738			
Long duration treasuries	38,710			
Private real estate	63,222			
Private equity	15,661			
Private credit	872			
	506,638			
Total	$ 740,132			

(dollars in thousands)

The following table presents a summary of the Plan's investments by type as of June 30, 2023, at fair value.

		Fair Value Measurement Using		
Measured at Fair Value Level	**Balance at June 30, 2023**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
U.S. large-mid cap equities	$ 100,165	$ -	$ 100,165	$ -
U.S. small cap equities	21,920	-	21,920	-
International Equity	81,534	-	81,534	-
	$ 203,619	$ -	$ 203,619	$ -
Measured at Net Asset Value				
Principal protection	52,607			
International Equity	82,119			
US large-mid cap equities	98,126			
Systematic trend following	65,264			
Alternative risk premia	56,258			
Long duration treasuries	27,081			
Private real estate	66,194			
Private equity	16,451			
Private credit	1,037			
Inflation protection	27,133			
	492,270			
Total	$ 695,889			

Investments measured at Net Asset Value ("NAV")

Principal Protection includes assets in commingled investments or mutual funds investing in marketable investment grade bonds, preferred stock, and other fixed income obligations of corporations, treasuries and obligations of US Government and its agencies, and investment grade fixed income synthetics—such as mortgage-backed securities (MBS), commercial mortgage-backed securities (CMBS), or asset-backed securities (ABS). Fair values are determined using the NAV per share of the Plan's ownership interest.

International Equity includes assets in commingled investments or mutual funds investing in marketable common stocks and other rights to acquire or receive stock of foreign (non-US) corporate issuers. Exposure may be achieved through a combination of both actively and passively managed portfolios. Fair values are determined using the NAV per share of the Plan's ownership interest.

US Equity includes assets in commingled investments or mutual funds investing in marketable common stocks and other rights to acquire or receive stock of domestic corporate issuers or American Depositary Receipts (ADR) traded on established US and Canadian exchanges. Exposure may be achieved through a combination of both actively and passively managed portfolios. Fair values are determined using the NAV per share of the Plan's ownership interest.

Systematic Trend Following includes investments in private offering funds (typically structured as limited partnerships) with exposure to time series momentum utilizing both cash and derivatives-based instruments provide meaningful diversification during broad market drawdowns. Fair values are determined in a monthly basis as the Plan's ownership interest in the NAV of the partnership or the NAV per share of the Plan's ownership interest.

Alternative Risk Premia includes investments in private offering funds (typically structured as limited partnerships) with the goal of generation of consistent positive returns with lower levels of volatility and low levels of correlation to traditional stocks and bonds. Fair values are determined in a monthly basis as the Plan's ownership interest in the NAV of the partnership or the NAV per share of the Plan's ownership interest.

(dollars in thousands)

Long Duration Treasuries are longer dated (long-term) US Government bonds invested through a passive commingled vehicle tracking the Bloomberg US Long Treasury Index. It is expected to provide material exposure to interest rate risk and provide meaningful diversification during deflationary risk-off market scenarios. Fair values are determined using the NAV per share of the Plan's ownership interest.

Private Real Estate includes investments in commingled investment vehicles (typically structured as limited partnerships) with a goal of generating consistent, low volatility returns. It is implemented through core real estate equity and real estate-related debt strategies. Core real estate equity investments are in high quality, well-leased properties, with a focus on income generation. Fair values are determined in a quarterly basis using the NAV per unit of the Plan's ownership interest in the partnership. Real estate-related debt security investments focus on debt instruments with significant coverage ratios that have exposures to global public and private residential and commercial real estate markets.

Private Equity includes investments in private offering, funds-of-funds (typically structured as limited partnerships). Fair values are determined quarterly as the Plan's ownership interest in the NAV of the partnerships. Current investments in Private Equity are in liquidation or exit phase; distributions will be received as the underlying investments are liquidated. Fair values are determined using the NAV per share of the Plan's ownership interest.

Private Credit includes investments in private offering funds (typically structured as limited partnerships), which invest globally utilizing less liquid or illiquid credit market instruments. Fair values are determined quarterly as the Plan's ownership interest in the NAV of the partnership. Current investments in Private Credit are in liquidation phase; distributions will be received as the underlying investments are liquidated.

Inflation Protection is expected to provide a consistent return in excess of inflation. Prior to its termination in July 2023, this functional role was implemented through a passive commingled vehicle to participate in the broad U.S. Treasury Inflation Protected Securities (TIPS) market by tracking the Bloomberg US TIPS Index. Fair values are determined using the NAV per share of the Plan's ownership interest.

Outstanding commitments and redemption limitations for each investment class as of June 30, 2024 and 2023 are as follows:

Measured at Net Asset Value	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
As of June 30, 2024:				
Private real estate	$ 63,222	$ -	Quarterly	45 days
Private equity	$ 15,661	$ 593	N/A	N/A
Private credit	$ 872	$ 2,245	N/A	N/A
As of June 30, 2023:				
Private real estate	$ 66,194	$ -	Quarterly	45 days
Private equity	$ 16,451	$ 727	N/A	N/A
Private credit	$ 1,037	$ 2,245	N/A	N/A

Rate of Return

For the years ended June 30, 2024 and 2023, respectively, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.88 percent and 6.94 percent. The money-weighted return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

(dollars in thousands)

Investments – concentration of credit risk

The plan trustees have adopted an Investment Policy, which defines target allocations in each class of investment. The target allocations are based upon asset liability studies, which are performed every five years. The following is the trustee adopted asset allocation policy as of June 30, 2024 and 2023:

Bargaining Unit DB Plan	Allocation Policy	
	2024	2023
Private equity	2.0%	2.0%
US Large cap equity	27.0%	27.0%
US Small cap equity	3.0%	3.0%
International equity	22.0%	22.0%
Private credit	0.0%	2.0%
Private real estate	12.0%	10.0%
Inflation protection	0.0%	4.0%
Principal protection	12.0%	8.0%
Alternative risk premia	8.0%	8.0%
Systematic trend following	10.0%	10.0%
Long duration treasuries	4.0%	4.0%
Total	100.0%	100.0%

Diversifying strategies is a blend of Alternative Risk Premia, Systematic Trend following and Long Duration Treasuries.

As of June 30, 2024 and 2023, the plan had the following investments of more than 5% of the total Plan fiduciary net position:

	2024	2023
State Street RAFI US 1000 Index Fund	19.4%	21.5%
Vanguard Russell 1000 Index Fund	15.9%	14.1%
Vanguard Total International Stock Index Fund	12.1%	11.5%
Capital Guardian International All Countries Equity Class Db	11.9%	11.6%
AFL/CIO Housing Trust	10.7%	7.4%
RREEF America REIT II	5.6%	6.8%

Funding policy and annual pension cost

Pursuant to the terms of the Working and Wage Agreement, TriMet is required to fund the Bargaining Unit DB Plan in accordance with actuarial principles, amortizing past service liabilities over a period of 40 years or less. The funding policy of the Bargaining Unit DB Plan provides for an actuarially determined contribution (ADC) calculated using the individual entry age normal actuarial cost method. The ADC consists of normal cost and an amortization of the unfunded actuarial accrued liability. The normal cost is determined as the level percentage of pay basis over the service of active employees between entry age and assumed exit age. Past service liabilities are amortized over a closed fifteen-year period. The components of the net pension liability of the Bargaining Unit DB Plan were as follows:

(dollars in thousands)

Net pension liability as of June 30,	2024	2023
Total pension liability	$ 924,728	$ 908,414
Plan fiduciary net position	748,228	708,823
Net pension liability	$ 176,500	$ 199,591
Plan fiduciary net position as a percent of total pension liability	80.9%	78.0%
Annual covered payroll	$ 69,741	$ 74,468
Net Pension Liability as a percentage of covered payroll	253.1%	268.0%

Actuarial methods and assumptions

Significant actuarial assumptions used in the 2024 valuation were based on an experience study as of June 30, 2019. From the experience study, the long-term rate of return on the investment of present and future assets is at 6.25 percent, price inflation of 2.75 percent and annual salary increases of 3.25 percent. The benefit cost of living increase is 2.75 percent annually for participants who retired prior to August 1, 2012 and 2.48 percent annually for participants who retire after August 1, 2012. Mortality rates were based on the 2016 Cheiron ATU mortality tables. The net pension liability has been measured and reported as of June 30, 2024.

Significant actuarial assumptions used in the 2023 valuation were based on an experience study as of June 30, 2019. From the experience study, the long-term rate of return on the investment of present and future assets is at 6.25 percent, price inflation of 2.75 percent and annual salary increases of 3.25 percent. The benefit cost of living increase is 2.75 percent annually for participants who retired prior to August 1, 2012 and 2.48 percent annually for participants who retire after August 1, 2012. Mortality rates were based on the 2016 Cheiron ATU mortality tables. The net pension liability has been measured and reported as of June 30, 2023.

The 2024 long-term expected rate of return on pension plan investments of 6.25 percent was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are then combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation:

Long-Term Expected Real Rate of Return

Risk Based Class/Components	2024	2023
Private equity	13.7%	11.0%
US large cap equity	9.6%	8.7%
US small cap equity	11.2%	9.3%
International equity	10.3%	10.0%
Private credit	9.2%	9.0%
Private real estate	9.1%	7.8%
Inflation protection	4.7%	4.5%
Principal protection	4.9%	4.7%
Alternative risk premia	5.4%	5.6%
Systematic trend following	5.7%	4.8%
Long duration treasuries	5.6%	5.0%
Cash equivalents	2.5%	2.9%

The discount rate used to measure the total pension liability was 6.25 percent for both the 2024 valuation and the 2023 valuation. The projection of cash flows used to determine the discount rate assumed that District contributions will be made consistent with the current funding plan. Based on those assumptions, the 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 was applied to all periods of projected benefit payments to determine total pension liability.

(dollars in thousands)

Changes in net pension liability

The following table presents the changes in the net pension liability for the years ended June 30, 2024 and 2023:

Pension Plan for Bargaining Unit Employees
For the Years Ended June 30,

	2024	2023
Total pension liability		
Service cost	$ 7,859	$ 7,943
Interest cost	55,588	53,091
Effect of economic/demographic gains	7,438	33,434
Benefit payments	(54,570)	(54,309)
Net change in total pension liability	16,315	40,159
Total pension liability, beginning	908,413	868,254
Total pension liability, ending	924,728	908,413
Plan fiduciary net position		
Contributions	24,984	51,268
Net investment income	69,230	45,828
Benefit payments	(54,570)	(54,309)
Administrative expense	(238)	(281)
Net change in plan fiduciary net position	39,406	42,506
Plan fiduciary net position, beginning	708,822	666,316
Plan fiduciary net position, ending	748,228	708,822
Net pension liability, ending	$ 176,500	$ 199,591
Plan fiduciary net position as a percent of total pension liability	81%	78%
Covered payroll	$ 69,741	$ 74,468
Net pension liability as a percent of covered payroll	253%	268%

(dollars in thousands)

Sensitivity of the net pension liability to changes in the discount rate

The following table presents the sensitivity of the net pension liability calculation to a one percent increase or decrease in the discount rate used to measure the total pension liability:

Discount rate as of June 30, 2024	Net pension liability	
1% decrease (5.25%)	$	280,505
Current discount rate (6.25%)	$	176,500
1% increase (7.25%)	$	88,762

Discount rate as of June 30, 2023	Net pension liability	
1% decrease (5.25%)	$	303,354
Current discount rate (6.25%)	$	199,592
1% increase (7.25%)	$	112,175

Deferred Inflows and Outflows of Resources

The following table presents the components of deferred inflows and outflows of resources for the Bargaining Unit DB Plan at June 30, 2024 and 2023:

	2024		2023	
Deferred outflows of resources				
Changes in assumptions	$	-	$	13,763
Differences between expected and actual experience		6,563		20,782
Total deferred outflows	$	6,563	$	34,545
Deferred inflows of resources				
Differences between projected and actual earnings	$	(20,942)	$	(6,368)
Differences between expected and actual experience		-		-
Total deferred inflows	$	(20,942)	$	(6,368)

The following table presents the future amortization of deferred inflows and outflows of resources for the Bargaining Unit DB Plan:

For the *Year Ended*	Deferred Outflows and Inflows of Resources	
2025	$	(11,704)
2026		8,519
2027		(6,026)
2028		(5,169)
	$	(14,380)

(dollars in thousands)

For the District's two defined benefit pension plans, the amounts reported on the financial statements for each plan is as follows:

	Fiscal Year 2024			
	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Management & Staff Employees Trust Fund	$ 23,319	$ -	$ 1,418	$ 4,450
Bargaining Unit Employees Trust	176,500	6,563	20,942	44,450
Total pension plans	$ 199,819	$ 6,563	$ 22,360	$ 48,900

	Fiscal Year 2023			
	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Management & Staff Employees Trust Fund	$ 22,479	$ 1,492	$ -	$ 8,170
Bargaining Unit Employees Trust	199,591	34,545	6,368	67,197
Total pension plans	$ 222,070	$ 36,037	$ 6,368	$ 75,367

16. Subsequent Events – Contractor Agreement

In fiscal year 2024, the District terminated a contract with a contractor to provide services to overhaul certain light rail vehicles. Discussions with the contractor are ongoing and the District anticipates closing out the contract in fiscal year 2025.

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios
(dollars in thousands)

Management and Staff Employees Defined Benefit Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 514	$ 554	$ 548	$ 633	$ 650	$ 685	$ 919	$ 1,162	$ 1,224	$ 505
Interest cost	9,783	9,402	8,531	8,604	8,939	8,784	8,621	8,309	8,327	7,931
Benefit payments	(10,352)	(8,969)	(8,750)	(8,513)	(7,563)	(7,197)	(6,211)	(5,286)	(4,502)	(4,458)
Changes of benefit terms	-	-	-	(32)	-	-	-	-	-	-
Change in assumptions	-	-	7,170	-	(959)	-	-	-	474	(2,178)
Experience (gain) loss	3,547	6,096	7,111	(1,697)	928	397	(29)	1,441	(1,293)	3,592
Net change in total pension liability	3,492	7,083	14,610	(1,005)	1,995	2,669	3,300	5,626	4,230	5,392
Total pension liability, beginning	167,641	160,558	145,948	146,953	144,958	142,289	138,988	133,362	129,132	123,740
Total pension liability, ending	171,133	167,641	160,558	145,948	146,953	144,958	142,288	138,988	133,362	129,132
Plan fiduciary net position										
Contributions	700	-	522	6,250	2,327	6,240	6,497	6,330	7,036	6,559
Net Investment Income	12,390	5,978	(2,137)	29,802	1,727	3,787	8,108	7,990	1,460	2,004
Benefit payments	(10,352)	(8,969)	(8,750)	(8,513)	(7,563)	(7,197)	(6,211)	(5,286)	(4,502)	(4,458)
Administrative Expense	(86)	(108)	(95)	(110)	(145)	(137)	(97)	(76)	(97)	(123)
Net change in plan fiduciary net position	2,652	(3,099)	(10,460)	27,429	(3,654)	2,693	8,297	8,958	3,897	3,982
Plan fiduciary net position, beginning	145,162	148,261	158,721	131,292	134,946	132,253	123,956	114,998	111,101	107,119
Plan fiduciary net position, ending	147,814	145,162	148,261	158,721	131,292	134,946	132,253	123,956	114,998	111,101
Net pension liability, ending	$ 23,319	$ 22,479	$ 12,297	$ (12,773)	$ 15,661	$ 10,012	$ 10,035	$ 15,032	$ 18,364	$ 18,031
Plan fiduciary net position as a percent of total pension liability	86%	87%	92%	109%	89%	93%	93%	89%	86%	86%
Covered payroll	$ 7,404	$ 7,641	$ 7,463	$ 7,965	$ 8,105	$ 8,280	$ 9,446	$ 10,593	$ 12,722	$ 12,751
Net pension liability as a percent of covered payroll	315%	294%	165%	-160%	193%	121%	106%	142%	144%	141%
Measurement Date	6/30/24	6/30/23	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18	6/30/17	6/30/16	6/30/15

Schedule of Changes in Net Pension Liability and Related Ratios

(dollars in thousands)

Bargaining Unit Employees Defined Benefit Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 7,859	$ 7,943	$ 7,796	$ 8,150	$ 8,675	$ 9,643	$ 9,875	$ 10,851	$ 10,703	$ 11,756
Interest cost	55,588	53,091	49,410	48,272	47,372	46,537	43,494	43,889	43,372	43,025
Effect of plan changes	-	-	900	-	-	-	3,286	-	-	-
Changes of assumptions	-	-	68,817	3,945	34,129	-	-	-	18,776	(16,558)
Effect of economic/demographic (gains) losses	7,438	33,434	12,727	3,365	(5,375)	(2,453)	21,274	(19,615)	(8,967)	(541)
Benefit payments	(54,570)	(54,309)	(46,782)	(44,963)	(41,940)	(38,905)	(36,394)	(34,163)	(32,680)	(30,677)
Net change in total pension liability	16,315	40,159	92,868	18,769	42,861	14,822	41,535	962	31,204	7,005
Total pension liability, beginning	908,413	868,254	775,386	756,617	713,756	698,934	657,399	656,437	625,233	618,228
Total pension liability, ending	924,728	908,413	868,254	775,386	756,617	713,756	698,934	657,399	656,437	625,233
Plan fiduciary net position										
Contributions	24,984	51,268	6,041	33,929	37,755	34,718	35,228	35,862	38,027	36,200
Net investment income	69,230	45,828	(26,352)	170,880	3,683	18,329	41,479	46,645	1,948	12,276
Benefit payments	(54,570)	(54,309)	(46,782)	(44,963)	(41,940)	(38,905)	(36,394)	(34,163)	(32,680)	(30,677)
Administrative expense	(238)	(281)	(203)	(289)	(363)	(104)	(357)	(246)	(281)	(363)
Net change in plan fiduciary net position	39,406	42,506	(67,296)	159,557	(865)	14,038	39,955	48,098	7,014	17,436
Plan fiduciary net position, beginning	708,822	666,316	733,612	574,055	574,920	560,882	520,927	472,829	465,815	448,379
Plan fiduciary net position, ending	748,228	708,822	666,316	733,612	574,055	574,920	560,882	520,927	472,829	465,815
Net pension liability, ending	$ 176,500	$ 199,591	$ 201,938	$ 41,774	$ 182,562	$ 138,836	$ 138,052	$ 136,472	$ 183,608	$ 159,418
Plan fiduciary net position as a percent of total pension liability	81%	78%	77%	95%	76%	81%	80%	79%	72%	75%
Covered payroll	$ 69,741	$ 74,468	$ 78,431	$ 83,542	$ 90,089	$ 97,406	$ 109,924	$ 106,596	$ 117,666	$ 116,556
Net pension liability as a percent of covered payroll	253%	268%	257%	50%	203%	143%	126%	128%	156%	137%
Measurement Date	6/30/24	6/30/23	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18	6/30/17	6/30/16	6/30/15

Schedules of Pension Contributions

(dollars in thousands)

Management & Staff Employees Defined Benefit Pension Plan

Actuarial valuation date	Actuarially determined contribution	Contributions	Contribution excess	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2024	$ 664	$ 700	$ 36	$ 7,404	9%
June 30, 2023	-	-	-	7,641	0%
June 30, 2022	197	522	325	7,463	7%
June 30, 2021	3,570	6,250	2,680	7,965	78%
June 30, 2020	2,327	2,327	-	8,105	29%
June 30, 2019	2,443	6,240	3,797	8,280	75%
June 30, 2018	3,253	6,497	3,244	9,446	69%
June 30, 2017	3,735	6,330	2,595	10,593	60%
June 30, 2016	4,242	7,036	2,794	12,722	55%
June 30, 2015	4,219	6,559	2,340	12,751	51%

Bargaining Unit Employees Defined Benefit Pension Plan

Actuarial valuation date	Actuarially determined contribution	Contributions	Contribution excess	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2024	$ 25,000	$ 24,983	$ (17)	$ 69,741	36%
June 30, 2023	40,658	51,268	10,610	74,468	69%
June 30, 2022	26,460	6,041	(20,419)	78,431	8%
June 30, 2021	28,790	33,929	5,139	83,542	41%
June 30, 2020	25,173	37,755	12,582	90,089	42%
June 30, 2019	26,040	34,718	8,678	97,406	36%
June 30, 2018	24,566	35,228	10,662	109,924	32%
June 30, 2017	28,498	35,862	7,364	106,596	34%
June 30, 2016	28,030	38,027	9,997	117,666	32%
June 30, 2015	31,926	37,793	5,867	116,556	32%

Schedules of Pension Trust Investment Returns

Annual Money-Weighted Rate of Return, Net of Investment Expense

Year ended June 30:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Management DB Plan	8.78%	4.15%	-1.31%	22.95%	1.41%	2.97%	6.62%	6.92%	1.30%	1.87%
Bargaining Unit DB Plan	9.88%	6.94%	-3.64%	30.07%	0.71%	3.40%	8.04%	9.85%	0.42%	2.73%

Schedule of Changes in the District's Net OPEB Liability

Schedule of Changes in the District's Net OPEB Liability

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	$ 16,459	$ 26,073	$ 37,111	$ 34,524	$ 27,059	$ 33,512	$ 34,417
Interest cost	23,064	16,489	20,149	24,849	29,811	27,236	28,333
Change in assumptions	77,446	(136,869)	4,557	91,128	165,525	(66,328)	1,192
Experience (gain) loss	(5,842)	(58,317)	(181,903)	(83,329)	(22,272)	(32,503)	1,529
Benefit Payments	(23,024)	(23,132)	(25,618)	(24,312)	(23,715)	(23,022)	(22,647)
Net change in total OPEB liability	88,103	(175,756)	(145,704)	42,860	176,408	(61,105)	42,824
Total OPEB liability, beginning	623,244	799,000	944,704	901,844	725,436	786,541	743,717
Total OPEB liability, ending	$ 711,347	$ 623,244	$ 799,000	$ 944,704	$ 901,844	$ 725,436	$ 786,541
Plan fiduciary net position							
Contributions	$ 23,024	$ 23,132	$ 25,618	$ 24,312	$ 23,715	$ 23,022	$ 22,647
Investment Income	21	(13)	(3)	7	13	8	2
Benefit payments	(23,024)	(23,132)	(25,618)	(24,312)	(23,715)	(23,022)	(22,647)
Net change in plan fiduciary net position	21	(13)	(3)	7	13	8	2
Plan fiduciary net position, beginning	415	428	431	424	411	403	401
Plan fiduciary net position, ending	$ 436	$ 415	$ 428	$ 431	$ 424	$ 411	$ 403
Net OPEB liability, ending	$ 710,911	$ 622,829	$ 798,572	$ 944,273	$ 901,420	$ 725,025	$ 786,138
Plan fiduciary net position as a percent of the total pension liability	0.06%	0.07%	0.05%	0.05%	0.05%	0.06%	0.05%
Covered-employee payroll	$ 282,313	$ 251,643	$ 242,737	$ 234,230	$ 236,032	$ 219,240	$ 198,560
Net OPEB liability as a percent of covered payroll	251.82%	247.50%	328.99%	403.14%	381.91%	330.70%	395.92%
Measurement date	01/01/2024	01/01/2023	01/01/2022	01/01/2021	01/01/2020	01/01/2019	01/01/2018
Discount rate	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%	3.44%

Schedule of OPEB Trust Investment Returns

Annual Money-Weighted Rate of Return, Net of Investment Expense

Year ended January 1:	2024	2023	2022	2021	2020	2019	2018
OPEB Plan	5.08%	-3.08%	-0.72%	1.53%	3.28%	1.98%	0.43%

Schedule of OPEB Contributions

Fiscal Year Ending	Contractually Required Contribution	Contributions	Contribution excess	Covered employee payroll	Contributions as a percentage of covered employee payroll
June 30, 2024	$ 23,724	$ 23,724	$ -	$ 299,284	8%
June 30, 2023	23,017	23,017	-	265,774	9%
June 30, 2022	24,318	24,318	-	247,365	10%
June 30, 2021	25,206	25,206	-	235,977	11%
June 30, 2020	24,328	24,328	-	244,859	10%
June 30, 2019	22,543	22,543	-	230,339	10%
June 30, 2018	23,962	23,962	-	224,474	11%

Ten-year information is not available as GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* was implemented for fiscal year-ending June 30, 2018.

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Supplementary Information

Reconciliation of Revenues and Expenses (Budget Basis) to Schedule of Revenues and Expenses (GAAP Basis)

For The Year Ended June 30, 2024
(dollars in thousands)

Budget basis	
Revenues	$ 909,596
Expenses	1,018,327
Change in budgetary basis - compensated absences	32,600
Revenues over expenses	(76,131)
Add budget activity not qualifying as revenues/ expenses under GAAP:	
Par value of debt retired	31,545
Capital asset additions	182,612
Add (subtract) adjustments required by GAAP:	
Differences due to pension funding	(23,199)
Depreciation expense	(164,552)
Leases accounted for under GASB No. 87	(3,904)
Net leveraged lease revenue (loss)	(1,024)
SBITAs accounted for under GASB No. 96	197
Budgetary impact for compensated absences	(32,600)
Change in compensated absences	(6,235)
Change in interest payable	421
Claims liability changes	(3,749)
Unfunded OPEB Costs	17,642
Differences due to bond premiums	6,918
Differences due to deferred losses on refunding	(2,493)
GAAP basis income presented in statement of revenues, expenses and changes in net position	$ (74,552)

Reconciliation of fund balance (Budget Basis) to Net position (GAAP Basis)

June 30, 2024 (dollars in thousands)

Budget basis ending fund balance	$ 873,140
Reconciliation to GAAP basis:	
Net capital assets	3,171,282
GASB Statement No. 87, Leases	(6,020)
Bonds payable and related amounts	(995,527)
Other postemployment benefits and deferred amounts	(849,517)
Net pension liability and deferred amounts	(215,616)
Claims liability	(16,171)
GASB 96, SBITA amounts	1,648
Compensated absences	(39,169)
Lease leaseback and deferred amounts	(3,952)
GAAP basis net position	$ 1,920,098

Schedule of Revenues and Expenses
Budget (Budget Basis) and Actual
For The Year Ended June 30, 2024
(dollars in thousands)

General Fund

	Original budget	Final budget	Actual	Variance from final budget Positive (Negative)
Revenues				
Operating revenue	$ 76,565	$ 76,565	$ 70,438	$ (6,127)
Tax revenue	515,827	515,827	511,423	(4,404)
Operating grant and other revenue	201,138	201,138	196,563	(4,575)
Capital program resources	140,708	140,708	73,155	(67,553)
Gain on disposal of capital assets	-	-	498	498
Interest income (expense)	475	475	35,955	35,480
Other non-operating resources	21,239	21,239	21,564	325
Total revenues	955,952	955,952	909,596	(46,356)
Expenses				
Office of the general manager	5,220	5,220	3,798	1,422
Public affairs	18,321	18,780	18,752	28
Safety and security	77,256	69,797	53,533	16,264
Information technology	45,452	49,698	44,231	5,467
Finance and administration	44,225	44,225	39,754	4,471
Labor relations and human resources	10,465	10,465	9,129	1,336
Legal services	20,046	22,800	18,907	3,893
Chief operating officer	14,405	14,405	13,454	951
Transportation	310,996	310,996	305,198	5,798
Maintenance	301,154	301,154	266,292	34,862
Engineering and construction	135,336	135,336	97,692	37,644
Transit Systems and Asset Support	17,573	17,573	14,363	3,210
OPEB and UAAL pension	87,614	87,614	46,712	40,902
Debt service	65,612	65,612	65,612	-
Other Non-Operating Requirements	20,917	20,917	20,900	17
Contingency	24,761	24,761	-	24,761
Total expenses	1,199,353	1,199,353	1,018,327	181,026
Revenues over (under) expenses	(243,401)	(243,401)	(108,731)	134,670
Beginning fund balance	971,671	971,671	949,271	(22,400)
Change in basis of accounting-compensated absences **1***	-	-	32,600	32,600
Beginning fund balance, restated	971,671	971,671	981,871	10,200
Ending fund balance	$ 728,270	$ 728,270	$ 873,140	$ 144,870

1* In fiscal year 2024, the District changed its budgetary accounting for compensated absences from GAAP basis to the cash basis. The impact of this change was an increase to the beginning of the year fund balance of $32,600. This amount includes accrued balances for paid time off, sick time and other forms of employee paid leave.

Combining Statement of Fiduciary Net Position

June 30, 2024
(dollars in thousands)

	As of June 30, 2024		As of Janaury 1, 2024	
	Pension Trust: Management and Staff Employees	Pension Trust: Bargaining Unit Employees	Other Post-Employment Benefits Trust	Total
Assets				
Cash and cash equivalents	$ 1,309	$ 8,052	$ 10	$ 9,371
Receivables Accrued Income	15	55	-	70
Investments:				
Domestic large/mid cap equity	30,463	224,893	-	255,356
International equity	24,380	179,428	-	203,808
Principal protection	35,234	80,372	-	115,606
Systematic trend following	14,775	65,065		79,840
Real estate	12,405	63,222	-	75,627
Alternative risk premia	17,020	47,738	-	64,758
Long duration treasuries	4,917	38,710	426	44,053
Domestic small cap equity	2,781	24,171	-	26,952
Private equity	3,638	15,661	-	19,299
Private credit	879	872	-	1,751
Total investments	146,492	740,132	426	887,050
Total assets	147,816	748,239	436	896,491
Liabilities				
Accounts payable	2	11	-	13
Total liabilities	2	11	-	13
Net position				
Restricted for pension benefits	147,814	748,228	-	896,042
Restricted for other post-employment benefits	-	-	436	436
Total net position	$ 147,814	$ 748,228	$ 436	$ 896,478

Combining Statement of Fiduciary Net Position

June 30, 2023
(dollars in thousands)

	As of June 30, 2023		As of January 1, 2023	
	Pension Trust: Management and Staff Employees	Pension Trust: Bargaining Unit Employees	Other Post-Employment Benefits Trust	Total
Assets				
Cash and cash equivalents	$ 812	$ 12,898	$ 8	$ 13,718
Receivables Accrued Income	1	45	-	46
Investments:				
Domestic large/mid cap equity	29,507	198,291	-	227,798
International equity	24,455	163,653	-	188,108
Principal protection	20,388	52,607	-	72,995
Systematic trend following	14,386	65,264	-	79,650
Real estate	13,483	66,194	-	79,677
Alternative risk premia	23,208	56,258	-	79,466
Long duration treasuries	5,211	27,081	407	32,699
Domestic small cap equity	2,526	21,921	-	24,447
Private equity	3,651	16,451	-	20,102
Private credit	1,131	1,036	-	2,167
Inflation protection	6,413	27,133	-	33,546
Total investments	144,359	695,889	407	840,655
Total assets	145,172	708,832	415	854,419
Liabilities				
Accounts payable	10	10	-	20
Total liabilities	10	10	-	20
Net position				
Restricted for pension benefits	145,162	708,822	-	853,984
Restricted for other post-employment benefits	-	-	415	415
Total net position	$ 145,162	$ 708,822	$ 415	$ 854,399

Combining Statement of Changes in Fiduciary Net Position

For The Year Ended June 30, 2024
(dollars in thousands)

	Fiscal Year Ended June 30, 2024		Fiscal Year Ended January 1, 2024	
	Pension Trust: Management and Staff Employees	Pension Trust: Bargaining Unit Employees	Other Post-Employment Benefits Trust	Total
Additions				
Employer contributions	$ 700	$ 24,984	$ 23,024	$ 48,708
Investment income (loss):				
Interest	87	647	-	734
Dividends	1,620	4,645	-	6,265
Other income	463	4,166	-	4,629
Net increase in fair value of investments	10,404	60,833	21	71,258
Less investment expense	(184)	(1,061)	-	(1,245)
Net investment income	12,390	69,230	21	81,641
Total additions	13,090	94,214	23,045	130,349
Deductions				
Benefit expenses	10,352	54,570	23,024	87,946
Administrative expenses	86	238	-	324
Total deductions	10,438	54,808	23,024	88,270
Change in net position	2,652	39,406	21	42,079
Net position:				
Beginning of year	145,162	708,822	415	854,399
End of year	$ 147,814	$ 748,228	$ 436	$ 896,478

Combining Statement of Changes in Fiduciary Net Position

For The Year Ended June 30, 2024
(dollars in thousands)

	Fiscal Year Ended June 30, 2023		Fiscal Year Ended January 1, 2023	
	Pension Trust: Management and Staff Employees	Pension Trust: Bargaining Unit Employees	Other Post-Employment Benefits Trust	Total
Additions				
Employer contributions	$ -	$ 51,268	$ 1,978	$ 53,246
Investment income (loss):				
Interest	60	415	-	475
Dividends	1,224	4,046	-	5,270
Other income	361	2,917	-	3,278
Net increase (decrease) in fair value of investment	4,492	35,409	(13)	39,888
Less investment expense	(159)	(725)	-	(884)
Net investment income (loss)	5,978	42,062	(13)	48,027
Total additions	5,978	93,330	1,965	101,273
Deductions				
Benefit expenses	8,969	50,544	1,978	61,491
Administrative expenses	108	281	-	389
Total deductions	9,077	50,825	1,978	61,880
Change in net position	(3,099)	42,505	(13)	39,393
Net position:				
Beginning of year	148,261	666,317	428	815,006
End of year	$ 145,162	$ 708,822	$ 415	$ 854,399

Schedule of Bonds Payable Obligation
June 30, 2024
(dollars in thousands)

	Payroll Tax Revenue (PRT) Bonds							
Fiscal	2009 Bonds		2015 Bonds		2016 Bonds		2017 Bonds	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ -	$ 718	$ 6,125	$ 871	$ 3,700	$ 1,833	$ 2,945	$ 1,273
2026	-	718	6,430	559	3,890	1,643	3,095	1,122
2027	-	718	-	399	4,085	1,505	3,255	963
2028	-	718	-	399	4,170	1,360	3,425	796
2029	-	718	-	399	4,385	1,146	3,600	620
2030	-	718	-	399	-	1,037	-	530
2031	2,870	636	-	399	4,850	940	-	530
2032	3,040	466	-	399	-	843	-	530
2033	3,215	287	-	399	-	843	-	530
2034	3,405	98	-	399	5,470	767	-	530
2035	-	-	-	399	5,630	615	-	530
2036	-	-	-	399	5,790	451	5,060	448
2037	-	-	-	399	5,970	274	5,230	278
2038	-	-	3,140	336	6,155	92	5,415	95
2039	-	-	3,320	207	-	-	-	-
2040	-	-	3,505	70	-	-	-	-
2041	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-
Totals	**$ 12,530**	**$ 5,795**	**$ 22,520**	**$ 6,428**	**$ 54,095**	**$ 13,349**	**$ 32,025**	**$ 8,775**

Schedule of Bonds Payable Obligation (continued)
June 30, 2024
(dollars in thousands)

Payroll Tax Revenue (PRT) Bonds (continued)							
2018 Bonds		**2019 Bonds**		**2021 Bonds**		**Total PRT Bonds**	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
$ 1,990	$ 1,620	$ 770	$ 7,403	$ 3,390	$ 11,485	$ 18,920	$ 25,202
2,100	1,517	785	7,387	7,070	11,294	23,370	24,241
2,145	1,411	800	7,370	13,925	11,034	24,210	23,400
2,325	1,300	820	7,352	14,240	10,709	24,980	22,634
2,445	1,180	8,200	7,247	7,265	10,411	25,895	21,721
2,580	1,055	8,385	7,050	15,780	10,076	26,745	20,865
-	990	5,910	6,876	13,945	9,669	27,575	20,039
-	990	4,440	6,746	20,965	9,191	28,445	19,165
-	990	3,480	6,643	22,615	8,603	29,310	18,297
-	990	3,580	6,549	17,805	8,019	30,260	17,353
-	990	11,070	6,266	14,610	7,499	31,310	16,298
-	990	8,690	5,900	12,860	7,020	32,400	15,207
-	990	8,905	5,636	13,330	6,601	33,435	14,177
-	990	9,210	5,281	10,640	6,260	34,560	13,054
4,620	915	9,605	4,829	18,270	5,838	35,815	11,788
-	840	9,985	4,403	23,570	5,231	37,060	10,544
-	840	10,280	4,053	27,980	4,450	38,260	9,343
-	840	12,770	3,708	16,010	3,741	28,780	8,288
-	840	13,160	3,319	16,505	3,249	29,665	7,408
-	840	13,560	2,918	16,955	2,800	30,515	6,558
3,835	763	13,970	2,505	13,600	2,394	31,405	5,662
4,005	607	14,395	2,079	13,945	2,034	32,345	4,720
4,190	443	14,835	1,641	14,295	1,664	33,320	3,748
4,385	271	15,290	1,189	14,660	1,280	34,335	2,740
4,585	92	15,755	723	15,035	881	35,375	1,696
-	-	16,235	244	8,825	568	25,060	812
-	-	-	-	9,050	345	9,050	345
-	-	-	-	9,275	116	9,275	116
$ 39,205	**$ 23,294**	**$ 234,885**	**$ 125,317**	**$ 406,415**	**$ 162,460**	**$ 801,675**	**$ 345,421**

Schedule of Bonds Payable Obligation (concluded)
June 30, 2024
(dollars in thousands)

	Capital Grant Receipt (CGR) Revenue Bonds							
Fiscal	**2017 Bonds**		**2018 Bonds**		**Total CGR Bonds**		**Totals**	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 12,320	$ 2,347	$ 1,785	$ 4,990	$ 14,105	$ 7,337	$ 33,025	$ 32,540
2026	12,940	1,716	1,855	4,899	14,795	6,615	38,165	30,856
2027	13,585	1,053	1,930	4,804	15,515	5,857	39,725	29,257
2028	14,260	357	2,010	4,706	16,270	5,062	41,250	27,697
2029	-	-	12,620	4,340	12,620	4,340	38,515	26,061
2030	-	-	13,235	3,694	13,235	3,694	39,980	24,559
2031	-	-	13,875	3,016	13,875	3,016	41,450	23,055
2032	-	-	14,550	2,305	14,550	2,305	42,995	21,470
2033	-	-	15,245	1,561	15,245	1,561	44,555	19,857
2034	-	-	15,990	860	15,990	860	46,250	18,212
2035	-	-	16,610	270	16,610	270	47,920	16,568
2036	-	-	-	-	-	-	32,400	15,207
2037	-	-	-	-	-	-	33,435	14,177
2038	-	-	-	-	-	-	34,560	13,054
2039	-	-	-	-	-	-	35,815	11,788
2040	-	-	-	-	-	-	37,060	10,544
2041	-	-	-	-	-	-	38,260	9,343
2042	-	-	-	-	-	-	28,780	8,288
2043	-	-	-	-	-	-	29,665	7,408
2044	-	-	-	-	-	-	30,515	6,558
2045	-	-	-	-	-	-	31,405	5,662
2046	-	-	-	-	-	-	32,345	4,720
2047	-	-	-	-	-	-	33,320	3,748
2048	-	-	-	-	-	-	34,335	2,740
2049	-	-	-	-	-	-	35,375	1,696
2050	-	-	-	-	-	-	25,060	812
2051	-	-	-	-	-	-	9,050	345
2052	-	-	-	-	-	-	9,275	116
Totals	**$ 53,105**	**$ 5,472**	**$ 109,705**	**$ 35,445**	**$ 162,810**	**$ 40,917**	**$ 964,485**	**$ 386,338**

TRI MET

Statistical Section

Statistical Section
Financial Trends
Statement of Net Position, Last Ten Years
(dollars in thousands)

	2024	2023	2022	2021
Assets				
Current assets and other assets	$ 1,092,755	$ 1,154,750	$ 1,261,869	$ 923,316
Capital assets, net of depreciation	3,216,239	3,193,617	3,155,024	3,064,806
Total Assets	4,308,994	4,348,367	4,416,893	3,988,122
Deferred Outflows of Resources	188,504	192,945	248,131	234,207
Liabilities				
Current liabilities	277,497	218,595	260,992	221,411
Noncurrent liabilities	1,956,249	1,921,463	2,089,831	1,869,831
Total Liabilities	2,233,746	2,140,058	2,350,823	2,091,242
Deferred Inflows of Resources	343,654	406,604	280,745	242,410
Net Position				
Net investment in capital assets	2,285,824	2,314,337	2,355,020	2,332,282
Restricted	60,840	45,220	69,205	66,022
Unrestricted (deficit)	(426,566)	(364,907)	(390,769)	(509,627)
Total Net Position	$ 1,920,098	$ 1,994,650	$ 2,033,456	$ 1,888,677

Source: The information presented in this section is obtained from the District's audited financial statements for the years presented.

Statistical Section
Financial Trends
Statement of Net Position, Last Ten Years (Continued)
(dollars in thousands)

2020	2019	2018	2017	2016	2015
$ 876,770	$ 754,383	$ 923,625	$ 658,856	$ 581,040	$ 537,706
3,086,878	3,014,250	2,981,825	2,997,401	3,044,386	3,011,510
3,963,648	3,768,633	3,905,450	3,656,257	3,625,426	3,549,216
235,293	54,296	58,882	61,502	86,810	55,964
214,523	195,800	197,720	193,557	210,594	152,525
2,029,100	1,684,283	1,829,665	1,428,745	1,443,811	1,421,120
2,243,623	1,880,083	2,027,385	1,622,302	1,654,405	1,573,645
102,422	111,088	36,527	70,953	66,607	80,556
2,459,273	2,495,838	2,586,479	2,509,481	2,502,486	2,416,392
42,124	63,209	17,777	35,892	11,296	52,216
(648,501)	(727,289)	(703,836)	(520,869)	(522,558)	(517,629)
$ 1,852,896	$ 1,831,758	$ 1,900,420	$ 2,024,504	$ 1,991,224	$ 1,950,979

Statistical Section
Financial Trends
Net Position and Changes in Net Position, Last Ten Years
(dollars in thousands)

	2024	2023	2022	2021
Operating Revenues				
Passenger revenue	$ 59,397	$ 56,752	$ 53,941	$ 39,528
Auxiliary transportation and other revenue	21,534	22,058	23,762	19,771
Total Operating Revenue	80,931	78,810	77,703	59,299
Operating Expenses				
Labor	260,082	228,576	208,233	209,425
Fringe benefits	214,542	213,150	238,057	205,137
Materials and services	210,280	163,207	117,035	116,974
Utilities	13,508	12,815	11,150	10,928
Purchased transportation	40,879	30,200	24,047	14,981
Depreciation expense	169,507	151,730	145,216	142,919
Other operating expense	22,986	21,968	16,762	14,887
Total operating expense	931,784	821,646	760,500	715,251
Operating Loss	(850,853)	(742,836)	(682,797)	(655,952)
Nonoperating Revenues (Expenses)				
Payroll and other tax revenue	511,423	485,182	463,534	415,529
Grant revenue	89,880	29,376	172,308	117,450
Grant revenue - COVID Relief	100,725	135,100	121,909	203,503
Interest income (loss)	36,310	26,392	(749)	937
Net leveraged lease income (expense)	(1,024)	(3,243)	(8,076)	(5,627)
Interest and other expense	(30,172)	(30,286)	(31,242)	(28,707)
Gain on disposal of capital assets	498	1,301	132	463
Pass through revenue	16,407	14,137	6,686	10,701
Pass through expense	(16,407)	(14,137)	(6,686)	(10,701)
Funding exchanges and other payments	(4,493)	(2,161)	(18,253)	(1,900)
Impairment of Capital Assets	-	-	-	(58,579)
Total nonoperating revenues, net	703,147	641,661	699,563	643,069
Net income (loss) before capital contributions	(147,706)	(101,175)	16,766	(12,883)
Capital contributions	73,154	62,369	128,013	48,664
Change In Net Position	(74,552)	(38,806)	144,779	35,781
Change in Accounting Principle	-	-	-	-
Net Position				
Net investment in capital assets	2,285,824	2,314,337	2,355,020	2,332,282
Restricted	60,840	45,220	69,205	66,022
Unrestricted	(426,566)	(364,907)	(390,769)	(509,627)
Net Position	$ 1,920,098	$ 1,994,650	$ 2,033,456	$ 1,888,677

Source and Notes:

The information presented in this section is obtained from the District's audited financial statements for the years presented.

(1) 2018 restatement due to implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* .

(2) 2020 restatement due to implementation of GASB 87, *Leases* .

Statistical Section
Financial Trends
Net Position and Changes in Net Position, Last Ten Years (Continued)
(dollars in thousands)

2020 (2)	2019	2018 (1)	2017	2016	2015
$ 93,558	$ 114,894	$ 113,836	$ 118,639	$ 118,069	$ 116,734
21,282	20,928	26,245	26,000	25,704	36,701
114,840	135,822	140,081	144,639	143,773	153,435
199,933	194,641	182,834	166,117	155,069	139,920
225,604	190,732	191,097	181,795	190,385	166,847
120,193	124,317	115,423	99,904	89,581	82,913
10,886	10,412	9,986	10,647	9,488	8,573
26,497	30,577	30,950	30,301	27,979	36,396
137,472	132,943	131,914	129,750	132,999	91,555
17,931	17,632	13,454	10,597	10,181	10,340
738,516	701,254	675,658	629,111	615,682	536,544
(623,676)	(565,432)	(535,577)	(484,472)	(471,909)	(383,109)
398,353	372,751	359,470	337,206	325,074	292,077
110,065	99,668	119,207	92,708	72,550	47,596
118,200	-	-	-	-	-
9,446	14,490	5,972	1,388	803	464
9,373	906	741	1,119	278	(206)
(28,792)	(25,384)	(19,454)	(18,830)	(16,227)	(2,703)
4,599	6,144	-	-	-	-
13,258	4,563	-	-	-	-
(13,258)	(4,563)	-	-	-	-
(14,189)	(11,882)	-	-	-	-
-	-	-	-	-	-
607,055	456,693	465,936	413,591	382,478	337,228
(16,621)	(108,739)	(69,641)	(70,881)	(89,431)	(45,881)
35,581	40,077	113,870	104,161	129,676	226,380
18,960	(68,662)	44,229	33,280	40,245	180,499
2,178	-	(168,313)	-	-	-
2,459,273	2,495,838	2,586,479	2,509,481	2,502,486	2,416,392
42,124	63,209	17,777	35,892	11,296	52,216
(648,501)	(727,289)	(703,836)	(520,869)	(522,558)	(517,629)
$ 1,852,896	$ 1,831,758	$ 1,900,420	$ 2,024,504	$ 1,991,224	$ 1,950,979

Statistical Section
Revenue Capacity
Revenue Base: Payroll Tax Revenues, Last Ten Years
(dollars in thousands, except where noted)

Fiscal Year-End June 30,	Wages subject to TriMet Payroll Tax Programs [(1)]	Payroll Tax Revenue	Tri-County Population [(2)]	Tax Boundary Employed Individuals [(3)]	Average Wage Within Tax Boundaries (Not rounded) [(4)]
2024	$ 61,191,668	$ 511,423	1,805,705	900,815	$ 67,929
2023	59,467,264	485,182	1,811,736	900,236	66,057
2022	57,942,178	463,534	1,818,436	892,775	64,901
2021	53,169,025	415,529	1,831,850	884,535	60,110
2020	50,410,030	398,353	1,840,012	863,798	58,359
2019	50,006,155	372,751	1,829,652	922,107	54,230
2018	47,789,356	359,043	1,820,344	917,517	52,086
2017	45,490,360	336,131	1,811,620	890,226	51,100
2016	44,722,534	323,999	1,794,721	870,610	51,369
2015	40,273,966	291,294	1,762,416	843,874	47,725

Calendar Year	Payroll Tax Rate	State-in-Lieu Rate
2024	0.8137%	0.6000%
2023	0.8037%	0.6000%
2022	0.7937%	0.6000%
2021	0.7837%	0.6000%
2020	0.7737%	0.6000%
2019	0.7637%	0.6000%
2018	0.7537%	0.6000%
2017	0.7437%	0.6000%
2016	0.7337%	0.6000%
2015	0.7237%	0.6000%

Sources:

(1) Employer wages subject to the TriMet employer tax program provided by the State of Oregon Department of Revenue; self-employed and state-in-lieu wages are calculated based on the revenues received for the related tax programs

(2) Information from US Bureau of Economic Analysis (agency of US Department of Commerce) for the respective county presented on a calendar year basis except for years 2023 and 2024 which are estimated.

(3) Tax boundary employed individuals are estimated amounts based on the most recent data through 2022 from the Bureau of Labor Statistics, Quarterly Census of Employment and Wages. Fiscal years 2024 and 2023 are estimates based on regional employment growth since 2022.

(4) Average wage figures calculated based on the wages subject to TriMet payroll tax programs and estimated number of employees within TriMet tax boundaries.

Statistical Section
Revenue Capacity
Principal revenues; Passenger Revenues and Grant Revenues, Last Ten Years
(dollars in thousands)

Passenger Revenues:

Fiscal Year-End June 30,	Cash Fares	Tickets and Passes	Employer Programs	ATP Program Revenues	Special Events Programs	Total Fare Revenues
2024	$ 7,585	$ 35,404	$ 8,387	$ 7,575	$ 445	$ 59,396
2023	7,499	33,028	9,020	6,904	301	56,752
2022	6,786	29,835	12,300	4,773	247	53,941
2021	3,360	25,730	10,156	191	91	39,528
2020	10,708	51,117	23,739	7,539	455	93,558
2019	22,361	59,945	23,907	8,243	438	114,894
2018	30,048	57,405	25,755	7,788	447	121,443
2017	34,187	56,227	25,844	7,934	478	124,670
2016	37,496	55,237	24,615	7,355	554	125,257
2015	40,460	51,711	23,713	6,552	683	123,119

Grant Revenues and Capital Contributions by Funding Source

Fiscal Year-End June 30,	Federal	Federal Grants: COVID	State and Local	State: HB 2017	Total Grants and Capital Contributions
2024	$ 97,700	$ 103,107	$ 3,056	$ 59,897	$ 263,760
2023	45,908	135,100	3,623	42,214	226,845
2022	221,018	121,909	19,211	60,092	422,230
2021	133,496	203,503	6,378	26,240	369,617
2020	125,509	118,200	1,622	18,515	263,846
2019	135,633	-	435	3,677	139,745
2018	228,086	-	4,991	-	233,077
2017	194,716	-	3,153	-	197,869
2016	178,599	-	23,627	-	202,226
2015	154,491	-	119,485	-	273,976

Source: TriMet Financial Services Department

Statistical Section
Debt Capacity
Outstanding Debt Per Capita and As a Percent of Personal Income, Last Ten Years
(dollars in thousands)

Fiscal Year	Outstanding Revenue Bonds (1)	Outstanding Lease and SBITA Obligations (2)	Total TriMet Debt	Total Population (3)	Cumulative Personal Income for Multnomah, Washington, and Clackamas Counties (3)	Per Capita Debt Outstanding	As a Percent of Personal Income
2024	$ 1,001,163	$ 47,425	$ 1,048,588	1,805,705	$ 144,446,588	$ 581	0.726%
2023	1,039,626	39,345	1,078,971	1,811,736	135,437,580	596	0.797%
2022	1,074,349	11,012	1,085,361	1,818,436	130,606,201	597	0.831%
2021	893,355	13,303	906,658	1,831,850	129,719,606	495	0.699%
2020	925,491	13,155	938,646	1,840,012	119,484,444	510	0.786%
2019	777,968		777,968	1,829,652	110,935,901	425	0.701%
2018	911,943		911,943	1,820,344	106,438,997	501	0.857%
2017	740,715		740,715	1,811,620	99,627,250	409	0.743%
2016	763,133		763,133	1,794,721	93,636,209	425	0.815%
2015	705,070		705,070	1,762,416	89,424,168	400	0.788%

Source and Notes:

(1) Amounts for outstanding bonds include unamortized premiums and discounts, figures sourced from the District's prior years audited financial

(2) GASB 87 Leases was implemented on 07/01/2019. GASB 96 SBITAs was implemented on 07/01/2020.

(3) Information from US Bureau of Economic Analysis (agency of US Department of Commerce) for the respective county presented on a calendar year basis except for years 2023 and 2024 which are estimated.

This table presents the relationship between the revenue bonds and the total personal income of the residents

Statistical Section
Debt Capacity
Pledged Revenue Coverage, Last Ten Years
(dollars in thousands)

Payroll Tax Bonds and Related Secured Revenues

Fiscal Year	Specified Payroll Tax Revenue	Principal	Interest	Total Debt Service	Debt Service Coverage
2024	$ 511,423	$ 18,080	$ 26,041	44,121	11.59
2023	485,182	14,225	26,754	40,979	11.84
2022	463,534	13,575	24,364	37,939	12.22
2021	415,529	13,000	25,552	38,552	10.78
2020	398,354	11,815	23,069	34,884	11.42
2019	372,751	14,380	21,548	35,928	10.37
2018	359,043	11,590	21,163	32,753	10.96
2017	336,131	11,000	19,461	30,461	11.03
2016	324,000	9,165	21,113	30,278	10.70
2015	291,294	8,795	20,633	29,428	9.90

Capital Grant Bonds and Related Secured Revenues

Fiscal Year	Capital Grant Revenue (1)	Principal	Interest	Total Debt Service	Debt Service Coverage
2024	$ 126,742	$ 13,465	$ 8,027	21,492	5.90
2023	125,570	12,835	8,684	21,519	5.84
2022	208,202	11,800	9,296	21,096	9.87
2021	61,917	11,245	9,866	21,111	2.93
2020	61,928	10,380	10,380	20,760	2.98
2019	61,727	9,900	10,854	20,754	2.97
2018	56,113	9,450	6,977	16,427	3.42
2017	54,268	11,900	6,686	18,586	2.92
2016	53,186	10,150	7,180	17,330	3.07
2015	45,782	9,660	7,672	17,332	2.64

Source and Notes:
TriMet Financial Services Department, Continuing Disclosures on Revenue Bonds

(1) 2022, 2023, and 2024 Capital Grant Revenue includes American Rescue Plan (ARP) and Coronavirus Reponses and Relief Supplemental Appropriations Act (CRRSA) funds which are passed through Section 5307 funding source.

Statistical Section
Demographic and Economic Information
Principle Employers within Operating Boundaries

	2022 (1) (2)			2015 (2)		
Fiscal Year	**Rank**	**Employees**	**% of Total Employees Within Tax Boundary**	**Rank**	**Employees**	**% of Total Employees Within Tax Boundary**
Intel Corporation	1	23,725	2.66%	1	19,850	2.35%
Oregon Health & Sciences University	2	19,154	2.15%	3	14,721	1.74%
Providence Health & Services	3	17,628	1.97%	2	16,140	1.91%
Nike, Inc. Subsidiaries	4	12,571	1.41%	4	10,907	1.29%
Kaiser Permanente	5	11,490	1.29%	5	10,367	1.23%
Legacy Health Systems	6	10,806	1.21%	7	9,213	1.09%
The Kroger Co., Subsidiaries	7	9,551	1.07%	6	10,027	1.19%
Amazon.com, Inc.	8	9,170	1.03%	n/a	n/a	n/a
City of Portland	9	6,723	0.75%	8	6,949	0.82%
Albertsons Companies, Inc. Subsidiaries	10	6,021	0.67%	10	4,745	0.56%
Multnomah County	11	5,590	0.63%	9	5,394	0.64%
United Parcel Service, Inc.	12	4,045	0.45%	17	2,976	0.35%
Veteran Affairs Medical Center	13	3,847	0.43%	16	3,425	0.41%
United States Postal Service	14	3,397	0.38%	14	3,633	0.43%
Clackamas County	15	3,241	0.36%	24	2,228	0.26%
Portland State University	16	3,188	0.36%	15	3,475	0.41%
Daimler Trucks North America, LLC	17	3,092	0.35%	20	2,799	0.33%
Wells Fargo Bank, National Association	18	2,984	0.33%	12	3,935	0.47%
Portland Community College	19	2,968	0.33%	13	3,838	0.45%
TriMet	20	2,951	0.33%	21	2,761	0.33%
Lam Research Corporation	21	2,919	0.33%	n/a	n/a	n/a
Wal-Mart Associates, Inc.	22	2,822	0.32%	22	2,404	0.28%
New Seasons Market, Inc.	23	2,650	0.30%	18	2,894	0.34%
PCC Structurals, Inc.	24	2,513	0.28%	19	2,814	0.33%
The Home Depot	25	2,396	0.27%	23	2,277	0.27%
US Bank National Association	n/a	n/a	n/a	11	3,990	0.47%
Portland General Electric	n/a	n/a	n/a	25	2,199	0.26%
Total		175,442			153,961	
Estimated Total Employees within TriMet's Payroll Tax Boundaries (2)		892,775			843,874	
Estimated Total Population within Payroll Tax Boundary		1,634,137			1,526,154	

Sources and Notes:

(1) Largest employer data supplied from the Oregon Employment Division in Mid-October of each year for the proceeding calendar year. At time of the release of the Annual Consolidated Financial Report, 2022 was the latest year where data is available.

(2) Reported number of employees might not live within the TriMet district boundaries.
n/a - Employer is not within top 25 largest employers for reporting year.

Statistical Section
Demographic and Economic Information
Population, Personal Income, Per Capital Income, and
Unemployment Rate by Operating County

Fiscal Year	2024	2023	2022	2021
Population [(1)]				
Multnomah County	784,833	789,698	795,083	805,593
Washington County	597,644	598,865	600,176	602,494
Clackamas County	423,228	423,173	423,177	423,763
Total	1,805,705	1,811,736	1,818,436	1,831,850
Cumulative Personal Income (in thousands) [(1)]				
Multnomah County	$ 59,347,248	$ 56,633,579	$ 55,618,917	$ 56,253,777
Washington County	50,087,378	46,334,681	44,040,839	43,096,551
Clackamas County	35,011,962	32,469,320	30,946,445	30,369,278
Total	$ 144,446,588	$ 135,437,580	$ 130,606,201	$ 129,719,606
Per Capita Income [(1)]				
Multnomah County	$ 75,618	$ 71,715	$ 69,954	$ 69,829
Washington County	83,808	77,371	73,380	71,530
Clackamas County	82,726	76,728	73,129	71,666
Weighted Average	$ 79,995	$ 74,756	$ 71,823	$ 70,813
Unemployment Rate [(2)]				
Multnomah County	3.9%	3.6%	4.0%	7.6%
Washington County	3.5%	3.2%	3.4%	5.8%
Clackamas County	3.6%	3.4%	3.7%	6.4%
Weighted Average	3.7%	3.4%	3.7%	6.7%

Sources and Notes:

TriMet's operating boundaries are within the Multnomah County and portions of the most populous areas of Washington and Clackamas counties with a few exceptions. As a result, demographics and economic statistics are presented for each respective county.

[(1)] Information from US Bureau of Economic Analysis (agency of US Department of Commerce) for the respective county presented on a calendar year basis except for years 2023 and 2024 which are estimated.

[(2)] Unemployment information is from Bureau of Labor Statistics (agency of US Department of Labor) for the respective county presented on a fiscal year basis.

Statistical Section
Demographic and Economic Information
Population, Personal Income, Per Capital Income, and
Unemployment Rate by Operating County (Continued)

2020	2019	2018	2017	2016	2015
816,467	812,607	809,589	808,304	803,716	790,781
601,101	598,363	594,746	589,970	583,646	571,538
422,444	418,682	416,009	413,346	407,359	400,097
1,840,012	1,829,652	1,820,344	1,811,620	1,794,721	1,762,416
$ 51,399,555	$ 48,289,881	$ 45,948,844	$ 43,285,444	$ 40,655,168	$ 39,210,053
40,690,172	36,988,374	36,151,811	33,729,045	31,500,937	30,194,977
27,394,717	25,657,646	24,338,342	22,612,761	21,480,104	20,019,138
$ 119,484,444	$ 110,935,901	$ 106,438,997	$ 99,627,250	$ 93,636,209	$ 89,424,168
$ 62,954	$ 59,426	$ 56,756	$ 53,551	$ 50,584	$ 49,584
67,693	61,816	60,785	57,171	53,973	52,831
64,848	61,282	58,504	54,707	52,730	50,036
$ 64,937	$ 60,632	$ 58,472	$ 54,993	$ 52,173	$ 50,740
5.8%	3.6%	3.6%	3.8%	4.4%	5.3%
4.7%	3.3%	3.4%	3.6%	4.3%	5.0%
5.2%	3.7%	3.7%	3.9%	4.6%	5.5%
5.3%	3.5%	3.6%	3.8%	4.4%	5.2%

Statistical Section
Demographic and Economic Information
Operating Information: Number of Employees, Service Information, and Ridership, Last Ten Years

	2024	2023	2022	2021
Active Employees by Mode of Transportation[1]				
Light Rail Operations and Maintenance	655	634	576	617
Bus Operations and Maintenance	1,817	1,727	1,663	1,877
Commuter Rail Admin Maintenance	16	16	13	16
Demand Response	8	5	11	12
Streetcar Operators and Maintenance	72	74	72	74
Facilities Maintenance	135	117	136	104
Other and Administrative [2]	732	600	507	506
Total	3,435	3,173	2,978	3,206
Service Information [2] [3]				
Service Area Population	1,652,513	1,526,171	1,558,315	1,577,164
Service Area Square Miles	354	378	383	383
Originating Rides [4]				
Light Rail (MAX)	34,347,600	30,079,200	26,065,200	21,164,400
Bus	21,090,000	19,189,200	16,339,200	12,967,200
Commuter Rail (WES)	68,196	69,360	60,696	49,620
Demand Response (LIFT)	639,570	539,530	437,916	268,152
Total	56,145,366	49,877,290	42,903,012	34,449,372
Boarding Rides [4]				
Light Rail (MAX)	40,531,210	35,495,212	30,758,660	24,974,990
Bus	24,069,880	21,899,720	18,647,585	14,798,155
Commuter Rail (WES)	115,935	117,926	103,177	84,345
Demand Response (LIFT)	639,570	539,530	437,916	268,152
Total	65,356,595	58,052,388	49,947,338	40,125,642

Sources:
[1] Employee figures are represented on the fiscal year end date (June 30th) for the respective year and may vary slightly from the figures on principle employers schedule. Source is TriMet payroll department within Financial Services.
[2] Operating and service information is from Federal Transportation Authority through the National Transit Database at: https://www.transit.dot.gov/ntd/transit-agency-profiles/tri-county-metropolitan-transportation-district-oregon
[3] Estimated data for 2024 until the NTD submission is completed.
[4] Ridership Data is from TriMet Service and Ridership Information webpage at: https://trimet.org/about/pdf/trimetridership.pdf

Statistical Section
Demographic and Economic Information
Operating Information: Number of Employees, Service Information, and Ridership, Last Ten Years (Continued)

2020	2019	2018	2017	2016	2015
616	634	659	614	576	604
1,957	1,957	1,834	1,788	1,709	1,715
15	15	14	12	13	11
12	14	14	14	14	14
69	75	73	71	71	54
105	97	94	87	92	94
525	500	431	464	454	389
3,299	3,292	3,119	3,050	2,929	2,881
1,570,254	1,565,010	1,551,531	1,536,207	1,560,803	1,560,803
382	383	382	378	534	534
39,598,800	43,515,600	43,704,000	44,538,000	45,061,200	47,023,200
26,974,800	30,963,600	31,035,600	31,668,000	31,766,400	29,870,400
160,272	244,812	265,668	287,520	351,520	366,830
722,568	962,220	1,009,080	1,017,648	1,064,568	1,042,272
67,456,440	75,686,232	76,014,348	77,511,168	78,243,688	78,302,702
46,729,260	56,492,524	56,737,466	57,820,520	60,002,000	62,488,800
30,780,230	38,817,600	38,906,694	39,699,760	40,019,560	37,746,000
272,455	377,700	414,432	448,530	457,210	476,976
722,568	962,220	1,009,080	1,017,647	1,064,562	1,042,272
78,504,513	96,650,044	97,067,672	98,986,457	101,543,332	101,754,048

Statistical Section
Demographic and Economic Information
Operating Information: Ridership, Vehicles, and Certain Capital Asset Information, Last Ten Years

	2024	2023	2022	2021
Annual Passenger Miles Traveled [1] [3]				
Light Rail (MAX)	107,467,324	112,827,685	100,621,469	77,157,997
Bus	110,945,620	113,234,575	96,334,242	98,687,208
Commuter Rail (WES)	914,603	912,166	836,725	375,964
Demand Response (LIFT)	5,348,152	3,847,851	3,631,550	2,091,286
Total	224,675,700	230,822,277	201,423,986	178,312,455
Annual Vehicle Revenue Miles [1] [3]				
Light Rail (MAX)	7,481,367	8,053,659	8,232,882	8,172,915
Bus	20,690,699	19,427,427	20,225,984	20,633,760
Commuter Rail (WES)	73,898	93,759	103,837	112,881
Demand Response (LIFT)	5,571,293	4,034,878	3,873,288	2,654,080
Total	33,817,257	31,609,723	32,435,991	31,573,636
Vehicles [1] [3]				
Light Rail (MAX)	137	141	141	142
Bus	669	685	696	674
Commuter Rail (WES)	6	6	6	6
Demand Response (LIFT)	343	262	281	280
Total	1,155	1,094	1,124	1,102
Stations, Stops, and Facilities [4]				
Light Rail (MAX) stations	95	94	94	94
Bus Stops	6,046	6,207	6,425	6,482
Commuter Rail (WES) Stations	5	5	5	5
Transit Centers [2]	16	16	16	16
Park and Rides [2]	54	56	59	61
Commuter Rail Maintenance Garage	1	1	1	1
Demand Response Maintenance Garages	1	1	1	1
Light Rail Maintenance Garages	2	2	2	2
Bus Maintenance Garages	3	3	3	3

Sources:
[1] Operating and service information is from Federal Transportation Authority through the National Transit Database at:
https://www.transit.dot.gov/ntd/transit-agency-profiles/tri-county-metropolitan-transportation-district-oregon

[2] Transit Centers are major transit hubs served by several bus or rail lines that offer transfers between routes. Park and Rides are parking lots/garages that are leased or owned and offer free parking for 24 hours for customers using the transit system. Due to the nature and use of each type of facility, some facilities maybe counted in both Transit Centers and Park and Rides.

[3] Estimated data for 2024 until the NTD submission is completed.
[4] Data from TriMet's Facilities, Maintenance, and Service systems.

Statistical Section
Demographic and Economic Information
Operating Information: Ridership, Vehicles, and Certain Capital Asset Information, Last Ten Years (Continued)

2020	2019	2018	2017	2016	2015
159,458,488	207,967,836	210,180,550	215,622,682	216,465,191	207,131,516
160,875,204	200,008,788	203,723,813	282,061,298	277,385,619	287,005,998
2,231,666	3,173,984	3,534,689	3,801,325	3,884,138	3,991,627
6,636,810	9,166,907	9,667,055	9,602,378	10,032,985	10,000,736
329,202,168	420,317,515	427,106,107	511,087,683	507,767,933	508,129,877
8,864,217	9,047,431	8,932,446	8,881,841	8,856,111	7,836,651
21,965,871	22,096,462	21,327,681	20,948,228	20,698,766	20,177,176
141,871	159,891	161,503	161,886	163,721	162,199
5,522,110	6,836,830	7,147,038	7,468,164	7,611,900	7,381,715
36,494,069	38,140,614	37,568,668	37,460,119	37,330,498	35,557,741
142	143	145	143	143	133
644	684	670	658	648	643
6	6	6	6	6	6
323	318	322	336	338	325
1,115	1,151	1,143	1,143	1,135	1,107
94	97	97	97	97	87
6,529	6,608	6,628	6,584	6,642	6,626
5	5	5	5	5	5
16	16	16	16	16	16
61	63	62	63	61	60
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
3	3	3	3	3	3

TRIMET

Compliance Section

EideBailly
CPAs & BUSINESS ADVISORS

Independent Auditor's Report Required by Oregon State Regulations

The Board of Directors
Tri-County Metropolitan Transportation District of Oregon
Portland, Oregon

We have audited the basic financial statements of the Tri-County Metropolitan Transportation District of Oregon (District) as of and for the year ended June 30, 2024 and have issued our report thereon dated October 14, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. 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:

OAR	Section	Instance of Non-Compliance Identified
162-010-0000	Preface	Not Applicable
162-010-0010	Definitions	Not Applicable
162-010-0020	General Requirements	None Noted
162-010-0030	Contracts	None Noted
162-010-0050	Financial Statements	None Noted
162-010-0115	Required Supplementary Information (RSI)	None Noted
162-010-0120	Supplementary Financial Information	None Noted
162-010-0130	Schedule of Revenues, Expenditures / Expenses, and Changes in Balances / Net Position, Budget and Actual (Each Fund)	None Noted

OAR	Section	Instance of Non-Compliance Identified
162-010-0140	Schedule of Accountability for Independently Elected Officials	None Noted
162-010-0190	Other Financial or Statistical Information	None Noted
162-010-0200	Independent Auditor's Review of Fiscal Affairs	None Noted
162-010-0230	Accounting Records and Internal Control	None Noted
162-010-0240	Public Fund Deposits	None Noted
162-010-0250	Indebtedness	None Noted
162-010-0260	Budget	None Noted
162-010-0270	Insurance and Fidelity Bonds	None Noted
162-010-0280	Programs Funded from Outside Sources	None Noted
162-010-0295	Highway Funds	None Noted
162-010-0300	Investments	None Noted
162-010-0310	Public Contracts and Purchasing	None Noted
162-010-0315	State School Fund	Not Applicable
162-010-0316	Public charter Schools	Not Applicable
162-010-0320	Other Comments and Disclosures	Not Applicable
162-010-0330	Extensions of Time to Deliver Audit Reports	Not Applicable

In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-010-0230 Internal Control

In planning and performing our audit, we consider the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, and 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.

Ahmad Gharaibeh, Partner, for
Eide Bailly, LLP
Menlo Park, California
October 14, 2024

Independent Auditor's Report 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 Board of Directors
Tri-County Metropolitan Transportation District of Oregon
Portland, Oregon

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 (*Government Auditing Standards*), the financial statements of the enterprise and fiduciary funds of the Tri-County Metropolitan Transportation District of Oregon (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 14, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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.

Eide Bailly LLP

Menlo Park, California
October 14, 2024

Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Directors
Tri-County Metropolitan Transportation District of Oregon
Portland, Oregon

Report on Compliance for The Major Federal Program

Opinion on The Major Federal Programs

We have audited Tri-County Metropolitan Transportation District of Oregon's (District) 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 the District's major federal program for the year ended June 30, 2024. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Programs

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District'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 the District'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 the District'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.

Eide Bailly LLP

Menlo Park, California
October 14, 2024

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024
(dollars in thousands)

Federal Grantor / Pass-through Program Title or Cluster	Assistance Listing Number	Pass Through/ Direct Grant Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation				
Federal Transit Cluster:				
Direct Programs:				
Federal Transit - Capital Investment Grants	20.500	OR-2016-007	$ 4,093	$ -
Federal Transit - Capital Investment Grants	20.500	OR-2020-001	1,153	-
Federal Transit - Capital Investment Grants	20.500	OR-2021-001	71	-
Federal Transit - Capital Investment Grants	20.500	OR-2021-036	32,918	-
COVID-19 Federal Transit - Capital Investment Grants-ARP	20.500	OR-2022-008	2,115	-
Federal Transit - Capital Investment Grants	20.500	OR-2023-012	17	-
Total Federal Transit - Capital Investment Grants			40,367	-
Direct Programs:				
Federal Transit - Formula Grants	20.507	OR-2016-013	319	-
COVID-19 Federal Transit - Formula Grants-ARP	20.507	OR-2022-001	100,725	-
Federal Transit - Formula Grants	20.507	OR-2023-009	1,565	-
COVID-19 Federal Transit - Formula Grants-ARP	20.507	OR-2022-038	268	-
Federal Transit - Formula Grants	20.507	OR-2023-013	21,830	-
Federal Transit - Formula Grants	20.507	OR-2023-022	3,600	-
Passed through from METRO:				
Federal Transit - Formula Grants	20.507	METRO 938598	389	-
Federal Transit - Formula Grants	20.507	METRO 938639	21	-
Total Federal Transit - Formula Grants			128,717	-
Direct Programs:				
State of Good Repair Grants Program	20.525	OR-2024-001	25	-
State of Good Repair Grants Program	20.525	OR-2023-037	15,809	-
Total State of Good Repair Grants Program			15,834	-
Direct Programs:				
Buses and Bus Facilities Formula, Competitive & Low or No Emissions Programs	20.526	OR-2019-004	54	-
Buses and Bus Facilities Formula, Competitive & Low or No Emissions Programs	20.526	OR-2020-016	2,087	-
Buses and Bus Facilities Formula, Competitive & Low or No Emissions Programs	20.526	OR-2023-011	1,609	-
Buses and Bus Facilities Formula, Competitive & Low or No Emissions Programs	20.526	OR-2023-010	3,176	-
Buses and Bus Facilities Formula, Competitive & Low or No Emissions Programs	20.526	OR-2024-004	547	-
			7,473	-
Passed through from Oregon Department of Transportation:				
Buses and Bus Facilities Formula, Competitive & Low or No Emissions Programs	20.526	ODOT 34212	1,379	-
Total Buses and Bus Facilities Formula, Competitive & Low or No Emissions Programs			8,852	-
Total Federal Transit Cluster			193,770	-
Transit Services Program Cluster:				
Direct Programs:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	OR-2022-054	502	36
Passed through from Oregon Department of Transportation:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	ODOT 34239	512	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	ODOT 35152	2	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	ODOT 35496	338	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	ODOT 35497	1,221	-
Total Passed through from Oregon Department of Transportation			2,073	-
Total Transit Services Program Cluster			2,575	36
Direct Programs:				
Public Transportation Innovation	20.530	OR-2020-043	36	-
Public Transportation Innovation	20.530	OR-2021-009	-	-
Public Transportation Innovation	20.530	OR-2021-004	78	-
Total Public Transportation Innovation			114	-
Community Project Funding Congressionally Directed Spending	20.534	OR-2023-014	1,349	-
Community Project Funding Congressionally Directed Spending	20.534	OR-2023-045	271	-
Community Project Funding Congressionally Directed Spending	20.534	OR-2024-016	1,065	-
Total Community Project Funding Congressionally Directed Spending			2,685	-
Passed through from Oregon Department of Transportation:				
Highway Research and Development Program	20.200	ODOT 33825	517	-
Passed through from METRO:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning	20.505	METRO 937638	243	-
Total U.S. Department of Transportation Programs			**199,904**	**36**

See accompanying notes to the Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2024
(dollars in thousands)

Federal Grantor / Pass-through Program Title or Cluster	Assistance Listing Number	Pass Through/ Direct Grant Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Homeland Security				
Direct Programs:				
Rail and Transit Security Grant Program	97.075	EMW-2020-RA-00008	330	-
Rail and Transit Security Grant Program	97.075	EMW-2021-RA-00013	174	-
Rail and Transit Security Grant Program	97.075	EMW-2022-RA-00018	367	-
Total Rail and Transit Security Grant Program			871	-
Passed through from Oregon Military Department - Office of Emergency Management				
Hazard Mitigation Grant Program (HMGP)	97.039	DR-4432-23-P-OR	33	-
Total U.S. Department of Homeland Security Programs			**904**	**-**
Total Federal Financial Assistance			**$ 200,808**	**$ 36**

See accompanying notes to the Schedule of Expenditures of Federal Awards

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024
(dollars in thousands)

1. Reporting Entity

The Tri-County Metropolitan Transportation District of Oregon (“TriMet” or “the District”) was organized under the provisions of Oregon Revised Statutes (ORS) Chapter 267 to provide mass transit services to the Portland metropolitan area. Formation of the District, which includes parts of Multnomah, Clackamas, and Washington counties, was effective October 14, 1969 with the assumption of the operations of a privately owned bus system.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes all federal grant activity of Tri-County Metropolitan Transportation District of Oregon (the District), under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The District receives both direct and pass through awards. Federal awards are reported in the District’s financial statements as operating grant revenue and capital contributions. Because this Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

The program titles and federal financial Assistance Listing Numbers (ALN) are obtained from the federal or pass-through grantor. When no ALN number is assigned to a program, the two-digit federal agency identifier and the federal contract number are used. When there is no federal contract number, the two-digit federal agency identifier and the word "unknown" is used.

3. Summary of Significant Accounting Policies and Revenue and Expense Recognition

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is consistent with the financial statements, as described in Note 1 to the District’s June 30, 2024 financial statements. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

4. Indirect Cost Rate

The District does not utilize the 10 percent de minimis indirect cost rate for overhead allocation.

5. Subrecipients

Included within the federal expenditures presented in the Schedule of Federal Awards are federal awards to subrecipients which were accounted for on a cash basis:

Subrecipient	Federal Assistance Listing Number	Grant Number/TriMet Contract number	Total Expenditures
Ride Connection	20.513	OR-2022-054 / JC230822GS	$ 36
Total Subrecipient Expenditures			**$ 36**

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

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of Major Federal Programs and type of auditor's report issued on compliance for major federal programs

Federal Financial Assistance Listing	*Name of Federal Program or Cluster*	*Type of Auditor's Report Issued*
20.500, 20.507, 20.525, 20.526	Federal Transit Cluster (Includes ARP / COVID-19 funding)	Unmodified

Dollar threshold used to distinguish between type A and type B programs: $3,000,000

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

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

None reported