PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 28, 2021

New Issue — Book-Entry-Only

RATINGS: (See "RATINGS" herein; MOODY'S: Aaa
S&P: AAA
Kroll: AAA

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel ("Bond Counsel") to the Tri-County Metropolitan Transportation District of Oregon ("TriMet"), under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 2021A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In the opinion of Bond Counsel, interest on the Series 2021B Bonds is not excludable from gross income for federal income tax purposes under existing law. In the opinion of Bond Counsel, interest on the Series 2021 Bonds is exempt from Oregon personal income tax under existing law. See "TAX MATTERS" herein for a discussion of the opinion of Bond Counsel

TRIMET

$396,700,000*
TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON

$153,200,000*	$243,500,000*
SENIOR LIEN PAYROLL TAX REVENUE BONDS	SENIOR LIEN PAYROLL TAX REVENUE REFUNDING BONDS
SERIES 2021A	SERIES 2021B
(TAX-EXEMPT)	(FEDERALLY TAXABLE)
(SUSTAINABILITY BONDS)	(SUSTAINABILITY BONDS)

DATED: Date of Delivery **DUE: September 1, as shown on inside cover**

This Official Statement describes the Tri-County Metropolitan Transportation District of Oregon ("TriMet") and its $153,200,000* aggregate principal amount Senior Lien Payroll Tax Revenue Bonds, Series 2021A (Tax-Exempt) (Sustainability Bonds) (the "Series 2021A Bonds") and $243,500,000* aggregate principal amount Senior Lien Payroll Tax Revenue Refunding Bonds, Series 2021B (Federally Taxable) (Sustainability Bonds) (the "Series 2021B Bonds" and collectively with the Series 2021A Bonds, the "Series 2021 Bonds"). The Series 2021 Bonds are payable from, and secured by a pledge of and a first lien on, the Trust Estate, which includes payroll and self-employment taxes imposed by TriMet and collected by the Oregon Department of Revenue and State payments in-lieu of taxes assessed, collected and distributed by the Oregon Department of Administrative Services.

The Series 2021 Bonds are being issued on a parity with TriMet's outstanding Senior Lien Payroll Tax Revenue Bonds pursuant to a Trust Indenture dated as of April 1, 2001, as amended and supplemented, between TriMet and The Bank of New York Mellon Trust Company, N.A., as Trustee (i) to pay costs of transit-related capital projects, (ii) to refund certain outstanding Senior Lien Bonds (as defined herein), and (iii) to pay costs of issuing the Series 2021 Bonds. The Series 2021 Bonds have been designated as "Sustainability Bonds" by TriMet. See "Description of the Series 2021 Bonds – Sustainability Bonds" and Appendix I "Sustainability."

Interest on the Series 2021 Bonds from the date of their delivery is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2022. The Series 2021 Bonds are subject to redemption prior to maturity as described herein.

The Series 2021 Bonds are being issued as fully registered bonds, registered initially in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interest in the Series 2021 Bonds will be made in book-entry form in denominations of $5,000 and integral multiples thereof. Purchasers of Series 2021 Bonds will not receive certificates representing their interests in the Series 2021 Bonds purchased. So long as DTC or its nominee is the registered owner of the Series 2021 Bonds, payments of principal and interest on the Series 2021 Bonds will be made directly to DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of the Direct Participants and the Indirect Participants as described herein.

The Series 2021 Bonds are offered when, as and if issued and delivered by TriMet and accepted by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice and subject to receipt of the final approving opinion of Hawkins Delafield & Wood LLP, Portland, Oregon, Bond Counsel to TriMet. Certain legal matters will be passed upon for TriMet by Shelley Devine, General Counsel to TriMet, and for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, Portland, Oregon. The Series 2021 Bonds are expected to be available for delivery through the facilities of DTC in New York, New York, on or about October 27, 2021.

J.P. Morgan

Citigroup **Goldman Sachs & Co. LLC** **Morgan Stanley**

Siebert Williams Shank & Co., LLC **UBS**

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* Preliminary, subject to change.

$153,200,000 *

TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON
SENIOR LIEN PAYROLL TAX REVENUE BONDS
SERIES 2021A
(TAX-EXEMPT) (SUSTAINABILITY BONDS)

Due (September 1)*	Principal Amount*	Interest Rate	Yield	CUSIP† (______)
2023	$2,405,000			
2024	2,530,000			
2025	2,660,000			
2026	2,795,000			
2027	2,940,000			
2028	3,090,000			
2029	3,250,000			
2030	3,415,000			
2031	3,590,000			
2032	3,775,000			
2033	3,970,000			
2034	4,170,000			
2035	4,385,000			
2036	4,610,000			
2037	4,845,000			
2038	5,095,000			
2039	5,355,000			
2040	5,630,000			
2041	5,920,000			

$34,485,000* __.___% Series 2021A Term Bond maturing September 1, 2046*
Price to Yield __.___% (CUSIP No. ___†)

$44,285,000* __.___% Series 2021A Term Bond maturing September 1, 2051*
Price to Yield __.___% (CUSIP No. ___†)

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* *Preliminary, subject to change.*

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$243,500,000*
TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON
SENIOR LIEN PAYROLL TAX REVENUE REFUNDING BONDS
SERIES 2021B
(FEDERALLY TAXABLE) (SUSTAINABILITY BONDS)

Due (September 1)*	Principal Amount*	Interest Rate	Yield	CUSIP† (______)
2025	$3,645,000			
2026	3,685,000			
2027	10,695,000			
2028	3,505,000			
2029	11,805,000			
2030	14,530,000			
2031	14,780,000			
2032	17,800,000			
2033	12,710,000			
2034	9,235,000			
2035	7,195,000			
2036	7,420,000			

$73,210,000* __.___% Series 2021B Term Bond maturing September 1, 2041*
Price to Yield __.___% (CUSIP No. ___†)

$53,285,000* __.___% Series 2021B Term Bond maturing September 1, 2048*
Price to Yield __.___% (CUSIP No. ___†)

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* *Preliminary, subject to change.*
† *CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2019 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of TriMet, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.*

TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON

BOARD OF DIRECTORS

Thomas Kim, District 1: Washington County
Osvaldo "Ozzie" Gonzalez, District 2: N, NW and portions of SW Portland
Dr. Linda Simmons, Board President, District 3: SW Portland
Lori Irish Bauman, Board Vice President, District 4: SE Portland
Keith Edwards, District 5: N and NE Portland
Dr. Laverne Lewis, District 6: E. Multnomah County
Kathy Wai, District 7: Clackamas County

DISTRICT OFFICIALS

Sam Desue Jr., General Manager
Shelley Devine, General Counsel
Dee Brookshire, Executive Director, Finance and Administrative Services
Nancy Young-Oliver, Director, Budgets and Grants
Cara Fitzpatrick, Director, Financial Services

BOND COUNSEL

Hawkins Delafield & Wood LLP
Portland, Oregon

MUNICIPAL ADVISOR

Ross Financial
San Francisco, California

TRUSTEE, PAYING AGENT AND REGISTRAR

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

TRIMET Service Area

No dealer, broker, salesperson or other person has been authorized by TriMet to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by TriMet. The information and expressions of opinion stated herein are subject to change without notice and neither the delivery of this Official Statement, nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of TriMet or DTC since the date hereof.

The Underwriters have provided the following two sentences for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. Additionally, the Underwriters take no responsibility for any designation of the 2021 Bonds as "Sustainability Bonds."

No website mentioned in this Official Statement is intended to be part of this Official Statement, and investors should not rely upon any other information presented on any such website in determining whether to purchase the Series 2021 Bonds. Inactive textual references to any TriMet website are not hyperlinks and do not incorporate such websites by reference.

In connection with this offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Series 2021 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2021 Bonds to the public. The Underwriters may offer and sell the Series 2021 Bonds to certain dealers (including dealers depositing the Series 2021 Bonds to investment trusts) and others at prices lower than the public offering prices stated on the cover page hereof. The Underwriters may change the public offering prices from time to time without prior notice.

This Official Statement speaks only as of its date, and the information contained herein is subject to change without notice. Certain statements contained in this Official Statement are projections, forecasts and other statements about future events. These statements ("Forward-Looking Statements") are not statements of historical facts and no assurance can be given that the results shown in these Forward-Looking Statements will be achieved. Any such Forward-Looking Statements inherently are subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated or projected. Such risks and uncertainties include, among others, public health emergencies, such as the COVID-19 pandemic, changes in social and economic conditions, federal, state and local statutory and regulatory initiatives, litigation, population changes, seismic and climate-related events and various other events, conditions and circumstances, many of which are beyond the control of TriMet. All estimates set forth herein have been made on the best information available and are believed to be reliable, but no representations whatsoever are made that such estimates are correct. So far as any statements herein involve any matters of opinion, whether or not expressly so stated, they are intended merely as such and are not representations of fact.

This Preliminary Official Statement has been "deemed final" as of its date by TriMet, except for the omission of offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates and other terms of the Series 2021 Bonds depending on such matters, in accordance with Rule 15c2-12(b)(i) under the Securities Exchange Act of 1934, as amended.

INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

ANY REFERENCES IN THIS SECTION OF THE OFFICIAL STATEMENT TO THE "ISSUER" MEAN THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON AND TO "BONDS" OR "SECURITIES" MEAN THE SERIES 2021B BONDS OFFERED HEREBY. **NEITHER THE ISSUER NOR THE UNDERWRITERS ASSUME ANY RESPONSIBILITY FOR THE CONTENTS OF THIS SECTION.**

MINIMUM UNIT SALES

THE BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE BOND OF $5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 30 UNITS (BEING 30 BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF $150,000).

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA ("EEA") OR THE UNITED KINGDOM

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES, A "RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, "MIFID II"); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE "INSURANCE DISTRIBUTION DIRECTIVE"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (THE "PROSPECTUS REGULATION"). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM. FOR THESE PURPOSES, A "RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) NO 2017/565 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("EUWA"); (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE "FSMA") AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA (THE "UK PRIIPS REGULATION") FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE

UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

THIS OFFICIAL STATEMENT HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE BONDS TO ANY PERSON THAT IS LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 1(4) OF THE PROSPECTUS REGULATION OR SECTION 86 OF THE FSMA (IN EACH CASE AS APPLICABLE) FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE BONDS. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER IN THE EEA OR THE UNITED KINGDOM OF THE BONDS SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER OR ANY OF THE UNDERWRITERS TO PROVIDE A PROSPECTUS FOR SUCH OFFER. NEITHER THE ISSUER NOR THE UNDERWRITERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF BONDS THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE UNDERWRITERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE BONDS CONTEMPLATED IN THIS OFFICIAL STATEMENT.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN "OFFER OF SECURITIES TO THE PUBLIC" IN RELATION TO THE BONDS IN ANY MEMBER STATE OF THE EEA OR THE UNITED KINGDOM MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE BONDS TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE THE BONDS OR SUBSCRIBE FOR THE BONDS.

EACH SUBSCRIBER FOR OR PURCHASER OF THE BONDS IN THE OFFERING LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A "QUALIFIED INVESTOR" AS DEFINED IN THE PROSPECTUS REGULATION AND IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA. THE ISSUER AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

ADDITIONAL NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THIS OFFICIAL STATEMENT HAS NOT BEEN APPROVED FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA") AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN ACCORDANCE WITH THE PROVISIONS OF SECTION 85 OF THE FSMA. THIS OFFICIAL STATEMENT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM, (II) ARE INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "FINANCIAL PROMOTION ORDER"), (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FSMA) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS OFFICIAL STATEMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO

RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFICIAL STATEMENT OR ANY OF ITS CONTENTS.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

THIS OFFICIAL STATEMENT IS NOT INTENDED TO CONSTITUTE AN OFFER OR A SOLICITATION TO PURCHASE OR INVEST IN THE BONDS. THE BONDS MAY NOT BE PUBLICLY OFFERED, DIRECTLY OR INDIRECTLY, IN SWITZERLAND WITHIN THE MEANING OF THE SWISS FINANCIAL SERVICES ACT ("**FINSA**") AND NO APPLICATION HAS OR WILL BE MADE TO ADMIT THE BONDS TO TRADING ON ANY TRADING VENUE (EXCHANGE OR MULTILATERAL TRADING FACILITY) IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS CONSTITUTES A PROSPECTUS PURSUANT TO (I) THE FINSA OR (II) THE LISTING RULES OF THE SIX SWISS EXCHANGE AG OR ANY OTHER REGULATED TRADING VENUE IN SWITZERLAND AND NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND. THIS OFFICIAL STATEMENT WILL NOT BE REVIEWED NOR APPROVED BY A REVIEWING BODY FOR PROSPECTUSES (*PRÜFSTELLE*).

NONE OF THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE OFFERING, THE ISSUER OR THE BONDS HAVE BEEN OR WILL BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY. IN PARTICULAR, THIS OFFICIAL STATEMENT WILL NOT BE FILED WITH, AND THE OFFER OF THE BONDS WILL NOT BE SUPERVISED BY, THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY ("**FINMA**"), AND THE OFFER OF BONDS HAS NOT BEEN AND WILL NOT BE AUTHORIZED UNDER THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES ("**CISA**"). ACCORDINGLY, INVESTORS DO NOT HAVE THE BENEFIT OF THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER THE CISA.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE INVESTMENT ADVICE. IT MAY ONLY BE USED BY THOSE PERSONS TO WHOM IT HAS BEEN HANDED OUT IN CONNECTION WITH THE BONDS AND MAY NEITHER BE COPIED NOR DIRECTLY OR INDIRECTLY DISTRIBUTED OR MADE AVAILABLE TO OTHER PERSONS.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE BONDS. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS OFFICIAL STATEMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THIS OFFICIAL STATEMENT HAS NOT BEEN OR WILL NOT BE REGISTERED AS A PROSPECTUS (AS DEFINED IN THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CHAPTER 32) OF THE LAWS OF HONG KONG ("C(WUMP)O")) IN HONG KONG NOR HAS IT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION OF HONG KONG PURSUANT TO THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571 OF THE LAWS OF HONG KONG) ("SFO").

ACCORDINGLY: (I) THE BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF ANY DOCUMENT, ANY BONDS OTHER THAN (A) TO "PROFESSIONAL INVESTORS" AS DEFINED IN THE SFO AND ANY RULES MADE UNDER THE SFO, OR (B) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A

"PROSPECTUS" AS DEFINED IN THE C(WUMP)O OR WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE C(WUMP)O; AND (II) NO PERSON MAY ISSUE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE BONDS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO "PROFESSIONAL INVESTORS" AS DEFINED IN THE SFO AND ANY RULES MADE UNDER THE SFO.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO. 25 OF 1948, AS AMENDED, THE "FIEA"). NEITHER THE BONDS NOR ANY INTEREST THEREIN MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN (AS DEFINED UNDER ITEM 5, PARAGRAPH 1, ARTICLE 6 OF THE FOREIGN EXCHANGE AND FOREIGN TRADE ACT (ACT NO. 228 OF 1949, AS AMENDED)), OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE FIEA AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES OF JAPAN.

THE PRIMARY OFFERING OF THE BONDS AND THE SOLICITATION OF AN OFFER FOR ACQUISITION THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER PARAGRAPH 1, ARTICLE 4 OF THE FIEA. AS IT IS A PRIMARY OFFERING, IN JAPAN, THE BONDS MAY ONLY BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY TO, OR FOR THE BENEFIT OF CERTAIN QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED IN THE FIEA ("QIIS") IN RELIANCE ON THE QIIS-ONLY PRIVATE PLACEMENT EXEMPTION AS SET FORTH IN ITEM 2(I), PARAGRAPH 3, ARTICLE 2 OF THE FIEA. A QII WHO PURCHASED OR OTHERWISE OBTAINED THE BONDS CANNOT RESELL OR OTHERWISE TRANSFER THE BONDS IN JAPAN TO ANY PERSON EXCEPT ANOTHER QII.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE OFFER OF THE BONDS HAS NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY, THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN AND/OR OTHER REGULATORY AUTHORITY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS, AND THE BONDS MAY NOT BE OFFERED, ISSUED OR SOLD IN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN THAT REQUIRES THE REGISTRATION OR FILING WITH OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN. THE BONDS MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE BY INVESTORS RESIDING IN TAIWAN (EITHER DIRECTLY OR THROUGH PROPERLY LICENSED TAIWAN INTERMEDIARIES), BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY, TO THE EXTENT PERMITTED UNDER APPLICABLE LAWS AND REGULATIONS. ANY SUBSCRIPTIONS OF BONDS SHALL ONLY BECOME

EFFECTIVE UPON ACCEPTANCE BY THE ISSUER OR THE RELEVANT DEALER OUTSIDE TAIWAN AND SHALL BE DEEMED A CONTRACT ENTERED INTO IN THE JURISDICTION OF INCORPORATION OF THE ISSUER OR RELEVANT DEALER, AS THE CASE MAY BE, UNLESS OTHERWISE SPECIFIED IN THE SUBSCRIPTION DOCUMENTS RELATING TO THE BONDS SIGNED BY THE INVESTORS.

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TABLE OF CONTENTS

OFFICIAL STATEMENT

Relating to

$396,700,000*
TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON

$153,200,000*
SENIOR LIEN PAYROLL TAX REVENUE BONDS
SERIES 2021A
(TAX-EXEMPT)
(SUSTAINABILITY BONDS)

$243,500,000*
SENIOR LIEN PAYROLL TAX REVENUE REFUNDING BONDS
SERIES 2021B
(FEDERALLY TAXABLE)
(SUSTAINABILITY BONDS)

INTRODUCTION

This Official Statement, including the cover page, inside cover page, table of contents and appendices, sets forth certain information regarding the Tri-County Metropolitan Transportation District of Oregon ("TriMet") and its $153,200,000* aggregate principal amount Senior Lien Payroll Tax Revenue Bonds, Series 2021A (Tax-Exempt) (Sustainability Bonds) (the "Series 2021A Bonds") and $243,500,000* aggregate principal amount Senior Lien Payroll Tax Revenue Refunding Bonds, Series 2021B (Federally Taxable) (Sustainability Bonds) (the "Series 2021B Bonds" and collectively with the Series 2021A Bonds, the "Series 2021 Bonds").

Authorization for the Series 2021 Bonds

The Series 2021 Bonds are being issued under and pursuant to Oregon Revised Statutes ("ORS") Chapter 267, ORS Chapter 287A and related provisions of the laws of the State of Oregon (the "State"), and pursuant to Resolution 20-06-27 adopted by TriMet's Board of Directors (the "Board") on June 24, 2020, and Resolution 15-06-37 adopted by TriMet's Board on June 24, 2015. The Series 2021 Bonds are being issued pursuant to a Trust Indenture, dated as of April 1, 2001, as amended and supplemented, including supplements made by an Eleventh Supplemental Trust Indenture, to be dated as of delivery date of the Series 2021 Bonds. The Trust Indenture, as amended and supplemented (the "Indenture") is between TriMet and The Bank of New York Mellon Trust Company, N.A. as trustee (the "Trustee").

Capitalized terms used in this Official Statement and not otherwise defined herein have the respective meanings assigned thereto in the Indenture, a summary of which is included in Appendix F.

TriMet

TriMet is a municipal corporation established in 1969 under State law, particularly ORS Chapter 267, to provide public transportation in the Portland, Oregon metropolitan area. TriMet's service area covers 533 square miles within Multnomah, Washington and Clackamas counties. TriMet provides transit service to the Portland, Oregon metropolitan area through its integrated mass transit system of bus service, commuter rail and light rail. The purpose of TriMet's transit programs is to provide mass transit alternatives to the use of the automobile, to reduce air pollution, to relieve traffic congestion and to provide transportation services to the region's residents and employees, including seniors and persons with disabilities, as well as persons dependent on transit. See APPENDIX A—"TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON."

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* Preliminary, subject to change.

Purpose of the Series 2021 Bonds

The Series 2021 Bonds are being issued (i) to pay costs of transit-related capital projects, (ii) to refund certain outstanding Senior Lien Bonds (hereinafter defined), and (iii) to pay costs of issuing the Series 2021 Bonds. See "PLAN OF FINANCING" herein.

Security and Sources of Payment for the Series 2021 Bonds

The Series 2021 Bonds and all other Senior Lien Bonds issued under the Indenture are payable from and secured by a pledge of and first lien on the Trust Estate, which includes the Specified Tax Revenues described herein and the moneys and investments (including investment earnings) on deposit in the debt service account created in the Indenture (the "Debt Service Account"). Specified Tax Revenues consist of payroll taxes and self-employment taxes assessed by TriMet and payments received from the State of Oregon in-lieu of taxes on State payrolls ("State in-lieu payments"). The Indenture provides that the Specified Tax Revenues are paid directly to the Trustee by the State of Oregon. Approximately $415.5 million of Specified Tax Revenues were collected during the fiscal year ("FY") ended June 30, 2021. Under the Indenture, the Series 2021 Bonds are also payable from any lawfully available funds of TriMet if the Trustee does not have sufficient amounts in the Debt Service Account to make Senior Lien Bond payments when due. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR LIEN BONDS" and "THE SPECIFIED TAX REVENUES—Collection of Specified Tax Revenues."

The Series 2021 Bonds are being issued as "Additional Bonds" under the Indenture, on a parity with TriMet's Series 2009B Bonds, Series 2012A Bonds, Series 2015A Bonds, Series 2015B Bonds, Series 2016A Bonds, Series 2017A Bonds, Series 2018A Bonds, Series 2019A Bonds and Series 2019B Bonds outstanding in the aggregate principal amount of $615,090,000 as of September 1, 2021. The Outstanding Bonds, together with the Series 2021 Bonds and any Additional Bonds, Completion Bonds or Refunding Bonds that may be issued in the future under the Indenture, are referred to in this Official Statement as the "Senior Lien Bonds." See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR LIEN BONDS" for a description of the security for Senior Lien Bonds. As described below, before issuing any other Additional Bonds that are not Completion Bonds or Refunding Bonds, TriMet must, among other things, deliver to the Trustee a report from a Qualified Consultant certifying that Specified Tax Revenues for any period of 12 consecutive months during the 18 months immediately preceding the date of issuance of the Additional Bonds, after adjustment as permitted by the Indenture, are at least four times the maximum Annual Debt Service for the Outstanding Bonds, including any parity Derivative Products and the Additional Bonds being issued. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR LIEN BONDS—Additional Senior Lien Bonds" and APPENDIX F—"SUMMARY OF THE INDENTURE—Conditions Precedent to Issuance of Additional Bonds."

Continuing Disclosure

TriMet is covenanting for the benefit of the holders and beneficial owners of the Series 2021 Bonds to provide certain financial information and operating data and to give notices of certain events, if material, to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"). See "CONTINUING DISCLOSURE" below and APPENDIX D—"FORM OF CONTINUING DISCLOSURE UNDERTAKING."

RECENT ECONOMIC AND HEALTH DEVELOPMENTS

The paragraphs herein include forward-looking statements which represent TriMet's best estimates and current understanding of the economic effects of the COVID-19 pandemic. TriMet does not guarantee the accuracy of such forward-looking statements which are subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, and are subject to change at any time based on the receipt of new information from global, national and state health authorities. Additionally, the following paragraphs include statements of interim financial information which have not been audited.

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus ("COVID-19"), was declared a global pandemic by the World Health Organization. The U.S. Department of State and the Centers for Disease Control, as well as other governmental authorities, including the State, issued travel restrictions and warnings. To slow the spread of COVID-19, State Governor Kate Brown declared a state of emergency in March 2020 and enacted a number of executive orders that instituted social distancing guidelines and stay-at-home orders for various periods of time, with certain exceptions for essential infrastructure and essential governmental functions. These guidelines and orders have included avoiding discretionary travel, working or engaging in school from home, cancelling numerous events, avoiding social groups and limiting the operations of restaurants, bars, gyms/fitness facilities and other gathering establishments. On June 25, 2021, the Governor rescinded prior executive orders instituting health and safety restrictions as of June 30, 2021, including orders that imposed mask mandates, capacity limits, and physical distancing in businesses and other sectors. However, since that time, Oregon has seen an increase in COVID-19 cases with the delta variant. As a result, the State adopted administrative rules reinstating statewide restrictions requiring mask use in all indoor settings beginning August 13, 2021, and all public outdoor setting where physical distancing is not possible beginning August 27, 2021. TriMet cannot anticipate how this development will impact the spread of the pandemic or responses to it.

Numerous legal challenges have been filed in State and federal courts or threatened against the Governor's executive orders, alleging that imposing restrictions exceeded statutory authority and are in violation of various constitutional rights, including freedom of religion and assembly. Plaintiffs generally seek injunctive relief and, in some cases, monetary damages. TriMet cannot predict the number of additional suits that may be filed or the timing and resolution of such suits.

As of September 27, 2021, the Oregon Health Authority estimated the total number of positive cases of COVID-19 in Oregon since March 4, 2020 to be 324,571, with approximately 116,036 positive cases in Multnomah, Washington and Clackamas Counties. The first doses of a COVID-19 vaccine were administered in Oregon on December 16, 2020, and all Oregonians ages 12 and up are eligible for vaccination. As of September 27, 2021, approximately 69% of residents ages 18 and over were fully vaccinated in Oregon, and 74%, 76%, and 69% were fully vaccinated in Multnomah, Washington, and Clackamas Counties, respectively.

There can be no assurance of either the effectiveness of the vaccine or the percentage of Oregon residents ultimately receiving the vaccine. Moreover, the City cannot predict how State guidance may change or the COVID-19 pandemic and responses thereto will progress. TriMet does not plan to update this Official Statement to reflect changes to COVID-19 case rates, vaccination rates or State guidance or restrictions.

TriMet's Response to COVID-19 and Financial Impacts on TriMet

TriMet's Response. In response to the COVID-19 pandemic, TriMet enacted a number of cost reduction and operational measures during FY 2020 and continuing through FY 2022:

- A hiring freeze on all but essential positions.
- Discontinuing all but essential out-of-town travel.
- Reducing automatic inflationary increases to budgets by 1%, rolling all cost center bases back to prior year levels.

- Cut bus service by approximately 20%, retaining its route structure by reducing service hours and headway to a weekend schedule, with rail service hours reduced by approximately 9% with no expanded service through FY 2021.
- Postponing higher cost R99 fuel conversion slated to begin in FY 2021 as a carbon reduction measure. The program is expected to resume in FY 2022.
- Suspended pay increases for FY 2021 Performance programs.

TriMet has also implemented a number of safety measures throughout the system, including its 9-Point Plan for Safe & Strong Transit, which includes some of the following:

- Additional cleaners to provide surface cleaning for all touch points in the system on all vehicles, stations, and platforms every four hours.
- 39 Foggers as well as UV Ray wands have been put into service to disinfect vehicles daily.
- Bus driver shield panels have been ordered and are being installed to provide additional protection for operators.
- Seats are blocked on all vehicles to maintain required social distancing.
- TriMet has discontinued accepting cash on buses to minimize contact and increase spacing between drivers and customers. Customers are asked to use the Hop Card to pay for service
- The use of masks is requested on all TriMet service and masks will be provided as needed.
- Hand sanitizer dispensers are installed on every bus and train.

Financial Impacts of COVID-19 on TriMet and its Payroll Tax Revenue Bonds. Although the region's employment base has experienced layoffs and business closings during the COVID-19 pandemic, payroll taxes and self-employment taxes, which are the primary sources of the Specified Tax Revenues, for FY 2020 and FY 2021 remained stable. The following table shows monthly Specified Tax Revenues for FY 2019, FY 2020, and FY 2021.

TABLE 1
MONTHLY SPECIFIED TAX REVENUES
FY 2019 TO FY 2021
(DOLLARS IN THOUSANDS)

	FY 2019	FY 2020	FY 2021
July	$30,746	$32,778	$29,575
August	30,746	32,778	29,575
September	28,713	30,210	33,465
October	30,746	32,778	29,565
November	32,081	34,198	30,857
December	28,532	32,626	39,562
January	31,557	35,249	31,480
February	33,069	35,249	31,480
March	29,724	32,314	45,118
April	29,710	18,800	33,581
May	40,086	18,800	33,581
June	25,526	50,772	47,689
Total:	**$371,236**	**$386,552**	**$415,528**

Source: TriMet.

For historical, annual Specified Tax Revenues for FY 2012 through FY 2021, see "THE SPECIFIED TAX REVENUES—Historical Specified Tax Revenues—Table 5 Historical Payroll, Self-Employment and State In-Lieu Tax Revenues."

The following table shows the payroll taxes and self-employment taxes collected versus budgeted for FY 2019 through FY 2021.

TABLE 2
ANNUAL SPECIFIED TAX REVENUES – ACTUAL V BUDGET
FY 2019 TO FY 2021
(DOLLARS IN THOUSANDS)

	Budget	Actual
2019	$392,385	$371,238
2020	411,410	386,553
2021	362,017	415,529

Source: TriMet.

For information on the budget for FY 2022, see "THE SPECIFIED TAX REVENUES—Forecast Specified Tax Revenues." The impact of COVID-19 on the economy and payroll and self-employment taxes is unpredictable and rapidly changing. Estimates provided herein are primarily based on economic forecasts and projections from ECO Northwest and the State of Oregon. Such impacts are not expected to adversely affect TriMet's ability to make full and timely payments on its Payroll Tax Revenue Bonds.

Due to the Governor's social distancing guidelines, stay-at-home orders and related declines in travel and increases in remote work, TriMet lost ridership on all modes of transportation. Bus and rail ridership initially dropped by 67% from February 2020 to April 2020.

TABLE 3
RIDERSHIP
FY 2019 TO FY 2021
(DOLLARS IN THOUSANDS)

	FY 2019	FY 2020	FY 2021
July	$8,046,072	$8,200,299	$3,342,921
August	8,275,580	8,141,329	3,648,066
September	7,852,228	7,926,072	3,213,458
October	8,763,714	8,842,950	3,526,472
November	7,942,454	7,877,651	3,109,206
December	7,344,155	7,655,904	3,171,713
January	8,125,488	8,128,735	3,064,986
February	7,226,085	7,861,476	2,760,292
March	8,059,051	5,515,919	3,491,332
April	8,286,972	2,595,799	3,536,346
May	8,634,011	2,709,331	3,600,508
June	8,094,004	3,049,045	3,660,345
Total:	**$96,649,814**	**$78,504,510**	**$40,125,645**

Source: TriMet.

For information on ridership and impact on fare revenue for FY 2020 and FY 2021 see APPENDIX A—"TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON —Table A-2: TriMet Ridership: Fiscal Years Ended 2021-2012" and "—Table A-7: "Summary of TriMet Statement of Revenues, Expenses and Changes in Net Assets for Fiscal Years Ended June 30," respectively.

Federal Funding. In May 2020, TriMet received an allocation of $184.925 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to pay for direct costs related to COVID-19, including wages for operators that would have been laid off due to cuts in service, cleaning supplies, hand sanitizer, gloves, masks for employees and riders, wages for cleaners hired to comply with the state and federal declarations and stay-at-home orders. Capital costs related to the acquisition of specialized equipment to comply with the orders is also covered by the CARES Act. Total CARES Act revenues in FY 2020 were $118,200,236. Total CARES Act revenues in FY 2021 were $66,724,743.

In May 2021, TriMet was awarded $195.420 million in Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) funding as relief from the pandemic's impact on the District's revenues. Total CRRSAA revenues in FY 2021 were was $136,777,850. TriMet expects to draw down the remaining funds by December 2021, in fiscal year 2022. In FY 2022, TriMet expects to receive $305,053,410 for the American Rescue Plan (ARP). Of this total, $15,721,739 is restricted and the remaining funds are unrestricted.

TriMet has received relief from the pandemic in the form of Federal awards from the Federal Transportation Authority (FTA).

Cash and Liquidity. With the receipt of the FTA unrestricted grants to assist with the impact of the pandemic, TriMet's cash and investment balances have significantly increased over the past fiscal year. The table below notes restricted and unrestricted cash and investment balances from fiscal year June 30, 2019 to fiscal year June 30, 2021.

TABLE 4
RESTRICTED AND UNRESTRICTED CASH AND INVESTMENT BALANCES
FY 2019 TO FY 2021
(DOLLARS IN THOUSANDS)

		June 30, 2019	June 30, 2020	June 30, 2021
Cash and cash equivalents				
	Unrestricted	$116,896	$181,141	$322,340
	Restricted	58,492	102,013	105,043
	Total restricted cash and cash equivalents	$175,388	$283,154	$427,383
Investments				
	Unrestricted	$10,281	$3,656	$30,246
	Restricted	300,196	307,067	216,363
	Total restricted investments	$310,477	$310,723	$246,609
	Total Cash, cash equivalents, and investments	$485,865	$593,877	$673,992
	Total Unrestricted Cash, cash equivalents, and investments	$127,177	$184,797	$352,586
	Increase over prior year		$57,620	$167,789
	Percentage increase		45%	91%

____
Source: TriMet.

DESCRIPTION OF THE SERIES 2021 BONDS

General

When issued, the Series 2021 Bonds will be dated the date of their delivery, will bear interest at the rates per annum and will mature, subject to prior redemption, on September 1 of the years and in the aggregate principal amounts, set forth on the inside cover page of this Official Statement. Interest on the Series 2021 Bonds is payable semiannually on each March 1 and September 1, commencing March 1, 2022, until maturity or prior redemption. Interest on the Series 2021 Bonds will be calculated on the basis of a 360-day year of twelve 30-day months.

The Series 2021 Bonds are being issued in fully registered form in denominations of $5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC is to act as securities depository for the Series 2021 Bonds. Individual purchases may be made only in book-entry form, and purchasers will not receive certificates representing their interest in the Series 2021 Bonds purchased. Except as provided in the Indenture, so long as Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the registered owner of the Series 2021 Bonds, as nominee of DTC, references herein to "Owners," "Bondholders" or "Registered Owners" mean Cede & Co. and not the Beneficial Owners of the Series 2021 Bonds. In this Official Statement, the term "Beneficial Owner" means the person for whom its DTC Participant acquires an interest in the Series 2021 Bonds.

So long as Cede & Co. is the Registered Owner of the Series 2021 Bonds, the principal of and interest on the Series 2021 Bonds are payable by wire transfer to Cede & Co. (or such other name as may be requested by an authorized representative of DTC), as nominee for DTC which, in turn, is to remit such amounts to the Direct Participants for subsequent disbursement to the Beneficial Owners. See APPENDIX E—"INFORMATION ABOUT DTC AND ITS BOOK–ENTRY–ONLY SYSTEM."

So long as the Series 2021 Bonds are subject to the Book-Entry System with DTC, they may be exchanged and transferred only in accordance with the rules, regulations and practices of DTC. During any period in which the Series 2021 Bonds are not subject to the Book-Entry System, the exchange and transfer of Series 2021 Bonds will be permitted as set forth in the Indenture.

For information related to global clearance procedures with respect to any Series 2021B Bonds sold in offshore transactions, see Appendix H hereto, entitled "GLOBAL CLEARANCE PROCEDURES".

Sustainability Bonds

The Series 2021 Bonds have been designated as "Sustainability Bonds" by TriMet based on TriMet's mission and the sustainability initiatives implemented by TriMet. TriMet has not obtained third party certification of the Series 2021 Bonds as "Sustainability Bonds" and the Series 2021 Bonds are not being issued under the ICMA 2021 Sustainability Principles. See Appendix I "Sustainability."

Redemption of Series 2021 Bonds*

Optional Redemption of Series 2021A Bonds. The Series 2021A Bonds maturing on or after September 1, 20__ 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, 20__, in any order of maturity and by lot within a maturity, at a redemption price equal to 100 percent of the principal thereof, plus accrued interest thereon to the date fixed for redemption.

Optional Redemption of Series 2021B Bonds. The Series 2021B Bonds maturing on or after September 1, 20__ 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, 20__, in any order of maturity and pro rata within a maturity, at a redemption price equal to 100 percent of the principal thereof, plus accrued interest thereon to the date fixed for redemption.

Make Whole Optional Redemption of Series 2021B Bonds. Before the Series 2021B Bonds are subject to optional redemption as outlined in the previous paragraph, those bonds are subject to make whole optional redemption as provided in the Indenture and described below. The Series 2021B Bonds may be redeemed, in whole or in part, at the option of TriMet, at any time at a redemption price equal to the greater of (i) 100% of the principal amount of the Series 2021B Bonds of such maturity to be redeemed and (ii) the sum of the present values of the applicable remaining scheduled payments of principal and interest on the Series 2021B Bonds of such maturity to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2021B Bonds are to be redeemed, discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, defined below, plus ___ basis points, plus in each case, accrued and unpaid interest on the Series 2021B Bonds being redeemed to the date fixed for redemption.

* Preliminary, subject to change.

"Business Day" means any day, other than a Saturday or Sunday, and other than a day on which the Trustee is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed.

"Comparable Treasury Issue" means, with respect to the Series 2021B Bonds of a particular maturity, the United States Treasury security selected by the Independent Investment Banker which has an actual maturity comparable to the remaining average life of the Series 2021B Bonds of such maturity to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Series 2021B Bonds of such maturity to be redeemed.

"Comparable Treasury Price" means, with respect to any redemption date, with respect to the Series 2021B Bonds of a particular maturity, (A) the average of the applicable Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Independent Investment Banker for the Series 2021B Bonds obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers as designated by TriMet.

"Reference Treasury Dealer" means each of four firms, as designated by TriMet, and their respective successors; provided, however, that if any of them ceases to be a primary U.S. Government securities dealer in the City of New York (a "Primary Treasury Dealer"), TriMet will substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date for the Series 2021B Bonds of a particular maturity, the average, as determined by the Independent Investment Banker and communicated to TriMet, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker and communicated to the Trustee by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding that redemption date.

"Treasury Rate" means, with respect to any redemption date, with respect to the Series 2021B Bonds of a particular maturity, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue with respect thereto, computed as of the second business day immediately preceding that redemption date, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price with respect thereto for that redemption date.

Mandatory Sinking Fund Redemption of Series 2021A Bonds. The Series 2021A Bonds maturing on September 1, 20___, if not earlier optionally redeemed or purchased in accordance with the Indenture, are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount thereof, plus accrued interest to the date fixed for redemption, by lot in the principal amounts and on the dates shown in the following schedule:

Series 2021A Bonds Due September 1, 20___

Redemption Date (September 1)	Principal Amount
	$
†	

†Final Maturity.

Mandatory Sinking Fund Redemption of Series 2021B Bonds. The Series 2021B Bonds maturing on September 1, 20___, if not earlier optionally redeemed or purchased in accordance with the Indenture, are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount thereof, plus accrued interest to the date fixed for redemption, pro rata in the principal amounts and on the dates shown in the following schedule:

Series 2021B Bonds Due September 1, 20___

Redemption Date (September 1)	Principal Amount
	$
†	

†Final Maturity.

Notice of Redemption

While the Series 2021 Bonds are in book-entry form, and unless the Owner consents to a shorter period, the Trustee is required to give DTC notice of redemption not less than twenty (20) days nor more than sixty (60) days prior to the date fixed for redemption.

Conditional Notice of Redemption

Notices of optional redemption may state that the optional redemption is conditional upon receipt by the Trustee of moneys sufficient to pay the redemption price of such Series 2021 Bonds or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and the Indenture provides that any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. The Indenture requires notice of such rescission or of the failure of any such condition to be given by the Trustee to affected Owners of Series 2021 Bonds as promptly as practicable.

Effect of Notice of Redemption

The Indenture provides that official notice of redemption having been given (other than conditional notices of optional redemption as described above), the Series 2021 Bonds or portions of Series 2021 Bonds so to be redeemed shall, on the date fixed for redemption, become due and payable at the redemption price therein specified, and from and after such date (unless TriMet fails to pay the redemption price) such Series 2021 Bonds or portions of such Bonds shall cease to bear interest.

Selection of Series 2021 Bonds to be Redeemed

Series 2021A Bonds. If less than all of the Series 2021A Bonds of a maturity are redeemed prior to maturity, then (i) if the Series 2021A Bonds are in book-entry only form at the time of such redemption, the Series 2021A Bonds to be redeemed are to be selected by lot in accordance with DTC's operational procedures; and (ii) if the Series 2021A Bonds are not then in book-entry only form at the time of such redemption, on each date fixed for redemption, the Trustee is required to select the specific Series 2021A Bonds for redemption by lot.

Series 2021B Bonds. If the Series 2021B Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of such Series 2021B Bonds, if less than all of the Series 2021B Bonds of a maturity are called for prior redemption, the particular Series 2021B Bonds or portions thereof to be redeemed shall be allocated on a *pro rata pass-through distribution of principal* basis in accordance with DTC procedures, provided that, so long as the Series 2021B Bonds are held in book-entry form, the selection for redemption of such Series 2021B Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Series 2021B Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

TriMet intends that redemption allocations made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, neither TriMet nor the Underwriters can provide any assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of the Series 2021B Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the Series 2021B Bonds on a Pro Rata Pass-Through Distribution of Principal basis as discussed above, then the Series 2021B Bonds will be selected for redemption in accordance with DTC procedures by lot.

In connection with any repayment of principal, including payments of scheduled mandatory sinking fund payments, the Trustee will direct DTC to make a pass-through distribution of principal to the holders of the Series 2021B Bonds.

For purposes of calculation of the "pro rata pass-through distribution of principal," "pro rata" means, for any amount of principal to be paid, the application of a fraction to each denomination of the respective Series 2021B Bonds where (a) the numerator of which is equal to the amount due to the respective bondholders on a payment date, and (b) the denominator of which is equal to the total original par amount of the respective Series 2021B Bonds.

If the Series 2021B Bonds are no longer registered in book-entry-only form, each owner will receive an amount of Series 2021B Bonds equal to the original face amount then beneficially held by that owner, registered in such investor's name. Thereafter, any redemption of less than all of the Series 2021B Bonds of any maturity will continue to be paid to the registered owners of such Series 2021B Bonds on a pro-rata basis, based on the portion of the original face amount of any such Series 2021B Bonds to be redeemed.

Defeasance

The Indenture permits the defeasance of the Series 2021 Bonds. See "TAX MATTERS" below and APPENDIX F—"SUMMARY OF THE INDENTURE—Defeasance."

SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR LIEN BONDS

The Specified Tax Revenues and the Trust Estate

In the Indenture, TriMet has pledged as security for the payment of the principal of, premium, if any, and interest on the Senior Lien Bonds: (a) the "Specified Tax Revenues" described below, (b) the moneys and investments (including investment earnings) on deposit from time to time in the Debt Service Account, (c) any Credit Facility given as security for the payment of any amounts owing under or with respect to any specific series of Bonds together with all moneys drawn or paid thereunder, subject to certain conditions specified in the Indenture, and (d) such other properties and assets and interest in properties and assets as may be pledged to the payment of the Bonds pursuant to any Supplemental Indenture (collectively, the "Trust Estate"). The lien of this pledge is superior to all other liens on the Trust Estate. See APPENDIX F—"SUMMARY OF THE INDENTURE—Pledge of Trust Estate." Receipts from the Statewide Transit Tax as defined in APPENDIX A—"TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON—Revenue Sources" are not pledged to the Senior Lien Bonds.

The Series 2021 Bonds are secured by the Specified Tax Revenues and amounts in the Debt Service Account, but are not currently secured by any Credit Facility or other properties or assets.

The "Specified Tax Revenues" pledged as part of the Trust Estate to the payment of the Outstanding Bonds are comprised of TriMet's payroll taxes, self-employment taxes, and State in-lieu payments. See "THE SPECIFIED TAX REVENUES."

The Indenture provides that the Series 2021 Bonds are also payable from any lawfully available funds of TriMet if the Trustee does not have sufficient amounts in the Debt Service Account to make Senior Lien Bond payments when due. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR LIEN BONDS—Collection and Application of Revenues" and APPENDIX F—"SUMMARY OF THE INDENTURE."

Covenants With Respect to Specified Tax Revenues

In the Indenture, TriMet covenants that it will, to the extent permitted by law, impose and collect the payroll and self-employment taxes and collect the State in-lieu payments in amounts sufficient to pay Senior Lien Bonds and TriMet's other obligations. The employer payroll tax and self-employed tax, since their inception, have been administered by the Oregon Department of Revenue under contract with TriMet. State in-lieu payments are assessed by the Oregon Department of Administrative Services in accordance with ORS 291.405. The Indenture also restricts TriMet's ability to reduce the Specified Taxes. See APPENDIX F—"SUMMARY OF THE INDENTURE—Financial and Related Covenants—Tax Reductions and Substitute Taxes."

Collection and Application of Revenues

The Specified Tax Revenues are collected for TriMet by the State of Oregon, which deposits the Specified Tax Revenues directly into the Revenue Fund held by the Trustee under the Indenture. The Revenue Fund is currently an account of the Trustee in the Oregon Short Term Fund (the "Trustee OSTF Account"). The Trustee makes required weekly deposits to the Debt Service Account as described in the paragraph below. For more information on the collection of Specified Tax Revenues, see "THE SPECIFIED TAX REVENUES—Collection of Specified Tax Revenues."

On the last Business Day of each week (a "Settlement Date") the Indenture requires the Trustee to make substantially equal transfers of Specified Tax Revenues from the Revenue Fund to the Debt Service

Account for each Series of Bonds, so that an amount sufficient to make each Bond principal and interest payment will be transferred to the Debt Service Account on the fourth Settlement Date before each Bond principal and interest payment date.

Specified Tax Revenues held by the Trustee on each Settlement Date that exceed the required transfers to the Debt Service Account (the "Excess") may be remitted to TriMet. Upon remittance of the Excess by the Trustee to TriMet, the Excess shall no longer be subject to the lien and pledge of the Indenture but shall be unrestricted and unencumbered funds of TriMet which may be used and applied by TriMet for any lawful purpose.

On the seventh day before a Senior Lien Bond principal or interest payment date, if the Trustee does not have sufficient amounts in the Debt Service Account to make the Senior Lien Bond payments that are due on that payment date, the Trustee is required to notify TriMet, and TriMet is required to pay the deficiency to the Trustee from any lawfully available funds of TriMet. For more information on the deposits and transfers to and from the Revenue Fund and Debt Service Account, see APPENDIX F—"SUMMARY OF THE INDENTURE—Revenue Fund and Accounts; Deposits to and Application of Revenue Fund."

Additional Senior Lien Bonds

The Indenture permits TriMet to issue Additional Bonds, Completion Bonds and Refunding Bonds, as defined in the Indenture, and, among other conditions, requires that TriMet obtain a report from a Qualified Consultant certifying that Specified Tax Revenues for any period of 12 consecutive months during the 18 months immediately preceding the issuance of such Additional Bonds and adjusted as permitted by the Indenture, are at least four times the maximum Annual Debt Service for the Outstanding Bonds, including any Derivative Products and the additional Bonds then to be issued. "Annual Debt Service" includes debt service on Outstanding Bonds, parity Derivative Products, and the proposed Additional Bonds. TriMet may convert variable rate Bonds to fixed rates, and issue certain Completion Bonds and Refunding Bonds without obtaining this report. See APPENDIX F—"SUMMARY OF THE INDENTURE—Completion Bonds" and "—Refunding Bonds."

Subordinate Debt

The Indenture permits TriMet to incur indebtedness or issue bonds, notes, warrants or similar obligations that are secured by a pledge of all or any part of the Specified Tax Revenues that is subordinate to the pledge securing the Senior Lien Bonds. See APPENDIX F—"SUMMARY OF THE INDENTURE—Short Term Debt, Subordinated Debt and Other Issuer Obligations." TriMet has one subordinate lien outstanding -- a $60,000,000 maximum principal amount revolving line of credit which has not been draw on. See "DEBT INFORMATION – Debt Outstanding" herein for further information regarding this borrowing.

Derivative Products

The Indenture permits TriMet to enter into Derivative Products payable from the Specified Tax Revenues on parity with Senior Lien Bonds. TriMet has not entered into any Derivative Products secured by a lien under the Indenture and has no current plans to do so. The use of Derivative Products is not addressed by TriMet's current debt management policy, and under Oregon law, the TriMet Board is required to approve a derivative policy prior to TriMet entering into such agreements.

Events of Default and Remedies

The Indenture specifies a number of Events of Default and remedies and under certain circumstances the Trustee is permitted or required to declare the principal of and accrued interest on all Senior Lien Bonds to be immediately due and payable, subject to certain cure rights of TriMet and certain other conditions. See APPENDIX F—"SUMMARY OF THE INDENTURE—Events of Default."

THE SPECIFIED TAX REVENUES

TriMet has pledged its Specified Tax Revenues to pay the Bonds. The Specified Tax Revenues consist of TriMet's payroll taxes received from certain employers within the district boundaries of TriMet ("payroll taxes") and self-employment taxes ("self-employment taxes"), both assessed pursuant to ORS 267.380 and 267.385, and State in-lieu payments received pursuant to ORS 291.405 to 291.407. The Specified Tax Revenues also include any Substitute Tax and any additional revenues TriMet may subsequently pledge to secure Senior Lien Bonds. See APPENDIX F—"SUMMARY OF THE INDENTURE—Financial and Related Covenants—Tax Reductions and Substitute Taxes" and the definitions of "Specified Tax Revenues" and "Substitute Tax" therein. TriMet does not now impose any Substitute Tax and has no current plans to impose any Substitute Tax. TriMet has no current plans to pledge additional revenues.

Specified Tax Revenues are TriMet's largest source of revenue and are used to pay operating expenses, to make capital expenditures, and to make debt service payments.

Revenue Sources

The payroll taxes and self-employment taxes are currently imposed directly on any resident or non-resident employer or any self-employed individual performing services within the TriMet service district. The tax is calculated on the amount of gross payroll or self-employment income paid for services performed within the TriMet service district. Certain businesses are exempt from payroll taxes and self-employment taxes, including, for example, federal credit unions, insurance companies, public school districts, 501(c)(3) entities (except hospitals), religious organizations such as churches, truck drivers (non-resident long-haul drivers), domestic household employers and seasonal agricultural workers. See "THE SPECIFIED TAX REVENUES—Collection of Specified Tax Revenues" for a description of how these taxes are collected.

Payroll Taxes and Self-Employment Taxes. TriMet's payroll and self-employment tax rate was initially established by the Oregon Legislative Assembly (the "Legislative Assembly") at 0.300 percent in 1969 and enacted in 1970. The current tax rate is 0.7837 percent.

Under Oregon law, TriMet needs statutory authorization from the Legislative Assembly to increase payroll tax and self-employment tax rates. TriMet has statutory authority to increase the existing rate of payroll taxes and self-employment taxes to compensate for withdrawal of unincorporated areas and small cities from TriMet. See "THE SPECIFIED TAX REVENUES—Revenue Impacts of Withdrawal from TriMet."

In 2009, the Legislative Assembly gave the TriMet Board the authority to increase the rate for payroll and self-employment taxes by 1/10th of a percent, in addition to any increases resulting from withdrawals (the "2009 Rate Authority"). That legislation requires that the additional increases be phased in over ten years, prohibits any annual increase from exceeding 0.02 percent, and requires the TriMet Board to find, before implementing any additional increase, that the economy in the TriMet district has recovered to an extent sufficient to warrant the increase in tax. In September 2015, the TriMet Board approved implementation of the increase authorized under the 2009 Rate Authority, with an approval of the full increase of 1/10th of a percent spread evenly over ten years. The phase in of this increase began in January 2016. Effective January 1, 2021, the rate for payroll and self-employment taxes is 0.7837 percent, up from 0.7737 percent, which was the rate as of January 1, 2020. The rate for payroll and self-employment taxes was 0.7637 percent as of January 1, 2019, 0.7537 percent as of January 1, 2018, 0.7437 as of January 1, 2017, and 0.7337 as of January 1, 2016 (the first year of the increase).

State In-Lieu Payments. Under ORS 291.405, the Oregon Department of Administrative Services is permitted to assess State agencies and to provide moneys from such assessments to mass transit districts as reimbursement for the benefit the State receives from such transit districts. The rate of assessment is limited to 0.6 percent of the total wages paid to State employees for performing services within the boundaries of the transit district. State in-lieu payments are not subject to the rate increases described above. The State in-lieu payments have been made every year since FY 1983. If the State stops making State in-lieu payments, current statutes authorize TriMet to impose payroll taxes directly on the State. See "THE SPECIFIED TAX REVENUES—Collection of Specified Tax Revenues."

The historical payroll and self-employment tax revenues and historical State in-lieu payments, are shown in Table 5. See "THE SPECIFIED TAX REVENUES—Historical Specified Tax Revenues" and " Table 5—Historical Payroll, Self-Employment and State in-lieu Tax Revenues."

Revenue Impacts of Withdrawal From TriMet

The employer payroll, self-employment, and State in-lieu payments are collected only from employers and self-employed persons within its boundaries. ORS 267.205 and ORS 267.207 define the district boundaries of TriMet. State law requires TriMet to increase its base tax rate automatically if territory from within TriMet's district boundaries is withdrawn by petition, and TriMet has done so in the past, as described below.

Under Oregon law, small cities with a population of less than 10,000 and unincorporated areas, but not large cities such as Portland, may petition for withdrawal from TriMet. ORS 267.253 provides that a petition for withdrawal from TriMet may be filed only during the period from January 1 to August 30 in every fifth calendar year. The most recent withdrawal petition period ended on August 30, 2021, and withdrawals may not be filed again until 2026. TriMet is not aware of any intention to file a withdrawal petition. Withdrawal petitions under ORS 267.253 must be signed by at least 15 percent of the registered voters in the affected area. Such withdrawal petitions are not automatically approved. Following public hearing and completion of a study by TriMet, the TriMet Board may deny or approve the petition. The Board's decision is subject to judicial review.

If territory is withdrawn via petition from the TriMet district boundaries, the withdrawal may reduce the amount of wages that are subject to the payroll taxes, the amount of income from self-employment that is subject to the self-employment taxes and the amount of State in-lieu payments received by TriMet if State offices are located within the area that is withdrawn. State law currently provides that if an area withdraws from TriMet via petition, the lost revenue will be recaptured by an automatic increase in the rates for payroll taxes and self-employment taxes to a rate that is calculated to produce the same revenues that TriMet would have received if the withdrawal had not occurred, based upon collections in the year before the withdrawal. Such increases are in addition to established limitations on rate increases established by the Legislative Assembly. If any area that is receiving service withdraws from TriMet, the service is withdrawn when the boundary change becomes effective. Alternatively, the area that withdraws may elect to pay TriMet to continue service.

The most recent withdrawal of territory from TriMet took effect on January 1, 2013. At that time, the Boring area, which is a suburban community located approximately 22 miles southeast of downtown Portland, withdrew from the TriMet district and TriMet increased its payroll and self-employment tax rate

0.001905 percent ($0.019 per $1,000) effective that same date. TriMet expects that if further withdrawals occur, they will not have a material impact on TriMet's ability to pay its obligations secured by the Specified Tax Revenues, including the Series 2021 Bonds, when due. See "THE SPECIFIED TAX REVENUES—Historical Specified Tax Revenues" and " Table 5—Historical Payroll, Self-Employment and State in-lieu Tax Revenues."

The City of Wilsonville ("Wilsonville") adopted a resolution on February 1, 2016 directing Wilsonville staff to begin negotiating with TriMet to remove certain areas from TriMet's service territory. Any such withdrawal is subject to TriMet's approval. There have been no discussions between TriMet and Wilsonville on this matter beyond discussion in early 2016. TriMet anticipates responding to any further inquiries from Wilsonville in a manner that serves TriMet's long-term interests.

Collection of Specified Tax Revenues

The employer payroll tax and self-employment tax, since their inception, have been administered by the Oregon Department of Revenue (the "DOR") under contract with TriMet. The DOR is responsible for all aspects of collection, except boundary-related issues. DOR's responsibilities include, but are not limited to, form and instruction preparation, payment processing, record keeping, taxpayer inquiries and compliance audits. The employer payroll tax is calculated on the amount of gross payroll and the self-employment tax is calculated on income paid for services performed within the TriMet district boundaries. For most employers, the payroll tax is paid with their quarterly State income tax withholding payments. The self-employment tax is due annually and is reported separately from State income tax. The majority of self-employment taxes are due on April 15.

When collections of the payroll and self-employment taxes reach $10,000 after the deduction of DOR actual administrative costs, the balance is deposited in the Trustee OSTF Account. In FY 2021, administrative costs amounted to approximately one percent of total collected. State in-lieu of tax payments are assessed by the Oregon Department of Administrative Services in accordance with ORS 291.405. The Oregon Department of Administrative Services ("DAS") pays any moneys it receives under ORS 291.405 to the State Treasurer for deposit in the Mass Transit Assistance Account (the "MTA Account"). The moneys in the MTA Account are continuously appropriated to DAS. At the end of each calendar quarter DAS distributes TriMet's share of moneys in the MTA Account to the Trustee OSTF Account. Once the Specified Tax Revenues are deposited to the Trustee OSTF Account, the Trustee credits those Specified Tax Revenues to the Debt Service Account in the amounts required under the Indenture, and distributes the remainder to TriMet. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR LIEN BONDS—Collection and Application of Revenues" and APPENDIX F—"SUMMARY OF INDENTURE—Revenue Fund and Accounts; Deposits to and Application of Revenue Fund."

Historical Specified Tax Revenues

Table 5 presents historical Specified Tax Revenues during the period FY 2012 through FY 2021. The historical Specified Tax Revenues shown in Table 5 were derived from TriMet's audited financial statements.

TABLE 5
HISTORICAL PAYROLL, SELF-EMPLOYMENT AND STATE IN-LIEU TAX REVENUES[1]
($000s)

Fiscal Year	Payroll Tax	Percent Change	Self-Employment	Percent Change	State-In-Lieu	Percent Change	Total	Percent Change
2012	$232,756	10.2%	$12,451	14.0%	$2,872	8.0%	$248,079	10.3T
2013	242,669	4.3	13,138	5.5	2,706	(5.8)	258,513	4.2
2014	258,185	6.4	13,594	3.5	2,795	3.3	274,574	6.2
2015	273,308	5.9	14,784	8.8	3,202	14.6	291,294	6.1
2016	305,667	11.8[2]	16,358	10.6	1,975	(38.3)[2]	324,000	11.2
2017	317,875	4.0	16,285	(0.5)	1,971	(0.2)	336,131	3.7
2018	340,352	7.1	16,627	2.1	2,063	4.7	359,043	6.8
2019	354,487	4.2	16,254	(2.2)	2,009	(2.6)	372,751	3.8
2020	380,773	7.4	14,864	(8.6)	2,717	35.2[3]	398,353	6.9
2021	395,169	3.8	17,517	17.8	2,843	4.7	415,529	4.3

(1) Tax rate changes are as follows: FY 2012 through FY 2014 +0.01 percent in each year; FY 2013, City of Boring withdrawal +0.001905 percent. No increase in rates in FY 2015. Beginning in January 2016, TriMet has phased in the 2009 Rate Authority. See "Revenue Sources" above.

(2) Payroll taxes increased and State in-lieu taxes decreased in FY 2016 due in part to Portland State University's separation from the Oregon University System, triggering a reclassification of Portland State University as a regular payroll tax paying entity from a State-in-lieu payer.

(3) Increase in State in-lieu taxes in FY 2020 is attributable to the COVID-19 pandemic, as the number of State employees working from home increased.

Source: TriMet.

Debt Service Coverage

The following Table 6 summarizes total historical Specified Tax Revenues for FY 2012 through FY 2021 and Senior Lien Bond debt service during those FYs.

TABLE 6
HISTORICAL SPECIFIED TAX REVENUES,
SENIOR LIEN DEBT SERVICE AND DEBT SERVICE COVERAGE
($000s)

Fiscal Year	Total Specified Tax Revenues(1)	Scheduled Debt Service Payments for Outstanding Senior Lien Bonds	Gross Coverage
2012	$ 248,079	$ 15,499	16.0x
2013	258,513	14,059	18.4
2014	274,574	18,308	15.0
2015	291,294	17,777	16.4
2016	324,000	17,268	18.8
2017	336,131	23,981	14.0
2018	359,043	33,411	10.7
2019	372,751	35,928	10.4
2020	398,353	34,884	11.4
2021	415,529	38,552	10.8

(1) See Table 5 for explanations of increases in certain FYs.
Source: TriMet.

Forecast Specified Tax Revenues

TriMet receives regular economic forecast information based on payroll tax, self-employment tax and State in-lieu payments from ECONorthwest, a regional economic consulting and forecasting firm. TriMet uses this information, and sometimes modifies it to take into account current trends, in preparing its own financial forecasts for operations and capital planning purposes, including preparing its annual budgets. The forecast assumes cash receipts in a given period, while TriMet's audit and the information in Table 5 and Table 6 are based on amounts earned during a given period.

Because of the nature of forecasts, including variability in assumptions and economic conditions, TriMet cannot guarantee results. Potential investors should not rely on the projections as statements of fact. Such projections are subject to change and will change, from time to time. Additionally, recent economic and health developments globally and in the Multnomah, Washington and Clackamas counties in Oregon (the "Tri-County Area") create additional uncertainty in forecasts. See "RECENT ECONOMIC AND HEALTH DEVELOPMENTS" for a discussion of COVID-19 and its impact on TriMet.

Given the COVID-19 pandemic, based on its forecast, TriMet budgeted the FY 2021 Specified Tax Revenues at $362.0 million. Actual FY 2021 receipts totaled $415.5 million or $53.5 million over budgeted amounts. Likewise in FY 2022, based on its forecast, TriMet budgeted total Specified Tax Revenues at $415.0 million. The average annual growth of Specified Tax Revenues has been 5.4 percent over the last twenty years.

Payroll tax revenues for FY 2022, based on current tax rates, are budgeted to be $398.3 million or an estimated 16.0 percent increase over the FY 2021 budgeted amount, considering the effects of the pandemic, growth in employment, wages and salaries, and the January 1 rate increase for payroll taxes.

Payroll tax revenues are expected to make up 96.0 percent of the budgeted Specified Tax Revenues in FY 2022. Growth in payroll tax revenues has averaged 5.3% over the last five years, including FY 2021 which only experienced growth of 3.8%. Employment growth is forecasted to be steady at 0.8% with wage and salary growth projected at 5.2% through the end of the decade.

Self-employment tax revenues for FY 2022 are budgeted to be $13.9 million or an estimated 13.3 percent decrease over the FY 2021 budgeted amount. The decrease is primarily due to TriMet receiving a higher than forecasted amount in FY 2021, due to moving of the tax filing deadline from April to July. The self-employment tax revenues are expected to make up 3.3 percent of the budgeted Specified Tax Revenues in FY 2022.

The State in-lieu payments tax rate is 0.006. State in-lieu payments for FY 2022 are budgeted to increase 8.0 percent from the FY 2021 budgeted amount. The State in-lieu payments for FY 2022 are expected to make up 0.7 percent of the budgeted Specified Tax Revenues in FY 2022. See APPENDIX A—"TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON — Fiscal Year 2021 and 2022 Budgets" for more information regarding TriMet's FY 2021 and 2022 budgets.

PLAN OF FINANCING*

The proceeds to be received from the sale of the Series 2021 Bonds are to be applied (i) to pay costs of transit-related capital projects, (ii) to refund certain outstanding Senior Lien Bonds, and (iii) to pay costs of issuing the Series 2021 Bonds.

Projects

TriMet expects to finance all or a portion of the costs of certain transit projects and transit supportive services described below with proceeds of the Series 2021A Bonds. These capital projects represent a portion of the projects in TriMet's Capital Improvement Program ("CIP") for FYs 2022 through 2026. Other transit-related capital projects may be substituted for any of these projects.

Project Summary	**Estimated Bond Proceeds (In Millions)**
Red Line to Fairplex	$ 120
Replacement of Light Rail Vehicles	70
Powell Garage	10
Total	**$ 200**

Plan of Refunding

TriMet plans to use a portion of the proceeds of the Series 2021B Bonds to achieve debt service savings by refunding all or a portion of the Outstanding Senior Lien Bonds shown in the table below (collectively, the "Refunded Bonds").

The use of a portion of the proceeds of the Series 2021B Bonds and the selection of the Outstanding Senior Lien Bonds to be refunded are subject to market conditions. TriMet may determine not to refund some or all of the Outstanding Senior Lien Bonds if the refunding will not produce sufficient savings. TriMet may also refund Outstanding Senior Lien Bonds that are not shown in the table below if market conditions warrant.

* Preliminary, subject to change.

The proceeds of the Series 2021B Bonds are expected to be used to refund the Refunded Bonds on the respective dates fixed for redemption shown in the table below, and at the prices (expressed as a percentage of the principal amounts to be redeemed) set forth in the table below, and pay the costs of issuing the Series 2021B Bonds. For this purpose, TriMet intends to establish one or more escrow deposit accounts (the "Escrow Deposit Accounts") with The Bank of New York Mellon Trust Company, N.A. TriMet expects to purchase direct obligations of the United States or obligations the principal of and interest on which are fully and unconditionally guaranteed by the United States for deposit into the Escrow Deposit Accounts together with cash or cash equivalents, if necessary, in an amount sufficient to provide for the redemption of the Refunded Bonds.

TABLE 7*
OUTSTANDING PAYROLL TAX REVENUE BONDS TO BE REFUNDED WITH PROCEEDS OF THE SERIES 2021B BONDS

Series	Maturity Date	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CUSIP Number (89546R)
2015A	09/01/2027	$2,560,000	5.000%	09/01/2025	100.00%	LB8
	09/01/2040†	19,430,000	4.000	09/01/2025	100.00	LK8
2015B	09/01/2027	4,540,000	5.000	09/01/2025	100.00	MA9
2016A	09/01/2029	4,610,000	5.000	09/01/2026	100.00	MU5
	09/01/2030	4,850,000	4.000	09/01/2026	100.00	MV3
	09/01/2031	5,045,000	4.000	09/01/2026	100.00	MW1
	09/01/2032	5,255,000	4.000	09/01/2026	100.00	MX9
2017A	09/01/2029	3,785,000	5.000	09/01/2026	100.00	NP5
	09/01/2030	3,975,000	5.000	09/01/2026	100.00	NQ3
	09/01/2031	4,180,000	5.000	09/01/2026	100.00	NR1
	09/01/2032	4,395,000	5.000	09/01/2026	100.00	NS9
	09/01/2033	4,620,000	5.000	09/01/2026	100.00	NT7
	09/01/2034	4,860,000	5.000	09/01/2026	100.00	NU4
	09/01/2041†	24,400,000	5.000	09/01/2026	100.00	NY6
2018A	09/01/2030	2,550,000	5.000	09/01/2027	100.00	QH0
	09/01/2031	2,680,000	5.000	09/01/2027	100.00	QJ6
	09/01/2032	5,595,000	5.000	09/01/2027	100.00	QK3
	09/01/2033	5,845,000	5.000	09/01/2027	100.00	QL1
	09/01/2034	2,335,000	5.000	09/01/2027	100.00	QM9
	09/01/2035	2,460,000	5.000	09/01/2027	100.00	QN7
	09/01/2036	2,585,000	5.000	09/01/2027	100.00	QP2
	09/01/2037	2,710,000	5.000	09/01/2027	100.00	QQ0
	09/01/2038	4,595,000	5.000	09/01/2027	100.00	QR8
	09/01/2043†	38,770,000	5.000	09/01/2027	100.00	QT4
	09/01/2048†	30,555,000	5.000	09/01/2027	100.00	QU1
	09/01/2048†	4,585,000	4.000	09/01/2027	100.00	QV9

† Term Bond.

Verification

Samuel Klein and Company, Certified Public Accountants (the "Verification Agent") is expected to deliver to TriMet on or before the date the Series 2021B Bonds are issued its reports indicating that it has verified the mathematical accuracy of the mathematical computations relating to the sufficiency of the cash, if any, and maturing principal of and interest on the escrow investments to pay, when due, prepayment price, the principal of, and interest and premium on the Refunded Bonds.

* Preliminary, subject to change.

The verification performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by TriMet and its representatives. The Verification Agent has restricted its procedures to recalculating the computations provided by TriMet and its representatives and has not evaluated or examined the assumptions or information used in the computations.

ESTIMATED APPLICATION OF PROCEEDS

The estimated application of the proceeds of the Series 2021 Bonds are as follows:

Estimated Sources and Uses of Funds

Sources of Funds	**Series 2021A**	**Series 2021B**
Par amount	$	$
Net original issue premium/discount		
Total sources	$	$
Uses of Funds		
Project Costs	$	$
Escrow Deposit		
Costs of Issuance(1)		
Total uses	$	$

(1) Costs of issuance include underwriters' discount, trustee fees, legal fees, municipal advisory fees, printing and other expenses.

DEBT INFORMATION

Debt Outstanding

TriMet has a number of debt issues outstanding.

Senior Lien Bonds. Not including the Series 2021 Bonds, TriMet has nine series of bonds Outstanding that are Senior Lien Bonds payable from and secured by a pledge of Specified Tax Revenues on parity with the pledge that will secure the Series 2021 Bonds. As presented in Table 8 below, those Senior Lien Bonds were outstanding as of September 1, 2021 in the aggregate principal amount of $615,090,000.

2019 Subordinate Revolving Line with a Second Lien on Specified Tax Revenues. The 2019 Subordinate Revolving Line is a revolving line of credit with a $60,000,000 maximum principal amount. As of September 1, 2021, TriMet had not drawn on the line, and the line has an outstanding balance of zero. TriMet entered into the 2019 Subordinate Revolving Line to provide short term liquidity to address potential timing mismatches in the receipts of federal grants or other projected revenues. The 2019 Subordinate Revolving Line also allows borrowings for interim financing of capital projects. The 2019 Subordinate Revolving Line is payable from all legally available funds of TriMet, and is secured by a second lien on the Specified Tax Revenues, which is subordinate to the Senior Lien Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR LIEN BONDS—Subordinate Debt."

Capital Grant Receipt Revenue Bonds. TriMet has three series of Capital Grant Receipt Revenue Bonds outstanding; $200,910,000 aggregate principal amount of those bonds were outstanding as of September 1, 2021. The Capital Grant Receipt Revenue Bonds are issued under a separate indenture, are not secured by the Specified Tax Revenues or the Trust Estate, and are payable only from federal grant funds payable to TriMet under Section 5307 of Title 49 of the U.S. Code.

TABLE 8
TRIMET'S OUTSTANDING DEBT – AS OF SEPTEMBER 1, 2021

	Dated Date	Final Maturity Date	Original Principal Amount	Amount Outstanding
Bonds Secured by Specified Tax Revenues				
Senior Lien Bonds				
Series 2009B	10/27/09	09/01/33	$ 12,530,000	$ 12,530,000
Series 2012A	08/30/12	09/01/22[1]	93,290,000	3,000,000
Series 2015A and 2015B	09/09/15	09/01/40	134,590,000	58,965,000
Series 2016A	05/11/16	09/01/37	74,800,000	72,950,000
Series 2017A	02/22/17	09/01/41	97,430,000	87,750,000
Series 2018A	06/20/18	09/01/48	148,245,000	143,515,000
Series 2019A and 2019B	10/09/19	09/01/49	237,815,000	236,380,000
Subordinate Lien Bonds				
2019 Subordinate Revolving Line	05/24/19	05/24/22	60,000,000[2]	0
Total Bonds Secured by Specified Tax Revenues			**$ 858,700,000**	**$ 615,090,000**
Bonds Not Secured by Specified Tax Revenues				
Capital Grant Receipt Revenue Bonds, Series 2011A	06/30/11	10/01/21[1]	$ 142,380,000	$ 11,390,000
Capital Grant Receipt Revenue Bonds, Series 2017A	08/30/17	10/01/27	76,015,000	76,015,000
Capital Grant Receipt Revenue Bonds, Series 2018A	02/06/18	10/01/34	113,900,000	113,505,000
Total Bonds Not Secured by Specified Tax Revenues			**$ 332,295,000**	**$ 200,910,000**
Total Debt			**$ 1,190,995,000**	**$ 816,000,000**

(1) Reflects latest of the undefeased maturities.
(2) Maximum aggregate principal amount of the 2019 Subordinate Revolving Line.
Source: TriMet.

Future Debt Plans

If Specified Tax Revenues increase sufficiently such that the issuance of additional Senior Lien Bonds will not violate the annual debt service limitations in TriMet's existing debt policy, TriMet may issue an additional $200 million of Senior Lien Bonds between FY 2022 and FY 2027 to fund the CIP. See APPENDIX A—"TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON—Capital Improvements."

TriMet may issue additional bonds, which could include Senior Lien Bonds and grant anticipation bonds, to finance its regional projects that are under development and are dependent on additional levels of approval.

TriMet may also issue refunding bonds from time to time to achieve debt service savings.

DEBT SERVICE REQUIREMENTS

The debt service requirements on the Outstanding Senior Lien Bonds and the Series 2021 Bonds are summarized in the following Table 9.

TABLE 9
DEBT SERVICE REQUIREMENTS SECURED BY SPECIFIED TAX REVENUES(1)(2)

		Series 2021A Bonds		Series 2021B Bonds		
Fiscal Year	Outstanding Senior Lien Bonds(3)	Principal	Interest	Principal	Interest	Total Senior Lien Debt Service
2022	$38,553,514					
2023	38,557,512					
2024	38,554,775					
2025	38,557,097					
2026	38,556,438					
2027	38,551,966					
2028	38,558,855					
2029	38,557,211					
2030	38,555,447					
2031	38,559,513					
2032	38,552,076					
2033	38,552,746					
2034	38,557,097					
2035	38,556,827					
2036	38,552,153					
2037	38,554,665					
2038	38,555,771					
2039	38,548,763					
2040	38,550,224					
2041	38,547,291					
2042	28,015,425					
2043	28,016,350					
2044	28,014,175					
2045	28,012,150					
2046	28,010,625					
2047	28,015,275					
2048	28,019,650					
2049	28,017,450					
2050	16,478,525					
2051	0					
Total	$1,011,689,566					

(1) Preliminary, subject to change. Does not reflect principal or interest payments due under the 2019 Subordinate Revolving Line, which as of the date of the Official Statement, has a balance of zero. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR LIEN BONDS—Subordinate Debt" for a discussion of the 2019 Subordinate Revolving Line.
(2) Interest payments are rounded up to the nearest dollar. Totals may not add due to rounding.
(3) A portion of the Outstanding Senior Lien Bonds will be refunded by the Series 2021B Bonds. See "PLAN OF FINANCING—Plan of Refunding" herein.

Source: TriMet.

CERTAIN INVESTMENT CONSIDERATIONS

Economy of Tri-County Area

The Series 2021 Bonds are secured by a pledge of the Specified Tax Revenues, which include payroll taxes and self-employment taxes assessed by TriMet. The level of payroll taxes and self-employment taxes collected at any time is dependent upon the level of employment and wages paid. As a result, any substantial deterioration in the level of employment within the Tri-County Area could have a material adverse impact upon the level of payroll taxes and self-employment taxes received by TriMet and therefore upon the ability of TriMet to pay principal of and interest on the Series 2021 Bonds. For information regarding demographic and employment information within the Tri-County Area, see APPENDIX G—"DEMOGRAPHIC INFORMATION."

Effect of the COVID-19 Pandemic

The COVID-19 pandemic has had and may continue to have material adverse effects on ridership and TriMet operations and financial performance. There can be no assurances that the spread of COVID-19 or other highly contagious or epidemic disease will not materially affect TriMet or its ridership or have a material adverse impact upon the collection of Specified Tax Revenues. TriMet cannot predict the potential effect of such events on the financial condition of TriMet or on TriMet's ability to pay the principal of and interest on the Series 2021 Bonds. See "RECENT ECONOMIC AND HEALTH DEVELOPMENTS" herein.

Natural Disasters and Climate Change

Natural disasters (such as earthquakes, wildfires, volcanic eruptions, mudslides, heat waves, heavy rain events, floods, droughts, windstorms and other events) have occurred in the Tri-County Area and future natural disasters are possible. Moreover, global climate could increase the magnitude or frequency of such events. Other disasters in the Tri-County Area could be caused by any number of factors including human error or terrorism. Any disaster could adversely affect the economy of the Tri-County Area and have a material adverse impact on TriMet's operations and Specified Tax Revenues collected. TriMet cannot predict the potential effect of such events on the financial condition of TriMet or on TriMet's ability to pay the principal of and interest on the Series 2021 Bonds.

Seismic Events. The State of Oregon is located in an area of seismic activity along the Pacific coast. The scientific consensus is that the State of Oregon and the Pacific Northwest region is subject to periodic great earthquakes along the Cascadia Subduction Zone, a large fault that runs offshore from Northern California to British Columbia. Geologists are predicting the Pacific Northwest is due for a major earthquake (magnitude 8.7 to 9.1). Such an earthquake would cause widespread damage to structures and infrastructure in western Oregon and the Tri-County Area, and total damage in coastal areas inundated by a possible accompanying tsunami.

Wildfires. The State of Oregon, including the Tri-County Area, has experienced significant wildfire events during the past several years. The increase of warmer and drier weather conditions indicates that wildfire events are likely to continue into the future. Wildfire events threaten the health, economy and environment of the Tri-County Area by causing unhealthy levels of air quality that can cause respiratory problems for some people; threatening, damaging or destroying infrastructure, homes, property and agriculture, including TriMet equipment and infrastructure; destroying forestland resources; and damaging or destroying habitat for wildlife. The most recent significant wildfire event in the Tri-County Area occurred in September 2020, when several wildfires were initiated during a severe wind storm in hot and dry conditions over Labor Day weekend, and resulted in evacuations of portions of and destruction of property within the Tri-County Area. The 2020 wildfires did not result in any TriMet property loss; however, the air quality during the wildfires did require the use of additional fans and air purifiers at the eastside maintenance facilities.

Heat Waves. Recently, the Tri-County Area has experienced extreme heat events. TriMet's light rail system is designed to operate in conditions up to 110 degrees Fahrenheit and its WES commuter rail line is designed to operate in conditions up to 105 degrees Fahrenheit. In June 2021, temperatures in the Tri-County Area approached or exceeded 110 degrees Fahrenheit. As a result, TriMet suspended operations of the MAX system and WES rail line for approximately 24 hours between June 27, 2021 and June 29, 2021. During this period, TriMet provided significant bus bridging services to mitigate the impact of such suspension of operations to its riders. TriMet may be required to suspend operations again in the future should temperatures in the Tri-County Area exceed operating limits. TriMet has undertaken a resiliency study that will incorporate potential modifications to the light rail system to improve the system's ability to withstand higher than 110 degree temperatures.

Social Unrest in Portland

Beginning in May 2020 and for much of the next year, social justice demonstrations were frequently held throughout the City of Portland (the "City"). In some cases, peaceful demonstrations were accompanied by incidents of looting, vandalism and arson that resulted in damage to and loss of public and private property, including damage to TriMet property. While it is possible that these events had an impact on the region and, by extension, TriMet, TriMet is not currently able to quantify what, if any, impacts these events have had on the economy or TriMet's finances. While TriMet may have experienced periodic declines in ridership due to these events, these declines and any related loss in revenue have not had a material impact on TriMet's finances. Additionally, TriMet cannot predict whether frequent demonstrations, related to social justice causes or otherwise, will resume in the City.

Cybersecurity

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to TriMet's systems technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To reduce and mitigate the risk of business operations impact and/or damage from cybersecurity incidents, TriMet has invested in multiple forms of cybersecurity and operational safeguards, and regularly reviews and revises its policies and practices in order to support, maintain, and secure critical infrastructure and data systems, manage risk, and improve cybersecurity event detection and remediation. TriMet's Information Technology Department has established a cybersecurity team to work across all TriMet departments to implement a cyber-policy, which is reviewed on an annual basis.

TriMet has also appointed a Manager of Information Security, who is responsible for identifying, evaluating, responding, and reporting on information security risks in a manner that meets compliance and regulatory requirements, and aligns with and supports the cybersecurity risk posture of TriMet.

While TriMet cybersecurity and operational safeguards are periodically tested, no assurances can be given by TriMet that such measures will ensure against all potential cybersecurity threats and attacks, and accompanying disruptions and costs. In order to offset some of the potential financial costs and risks associated with a breach, TriMet also maintains a Cyber-Liability insurance policy.

Bankruptcy Currently Not Authorized

TriMet is currently not authorized under Oregon state law to file Chapter 9 municipal bankruptcy. Although TriMet is not aware of any active discussion by Oregon lawmakers regarding this issue, the

Oregon Legislative Assembly could authorize TriMet to file for Chapter 9 municipal bankruptcy in the future.

Federal Funding

TriMet relies on federal grants, among other sources, for certain capital projects. Congress establishes the legal authority for federal funding of transit programs through authorizing legislation. Each year Congress needs to pass legislation, which when signed by the President, appropriates funds for agencies such as the Federal Transit Administration and the Department of Transportation, which distribute federal funding. On December 4, 2015, Congress enacted the Fixing America's Surface Transportation Act (the "FAST Act") that authorized approximately $305 billion in federal highway, highway safety, transit and passenger rail programs from federal fiscal year 2016 to 2020. In September 2020, the President signed a one-year extension as part of the Continuing Appropriations Act, 2021, to maintain current funding levels through September 30, 2021. It is expected that the FAST Act will be reauthorized or extended in connection with infrastructure legislation and the budget reconciliation process currently being considered by Congress. However, TriMet cannot predict when the FAST Act will be reauthorized or extended.

In addition, as part of COVID relief, TriMet received funding through the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and the American Rescue Plan Act of 2021. See "RECENT ECONOMIC AND HEALTH DEVELOPMENTS" herein.

TriMet cannot predict whether additional long-term funding will be approved in the future and of what that approval will consist.

Loss of Tax Exemption

As discussed under "TAX MATTERS—Series 2021A Bonds—Federally Tax-Exempt," interest on the Series 2021A Bonds could become includable in federal gross income, possibly from the date of issuance of the Series 2021A Bonds, as a result of acts or omissions of TriMet subsequent to the issuance of the Series 2021A Bonds.

Credit Ratings

Certain rating agencies have assigned ratings to TriMet's Series 2021 Bonds. The ratings issued reflect only the views of such rating agencies. Any explanation of the significance of these ratings should be obtained from the respective rating agencies. TriMet undertakes no responsibility to maintain its current credit ratings on the Series 2021 Bonds or to oppose any downward revision, suspension or withdrawal. See "RATINGS" herein. There is no assurance current TriMet ratings will continue for any given period or that such ratings will not be revised downward or withdrawn entirely by the rating agencies if, in the respective judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings could be expected to have an adverse effect on the market price of the Series 2021 Bonds.

Secondary Market

There can be no guarantee that there will be a secondary market for the Series 2021 Bonds or, if a secondary market exists, that the Series 2021 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse developments or economic prospects connected with a particular issue, secondary trading practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Initiative and Referendum

The State Constitution reserves to the (1) people of the State the initiative power to amend the State constitution or to enact State legislation by placing measures on the statewide general election ballot for consideration by the voters and the referendum power to approve or reject at an election certain acts passed by the Legislative Assembly, and (2) voters in the TriMet District the initiative and referendum power as to legislation of TriMet. From time to time, initiatives and referenda affecting the collection of Specified Tax Revenues or the operations of TriMet could be adopted. See APPENDIX A—"TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON—Initiative and Referendum Process."

Competition Due to Ride Sharing and Other Transportation Options

TriMet, as a transportation provider, competes with other transportation options available in the region. Ride sharing companies like Uber and Lyft that are currently operating in the region may contribute to ridership declines. eScooters are also operating throughout Portland and appear in the suburban parts of the service area. TriMet cannot predict with certainty how ride sharing or other transportation options will develop in the region and whether they will impact ridership or passenger revenues in the future. TriMet is taking a proactive approach by taking steps to position itself as the mobility broker in the region.

LITIGATION

To the knowledge of TriMet, there is no litigation pending or threatened which would in any way (i) restrain or enjoin the issuance, sale or delivery of the Series 2021 Bonds or (ii) question the validity of the Series 2021 Bonds or the authority of TriMet to make principal and interest payments or to collect Specified Tax Revenues to Series 2021 Bonds.

TriMet 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 TriMet's management and legal counsel that settlement of these matters will not have a material adverse effect on TriMet's financial position, results of operations or cash flows.

TAX MATTERS

Series 2021A Bonds – Federally Tax-Exempt Bonds

Opinion of Bond Counsel. In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to TriMet, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 2021A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by TriMet in connection with the Series 2021A Bonds, and Bond Counsel has assumed compliance by TriMet with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2021A Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to TriMet, under existing statutes, interest on the Series 2021A Bonds is exempt from State of Oregon personal income tax.

Bond Counsel expresses no opinion as to any other federal, state, or local tax consequences arising with respect to the Series 2021A Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or in interpretations thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action thereafter taken or not taken in reliance upon an opinion of other counsel, regarding federal, state or local tax matters, including, without limitation exclusion from gross income for federal income tax purposes of interest on the Series 2021A Bonds.

Certain Ongoing Federal Tax Requirements and Covenants. The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2021A Bonds in order that interest on the Series 2021A Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2021A Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2021A Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. TriMet has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2021A Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences. The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2021A Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a 2021A Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2021A Bonds.

Prospective owners of the Series 2021A Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Series 2021A Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount. "Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Series 2021A Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Series 2021A Bonds. In general, the issue price for each maturity of Series 2021A Bonds is expected to be the initial public offering price set forth on the inside cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Series

2021A Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series 2021A Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Series 2021A Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium. In general, if an owner acquires a Series 2021A Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Series 2021A Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Series 2021A Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the Series 2021A Bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2021A Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2021A Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2021A Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2021A Bonds under federal or state law or otherwise prevent beneficial owners of the Series 2021A Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series 2021A Bonds.

Prospective purchasers of the Series 2021A Bonds should consult their own tax advisors regarding the foregoing matters.

Series 2021B Bonds – Federally Taxable Bonds

U.S. Holders

In the opinion of Bond Counsel to TriMet, interest on the Series 2021B Bonds (i) is included in gross income for federal income tax purposes pursuant to the Code, and (ii) is exempt, under existing statutes, from personal income taxes imposed by the State of Oregon.

The following discussion is a brief summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of Series 2021B Bonds by original purchasers of the Series 2021B Bonds who are "U.S. Holders", as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Series 2021B Bonds will be held as "capital assets"; and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Series 2021B Bonds as a position in a "hedge" or "straddle", U.S. Holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, U.S. Holders who acquire Series 2021B Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Certain taxpayers that are required to prepare certified financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Series 2021B Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

U.S. Holders of Series 2021B Bonds should consult with their own tax advisors concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Series 2021B Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Original Issue Discount. In general, if Original Issue Discount ("OID") is greater than a statutorily defined *de minimis* amount, a U.S. Holder of a Series 2021B Bond having a maturity of more than one year from its date of issue must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such U.S. Holder holds such Series 2021B Bond) the daily portion of OID, as it accrues (generally on a constant-yield method) and regardless of the U.S. Holder's method of accounting. "OID" is the excess of (i) the "stated redemption price at maturity" over (ii) the "issue price". For purposes of the foregoing: "issue price" means the first price at which a substantial amount of the Series 2021B Bond is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers); "stated redemption price at maturity" means the sum of all payments, other than "qualified stated interest", provided by such Series 2021B Bond; "qualified stated interest" is stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate; and "*de minimis* amount" is an amount equal to 0.25 percent of the Series 2021B Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity. A U.S. Holder may irrevocably elect to include in gross income all interest that accrues on a Series 2021B Bond using the constant-yield method, subject to certain modifications.

Bond Premium. In general, if a Series 2021B Bond is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the Series 2021B Bond other than "qualified stated interest" (a "Taxable Premium Bond"), that Taxable Premium Bond will be subject to Section 171 of the Code, relating to bond premium. In general, if the U.S. Holder of a Taxable Premium Bond elects to amortize the premium as "amortizable bond premium" over the remaining term of the Taxable Premium Bond, determined based on constant-yield principles (in certain cases involving a Taxable Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to the U.S. Holder's basis in the Taxable Premium Bond. Any such election is generally irrevocable and applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the U.S. Holder of a Taxable Premium Bond may realize a taxable gain upon disposition of the Taxable Premium Bond even though it is sold or redeemed for an amount less than or equal to the U.S. Holder's original acquisition cost.

Disposition and Defeasance. Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Series 2021B Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder's adjusted tax basis in the Series 2021B Bond.

Pursuant to the Indenture, TriMet may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Series 2021B Bond to be deemed to be no longer outstanding (a "defeasance"). For federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Series 2021B Bonds subsequent to any such defeasance could also be affected.

Information Reporting and Backup Withholding. In general, information reporting requirements will apply to non-corporate U.S. Holders of the Series 2021B Bonds with respect to payments of principal, payments of interest, and the accrual of OID on a Series 2021B Bond and the proceeds of the sale of a Series 2021B Bond before maturity within the United States. Backup withholding may apply to U.S. Holders of Series 2021B Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders. The term "U.S. Holder" means a beneficial owner of a Series 2021B Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, or court decisions, at the state level, may adversely affect the tax-exempt status of interest on the Series 2021B Bonds under Oregon state law and could affect the market price or marketability of the Series 2021B Bonds.

Prospective purchasers of the Series 2021B Bonds should consult their own tax advisors regarding the foregoing matters.

Non-U.S. Holders

In General. Non-U.S. Holders of 2021B Bonds will have United States federal income tax consequences in connection with such investments. This summary does not address all aspects of federal income taxation as they apply to all potential Non-U.S. Holders of Series 2021B Bonds, including, but not limited to, estates, pass-through entities, "controlled foreign corporations," and "passive foreign investment companies." Accordingly, all Non-U.S. Holders of Series 2021B Bonds should consult with and rely upon their own tax advisors concerning any tax liabilities arising from the ownership of the Series 2021B Bonds.

"Non-U.S. Holders" are holders who are not U.S. Holders.

Interest Income. Income, including interest and OID on the Series 2021B Bonds, received by a Non-U.S. Holder is either:

(1) "effectively connected" to the conduct of a trade or business by the Non-U.S. Holder in the United States, and consequently subject to the same tax treatment as would apply to a U.S. Holder, as described above (in addition to, if applicable, the branch profits tax); or

(2) not "effectively connected" to the conduct of a trade or business by a Non-U.S. Holder in the United States, and consequently taxed at a flat 30 percent rate, unless a tax treaty between the United States and the government of which the Non-U.S. Holder is a resident applies a lower tax rate or eliminates the tax.

TriMet or the Trustee, as its paying agent, is required to withhold any such tax in respect of any Non-U.S. Holder unless such Non-U.S. Holder has provided a properly executed IRS Form W-8BEN for individuals, IRS Form W-8BEN-E for "entities," or IRS Form W-8ECI in connection with income of Non-U.S. Holders that has been determined to be "effectively connected" to the conduct of a trade or business in the United States of such Non-U.S. Holder, or any successor forms. Alternative methods may be available for satisfying these certification requirements.

Disposition and Defeasance. A Non-U.S. Holder will generally not be subject to a United States federal income tax or withholding tax on gain (exclusive of amounts attributable to accrued but unpaid interest and OID addressed above), recognized on a sale, exchange, redemption or other disposition, including a disposition resulting from a defeasance described above with respect to certain tax consequences applicable to U.S. Holders of a Series 2021B Bond that is a capital asset to the holder. Such gain will, however, be subject to United States federal income tax if:

(1) the gain is "effectively connected" to the conduct of a trade or business conducted by the Non-U.S. Holder in the United States, and consequently subject to the same tax treatment as would apply to a U.S. Holder (in addition to, if applicable, the branch profits tax); or

(2) the Non-U.S. Holder is a nonresident alien individual who was present in the United States for 183 days or more in the taxable year of disposition, and certain other conditions are met under applicable provisions of the Code, the gain to the holder will be subject to the 30 percent tax unless a tax treaty between the United States and the government of which the Non-U.S. Holder is a resident applies a lower tax rate or eliminates the tax.

TriMet or the Trustee, as its paying agent, is required to withhold any such tax unless the Non-U.S. Holder has provided the appropriate documentation upon which TriMet or its paying agent, if any, may rely, as described in the immediately preceding section.

Foreign Account Tax Compliance Act (“FATCA”). United States sourced payments, including interest, OID and gross proceeds received from the sale or other disposition (including defeasance, as described above), in respect of a Series 2021B Bond, paid to a “foreign financial institution” (an “FFI”) or a “non-financial foreign entity” (an “NFFE”), each as defined by applicable provisions of the Code, in respect of any U.S. Holder, is subject to a 30 percent withholding tax, unless:

(1) the payment is otherwise considered “effectively connected” to a trade or business conducted by the FFI or NFFE in the United States;

(2) the FFI enters into an agreement with the IRS in respect of any account holders that are U.S. Holders, and complies with the identification and reporting requirements of such agreement; or

(3) the FFI or NFFE is otherwise exempt from the application of the FATCA rules, including, an NFFE, if the entity has no “substantial United States owner(s).”

Proposed United States Treasury Regulations eliminate the application of the FATCA rules entirely in respect of gross proceeds received from the sale or other disposition of a Series 2021B Bond. While such proposed United States Treasury Regulations are not final, the preamble thereto provides that taxpayers may generally rely on such proposed regulations pending the issuance of final regulations.

All Series 2021B Bondholders - Summary for General Information Only

The foregoing summaries are included herein for general information purposes only and do not address all aspects of United States federal income taxation that may be relevant to a particular beneficial owner of Series 2021B Bonds in light of such owner’s particular circumstances and income tax situation. Prospective investors should consult with and rely upon their own tax advisors as to any tax consequences arising from the purchase, ownership and disposition of Series 2021B Bonds, including the application and effect of federal, state, local, foreign and other tax laws.

UNDERWRITING

The Series 2021 Bonds are being purchased for reoffering by J.P. Morgan Securities LLC, Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC, Siebert Williams Shank & Co., LLC, and UBS Financial Services Inc. (collectively, the “Underwriters”). The Bond Purchase Contract provides that the Underwriters will purchase all of the Series 2021 Bonds, if any are purchased. The purchase price of the Series 2021A Bonds is $____________, which is equal to the principal amount of the Series 2021A Bonds ($____________), plus original issue premium of $____________and less an Underwriters’ discount of $____________. The purchase price of the Series 2021B Bonds is $____________, which is equal to the principal amount of the Series 2021B Bonds ($____________), and less an Underwriters’ discount of $____________.

The obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Contract, the approval of certain legal matters by counsel and certain other conditions. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2021 Bonds to the public. The Underwriters may offer and sell the Series 2021 Bonds to certain dealers (including dealers depositing the Series 2021 Bonds to investment trusts) and others at prices lower than the public offering prices stated on the inside front cover page hereof. The Underwriters may change the public offering prices from time to time.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against TriMet and its affiliates in connection with such activities. In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of TriMet (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with TriMet. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

J.P. Morgan Securities LLC (“JPMS”), an underwriter of the Series 2021 Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2021 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2021 Bonds that such firm sells.

Citigroup Global Markets Inc., an underwriter of the Series 2021 Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, “Fidelity”). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

Morgan Stanley & Co. LLC, an underwriter of the Series 2021 Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2021 Bonds.

UBS Financial Services Inc. (“UBS FSI”), an underwriter of the Series 2021 Bonds, has entered into a distribution and service agreement with its affiliate UBS Securities LLC (“UBS Securities”) for the distribution of certain municipal securities offerings. Pursuant to such agreement, UBS FSI will share a portion of its underwriting compensation with UBS Securities. UBS FSI and UBS Securities are each subsidiaries of UBS Group AG.

portion of its underwriting compensation with UBS Securities. UBS FSI and UBS Securities are each subsidiaries of UBS Group AG.

RATINGS

The Series 2021 Bonds have received ratings of "Aaa," "AAA," and "AAA" by Moody's Investors Service, S&P Global Ratings and Kroll Bond Rating Agency, respectively. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York, 10007; S&P Global Ratings, 55 Water Street, New York, New York, 10004; and Kroll Bond Rating Agency, 845 Third Avenue, New York, New York, 10022. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency concerned, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of any such ratings may have an adverse effect on the market price of the Series 2021 Bonds.

THE TRUSTEE, PAYING AGENT AND REGISTRAR

The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, serves as Trustee pursuant to the Indenture. The obligations of the Trustee are described in the Indenture. The Trustee has undertaken only those duties and obligations that are expressly set forth in the Indenture. The Trustee has not independently passed upon the validity of the Series 2021 Bonds, the security of the payment therefore, the value or condition of any assets pledged to the payment thereof, the adequacy of the provisions for such payment, the status for federal or state income tax purposes of the interest on the Series 2021 Bonds, or the investment quality of the Series 2021 Bonds. Except for the contents in this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and has assumed no responsibility for the nature, content, accuracy or completeness of the information included in this Official Statement. The Trustee will also act as the paying agent and registrar for the Series 2021 Bonds.

MUNICIPAL ADVISOR

TriMet has retained Ross Financial, San Francisco, California as Municipal Advisor in connection with the authorization and issuance of the Series 2021 Bonds. The Municipal Advisor's fee is contingent on closing of the Series 2021 Bonds.

LEGALITY

Hawkins Delafield & Wood LLP, Portland, Oregon, Bond Counsel to TriMet, will render an opinion with respect to the validity and enforceability of the Series 2021 Bonds and the Indenture. Hawkins Delafield & Wood LLP from time to time represents the Underwriters on unrelated transactions. The form of the opinion of Bond Counsel appears as Appendix C to this Official Statement. Certain legal matters will be passed upon for TriMet by Shelley Devine, General Counsel to TriMet, and for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, Portland, Oregon. Orrick, Herrington & Sutcliffe, LLP from time to time represents TriMet in certain other bond matters.

CONTINUING DISCLOSURE

TriMet has covenanted for the benefit of the holders and beneficial owners of the Series 2021 Bonds to provide certain financial information and operating data (the "Annual Disclosure Report") by not later than nine months following the end of TriMet's FY and to provide notices of the occurrence of certain listed events. The Annual Disclosure Report and the notices of certain listed events are to be filed by TriMet with the Municipal Securities Rulemaking Board (the "MSRB"). The specific nature of the information to be contained in the Annual Disclosure Report and in notices of events is to be listed in an agreement (the "Continuing Disclosure Certificate") to be executed and delivered by TriMet as a condition to the issuance of the Series 2021 Bonds. The form of the Continuing Disclosure Certificate is included in this Official Statement as Appendix D. These covenants are being made by TriMet to assist the Underwriters in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5), as amended (17 CFR Part 240, § 240.15c2-12) (the "Rule").

TriMet did not timely file certain annual financial information for FY 2017. That information was filed with the MSRB on April 12, 2018 but was not accompanied by a timely failure to file notice. Other than as noted in this paragraph, TriMet believes that in the previous five years it has not failed to comply, in all material respects, with any previous continuing disclosure undertakings under the Rule.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between TriMet and the purchasers or holders of any of the Series 2021 Bonds. Any statements made in this Official Statement involving matters of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of TriMet, since the date hereof.

OFFICIAL STATEMENT

At the time of the original delivery of and payment for the Series 2021 Bonds, TriMet will deliver a certificate of its Authorized Representative addressed to the Underwriters to the effect that Authorized Representative has examined this Official Statement and the financial and other data concerning TriMet contained herein and that, to the best of the Authorized Representative's knowledge and belief, (i) this Official Statement, both as of its date and as of the date of delivery of the Series 2021 Bonds, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, provided however, TriMet makes no representation regarding information in this Official Statement related to the Underwriters, the Municipal Advisor, foreign investors, or the book entry system; and (ii) between the date of this Official Statement and the date of the delivery of the Series 2021 Bonds there has been no material adverse change in the affairs (financial or other), financial condition or results of operations of TriMet except as set forth in this Official Statement or an amendment thereto.

CONCLUDING STATEMENT

The execution and delivery of this Official Statement has been duly authorized by TriMet.

TRI-COUNTY METROPOLITAN TRANSPORTATION
DISTRICT OF OREGON

By: ____
Authorized Representative

APPENDIX A

TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON

All capitalized terms used and not defined in this Appendix A shall have the meanings assigned to such terms in the forepart of this Official Statement to which this Appendix A is attached. Unless otherwise specifically noted herein, source data for tables is provided by TriMet.

General

TriMet is a municipal corporation established in 1969 under Oregon law, particularly ORS Chapter 267, to provide public transportation in the Portland, Oregon metropolitan area. TriMet's service area covers approximately 533 square miles within Multnomah, Washington and Clackamas counties. See "Service Area" below.

Board of Directors

TriMet policy is set by a seven member Board of Directors. Board members are unpaid citizen volunteers appointed to four-year terms by the governor of the State and confirmed by the Oregon Senate. Each Board member represents a geographical district. Board members with expired terms serve until another member is appointed and confirmed.

TABLE A-1
TRIMET BOARD OF DIRECTORS

District No.	Director	Date of Original Appointment	Current Term Expiration
1	Thomas Kim	July 1, 2021	June 30, 2025
2	Osvaldo "Ozzie" Gonzalez	June 1, 2018	May 31, 2022
3	Dr. Linda Simmons, President	December 14, 2016	May 31, 2023
4	Lori Irish Bauman, Vice President	May 14, 2015	May 31, 2023
5	Keith Edward	May 25, 2018	May 24, 2022
6	Dr. Laverne Lewis	March 4, 2021	March 4, 2025
7	Kathy Wai	May 25, 2018	May 24, 2022

Source: TriMet.

Key Administrative Staff

Sam Desue Jr., General Manager, was appointed General Manager of TriMet on June 23, 2021. Prior to becoming General Manager, Mr. Desue served as TriMet's Chief Operating Officer. In that position, Mr. Desue was responsible for all operational and maintenance functions and IT, and chaired TriMet's Capital Committee. Mr. Desue joined TriMet after more than 27 years of public and private transportation experience. He served at three different public transportation agencies in executive level positions. At the Kansas City Area Transportation Authority, he served as the interim General Manager and Deputy Chief Executive Officer, providing strategic leadership.

Prior to Kansas City, Sam directed transportation services at both Pierce Transit and Community Transit in Washington. He also oversaw ground transportation at SeaTac International Airport as well as operations at Seattle Monorail. Sam is a proud US veteran and served 10 years in the United States Army.

Shelley Devine, General Counsel, oversees the Legal Department and advises the General Manager and the TriMet Board. Ms. Devine joined TriMet in 2008 as Senior Deputy General Counsel focusing on labor, employment and operations. Ms. Devine became General Counsel in March, 2014. Prior to joining TriMet, Ms. Devine served as legal counsel for two national companies headquartered in Portland. Ms. Devine received a Bachelor's Degree in Journalism from the University of Oregon and a JD from the University of California, Berkeley.

Dee Brookshire, MBA, CGFM, Executive Director, Finance and Administrative Services, oversees TriMet's financial services, administrative services, budgets and grants administration, procurement, contracts administration, supply chain management, revenue operations, and risk management. Ms. Brookshire has more than 30 years' experience in public agency and private sector finance, including seven years as Chief Financial Officer for Sacramento Regional Transit District. Ms. Brookshire received a Bachelor's Degree from California State University, Sacramento, and a Master's of Business Administration from the University of Nevada, Reno. She joined TriMet in 2014.

Nancy Young-Oliver, CPA, CISA, CFE, MBA, Director, Budget and Grants, is responsible for grants administration and budgeting. Ms. Young-Oliver is a Certified Public Accountant and received a Master's of Business Administration degree from Portland State University. She has 23 years' experience in auditing and public accounting. She joined TriMet in 2015.

Cara Fitzpatrick, CPA, CFE, Director, Financial Services, oversees TriMet's Financial Services including accounting, cash management, investments, financial reporting, payroll services, and pension administration. Ms. Fitzpatrick received a Bachelor's Degree in Accounting from the University of Wisconsin, Madison. She joined TriMet in 2017 with more than 17 years' experience in auditing and accounting for and with public agencies, including Multnomah County and the City of Tigard.

Staff and Bargaining Units

As of July 1, 2021, TriMet has budgeted 2,880 union and 606 non-union full time and part time employees. Of these 1,422 are bus drivers and 252 are rail operators. Also employed are 1,001 maintenance personnel, of which 499 are for bus maintenance, 379 are for light rail facilities, trains and equipment, 74 are for other transit facilities and 49 for bus and rail administration and other. The Amalgamated Transit Union (the "ATU") represents TriMet's union employees.

On December 13, 2017, the ATU and TriMet negotiated a labor agreement that was retroactively effective from December 1, 2019 and runs through November 30, 2022. Under Oregon statutes, mass transit districts are subject to a no-strike provision and, while negotiating the current contract, TriMet operated under work rules existing in the contract which expired November 30, 2019. TriMet works under a statute that requires that an arbitrator determine the provisions of a disputed labor contract in the event that the parties are unable to agree.

Service Area

TriMet provides a mass transit system to the more populous parts the Tri-County Area, which include the greater Portland metropolitan area. The portion of the Tri-County Area served by TriMet covers an area of approximately 533 square miles. The Tri-County Area contains a total population of approximately 1.9 million, approximately 44 percent of the population of the State of Oregon. The major cities in the TriMet service area are Portland, Oregon, with a 2020 population of 664,675; Gresham, Oregon, with a 2020 population of 112,660; and Beaverton, Oregon with a 2020 population of 99,225. See the economic and demographic information about the Tri-County Area in APPENDIX G—"DEMOGRAPHIC INFORMATION" and the TriMet service area map in the forepart of this Official Statement.

The three counties which comprise the Tri-County Area, Multnomah, Washington and Clackamas, are amongst the counties with the highest per capita personal income in Oregon. See APPENDIX G—"DEMOGRAPHIC INFORMATION."

Operations

Scope of Operations. As of June 2021, TriMet's services included 84 bus lines, a 59-mile light rail system (known as the Metropolitan Area Express or "MAX") and a 14.7-mile, heavy rail commuter line (known as the Westside Express Service or "WES"). TriMet's 84 bus lines serve 16 major transit centers where buses and trains meet, and include 79 routes that connect with MAX light rail, the Portland Streetcar (which is owned by the City of Portland and described below), or TriMet's WES commuter rail line. TriMet's bus and MAX services are concentrated in downtown Portland along the Portland Transit Mall.

TriMet's passenger facilities include 1,080 bus shelters; 680 buses; 6,485 bus stops; 32 park-and-ride lots, with approximately 11,572 parking spaces; and 253 paratransit buses and 15 vans that provide door-to-door service as part of TriMet's current paratransit service ("LIFT") for passengers with disabilities unable to ride TriMet buses or MAX. TriMet's facilities also include approximately 1,800 bike parking spaces, including six bike-and-ride facilities with secure parking for 380 bicycles, as well as 500 bike lockers and 900 bike rack spaces system-wide.

TriMet's MAX light rail system, a 59-mile system with five lines, includes 145 vehicles and 94 stations. The City of Portland owns and operates the Portland Streetcar system, which provides service in downtown Portland and inner northwest, southwest and east side Portland neighborhoods. The infrastructure of the Portland Streetcar is owned and financed by the City of Portland. TriMet does not pay for costs of capital construction related to the Portland Streetcar, however, through separate Master and Operating Agreements with the City of Portland, TriMet personnel provide assistance with the operation and maintenance of the Portland Streetcar. TriMet contributes approximately 60 percent of the operating costs, net of revenue, for the Portland Streetcar.

TriMet's Accessible Transportation Program or LIFT service is a shared-ride door-to-door public transportation service for people who are unable to use buses or MAX due to a disability. The LIFT service boundary is three-fourths of a mile beyond TriMet's bus and MAX lines. LIFT service operates during the same hours as bus and MAX services, generally 4:30 a.m. to 2:30 a.m., seven days a week.

The WES commuter rail line uses existing freight rail tracks to serve the cities of Beaverton, Tigard, Tualatin and Wilsonville along the I-5/Highway 217 corridor in the western part of TriMet's service area. WES trains are operated for TriMet by Portland & Western Railroad, Inc., (the "Railroad") a regional freight railroad company owned by Genesee & Wyoming Inc., on tracks owned by the Railroad. WES trains run approximately every 30 minutes, Monday through Friday, during the morning and afternoon rush hours.

The weighted average age of the fixed-route bus fleet is 7 years and the weighted average age of TriMet's light rail vehicles is 18 years. In FY 2021, TriMet operated 26.2 million fixed-route bus miles, 9.3 million light rail car miles, 0.2 million commuter rail miles and 7.9 million paratransit vehicle miles. TriMet's entire system is wheelchair accessible.

Ridership. Table A-2, below, shows ridership information during the period FY 2012 through FY 2021. As reflected in the table, ridership declines and increases periodically. TriMet attributes these changes to a number of factors including service cuts, restoration of service, elimination of the free rail zone, and economic conditions in the region.

As shown in the following table, ridership has declined over the past few years. Declines that predate the COVID-19 are attributable to a number of factors, including demographic shifts, fuel prices, ride sharing companies (e.g. Uber, Lyft) and telecommuting. More recently, since the onset of the COVID-19 pandemic, ridership has declined primarily due to social distancing guidelines and stay-at-home orders, and related declines in travel and increases in remote work. See "RECENT ECONOMIC AND HEALTH DEVELOPMENTS" herein.

TABLE A-2
TRIMET RIDERSHIP: FISCAL YEARS ENDED 2012-2021
(000s)

	Fixed Route Bus, Rail & WES		**Paratransit**		**System**	
FY	Annual	Average Weekday	Annual	Average Weekday	Annual	Average Weekday
2012	102,238	325	1,063	3.6	103,301	329
2013	99,247	316	1,038	3.6	100,285	320
2014	98,775	315	1,037	3.6	99,812	319
2015	100,711	321	1,042	3.6	101,753	325
2016	100,479	319	1,065	3.7	101,544	323
2017	97,969	312	1,018	3.5	98,986	315
2018	96,059	306	1,009	3.5	97,068	310
2019	95,693	305	962	3.3	96,655	309
2020	77,782	246	723	2.5	78,505	249
2021	39,857	122	268	0.9	40,125	123

Source: TriMet.

Revenue Sources

In FY 2021, total operating and non-operating revenue were derived from the following sources: approximately 59 percent from Specified Tax Revenues, 17 percent from passenger fares, 16 percent from state and federal operating grants and 5 percent from other sources such as advertising, payments for contracted operations, and interest earnings. See APPENDIX B—"AUDITED FINANCIAL STATEMENTS FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020."

TriMet has the authority to raise certain kinds of additional revenues without State legislation, but TriMet's actions may be referable. See "Initiative and Referendum Process—Local Measures" below.

The Oregon Legislature passed House Bill 2017 (HB2017) Keep Oregon Moving, also referred to as Statewide Transportation Improvement Fund (STIF), to address many different transportation issues across the State, established a statewide employee payroll tax that dedicates funds for public transportation. TriMet received its first allocation of grant funds in May 2019 totaling $25.8 million and has since received regular quarterly allocations. TriMet is budgeted to receive $57.4 million in HB2017/STIF funding in FY 2022.

Capital Improvements

Capital Program Committee. TriMet's capital planning process was redesigned in FY 2015 with the establishment of the Capital Program Committee (the "CPC") whose primary function is to assist the General Manager in the development and management of the Capital Improvement Program (the "CIP").

The CPC is comprised of TriMet's ten executive team members plus the Chief Information Officer and, under the General Manager's authority, is responsible for managing and administering TriMet's CIP. The CPC meets monthly and is co-chaired by the Directors of the Finance and the Engineering & Construction divisions.

The CPC reviews, evaluates and recommends projects and upon approval and addition to the CIP, monitors the progress of the overall program of projects both within their respective divisions and as a group, the progress of the TriMet-wide CIP. If projects are stalled or delayed, funding may be shifted to other projects to keep as many going forward to completion as possible throughout the year.

Capital Improvement Program. The current five-year CIP contains approximately 75 projects with an estimated total cost of $870 million. Significant near term projects over $25 million during that 5-year span include: the Division Bus Rapid Transit, design and purchase of new light rail vehicles; planning for the expansion of the MAX Red Line to Fairplex, renovation of the Powell Garage (including the development of the electric bus charging infrastructure at that location), Columbia Bus Base renovation and development, and Enhancements to the MAX Orange Line. Several of the projects listed assume additional external funding from local and federal sources that are not yet approved.

The CIP classifies projects within nine categories including system expansion programs; transit security and safety programs; infrastructure programs; facilities programs; fleet programs; equipment programs; information technology programs; planning/studies programs; or other programs.

Cost estimates are provided over a five-year time horizon within which the first year of the five-year plan is the adopted Capital Budget for the current FY. The CPC is in the process of expanding the time horizon of the CIP to provide thirty-five year projections on known replacement programs such as vehicle replacements and infrastructure rehabilitation.

Table A-3, below, provides a summary of TriMet's five-year CIP.

TABLE A-3
TRIMET CAPITAL IMPROVEMENT PLAN (CIP SUMMARY)

PROJECTS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	5 Year Total
System Expansion	$140,799,163	$134,327,742	$33,482,456	$197,335	$0	$308,806,696
Facilities	78,750,776	23,234,491	45,063,762	70,336,777	10,313,160	227,698,966
Fleet(1)	90,159,003	35,585,880	8,519,042	10,735,099	1,337,964	146,336,987
Infrastructure	24,206,432	17,591,831	15,333,960	14,685,475	14,352,032	86,169,730
Information Technology	19,562,503	22,369,748	11,599,444	5,746,503	3,394,980	62,673,178
Equipment	5,523,810	5,650,801	3,674,895	3,550,112	3,816,655	22,216,272
Transit Safety & Security(2)	7,006,129	2,209,326	2,928,124	39,930	43,923	12,227,432
Other	1,896,884	1,743,440	125,000	125,000	128,125	4,018,449
Total	$367,904,699	$242,713,257	$120,726,682	$105,416,231	$33,386,839	$870,147,708

(1) Bus purchases are only forecasted through FY 2023 at this time. Additional expenditure for future years is expected to be clarified with the FY 2023 CIP process.

(2) The most significant Safety & Security projects are only forecasted through FY 2022 at this time. Additional expenditure for future years is expected to be clarified with the FY 2023 CIP process.

Source: TriMet.

TriMet's capital budget for FY 2022 includes but is not limited to the following major expenditures:

Division Transit Project	$91.9 million
LRV Fleet Replacement & Expansion	71.2
MAX Red Line Extension	44.3
Powell Master Plan	43.7
Diesel & Electric Bus Purchases & Rebuilds	16.8
Columbia Bus Base	11.2
Enhanced Transit Concepts	8.9
Electric Vehicle Charging Infrastructure	8.7
Ruby Junction Expansion	6.4
NextGen Transit Signal Priority	5.2
Portland-Milwaukie Light Rail	4.2
Hollywood Transit Center TOD	3.9
Light Rail Shop Equipment	3.7
Track Rehab Program	3.5
Garage, Layover, and Transit Center Expansion	3.0
eFare	2.8
Radio Microwave Communications Systems	2.7
Mobile Router Replacement	2.6
Total:	$334.7 million

Debt Management

It is the policy of TriMet to adhere to sound debt issuance practices, including a commitment to long-term capital and financial planning, full and timely repayment of all borrowings; to achieve the lowest practical cost of borrowing commensurate with prudent level of risk; and to maintain access to capital markets through preserving and enhancing the quality of TriMet's borrowings.

TriMet has not defaulted on any bonds and has not used bond proceeds to pay operating costs. TriMet's Board adopted Resolution 18-01-02 approving the most recent version of the Debt Management Policy on January 24, 2018, which was revised in October 2019 in Resolution 19-10-80 to increase the Senior Lien debt ceiling from 6% to 7.5% to allow debt capacity to cover capital needs through FY 2025 and make other minor changes. The policy includes the following guidelines:

- TriMet may issue long-term or short-term debt. When debt is issued to finance capital acquisitions, the term of debt should not exceed the estimated useful life of the asset being financed up to a maximum term of 35 years.

- Annual debt service on Senior Lien Payroll Tax and Full Faith and Credit Bonds are limited as a percentage of projected continuing revenues. TriMet's policy is to limit annual debt service on its Senior Lien Payroll Tax Bonds, Lease payments and Full Faith and Credit Bonds to below 7.5 percent of its projected annual continuing revenues.

- The method of sale will be determined in consultation with TriMet's independent municipal advisor, with the objective of providing TriMet with the lowest overall cost of financing and most efficient market access.

TriMet's Debt Management Policy is subject to change at any time by Board action. .

Audits

The Oregon Municipal Audit Law (ORS 297.405 to 297.555, as amended) requires an audit and examination to be made of the accounts and financial affairs of every municipal corporation at least annually. Unless the municipality elects to have the audit performed by the State Division of Audits, the audit must be performed by accountants whose names are included on the roster prepared by the State Board of Accountancy.

TriMet's audits for the FYs ended June 30, 2021 and 2020 were performed by Moss Adams LLP, Portland, Oregon (the "Auditor"). A copy of the financial statements and supplementary information for June 30, 2021 and 2020, with the Auditor's report therein, is included in Appendix B. The Auditor was not engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor has not performed any procedures relating to this Official Statement. TriMet did not request the Auditor to consent to inclusion of its reports for FYs ended June 30, 2021 and 2020 in this Official Statement.

Statewide Transportation Improvement Fund (STIF) – Agreed Upon Procedures Audit

With the implementation of HB2017/STIF TriMet is required to be audited on the use of the funds it receives from that tax. Consistent with guidance provided by the Oregon Secretary of State, the Oregon Department of Transportation developed agreed-upon procedures for the program audit of the Statewide Transportation Improvement Fund. Since October 2019, TriMet has received an agreed-upon procedures engagement performed by the external auditors as required by the Oregon Department of Transportation. The auditors also issue a report describing the procedures performed and observations.

Budgeting Process

TriMet prepares an annual budget in accordance with provisions of the Oregon Local Budget Law (ORS Chapter 294, as amended) ("Oregon Budget Law"), which provides procedures for the preparation, presentation, administration and appraisal of budgets. During the months from November through April of each year, TriMet staff develops a proposed budget under the supervision of the Executive Director of Finance and Administration. Oregon Budget Law requires a balanced budget.

The budget process begins with TriMet's forecast of revenues and expenditures. The forecast is for a period of at least ten years. The Executive Director of Finance and Administration presents the forecast results, assumptions and major financial issues to the General Manager. The General Manager decides which revenue and expenditure measures TriMet will pursue and the level of capital and operating funding in the upcoming budget year. Approval of the budget requires a majority vote of the Board.

The approved budget must be submitted to the Multnomah County Tax Supervising and Conservation Commission (the "TSCC") by May 15 of each year. The TSCC reviews the budget and holds a public hearing. Prior to the public hearing, a notice of hearing is published. Publication is governed by strict time and mode requirements. At the hearing, members of TriMet's Board and senior management answer TSCC questions on the budget and other major issues affecting TriMet. TriMet's budget must be certified and approved by the TSCC prior to adoption by the Board. Final adoption of the annual budget and appropriation of funds by the Board must occur no later than June 30 each year. Supplemental budgets, if required, are considered and adopted by the same process as the regular budget, including public hearing and notice requirements and certification by the TSCC. During the course of the FY, interfund transfers and changes and reductions in spending may be made with approval of the Board and do not require formal budget amendments or supplements.

Fiscal Year 2021 and 2022 Budgets

The budget for TriMet's FY 2021 (the "FY 2021 Budget") adopted by the Board June 24, 2020, continues to focus on safety, improving service, operating and maintaining the existing transit system and continued commitment to strengthen pension reserves.

The budget for TriMet's FY 2022 (the "FY 2022 Budget") adopted by the Board June 23, 2021, focuses on safety, improving service, operating and maintaining the existing transit system, continued commitment to strengthen pension reserves, and funding projects with the Statewide Transit Tax.

TriMet's adopted budgets for FY 2021 and FY 2022 are summarized in Table A-5. The beginning fund balance shown in the FY 2022 Budget is based on a projection of revenues and expenditures for FY 2022. In addition, as a result of the pandemic and the unknown effects on the Specified Tax Revenues and passenger fares, TriMet management made a conscious decision to reduce spending during FY 2021 and into FY 2022 to increase the unrestricted fund balance to address any potential shortfalls in later fiscal years.

TABLE A-5
TRIMET ADOPTED BUDGETS

	FY 2021 General Fund Operating Account Budget	FY 2022 General Fund Operating Account Budget[1]
Resources		
Beginning fund balance[2]	$ 569,399,342	$ 688,036,716
Operating revenues		
Passenger	57,800,000	51,100,000
Other	16,448,200	11,964,000
Total operating revenue	**74,248,200**	**63,064,000**
Tax revenue		
Employer payroll	343,395,200	398,296,000
Self-employed	16,028,600	13,903,000
Employee payroll[3]	20,194,315	57,404,368
State "in-lieu"	2,592,700	2,801,000
Total tax revenue	**382,210,815**	**472,404,368**
Other revenue		
Federal operating grants	231,084,853	291,711,105
State operating grants	1,527,953	1,025,000
Local operating grants	19,700	464,347
Local operating revenue	1,319,200	2,093,300
Interest	2,613,000	650,000
STIF discretionary	350,000	85,000
Miscellaneous	4,987,600	4,112,000
Total other revenue	**241,902,306**	**300,140,752**
Total operating resources (excluding beginning Fund balance)	**698,361,321**	**835,609,120**
Capital Program Contributions/Resources	101,379,469	115,024,867
Light Rail Program Resources	-	4,192,741
Other Non-Operating Resources [4]	10,969,354	16,326,491
Bank Line of Credit	60,000,000	60,000,000
Bond Proceeds	200,000,000	200,000,000
Total resources	**1,640,109,486**	**1,919,189,935**
Expenditures		
Office of the General Manager	954,225	1,031,376
Chief Operating Officer	13,328,249	12,633,761
Public Affairs	18,576,275	13,716,363
Safety & Security	31,412,239	32,498,809
Information Technology	21,511,183	24,510,616
Finance & Administrative Services	29,028,054	30,178,609
Labor Relations & Human Resources	6,186,648	7,115,468
Legal Services	6,249,458	6,186,899
Transportation	262,017,061	271,706,176
Maintenance	165,173,401	164,761,942
Engineering & Construction	4,080,070	9,570,356
Debt Service	122,596,606	126,509,190
Other Non-operating Requirements [4]	20,575,481	32,504,497
OPEB & Pension UAAL	53,658,366	54,022,404
Total	**755,347,316**	**786,946,466**
Contingency	35,708,905	22,633,259
Capital Programs	377,791,889	367,904,700
Ending Fund Balance	471,261,376	741,705,510
Total Requirements	**$ 1,640,109,486**	**$ 1,919,189,935**

[table footnotes located on next page]

(1) Budget, authorized by the Board on June 23, 2021.
(2) Budgeted beginning fund balance is updated annually in the budget process to reflect the most recent projections, thus budgeted beginning fund balance for FY 2022 is not equal to budgeted ending fund balance for FY 2021.
(3) Described elsewhere in this Official Statement as receipts from the HB2017/STIF.
(4) Other Non-Operating Requirements includes Funding Exchanges, Pass Through Revenue & Requirements and Special Payments no longer included in operating requirements.

Source: TriMet.

Financial Tables

TriMet's historical financial data including combining balance sheets and statements of revenues, expenses and changes in net assets are shown in Tables A-6 and A-7. The historical financial data shown in Tables A-6 and A-7 were derived from TriMet's audited financial statements for FYs 2017 through 2021.

TABLE A-6
SUMMARY OF TRIMET STATEMENTS OF NET POSITION
FOR FISCAL YEARS ENDED JUNE 30
($000s)

	2017	2018	2019	2020	2021
Assets					
Current Assets (unrestricted)					
Cash & cash equivalents	$ 77,321	$ 65,927	$ 116,896	$ 181,141	$ 322,340
Investments	28,845	-	10,281	3,656	30,246
Taxes & other receivables	103,510	110,260	112,457	116,457	110,176
Grants receivable	16,636	67,817	7,829	3,158	38,139
Grants receivable – CARES, CRRSAA	-	-	-	54,602	13,647
Lease receivable	-	-	-	662	176
Prepaid expenses	7,668	9,927	10,185	9,922	9,883
Current Assets (restricted) [1]					
Cash & cash equivalents	90,580	97,229	58,492	102,013	105,043
Investments	120,220	384,085	300,196	307,067	216,363
Taxes & other receivables	160	11,918	26,855	1,331	192
Grants receivable	101,136	102,962	34,636	14,440	8,190
Lease receivable	-	-	-	3,263	3,127
Lease leaseback, net	-	-	-	13,152	8,390
Prepaid expenses	638	-	-	391	67
Long-term receivable	-	-	-	-	24
Total Current Assets	546,714	850,125	677,827	811,255	866,003
Capital Assets					
Land and other	232,785	235,191	235,089	231,410	229,692
Construction in progress	125,422	160,731	222,190	359,953	435,861
Property & equipment	4,157,256	4,215,390	4,307,242	4,356,976	4,377,910
Less accumulated depreciation	(1,518,062)	(1,629,487)	(1,750,271)	(1,861,461)	(1,989,699)
Net Capital Assets	2,997,401	2,981,825	3,014,250	3,086,878	3,053,764
Prepaid lease expenses	71,424	31,521	30,759	-	-
Materials, supplies & other	39,059	41,552	45,541	52,054	57,313
Right to use assets, net of accumulated amortization	-	-	-	13,461	11,042
Other assets	1,659	427	256	-	-
Total Assets	3,656,257	3,905,450	3,768,633	3,963,648	3,988,122
Deferred outflows of resources					
Deferred outflows related to OPEB	-	14,401	13,490	155,594	210,562
Deferred outflows related to pensions	55,574	32,539	30,040	68,074	13,451
Unamortized loss on refunded debt	5,928	11,942	10,766	11,625	10,194
Total deferred outflows of resources	61,502	58,882	54,296	235,293	234,207
Total assets and deferred outflows of resources	$3,717,759	$3,964,332	$3,822,929	$ 4,198,941	$ 4,222,329

[Table continued on next page]

TABLE A-6
SUMMARY OF TRIMET STATEMENTS OF NET POSITION
FOR FISCAL YEARS ENDED JUNE 30
($000s)

[Table continued from prior page]

	2017	2018	2019	2020	2021
Liabilities					
Current liabilities (unrestricted)					
Accounts payable	$ 27,835	$ 32,609	$ 37,833	$ 25,856	$ 28,053
Accrued payroll	20,579	22,927	23,843	26,686	29,620
Current portion of non-current liabilities	6,021	5,890	8,785	6,291	5,957
Unearned revenue	12,468	14,983	16,619	16,320	14,147
Lease liability	-	-	-	2,147	2,350
Current liabilities (restricted)					
Accounts payable	4,075	7,671	16,589	32,359	17,910
Current portion of long-term debt	101,040	94,290	47,206	24,257	25,387
Unearned revenue	1,000	1,000	1,000	1,000	1,000
Unearned capital project revenue	12,474	9,877	34,193	68,330	90,420
Other accrued liabilities	8,065	8,473	9,732	11,277	10,827
Total current liabilities	193,557	197,720	195,800	214,523	225,671
Noncurrent liabilities					
Long-term debt	639,675	817,701	730,800	901,261	867,982
Long-term lease liability	59,321	62,076	63,151	-	-
Lease liability	-	-	-	11,145	8,919
Net pension liability	151,504	148,088	148,848	198,223	29,001
Other postemployment benefits liability	563,846	786,138	725,025	901,420	944,273
Other long-term liabilities	14,399	15,662	16,459	17,051	15,396
Total noncurrent liabilities	1,428,745	1,829,665	1,684,283	2,029,100	1,865,571
Total liabilities	1,622,302	2,027,385	1,880,083	2,243,623	2,091,242
Deferred inflows of resources					
Deferred inflows related to pensions	54,583	20,813	11,569	6,950	93,229
Unamortized gain on leases	16,370	15,712	14,799	-	-
Deferred inflows related to leases	-	-	-	5,772	5,356
Deferred inflows related to OPEB	-	2	84,720	89,700	143,825
Total deferred inflows of resources	70,953	36,527	111,088	102,422	242,410
Net Position					
Net investment in capital assets	2,509,481	2,586,479	2,495,838	2,459,273	2,332,385
Restricted	35,892	17,777	63,209	42,124	54,204
Unrestricted	(520,869)	(703,836)	(727,289)	(648,501)	(497,912)
Total net position	2,024,504	1,900,420	1,831,758	1,852,896	1,888,677
Total liabilities, deferred inflows of resources & net position	$3,717,759	$3,964,332	$3,822,929	$4,198,941	$ 4,222,329

(1) Certain proceeds of TriMet's bonds as well as resources for their repayment are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by bond covenants.

Source: TriMet. Derived from TriMet's Audited Financial Statements for FYs 2017 through 2021. This summary is not audited.

TABLE A-7
SUMMARY OF TRIMET STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS FOR FISCAL YEARS ENDED JUNE 30
($000s)

	2017	2018	2019	2020	2021
Revenues					
Operating revenues					
Passenger revenue	$ 116,895	$ 113,836	$ 114,894	$ 93,558	$ 39,528
Auxiliary transportation & other revenue	26,000	26,245	20,928	21,282	19,771
Total operating revenues	142,895	140,081	135,822	114,840	59,299
Operating expenses					
Labor	166,117	182,834	194,641	199,933	209,425
Fringe benefits	181,795	191,097	190,732	225,604	205,137
Materials and services	98,160	115,423	124,317	120,193	116,974
Utilities	10,647	9,986	10,412	10,886	10,928
Purchased transportation	30,301	30,950	30,577	26,497	14,981
Depreciation expense	129,750	131,914	132,943	137,472	142,919
Other operating expense	10,597	13,454	17,632	17,931	14,887
Total operating expenses	627,367	675,658	701,254	738,516	715,251
Operating loss	(484,472)	(535,577)	(565,432)	(623,676)	(655,952)
Nonoperating revenues and (expenses)					
Payroll tax and other tax revenue	337,206	359,470	372,751	398,353	415,529
Grant revenue	92,708	119,207	99,668	110,065	117,450
Grant revenue – CARES Act	-	-	-	118,200	203,503
Interest income	1,388	5,972	14,490	18,112	-
Gain on disposal of capital assets	-	-	6,144	4,599	463
Pass through revenue	-	-	4,563	13,258	10,701
Pass through expense	-	-	(4,563)	(13,258)	(10,701)
Funding exchanges and other payments	-	-	(11,882)	(14,189)	(1,900)
Net leveraged lease expense	1,119	741	906	844	732
Interest and other expense	(18,830)	(19,454)	(25,385)	(28,929)	(34,129)
Impairment of capital assets	-	-	-	-	(58,579)
Total nonoperating revenues, net	413,591	465,936	456,693	607,055	643,069
Loss before contributions	(70,881)	(69,641)	(108,739)	(16,621)	(12,883)
Capital contributions	104,161	113,870	40,077	35,581	48,664
Changes in net position	33,280	44,229	(68,662)	18,960	35,781
Cumulative effect of restatement	-	(168,313)	-	2,178	-
Total net position-beginning	1,991,224	2,024,504	1,900,420	1,831,758	1,852,896
Total net position-ending	$ 2,024,504	1,900,420	1,831,758	1,882,896	1,888,677

Source: TriMet. Derived from TriMet's Audited Financial Statements for FYs 2017 through 2021. This summary is not audited.

Management's Discussion of Financial Results

In July 2014, TriMet adopted a Strategic Financial Plan (the "SFP") that re-affirmed its commitment to maintain and grow service and ensure long-term financial health. The SFP is a set of financial guidelines that focus on dedicating a revenue stream to grow service, keeping costs in check, maintaining appropriate financial reserves, protecting TriMet assets and creating a plan to fully fund pension trusts and reduce post-employment benefits liabilities.

All amounts set forth below have been rounded.

In FY 2021, total payroll taxes and other tax revenues were $415.5 million, an increase of $17.2 million, or 4.6% percent, compared to FY 2020. Employer payroll tax revenue increased $14.4 million or 3.78 percent indicating continued growth of employment conditions in the area.

At June 30, 2021, total assets were $4,222.3 million, an increase of $23.4 million, or 0.6 percent, compared to June 30, 2020. At June 30, 2020, total assets were $4,198.9 million, an increase of $376.0 million, or 9.8 percent, compared to June 30, 2019. The increase in both FY 2021 and 2020 were primarily due to increases in outstanding Federal grants for CARES and CRRSAA awarded to TriMet to provide relief from the pandemic's impact on revenues.

For FY 2021, passenger revenues were $39.5 million, a decrease of $54.0 million or 57.8 percent compared to FY 2020. Passenger revenues were $93.6 million for FY 2020, a decrease of $21.3 million or 18.6 percent from FY 2019. Ridership in the last quarter of FY 2021 increased by 29.0 percent compared to the same quarter in June 2020, however overall ridership at the end of FY 2021 is down 58.0 percent compared to pre-pandemic levels. There were no fare increases during FY 2021 or FY 2020.

Prior to the pandemic, ridership had been slowly declining. In July of 2017, TriMet launched the Hop FastpassTM ("Hop") Electronic Fare Collection system. The Hop system is an account-based payment system that features stored value, online account management and fare capping to limit the cost for a day and monthly pass. In connection with the Hop launch, TriMet offered Hop cards to transit riders at no cost in exchange for paper tickets. The Hop transition accounted for some of the decrease in passenger revenues since 2017. Other system wide ridership decreases before the pandemic were due in part to demographic shifts, fuel prices, ride sharing companies (e.g. Uber, Lyft). The pandemic heavily impacted ridership and passenger revenues in the last quarter of fiscal year 2020 due to the Governor's stay-at-home order. Throughout fiscal year 2021, the pandemic continued to impact ridership. Ridership and passenger revenues remain low and it will continue to be impacted by remote-work/telework and other factors occurring in the downtown area.

In FY 2021, total operating expenses were $715.3 million. This is a decrease of $23.3 million or 3.2% from FY 2020. Fringe benefits decreased $20.5 million or 9.1 percent from fiscal year 2020. The decrease in fringe is due to a decrease in pension expense for the actuarial valuations of TriMet's defined benefit pension plans. With the July 1, 2021 actuarial valuations, the management plan is deemed fully funded and the union plan is approaching near funded status. Complete actuarial valuations for the District are posted at the Transparency and Accountability Center at trimet.org. Labor and fringe benefit costs for FY 2021 total $414.6 million and make up 58.0 percent of total operating expenses. Labor totaled $209.4 million for FY 2021, an increase of $9.5 million, or 4.8 percent over the prior year. Labor in the current year includes the settlement of the contract with the District's Union, Amalgamated Transit Union (ATU) Local 757. The contract covers the period from December 2019 to November 2022. The current fiscal year includes retroactive union wage increase per the new contract of 3.0 percent (December 2019) and 2.5 percent (December 2020).

Purchased transportation decreased by $11.5 million or 43.4 percent from FY 2020. TriMet's Accessible Transportation Program (ATP or LIFT) were significantly impacted by the pandemic. Demand for paratransit services has dropped significantly with the pandemic resulting in reduced service hours and vehicle miles for ATP or LIFT ridership was 67 percent below the prior fiscal year. In addition, the ATP services contract had a direct decrease in costs due to closures at the Transit Mobility Center and Region 1 garage location. Both closures were a result of the pandemic.

Fiscal year 2021 includes $58.6 million for impairment of capital assets. This amount represents design costs incurred since fiscal year 2018 for the Southwest Corridor light rail project (SWC). In 2018, TriMet issued Capital Grant Receipt Revenue bonds to fund project costs for SWC. In November 2020, a ballot measure for various transportation projects, including SWC, went to the voters to approve additional funding. As the voters did not pass the ballot measure, costs recorded to construction in progress for SWC were written-off to impairment of capital assets.

In FY 2020, total operating expenses were $738.5 million. This is an increase by $37.3 million or 5.3 percent from FY 2019. The increase was primarily noted in fringe benefits. Fringe benefits increased $34.9 million or 18.3 percent. Fringe benefits increased due to changes in the actuarial valuations for TriMet's defined benefit pension plans and the other postemployment benefits liability (OPEB). The discount rate used in the 2020 valuation for OPEB decreased, resulting in an increase in the OPEB liability, related deferrals and expense. Fringe benefits also increased as a result of the increase in the Union Defined Benefit pension liability and pension expense due to assumption changes used in the 2020 actuarial valuation.

At June 30, 2021, total net position was $1,888.7 million, an increase of $35.8 million, or 1.2 percent from June 30, 2020. The increase is primarily due to an increase in grant revenues – CARES Act, CRRSAA. In FY 2021, TriMet was awarded $195.4 million in CRRSAA funds. Of this award, FY 2021 includes $136.8 million in CRRSAA revenues related to reimbursement for eligible costs. At June 30, 2020, total net position was $1,852.9 million, an increase of $21.1 million, or 1.2 percent from June 30, 2019. The increase in FY 2020 is due to the $118.2 million increase in grant revenues – CARES Act over FY 2019. In May 2020, TriMet was awarded $184.9 million from the Federal government under the CARES Act.

Capital contributions include federal grants and other local government contributions restricted for the purchase or construction of capital assets. TriMet received capital contributions of $48.7 million, during FY 2021. Of this amount, the largest share of capital contributions received was related to the Division Transit Project and the Statewide Transportation funding for House Bill 2017 (STIF). In FY 2020, TriMet recorded $35.6 million in capital contributions, which also included contributions for the Division Transit Project.

At June 30, 2021, TriMet had invested $3,053.8 million in capital assets, net of accumulated depreciation. Total capital assets net of depreciation decreased $33.1 million in FY 2021; the decrease was primarily noted in rail right-of-way and stations. Total capital assets net of depreciation increased $72.6 million or 2.4 percent during FY 2020. The increase was noted in construction in progress and buildings primarily due to the purchase and property acquisition of land and a building to develop a distribution center and bus garage.

For additional information concerning TriMet's capital assets, see Note 4 to the audited financial statements attached as Appendix B to this Official Statement.

Cash, Cash Equivalents and Investments

ORS Chapter 294 authorizes TriMet to invest in obligations of the U.S. Treasury and U.S. Government agencies and instrumentalities, certain bankers' acceptances and corporate indebtedness, repurchase agreements, the State of Oregon Local Government Investment Pool (the "LGIP"), time certificates of deposits and various interest-bearing bonds of State municipalities. As of June 30, 2021, TriMet had the following investments:

TABLE A-8
CASH AND INVESTMENTS AS OF JUNE 30, 2021
($000s)

	Fair Value	% of Portfolio	Weighted Average Maturity (years)
Cash on hand	$ 297	0.0%	-
Demand deposits with financial institutions	304,499	45.2%	-
State of Oregon local government investment pool	51,148	7.6%	-
Commercial paper	156,648	23.2	1.61
Federal National Mortgage Association			
Federal Home Loan Bank	4,885	0.7%	0.04
U.S. Treasuries	156,515	23.3	0.16
Total Cash and Investments	$ 673,992		

(1) Includes $321,406 of restricted cash and investments.
Source: TriMet.

TriMet's investment policy, interest rate risk, credit risk and concentration of credit risk are described in Note 2 of TriMet's audited financial statements in Appendix B.

Lease Transactions

TriMet currently is a party to one leveraged lease (the "Lease"), which is scheduled to remain in effect until 2038. The Lease is all that remains outstanding of eleven leveraged lease transactions that TriMet had entered into between 1997 and 2005, each with approval from the U.S. Department of Transportation. The Lease is not secured by a pledge of or lien on the Specified Tax Revenues and is described in greater detail in Appendix B. See APPENDIX B-"AUDITED FINANCIAL STATEMENTS FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020—Notes to Financial Statements, 10. Lease-leaseback Transactions at pp 52-53."

During 2005, TriMet entered into the outstanding Lease, consisting of a sale-leaseback transactions for 28 light rail vehicles. The Lease does not terminate until 2038 and will require periodic payments totaling $153.5 million. All these payments were originally expected to be made by third parties. As of June 30, 2021, about $71.6 million of these payments are expected to be paid by Assured Guaranty ("AG") as successor to Financial Security Assurance, an additional $68.8 million of US Treasuries have been set aside in trust to make these payments, and TriMet is expected to pay a total of $9.6 million, with the next scheduled payment of $6,352 from TriMet due in January 2032. However, under certain circumstances TriMet could be required to post security and make any payments that are not made by AG or from the collateral. See APPENDIX B-"AUDITED FINANCIAL STATEMENTS FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020 – Notes to Financial Statements, 10. Lease-leaseback Transactions at pp 52-53."

Pension Responsibilities

TriMet contributes to two single-employer defined contribution plans — the TriMet Defined Contribution Retirement Plan for Management and Staff Employees (the "Management DC Plan") and the TriMet Defined Contribution Plan for Union-Represented Employees (the "Union DC Plan"); TriMet also contributes to two single-employer defined benefit public employee retirement plans — the TriMet Defined Benefit Retirement Plan for Management and Staff Employees (the "Management DB Plan") and the Pension Plan for Bargaining Unit Employees of TriMet (the "Bargaining Unit DB Plan"). In a defined benefit plan, the investment risk for the plan assets is borne by the employer, and in a defined contribution plan, the investment risk for the plan assets is borne by the employee. TriMet contributions plus investment earnings fund TriMet's defined benefit plans, and a combination of employee and TriMet contributions plus investment earnings fund the defined contribution plans.

The Management DC Plan covers all TriMet non-union employees hired on or after April 27, 2003 and also non-union employees hired earlier who elected to be covered by the Management DC Plan. The Management DB Plan covers all TriMet non-union employees hired before April 27, 2003 (other than those who elected to be covered under the Management DC Plan for service after April 27, 2003). The Bargaining Unit DB Plan covers all full-time and part-time employees hired prior to August 1, 2012. The Union DC Plan covers all full time and part time employees represented by the ATU who are hired on or after August 1, 2012. The Management DC Plan and the Union DC Plan are administered by a third-party administrator, ICMA-RC, and are overseen by an administrative committee appointed by the TriMet Board.

Each DB Plan is overseen by a separate board of trustees (the "plan trustees"). The TriMet Board appoints four plan trustees in the case of the Management DB Plan. The Bargaining Unit DB Plan has six trustees: three are appointed by the TriMet Board and three are appointed by the ATU.

The actuarial value of assets and liabilities and annual required contributions of each of the Management DB Plan and the Bargaining Unit DB Plan are determined by independent actuaries appointed by the DB Plan trustees and are based upon assumptions approved by the respective plan trustees. Cheiron ("Cheiron") recently prepared the actuarial valuation reports for the Management DB Plan as of July 1, 2021 (the "2021 Management DB Plan Valuation Report"), and the Bargaining Unit DB Plan as of July 1, 2021 (the "2021 Bargaining Unit DB Plan Valuation Report"), which were both released in September 2021. The next actuarial valuation reports for the plans are expected to be dated July 1, 2022 and completed in the August 2022.

As noted below and in the Audited Financial Statements attached hereto, the funded status of the defined benefit plans will change over time depending upon, among other things, the market performance of the investments of each plan, future changes in compensation and benefits of covered employees, demographic characteristics of members and methodologies and assumptions used by the actuary in estimating the assets and liabilities of the plans. No assurance can be given that unfunded accrued actuarial liabilities of the plans will not materially increase. See "CERTAIN INVESTMENT CONSIDERATIONS – Recent Economic and Health Developments" regarding a discussion of COVID-19, which could affect the market performance of the investments of each plan.

In FY 2014, TriMet adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. This statement established standards for the measurement and recognition and presentation of Net Pension Liability in TriMet's financial statements. Net Pension Liabilities recorded at June 30, 2016, 2017, 2018 and 2019 for the Management DB Plan and the Bargaining Unit DB Plan totaled $202.0 million, $151.5 million, $148.1 million and $148.8 million respectively.

Management DC Plan. Under the Management DC Plan, TriMet contributes to the Management DC Plan 8.0 percent of considered compensation each pay period for eligible employees. Employees make a one-time irrevocable election to contribute between zero and 15 percent of their compensation to the Plan on a pretax basis. Voluntary, after-tax employee contributions, up to 15 percent of compensation, are allowed and may be adjusted by the employee at any time. Plan participants fully vest in TriMet's contributions after three years of service with TriMet. Upon severance from employment, TriMet is required to contribute 60 percent of the employee's unused sick leave (up to a maximum of 1,700 hours) to the Management DC Plan.

As of June 30, 2021 and 2020 there were 482 and 487 active employees, respectively, covered by the Management DC Plan. District contributions to the Management DC Plan were $4.2 million and $3.8 million for the years ended June 30, 2021 and 2020, respectively. Employee contributions to the Management DC Plan were $1.9 million and $1.6 million for the years ended June 30, 2021 and 2020, respectively.

Union DC Plan. Union employees hired on or after August 1, 2012 are eligible for the Union DC Plan, which has similar features of the Management DC Plan. TriMet is obligated to contribute 8.0 percent of considered compensation to the Union DC Plan. Employees make a one-time irrevocable election to contribute between zero and 15 percent of their compensation to the Union DC Plan on a pretax basis. Additionally, voluntary, after-tax employee contributions, up to 15 percent of compensation, are allowed and may be adjusted by the employee at any time. Plan participants fully vest in TriMet's contributions after three years of service with TriMet. Upon severance from employment, TriMet is required to contribute 60 percent of the employee's unused sick leave (up to a maximum of 1,700 hours) to the Union DC Plan.

As of June 30, 2021 and 2020, there were 1,673 and 1,643 active employees, respectively, covered by the Union DC Plan. District contributions to the Union DC Plan were $7.5 million and $6.8 million for the years ended June 30, 2021 and 2020, respectively. Employee contributions to the Union DC Plan were $5.5 million and $5.1 million for the years ended June 30, 2021 and 2020, respectively.

Management DB Plan. The Management DB Plan covers all TriMet non-union employees hired before April 27, 2003 who are not covered by the Management DC Plan. 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. Covered employees also have the option to receive their benefits as a lump sum upon retirement. Those receiving benefits monthly receive an annual cost of living increase equal to 90 percent of the annual change in the U.S. Consumer Price Index up to a maximum of 7 percent.

Benefits vary based upon final average salary, job classification, date of hire and converted, unused sick leave computations. 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 funding policy of the Management DB Plan provides for an actuarially determined contribution (the "ADC"). The ADC is comparable to the Annual Required Contribution (the "ARC"), and the change in terminology is due to the implementation of GASB 68. The ADC consists of two components: the normal cost for the year (generally, the actuarial present value of benefits attributed to employee service performed during the current year) and an amount required to amortize the past service liabilities of the plan. The normal cost is determined as the level percentage of pay over the length of service of each active employee between entry age and assumed exit age. Historically, TriMet has paid at least the ARC for the plan on an annual basis. In FY 2014, TriMet began funding the ADC on a monthly basis.

For purposes of the actuarial valuation for FY 2021, TriMet and Cheiron used an assumed long-term expected return on plan assets of 6.0 percent and a discount rate of 6.0 percent. Other assumptions used in the 2021 Management DB Plan Valuation Report include an annual post-retirement benefit increase of 2.03 and annual salary increases of 2.75 percent.

TABLE A-9
MANAGEMENT DB PLAN
NET PENSION LIABILITY ($000s)

	Actuarial Valuation Date				
	June 30, 2017	**June 30, 2018**	**June 30, 2019**	**June 30, 2020**	**June 30, 2021**
Total pension liability	$ 138,988	$142,289	$144,958	$146,953	$145,948
Plan fiduciary net position (Market value of plan assets)	123,956	132,253	134,946	131,292	158,721
Net pension liability (asset)	15,032	10,036	10,012	15,661	(12,773)
Plan fiduciary net position as a percent of total pension liability	89.2%	92.9%	93.1%(1)	89%	109%
Annual covered payroll	$ 10,591	$ 9,446	$ 8,280	$8,105	$7,965
Net pension liability as a percentage of payroll	141.9%	106.3%	120.9%	193.2%	(160.4%)
Actuarially Determined Contribution (the "ADC")	$ 3,735	$3,252	$2,443	$2,327	$3,570
Contributions	6,330	6,497	6,240	2,327	6,250
Contributions excess (deficiency)	2,595	3,244	3,798	-	2,680
Contributions as a percent of covered payroll	59.8%	68.8%	75.37%	28.71%	78.47%

(1) Per the most recent actuarial results reflected in the 2021 Management DB Plan Valuation Report as of July 1, 2021, plus the future expected interest earnings, the Management DB Plan is considered fully funded at 93.1%

Source: TriMet. Derived from TriMet's Audited Financial Statements for FYs 2017 through 2021. This summary is not audited. See Note 12 in APPENDIX B--"AUDITED FINANCIAL STATEMENTS FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020" for data.

Bargaining Unit DB Plan. The Bargaining Unit DB Plan covers all full-time and part-time employees represented by the ATU who were hired before August 1, 2012. Union employees in the Bargaining Unit DB Plan begin to participate on their date of hire with benefits being 100 percent vested after 10 years of service. Covered members retiring at or after age 58 with 10 or more years of service receive a monthly benefit for life that is the product of a benefit multiplier and years of service, with annual cost of living adjustments each May 1 based upon the US Urban Wage Earners and Clerical Workers Consumer Price Index. Each February 1, the retirement benefit multiplier is also adjusted based upon the amount of any general wage adjustments received by bargaining unit employees during the previous 12 months.

The benefit multiplier (monthly amount per year of service) for covered members retiring on or after February 1, 2016, is $83.78 per month. No employee contributions are required or permitted under the Bargaining Unit DB Plan.

Pursuant to the terms of the Working and Wage Agreement for union employees, 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 ADC. Historically, TriMet has paid at least the ARC for the plan on an annual basis. In FY 2014, TriMet began funding the ADC on a monthly basis.

For purposes of the 2021 Bargaining Unit DB Plan Valuation Report, TriMet and Cheiron used an assumed long-term expected return on plan assets of 6.5 percent and a discount rate of 6.5 percent. Other assumptions used in the valuation include the benefit cost of living increase of 2.37 percent annually for participants who retired prior to August 1, 2010 and 2.13 percent annually for participants who retire after August 1, 2012, inflation of 2.25 percent and annual salary increases of 2.75 percent.

TABLE A-10
BARGAINING UNIT DB PLAN
NET PENSION LIABILITY ($000s)

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Total pension liability	$ 657,399	$ 698,934	$ 713,755	$ 756,617	$ 775,386
Plan fiduciary net position (Market value of plan assets)	520,927	560,882	574,920	574,055	733,612
Net pension liability	136,472	138,052	138,836	182,562	41,774
Plan fiduciary net position as a percent of Total pension liability	79.2%	80.2%	80.5%	75.9%	94.6%
Annual covered payroll	$ 106,596	$ 109,924	$ 97,406	$ 83,542	$ 90,089
Net pension liability as a percentage of payroll	128.1%	129.6%	142.53%	202.6%	50.0%
Actuarially determined contribution (the "ADC")	$ 28,497	$ 24,566	$ 26,040	$ 25,173	$ 28,790
Contributions	35,862	35,228	37,718	37,755	33,929
Contributions excess (deficiency)	7,365	10,662	8,677	12,582	5,139
Contributions as a percentage of covered payroll	33.6%	32.05%	35.64%	41.91%	40.61%

Source: TriMet. Derived from TriMet's Audited Financial Statements for FYs 2017 through 2021. This summary is not audited. See Note 13 in APPENDIX B-"AUDITED FINANCIAL STATEMENTS FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020," for data.

Other Post-Employment Benefit Responsibilities

TriMet provides post-employment health care and life insurance benefits ("OPEB"), in accordance with the Working and Wage Agreement for union employees and TriMet's personnel policies to all eligible employees and their qualified dependents, who retire from TriMet on or after attaining age 55 with service of at least 10 years for union employees hired before October 24, 2014 and five years for non-union employees hired before April 27, 2003 and 10 years for non-union employees hired between April 27, 2003 and April 30, 2009. TriMet-provided benefits are secondary to Medicare benefits, where applicable, and TriMet pays the Medicare part B premium for eligible union retirees. TriMet provides a $10,000 life insurance benefit to union retirees and to eligible non-union retirees hired before May 1, 2009. There were 1,945 inactive employees or beneficiaries receiving benefit payments and 3,197 active employees (union and non-union retirees) receiving the post-employment health care and life insurance benefits at January 1, 2021.

TriMet no longer pays retiree medical premiums for non-union employees hired after April 2009. TriMet pays a monthly stipend for retired union employees under the age of 65 who were hired on or after October 24, 2014.

ORS 243.303 requires that TriMet permit such retirees and their dependents to continue to receive health insurance by paying the premiums themselves at a rate that is blended with the rate for current employees until the retirees and spouses are eligible for federal Medicare coverage and until children reach the age of 18. GASB Statement No. 75 (described below), and formerly under GASB Statement No. 45, refers to this as an "implicit subsidy" and requires that the corresponding liability be determined and reported.

TriMet paid the costs of postemployment healthcare and life insurance benefits totaling $24.3 million and $23.7 million in FYs 2021 and 2020, respectively. TriMet has also created a trust fund for future net OPEB obligations. An initial deposit was made to the fund in June 2012 of $0.4 million, and TriMet's plans are to substantially fund the Management DB Plan (currently, considered fully funded, see "TABLE A-9" above) and the Bargaining Unit DB Plan before making additional deposits to the OPEB trust.

In June 2015, GASB approved new accounting and financial reporting standards for state and local government OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (GASB 74), applies to OPEB plans. Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75), applies to state and local employers that sponsor OPEB, such as TriMet. Generally, the new OPEB standards parallel those applied to defined-benefit pension plans and participating employers by GASB 67 and 68, respectively. The new standards introduce new procedures for measuring OPEB liabilities and costs, require employers to report a net OPEB liability on their financial statements, and require more extensive disclosure in plan and employer financial statements. GASB 74 is effective for plans with Fiscal Years beginning after June 15, 2016. GASB 75 is effective for employers for Fiscal Years beginning after June 15, 2017.

TriMet retained Cheiron to determine for accounting purposes the actuarial present value of the projected cost of TriMet's OPEB responsibilities and information related to GASB 75. According to the actuarial valuation report as of January 1, 2021, TriMet's Net OPEB liability, based on the explicit and implicit subsidies, as of January 1, 2021 was $944.3 million and as of January 1, 2020 was $901.4 million. For purposes of this actuarial valuation, TriMet and the Cheiron used an assumed long-term expected return on plan assets of 0.00 percent because of the small amount of assets in the OPEB trust and a discount rate of 2.12 percent as of January 1, 2021 and 2.74 percent as of January 1, 2020. Other assumptions used in the valuation include an annual post-retirement benefit increase of 2.25 percent, inflation of 2.25 percent and annual salary increases of 2.75 percent.

The table below presents TriMet's Net OPEB liability and related ratios for the calendar years beginning January 1, 2018 through 2021 presented in accordance with GASB 75.

TABLE A-11
OTHER POSTEMPLOYMENT BENEFIT OBLIGATION (OPEB)
NET OPEB LIABILITY

	Jan. 1, 2018	Jan. 1, 2019	Jan. 1, 2020	Jan. 1, 2021
Total OPEB liability	$ 786,541,410	$ 725,435,906	$ 901,844,126	$ 944,704,400
Plan fiduciary net position (Market value of assets)	403,340	411,317	411,117	424,585
Plan fiduciary net position as a percent of Total OPEB liability	0.05%	0.06%	0.05%	0.05%
Annual covered payroll	$ 198,559,646	$ 219,239,977	$ 236,032,015	$ 234,229,741
Net OPEB liability	786,138,070	725,024,789	725,024,789	725,024,789
Net OPEB liability as a percentage of covered employee payroll	395.92%	330.70%	330.70%	330.70%
Contributions	$ 22,646,628	$ 23,022,074	$ 23,714,966	$ 24,311,699
Contributions as a percentage of covered employee payroll	11.4%	10.5%	10.0%	10.4%

Source: TriMet; based on actuarial valuations and other post-employment benefits (OPEB) as of January 1, 2021 in accordance with GASB Statement No. 75.

Initiative and Referendum Process

The State Constitution, Article IV, Section 1, reserves (1) to the people of the State the initiative power to amend the State constitution or to enact State legislation by placing measures on the statewide general election ballot for consideration by the voters and the referendum power to approve or reject at an election certain acts passed by the Legislative Assembly, and (2) to voters in TriMet the initiative and referendum power as to legislation of TriMet.

State Initiative Measures

State law permits any person to file a proposed initiative with the Secretary of State's office without payment of fees or other burdensome requirements. To place a proposed initiative on a general election ballot, the proponents must submit to the Secretary of State initiative petitions signed by the number of qualified voters equal to a specified percentage of the total number of votes cast for all candidates for governor at the gubernatorial election at which a governor was elected for a term of four years next preceding the filing of the petition with the Secretary of State. The next election at which initiative petitions may appear on the ballot will be held in November of 2022.

State Referendum Petitions

Within 90 days after the end of a legislative session, any person may file a petition seeking to have any act passed by the Legislative Assembly that does not become effective earlier than 90 days after the end of the legislative session referred to the voters for their approval or rejection at the next general election, or at a special election provided for by the Legislative Assembly. To place a proposed referendum on the ballot, the proponents must submit to the Secretary of State within 90 days after the end of the legislative session referendum petitions signed by the number of qualified voters equal to four percent of the total number of votes cast for all candidates for governor at the gubernatorial election at which a governor was elected for a term of four years next preceding the filing of the petition with the Secretary of State. Any elector may sign a referendum petition for any measure on which the elector is entitled to vote. An act approved by the voters through the referendum process becomes effective 30 days after the date of the election at which it was approved. A referendum on part of an act does not prevent the remainder of the act from becoming effective as provided in the act.

Local Measures

The TriMet Board has the power to create local legislation by enacting ordinances. Regular ordinances can be referred to a vote if a petition is signed by a number of TriMet voters that is at least equal to four percent of the number of TriMet voters who voted in the last election for Governor of the State of Oregon, and filed no later than ninety days after the TriMet Board enacts the regular legislation. Emergency legislation is not subject to referral, and tax legislation cannot be enacted by emergency ordinance. The voters of TriMet also may initiate legislation by filing petitions signed by a number of TriMet voters that is at least equal to six percent of the number of TriMet voters who voted in the last election for Governor of the State of Oregon. Initiative petitions are placed on the ballot on the next available election date. Oregon law currently authorizes elections four times each year, in March, May, September and November. A larger number of signatures is required to refer or initiate legislation affecting TriMet routes, schedules or fare changes. No initiative or referendum petitions are currently being circulated to initiate or refer TriMet legislation.

APPENDIX B

AUDITED FINANCIAL STATEMENTS FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

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Report of Independent Auditors and Financial Statements with Supplementary Information June 30, 2021 and 2020 (including Audit Comments and Disclosures Required by State Regulations)

Board of Directors

Thomas Kim
District 1 Washington County
Current term expires:
June 20, 2025

Ozzie Gonzalez, Secretary/Treasurer
District 2 N, NW & portions of SW Portland
Current term expires:
May 31, 2022

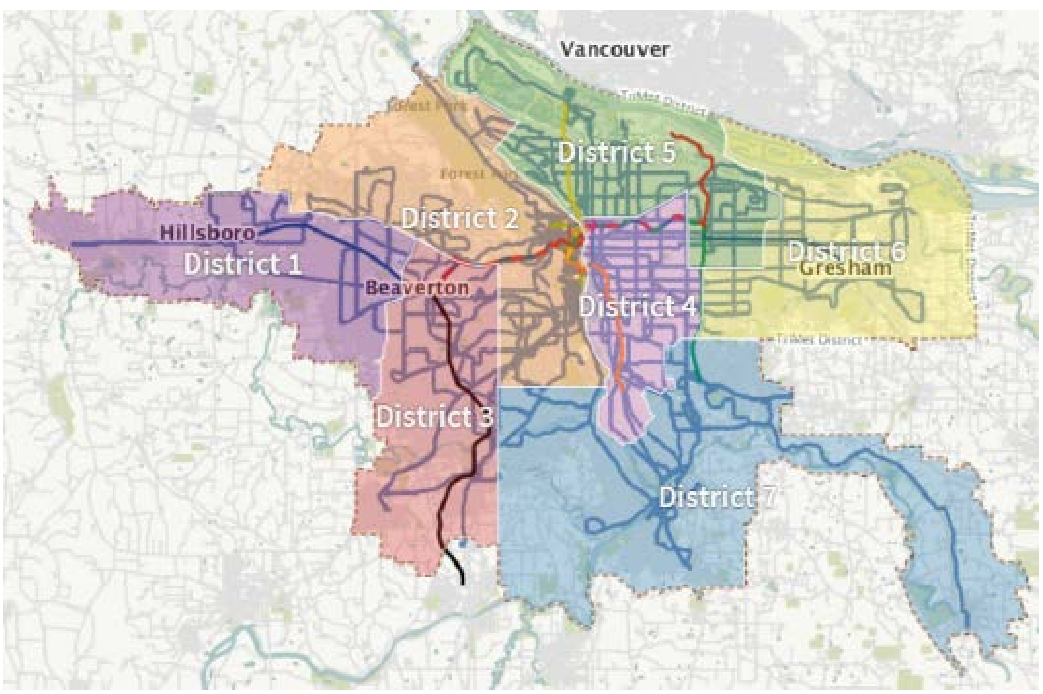
Dr. Linda Simmons, President
District 3 SW Portland
Current term expires:
May 31, 2023

Lori Irish Bauman, Vice President
District 4 SE Portland
Current term expires:
May 31, 2023

Keith Edwards
District 5 N and NE Portland
Current term expires:
May 24, 2022

Dr. LaVerne Lewis
District 6 E Multnomah County
Current term expires:
May 4, 2025

Kathy Wai
District 7 Clackamas County
Current term expires:
May 24, 2022



Sam Desue Jr., General Manager
Shelley Devine, General Counsel and Registered Agent

Mailing address:
TriMet
1800 SW 1st Avenue, Suite 300
Portland, OR 97201

Table of Contents

Financial Section

Report of Independent Auditors

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

Report on the Financial Statements

We have audited the accompanying statements of net position of the Enterprise Fund and statements of fiduciary net position of the Retirement Plan for Management and Staff Employees, Pension Plan for Bargaining Unit Employees and Total Trust Fund (pension plan trust funds) of Tri-County Metropolitan Transportation District of Oregon (the District), as of June 30, 2021 and 2020, and the statements of revenues, expenses, and changes in net position and cash flows of the Enterprise Fund for the years ended June 30, 2021 and 2020, and the statements of changes in fiduciary net position of the Pension Plan Trust Funds for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Enterprise Fund, the Retirement Plan for Management and Staff Employees, Pension Plan for Bargaining Unit Employees and Total Trust Fund of the District as of June 30, 2021 and 2020, and the respective changes in financial position and cash flows for the Enterprise Fund, and changes in financial position for the Retirement Plan for Management and Staff Employees, Pension Plan for Bargaining Unit Employees, and Total Trust Fund of the District for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, on July 1, 2020, the District implemented GASB Statement No. 87, *Leases*. Beginning net position was restated to retroactively adopt the provisions of GASB Statement No. 87. Our conclusion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The reconciliation of revenues and expenses (budget basis) to schedule of revenues and expenses (GAAP basis), reconciliation of fund balance (budget basis) to net position (GAAP basis), revenues and expenses budget (budget basis) and actual – general fund, and schedule of bonds payable obligations outstanding are presented for purposes of additional analysis and are not a required part of the basic financial statements.

These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, reconciliation of revenues and expenses (budget basis) to schedule of revenues and expenses (GAAP basis), reconciliation of fund balance (budget basis) to net position (GAAP basis), revenues and expenses budget (budget basis) and actual – general fund, and schedule of bonds payable obligations outstanding were fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2021 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 September 17, 2021, 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.

Julie Desimone

Julie Desimone, Partner, for
Moss Adams LLP
Portland, Oregon
September 17, 2021

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, 2021 and 2020, including the District operations within the Enterprise Fund, the TriMet Defined Benefit Retirement Plan for Management and Staff Employees Trust Fund and the Pension Plan for Bargaining Unit Employees of TriMet Trust Fund ("the Trust funds"). The Enterprise Fund accounts for all activities and operations of the District except for the activities included within the Trust funds. The TriMet Defined Benefit Retirement Plan for Management and Staff Employees Trust Fund accounts for the assets of the non-union employee benefit plan held by the District in a trustee capacity. The Pension Plan for Bargaining Unit Employees of TriMet Trust Fund accounts for the assets of the union employee benefit plan held by the District in a trustee capacity. 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") 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, 2021 and 2020, 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 three categories: net investment in capital assets, net position – restricted, 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 Pension Plan Fiduciary Net Position – This statement presents the Plan's assets and liabilities and the resulting net position restricted for pensions. 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 Pension Plan Fiduciary Net Position – This statement reflects the transactions that have increased or decreased the Plan's net position for the fiscal year. 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.

Management's Discussion and Analysis

continued

(dollars in thousands)

ENTERPRISE FUND FINANCIAL HIGHLIGHTS

Financial Highlights for Fiscal Year 2021

- Net position totaled $1,888,677 at June 30, 2021 as noted in the table below (see Table 1).
- Net position increased $35,781 or 1.9 percent in 2021, which compares to an increase of $21,138 in net position in 2020.
- Total operating revenues were $59,299 for fiscal year 2021. This is a decrease by $55,541 or 48.4 percent from 2020. The decrease noted in passenger revenues have been heavily impacted by the Coronavirus pandemic (COVID, COVID-19, the pandemic). COVID-19 pandemic in the United States is part of the worldwide pandemic of coronavirus disease 2019. Ridership in the last quarter of fiscal year 2021 increased by 29.0 percent compared to the same quarter in June 2020, however overall ridership at end of fiscal year 2021 is down 58.0 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 $415,529 for fiscal year 2021. This is an increase of $17,176 or 4.3 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, 2021. Management continues to closely monitor payroll tax revenues to assess any long-term impact from the pandemic.
- Grant revenue was $117,450, which is an increase of $7,385 or 6.7 percent over the prior fiscal year. This line item includes State, local and federal transit administration grants for preventative maintenance.
- Grant revenue for CARES Act and CRRSAA for fiscal year 2021 was $203,503, which is an increase of $85,303 or 72.2 percent over the prior fiscal year. The increase is directly related to Federal operating grants the District received in response to the pandemic. In fiscal year 2021, TriMet was awarded $195,420 for the Coronavirus Aid, Relief Supplemental Appropriations Act of 2021 (CRRSAA). Of this award, fiscal year 2021 includes $136,778 in CRRSAA revenues related to reimbursement for eligible costs from September 2020 to June 2021.
- Total operating expenses were $715,251 per the Statements of Revenues, Expenses and Changes in Net Position. This is a decrease of $23,265 or 3.15 percent from 2020. Labor increased $9,492 or 4.7 percent over the prior year. Labor in the current year includes the settlement of the contract with the District's Union, Amalgamated Transit Union (ATU) Local 757. The contract covers the period from December 2019 to November 2022. The current fiscal year includes retroactive union wage increases per the new contract of 3.0 percent (December 2019) and 2.5 percent (December 2020).

  Fringe benefits also noted an increase due to changes in the actuarial valuations for TriMet's defined benefit pension plans and the other postemployment benefits liability (OPEB). The discount rate used in the 2021 valuation for OPEB decreased, resulting in an increase in the OPEB liability, related deferrals and expense.

  Fringe benefits decreased by $20,467 or 9.1 percent from fiscal year 2020. The decrease in fringe is due to a decrease in pension expense for the actuarial valuations of TriMet's defined benefit pension plans. With the July 1, 2021 actuarial valuations, the management plan is deemed fully funded and the union plan is approaching near funded status. Complete actuarial valuations for the District are posted on Transparency and Accountability (trimet.org) under Pension/OPEB Valuations.

  Purchased transportation decreased by $11,516 or 43.5 percent from fiscal year 2020. TriMet's Accessible Transportation Program (ATP or LIFT) were significantly impacted by the pandemic. Demand for paratransit services has dropped significantly with the pandemic resulting in reduced service hours and vehicle miles for ATP. LIFT ridership was 67 percent below the prior fiscal year. In addition, the ATP services contract had a direct decrease in costs due to closures at the Transit Mobility Center and Region 1 garage location. Both closures were a result of the pandemic.
- The District implemented GASB Statement No. 87, *Leases*, in fiscal year 2021. This standard required retroactive implementation to restate net position as of July 1, 2019. The cumulative effect to net position was an increase of $2,178. With this implementation, the District recorded a net right to use assets of $11,042 and $13,461, and lease receivable of $3,303 and $3,925 at June 30, 2021 and 2020 respectively. Lease liabilities of $11,269 and $13,292 and deferred inflows related to leases of $5,356 and $5,772 were recorded as of June 30, 2021 and 2020 respectively. Further information on GASB No. 87 can be found in Note 5.

Management's Discussion and Analysis

continued
(dollars in thousands)

- Fiscal year 2021 includes $58,579 for impairment of capital assets. This amount represents design costs incurred since fiscal year 2017 for the Southwest Corridor light rail project (SWC). In 2018, TriMet issued Capital Grant Receipt Revenue bonds to fund project costs for SWC. In November 2020, a ballot measure for various transportation projects, including SWC, went to the voters to approve additional funding. As the voters did not pass the ballot measure, costs recorded to construction in progress for SWC were written-off to impairment of capital assets.

Financial Highlights for Fiscal Year 2020

- Net position totaled $1,852,896 at June 30, 2020 as noted in the table below (see Table 1).
- Net position increased $21,138 or 1.2 percent in 2020, which compares to a decrease of $68,662 in net position, restated for GASB No. 87, *Leases*, in 2019.
- Total operating revenues were $114,840 for fiscal year 2020. This is a decrease by $20,982 or 15.4 percent from 2019. The decrease noted in passenger revenues is directly due to the impact to ridership as a result of the pandemic The first confirmed transmission in the USA was recorded in January 2020, while the first known deaths were reported in February 2020. By the end of March 2020, cases of the virus had been confirmed in all fifty U.S. states. On August 31, 2020, the US reached 6 million cases of COVID-19. Ridership in the last quarter of fiscal year 2020 was hit hard as a result of the Coronavirus and the Governor's stay at home order that led to many employees working from home.
- Payroll and other tax revenues were $398,353 for fiscal year 2020. This is an increase of $25,602 or 6.9 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, 2020. Over fiscal year 2020, management concluded it was too early to assess the impact from the pandemic on payroll and other tax revenues.
- Grant revenues for fiscal year 2020 increased by $10,397, which is 10.4 percent over the prior fiscal year. This line item includes federal transit administration grants for preventative maintenance.
- Grant revenues – CARES Act for fiscal year 2020 increased by $118,200 from fiscal year 2019. The increase is directly related to TriMet's award of $184,925 from the Federal government under the Coronavirus Aid, Relief, and Economic Security (CARES) Act in May 2020.
- Pass through revenues were $13,258 in fiscal year 2020, which is an increase of $8,695 or approximately 191.0 percent over the prior fiscal year. This increase is directly related to the House Bill 2017, Keep Oregon Moving, Statewide Transportation Improvement Fund (STIF) and the sub-recipient agreements that were not executed until fiscal year 2020. The HB2017 intergovernmental agreements with the sub-recipients were signed and executed in July 2019. Therefore, fiscal year 2020 includes all of the HB2017 pass through expenses to the sub-recipients.
- Total operating expenses were $738,516 per the Statements of Revenues, Expenses and Changes in Net Position. This is an increase of $37,262 or 5.3 percent from 2019. The increase is noted in fringe benefits, which increased $34,872 or 18.3 percent over the prior year. Fringe benefits increased due to changes in the actuarial valuations for TriMet's defined benefit pension plans and the other postemployment benefits liability (OPEB). The discount rate used in the 2020 valuation for OPEB decreased, resulting in an increase in the OPEB liability, related deferrals and expense. Fringe benefits also increased as a result of the increase in the Union Defined Benefit pension liability and pension expense due to assumption changes used in the 2020 actuarial valuation.
- TriMet implemented GASB No. 87, *Leases*, in fiscal year 2021. As a result of implementing this standard, the District restated its net position for the fiscal year ended June 30, 2019. Further details on the restatement is noted in the Summary of Significant Accounting Policies for New Accounting Pronouncements.

ENTERPRISE FUND FINANCIAL SUMMARY

Statements of Net Position

The following table reflects a condensed summary of assets, deferred outlfows of resources, liabilities, deferred inflows of resources, and net position of TriMet as of June 30, 2021, 2020 and 2019.

Management's Discussion and Analysis

continued

(dollars in thousands)

Table 1

Net Position
As of June 30
(dollars in thousands)

				Increase (decrease)			
				2021 - 2020		2020 - 2019	
	2021	2020	2019	$	%	$	%
Assets							
Current and other assets	$ 934,358	$ 876,770	$ 754,383	$ 57,588	6.6 %	$ 122,387	16.2 %
Capital assets, net of depreciation	3,053,764	3,086,878	3,014,250	(33,114)	(1.1)%	72,628	2.4 %
Total assets	3,988,122	3,963,648	3,768,633	24,474	0.6 %	195,015	5.2 %
Deferred outflows of resources	234,207	235,293	54,296	(1,086)	(0.5)%	180,997	333.4 %
Total assets and deferred outflows of resources	$ 4,222,329	$ 4,198,941	$ 3,822,929	$ 23,388	0.6 %	$ 376,012	9.8 %
Liabilities							
Current liabilities	$ 225,671	$ 214,523	$ 195,800	$ 11,148	5.2 %	$ 18,723	9.6 %
Noncurrent liabilities	1,865,571	2,029,100	1,684,283	(163,529)	(8.1)%	344,817	20.5 %
Total liabilities	2,091,242	2,243,623	1,880,083	(152,381)	(6.8)%	363,540	19.3 %
Deferred inflows of resources	242,410	102,422	111,088	139,988	136.7 %	(8,666)	(7.8)%
Net position							
Net investment in capital assets	2,332,385	2,459,273	2,495,838	(126,888)	(5.2)%	(36,565)	(1.5)%
Restricted	54,204	42,124	63,209	12,080	28.7 %	(21,085)	(33.4)%
Unrestricted	(497,912)	(648,501)	(727,289)	150,589	(23.2)%	78,788	(10.8)%
Total net position	1,888,677	1,852,896	1,831,758	35,781	1.9 %	21,138	1.2 %
Total liabilities, deferred inflows of resources, and net position	$ 4,222,329	$ 4,198,941	$ 3,822,929	$ 23,388	0.6 %	$ 376,012	9.8 %

Current and other assets increased $57,588 or 6.6 percent, in 2021, the increase is noted in unrestricted cash and cash equivalents due to draws on CRRSAA award provided to TriMet as relief response to the pandemic.

Current and other assets increased $122,387 or 16.2 percent, in 2020 primarily due to an increase in grants receivable – CARES Act at year-end June 30, 2020 as the District was awarded this grant in May 2020. The increase in the restricted cash and investments in fiscal year 2020 is due to 2019 Senior Payroll Tax Bonds that were issued in October 2019.

Deferred outflows of resources decreased by $1,086 at June 30, 2021. The decrease is due to a decrease in deferred outflows related to pension and an increase in deferred outflows related to OPEB. Deferred outflows related to pensions decreased as a result of the July 1, 2021 actuarial valuations of the District's pension plans and both plans approaching a fully funded status per policy. The increase in deferred outflows related to OPEB is directly related to change in the discount rate used in the 2021 actuarial valuation for TriMet's Other Post-Employment Benefits (OPEB) liability. The discount rate decreased in the 2021 valuation, which resulted in an increase in the net OPEB obligation as well as the related deferred accounts. The discount rate used to measure the total OPEB liability as of January 1, 2021 was 2.12 percent, which is down from 2.74 percent used in the January 1, 2020 valuation.

At June 30, 2020, deferred outflows of resources increased $180,997 from 2019. This increase is directly related to the change in the discount rate used in the 2020 actuarial valuation for TriMet's Other Post-Employment Benefits (OPEB) liability. The discount rate used to measure the total OPEB liability as of January 1, 2019 was 4.10 percent as compared to the discount rate of 2.74 percent used to measure the total OPEB liability as of January 1, 2020. Based on the assumptions of a pay-as-you-go contribution policy, the discount rates used at the January 1 measurement dates are equal to the yield on the Bond Buyer 20-Bond GO Index as of the end of December for the preceding year.

Current liabilities consist primarily of accounts payable, accrued compensation, current portion of bonds payable and unearned revenue. At June 30, 2021, current liabilities increased $11,148 or 5.2 percent over the prior year. The increase is due to a significant increase in the year-end balance for unearned capital project revenue. The increase is a result of unspent HB2017 funds on various projects as the pandemic directly impacted planned spend during fiscal year 2021.

The increase in current liabilities from fiscal year-end 2019 to 2020 of $18,723, or 9.6 percent was due to an increase in the balance for unearned capital project revenue. The increase is a result of unspent HB2017 funds at the end of fiscal year 2020, due to the pandemic slowing the planned spend for various projects.

Noncurrent liabilities consist primarily of long-term debt, long-term lease liabilities, net pension liabilities and Other Postemployment Benefits (OPEB) liability. Noncurrent liabilities decreased by $163,529, or 8.1 percent in 2021. The line item for net pension liability decreased by $169,222 in fiscal year 2021 due to the July 1, 2021 actuarial valuations indicating the District's defined benefit pension plans approaching a near fully funded status. Noncurrent liabilities also includes the line item for long-term debt, which decreased from fiscal year 2020 due to repayment on long-term debt in the current fiscal year.

Noncurrent liabilities increased $344,817, or 20.5 percent, in 2020, due to a significant increase in the OPEB liability. The OPEB liability increased as a result of the decrease in the discount rate used in the 2020 actuarial valuation. The discount rate used in the OPEB valuation is tied to the twenty-year high grade municipal bond index yield as TriMet has not yet funded a trust for the OPEB liability. In addition to the increase in OPEB, long-term debt increased in 2020 as a result of the issuance of Senior Lien Payroll Tax revenue bonds in October 2019.

At June 30, 2021, deferred inflows of resources increased $139,988 from 2020. The increase is noted in deferred inflows related to pensions for the District's July 1, 2021 actuarial valuations and deferred inflows related to OPEB due to changes in actuarial assumptions. Also, included in this line item is deferred inflows related to leases as a result of implementing GASB Statement No. 87.

Deferred inflows of resources decreased by $8,666 or 7.8 percent from 2019. This decrease is noted in deferred inflows related to pensions and is due to the continued funding of the defined benefit pension plans by the District.

Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the amount of outstanding indebtedness attributable to the acquisition, construction, or improvement of those assets. When there are significant unspent bond proceeds, the proceeds are an offset to the related indebtedness.

Net position restricted includes amounts restricted for principal and interest payments of amounts due related to outstanding revenue bonds (discussed in Note 7), as well as restricted deposits related to the lease transactions (discussed in Note 8), and other funds that are restricted in purpose.

Unrestricted net position has a negative balance for the last three fiscal years. This is primarily due to the other postemployment benefits (OPEB) liability in the District's financial statements. The OPEB liability recorded on the statement of net position totaled $944,723 and $901,420 for the years ended June 30, 2021 and 2020, respectively. The increases in the OPEB liability year over year is due to a decrease in the discount rate used in the actuarial valuation to calculate the liability. The OPEB plan is closed to non-union employees and remains open for union employees. The actuarial valuations for OPEB are posted on the District's website at: Transparency and Accountability (trimet.org) - Actuarial Valuations - OPEB

Changes in Net Position

The District's total revenues increased $47,518, or 6.3 percent, during fiscal year 2021 (see Table 2). Passenger revenue decreased $54,030 or 57.8 percent as the pandemic continued to reduce ridership throughout the fiscal year. Payroll and other tax revenue increased $17,176, or 4.3 percent. Grant revenue – CARES Act, CRRSAA increased $85,303, or 72.2 percent due to the CRRSAA grant awarded by the Federal government to the District as response to the pandemic in fiscal year 2021.

The District's total revenues increased $140,305 or 22.6 percent, during fiscal year 2020 (see Table 2). Passenger revenue decreased $21,336, or 18.6 percent as the pandemic impacted ridership beginning in March 2020 through the end of fiscal year 2020. Payroll and other tax revenue increased $25,602, or 6.9 percent. Grant revenue – CARES Act, CRRSAA

Management's Discussion and Analysis

continued

(dollars in thousands)

increased $118,200 due to the increase for the CARES Act awarded by the Federal government to the District in response to the pandemic in fiscal year 2020.

Prior to the pandemic, the Portland region was strong, creating jobs at a robust pace. The transportation sector remained strong prior to the Coronavirus. The last quarter of fiscal year 2020 experienced the pandemic's impact to the region with the State's employment and wage growth declining over 2020. In the spring of 2020, the State of Oregon's Governor issued a stay at home order. The result of the order led to a significant drop in ridership in the last quarter of fiscal year 2020. In response to the pandemic, the maximum capacity on the system was reduced for social distancing. The District is adapting to the ripple effect of the Coronavirus.

TriMet received relief from the pandemic in the form of Federal funding for the CARES Act grant ($184,925) in fiscal year 2020 and then the CRRSAA award ($195,420) in fiscal year 2021. The CARES Act allowed TriMet to seek reimbursement for eligible costs from February 2020 forward. Fiscal year 2020 recorded $118,200 for CARES Act grant revenues and in fiscal year 2021, the District recorded $66,725. In fiscal year 2021, the District recorded $136,778 in CRRSAA grant funds. TriMet continues to adapt ensuring the system is clean and personal protective equipment, such as masks and hand sanitizer are available on the system. The District is committed to ensuring safety for passengers and its employees as we continue to navigate in a global pandemic.

In fiscal year 2021, the District implemented GASB Statement No. 87, *Leases*, which resulted in the restatement of net position as of July 1, 2019. This standard establishes a single reporting model for lease accounting. Additional information on GASB Statement No. 87 can be found in Note 5.

Management's Discussion and Analysis

continued

(dollars in thousands)

Table 2

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

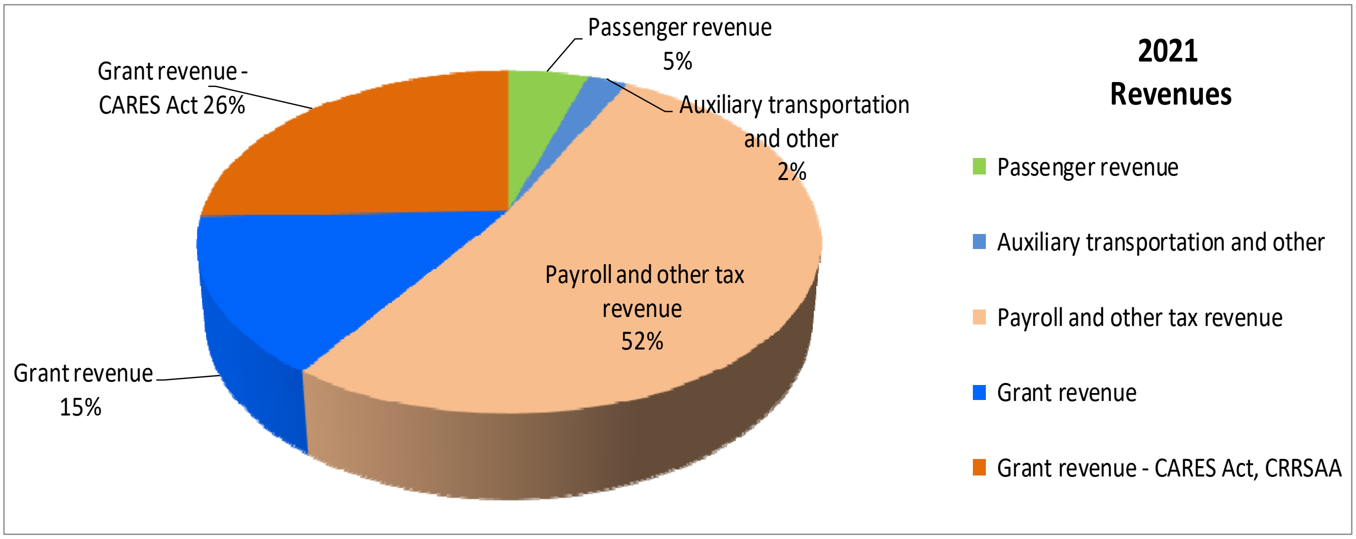
				Increase (decrease)			
				2021 - 2020		2020 - 2019	
	2021	2020 As restated	2019	$	%	$	%
Revenues							
Operating revenues							
Passenger revenue	$ 39,528	$ 93,558	$ 114,894	$ (54,030)	(57.8)%	$ (21,336)	(18.6)%
Auxiliary transportation and other	19,771	21,282	20,928	(1,511)	(7.1)%	354	1.7 %
Non-operating revenues							
Payroll and other tax revenue	415,529	398,353	372,751	17,176	4.3 %	25,602	6.9 %
Grant revenue	117,450	110,065	99,668	7,385	6.7 %	10,397	10.4 %
Grant revenue - CARES Act, CRRSAA	203,503	118,200	-	85,303	72.2 %	118,200	0.0 %
Gain on disposal of capital assets	463	4,599	6,144	(4,136)	(89.9)%	(1,545)	(25)%
Pass through revenue	10,701	13,258	4,563	(2,557)	(19.3)%	8,695	190.6 %
Net leveraged lease income	732	844	906	(112)	(13.3)%	(62)	(6.8)%
Total operating and non-operating revenues	807,677	760,159	619,854	47,518	6.3 %	140,305	22.6 %
Expenses							
Labor	209,425	199,933	194,641	9,492	4.7 %	5,292	2.7 %
Fringe benefits	205,137	225,604	190,732	(20,467)	(9.1)%	34,872	18.3 %
Materials and services	116,974	120,193	124,317	(3,219)	(2.7)%	(4,124)	(3.3)%
Utilities	10,928	10,886	10,412	42	0.4 %	474	4.6 %
Purchased transportation	14,981	26,497	30,577	(11,516)	(43.5)%	(4,080)	(13.3)%
Depreciation expense	142,919	137,472	132,943	5,447	4.0 %	4,529	3.4 %
Other operating expense	14,887	17,931	17,632	(3,044)	(17.0)%	299	1.7 %
Pass through expense	10,701	13,258	4,563	(2,557)	(19.3)%	8,695	190.6 %
Interest and other expense	34,129	10,817	10,894	23,312	215.5 %	(77)	(0.7)%
Funding exchanges and other payments	1,900	14,189	11,882	(12,289)	(86.6)%	2,307	19.4 %
Impairment of capital assets	58,579	-	-	58,579	0.0 %	-	0.0 %
Total expenses	820,560	776,780	728,593	43,780	5.6 %	48,187	6.6 %
Loss before contributions	(12,883)	(16,621)	(108,739)	3,738	(22.5)%	92,118	(84.7)%
Capital contributions	48,664	35,581	40,077	13,083	36.8 %	(4,496)	(11.2)%
Increase (decrease) in net position	35,781	18,960	(68,662)	16,821	88.7 %	87,622	(127.6)%
Net position-as previously reported	1,852,896	1,831,758	1,900,420	21,138	1.2 %	(68,662)	(3.6)%
Cumulative effect to implement GASB No. 87, Leases	-	2,178	-	(2,178)	(100.0)%	2,178	0.0 %
Net position - beginning restated	1,852,896	1,833,936	1,900,420	18,960	1.0 %	(66,484)	(3.5)%
Total net position - ending	$ 1,888,677	$1,852,896	$ 1,831,758	$ 35,781	1.9 %	$ 21,138	1.2 %

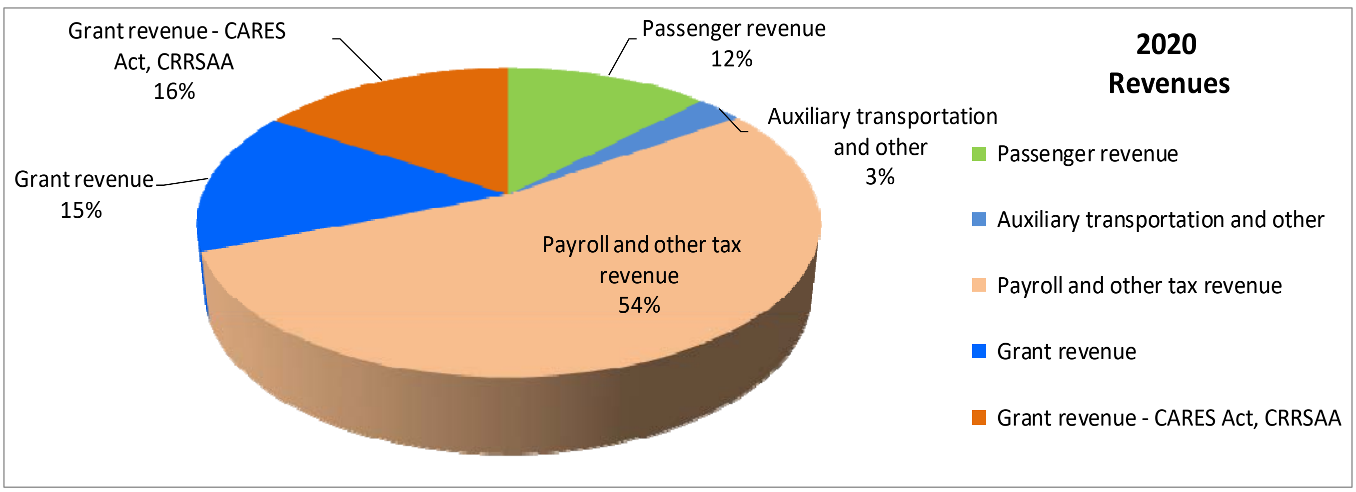
Management's Discussion and Analysis

continued

(dollars in thousands)

The following charts display the allocation of District revenues for fiscal years 2021 and 2020:





- Total operating and non-operating revenues were $807,677 for fiscal year 2021, an increase of 6.3 percent.
- Total operating and non-operating revenues were $760,159 for fiscal year 2020, an increase of 22.6 percent.
- Total payroll and other tax revenues increased $17,176 or 4.3 percent, totaling $415,529 for fiscal year 2021. Of that amount, Employer payroll tax revenue increased $14,396, or 3.78 percent as regional employment conditions remained stable throughout most of fiscal year 2021 and the rate increase effective January 2021. Self-employment and other tax revenues (SET) increased by $2,653 or 17.8 percent over fiscal year 2020, primarily due to extensions to file and remit for SET as a result of the pandemic.
- Total payroll and other tax revenues increased 6.9 percent, totaling $398,353 for fiscal year 2020. Employer payroll tax revenue increased $26,286, or 7.4 percent due to continued strong employment conditions over fiscal year 2020 and the rate increase effective January 2020. Self-employment and other tax revenues decreased by $1,391, or 8.6 percent over fiscal year 2019. In response to the pandemic, the deadline to file and remit for self employment tax revenues was extended from April 15, 2020 to July 15, 2020 (into fiscal year 2021).

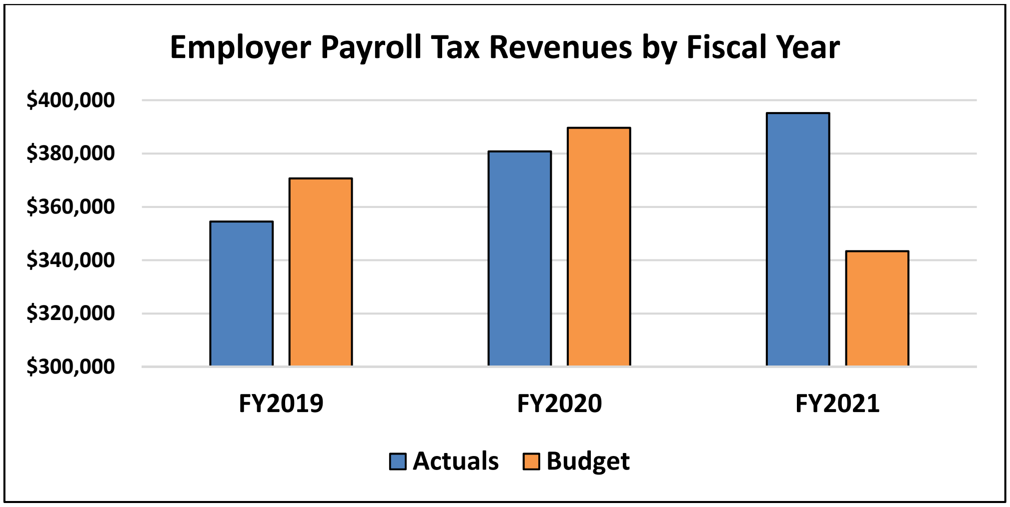
  In 2004, the TriMet Board of Directors (Board) adopted Ordinance No. 279 increasing TriMet's employer payroll and self employment tax rate. The increase went into effect January 1, 2005 and was phased in over a 10 year period.

Management's Discussion and Analysis

continued

(dollars in thousands)

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.



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, 2020 effective rate was 0.7737 percent and on January 1, 2021, the effective rate increased to 0.7837 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)

- Grant revenue increased $7,385, or 6.7 percent, compared to fiscal year 2020. Revenues in this category include Federal Preventive Maintenance Funds and other operating support. Grant revenue – CARES Act, CRRSAA increased by $85,303 or 72.2 percent over fiscal year 2020. Both the CARES Act and the CRRSAA award provide Federal relief for the Coronavirus. 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. The increase in revenues in the current year is a result of the reimbursement for eligible expenses under the CARES Act and the CRRSAA award.

- Passenger revenue was $39,528 for the fiscal year 2021, a decrease of $54,030 or 57.8 percent. The decrease is a result of the impact of the Coronavirus on ridership over fiscal year 2021.

  Passenger revenues decreased in 2020 by $21,336 or 18.6 percent. The decrease reflects the impact of the pandemic on ridership for the last quarter in fiscal year 2020.

- Total net position at June 30, 2021, was $1,888,677 an increase of $35,781 or 1.9 percent from 2020. The change in net position is primarily attributable to the following factors:
  - Decrease in passenger revenue of $54,030 from fiscal year 2020 due to COVID-19.
  - Increase of $85,303 in grant revenues – CARES Act, CRRSAA. As previously reported, in fiscal year 2021, TriMet was awarded $195,420 in Federal relief from the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 to help the District bridge funding gaps due to losses in fare revenues as ridership decreased by as much as 70 percent after the pandemic hit the region in 2020 and continued to impact fare revenues throughout fiscal year 2021.

- Decrease in fringe benefits of $20,467 or 9.1 percent from fiscal year 2020 as a result of the defined benefit pension plans nearing a fully funded status.

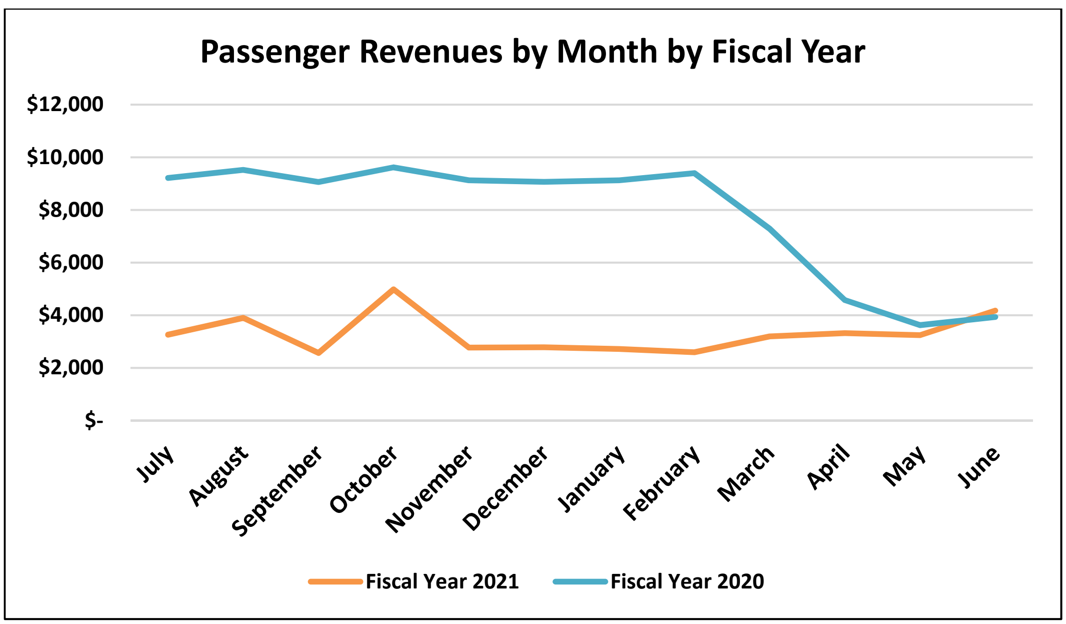
- Total net position at June 30, 2020, was $1,852,896, an increase of $21,138 or 1.2 percent from 2019. The change in net position is primarily attributable to the following factors:
  - Increase of $118,200 in grant revenues – CARES Act. In fiscal year 2020, TriMet was awarded $184,925 in Federal aid for the Coronavirus Aid, Relief and Economic Security (CARES) Act that was passed by Congress in late March 2020 for transit agencies to help prevent, prepare for and respond to the COVID-19 pandemic.
  - Increase of $8,695 or 190.6 percent in the line items for pass through revenues and pass through expenses in materials and services expenses. The increase is a result of the House Bill 2017 subrecipient programs ramping up. Intergovernmental agreements with subrecipients were not executed until fiscal year 2020.
  - Increase of $34,872 or 18.3 percent in fringe benefits. Fringe benefits includes expense for pension and OPEB. With the increases to the pension liabilities and OPEB liabilities, the related expenses increased as well.

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 2021, the District experienced an overall decrease in passenger revenue of 57.8 percent. The graphs below show the actual monthly passenger revenues for fiscal year 2021 compared with fiscal year 2020.



Auxiliary Transportation and Other Revenue

Auxiliary Transportation and Other Revenue includes revenue from LIFT paratransit service, Streetcar operating revenues, Local grants and operating assistance from other local governments. In fiscal year 2021, auxiliary transportation and other revenues decreased $1,511 or 7.1 percent. In fiscal year 2020, auxiliary transportation and other revenues noted a slight increase of $354 or 1.7 percent. Over the past two years, auxiliary revenues have remained relatively constant.

Management's Discussion and Analysis

continued
(dollars in thousands)

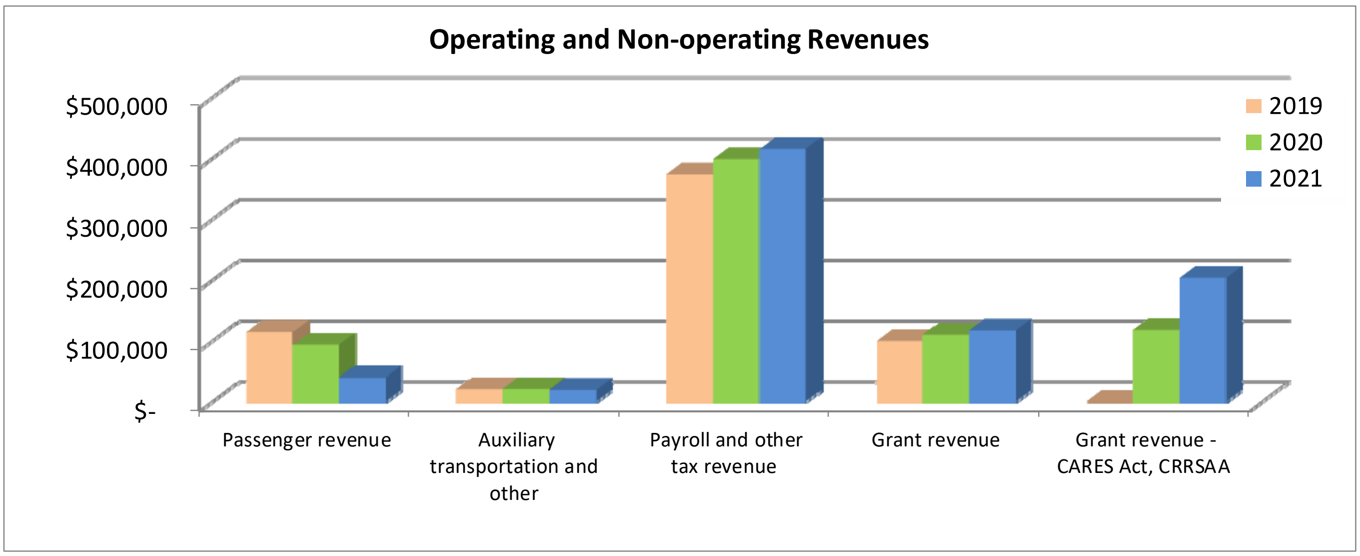
Non-operating Revenues

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 2021 in non-operating revenues is noted in grant revenues – CARES Act, CRRSAA for reasons previously discussed.

Payroll and Other Tax Revenues

Payroll tax revenues are the District's main source of revenue. Payroll and other tax revenues increased $17,176, or 4.3 percent in fiscal year 2021. In fiscal year 2020, payroll and other tax revenues increased $25,602, or 6.9 percent, compared to fiscal year 2019. The pandemic has not negatively impacted payroll tax revenues, indicating there is some stability in this resource. The Portland economy remained relatively stable throughout fiscal year 2020 and 2021.

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 $43,780 or 5.6 percent to $820,560, during fiscal year 2021. Fringe benefits decreased $20,467, or 9.1 percent. This decrease, as previously discussed, is due to the funding status of the District's defined benefit pension plans. Fiscal year 2021 includes $58,579 for impairment of capital assets. This amount represent costs incurred since fiscal year 2018 for the Southwest Corridor light rail project (SWC). In the November 2020 election, SWC did not receive voter approved funding and therefore costs for this project were recorded to impairment expense.

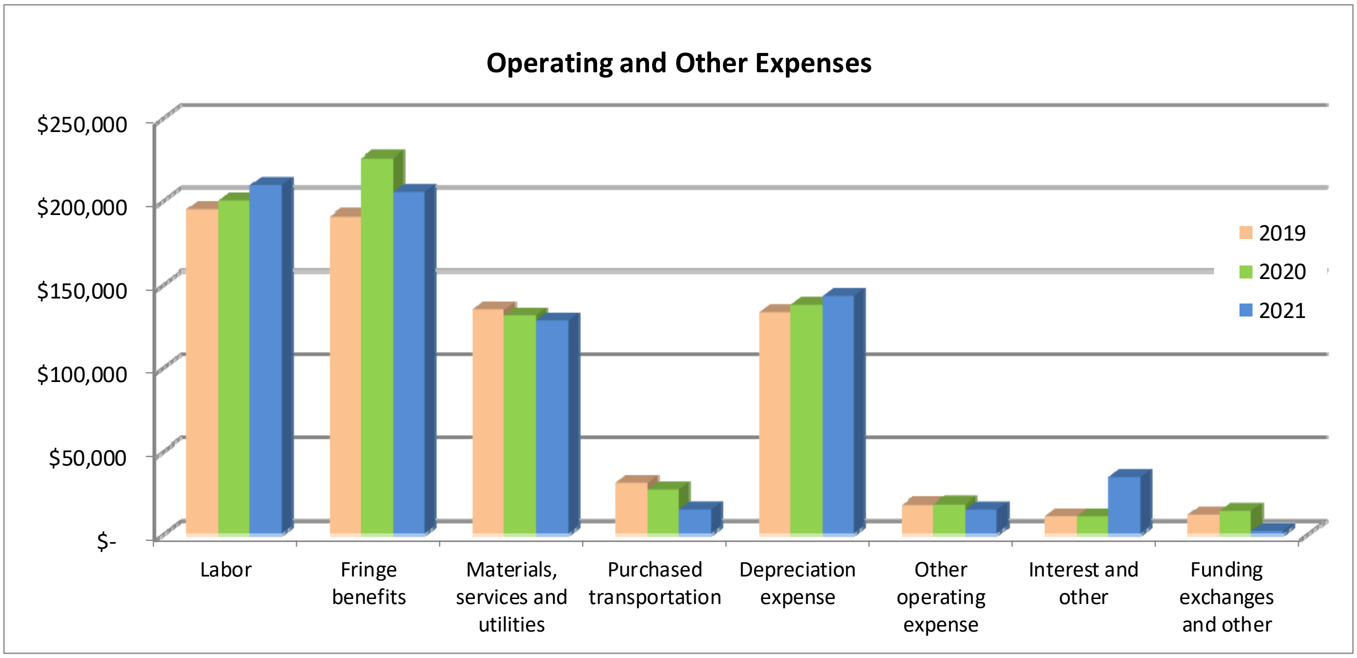
Total operating and non-operating expenses increased $48,187 or 6.6 percent to $776,780 during fiscal year 2020. Fringe benefits increased $34,872 or 18.3 percent. The increase is directly related to an increase in the expense as increases to the defined benefit pension liabilities and the OPEB liability at June 30, 2020.

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

Management's Discussion and Analysis

continued

(dollars in thousands)



Capital Contributions

Capital contributions include federal grants and other local government contributions restricted for purchase or construction of capital assets. Capital contributions increased by $13,083 or 36.8 percent during fiscal year 2021. Capital contributions decreased by $4,496 or 11.2 percent during fiscal year 2020. The decrease in fiscal years 2020 is due to a reduction in overall contributions due to the completion of a light-rail line in 2016 and no other significant light-rail expansion projects in the acquisition and construction phase.

Capital Assets

At June 30, 2021, the District had invested $3,053,764, in capital assets, net of accumulated depreciation (see Table 3 and Note 4).

Table 3 — **Capital Assets**
As of June 30
(net of accumulated depreciation, dollars in thousands)

				Increase (decrease)			
				2021 - 2020		2020 - 2019	
	2021	2020	2019	$	%	$	%
Land and other	$ 229,692	$ 231,410	$ 235,089	$ (1,718)	(0.7)%	$ (3,679)	(1.6)%
Rail right-of-way and stations	1,330,086	1,390,499	1,439,015	$ (60,413)	(4.3)%	$ (48,516)	(3.4)%
Buildings	528,129	540,561	558,700	$ (12,432)	(2.3)%	$ (18,139)	(3.2)%
Transportation equipment	394,531	423,363	410,535	$ (28,832)	(6.8)%	$ 12,828	3.1 %
Furniture and other equipment	135,465	141,092	148,721	$ (5,627)	(4.0)%	$ (7,629)	(5.1)%
Construction in progress	435,861	359,953	222,190	$ 75,908	21.1 %	$ 137,763	62.0 %
Total capital assets	$ 3,053,764	$ 3,086,878	$ 3,014,250	$ (33,114)	(1.1)%	$ 72,628	2.4 %

Total capital assets net of depreciation decreased $33,114, or 1.1 percent, during fiscal year 2021; the largest increase was noted in construction in progress. This line item includes construction for a distribution center and bus garage, improvements to a light-rail line and improvements to bus service routes. Total capital assets net of depreciation increased $72,628, or 2.4 percent, during fiscal year 2020. The increase was noted in construction in progress and buildings primarily due to the purchase and property acquisition of land and a building to develop a distribution center and bus garage.

Management's Discussion and Analysis

continued

(dollars in thousands)

Long-Term Debt

Long-term debt includes revenue bonds guaranteed by payroll tax and grant receipt revenues. At June 30, 2021, the District had $829,575 in revenue bonds outstanding (see Note 7).

The table 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:

Table 4

Revenue Bond Ratings
As of June 30
(dollars in thousands)

Revenue bonds	**Original issue amount**	**Balance at June 30, 2021**	**Moody's**	**Standard & Poor's**	**Kroll**
Payroll Tax Revenue Bonds:					
2009 Series A and B Payroll Tax	$ 49,550	$ 12,530	Aaa	AAA	AAA
2012 Series A Payroll Tax	93,290	5,850	Aaa	AAA	AAA
2015 Series A and B Payroll Tax	134,590	64,320	Aaa	AAA	AAA
2016 Series A Payroll Tax	74,800	73,340	Aaa	AAA	AAA
2017 Series A Payroll Tax	97,430	90,310	Aaa	AAA	AAA
2018 Series A Payroll Tax	148,245	145,210	Aaa	AAA	AAA
2019 Series A and B Payroll Tax	237,815	237,105	Aaa	AAA	AAA
Grant Receipt Revenue Bonds:					
2011 Series A and B Capital Grant Receipt	142,380	11,390	A3	A	Not Rated
2017 Capital Grant Receipt Revenue Refunding, Series A	76,015	76,015	A3	A	Not Rated
2018 Capital Grant Receipt, Series A	113,900	113,505	A3	A	Not Rated

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, 2021.

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. 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. The following chart displays assets, liabilities, and net position of the trust fund as well as the funded status of the plan as of June 30, 2021, 2020, and 2019:

Table 5

Trust Net Position
As of June 30
(dollars in thousands)

	2021	2020	2019
Trust assets	$ 158,727	$ 131,317	$ 134,968
Trust liabilities	6	25	22
Trust net position	$ 158,721	$ 131,292	$ 134,946
Total pension liability	$ 145,948	$ 146,953	$ 144,958
Funded percentage	109%	89%	93%

Management's Discussion and Analysis

continued
(dollars in thousands)

Total net position as of June 30, 2021 increased by $27,429 or 20.9 percent as benefit payments to retirees were less than employer contributions recorded in the plan of $6,250 in fiscal year 2021, along with change in fair market value of investments (see Note 14). Employer contributions increased by $3,923 in fiscal year 2021. In fiscal year 2020 the District elected to redirect contributions from the Management and Staff Trust Fund to the Bargaining Unit Trust Fund. Contributions to the plan resumed in fiscal year 2021, resulting in the increase from 2020 to 2021. Total net position as of June 30, 2020 decreased by $3,654 or 2.7 percent. TriMet's board adopted a funding policy for the plan in 2014 and adopted a resolution in 2019 amending the District's Strategic Financial Plan Guideline on Pension Funding Employer contributions to the plan are funded on a monthly basis.

The following chart displays changes in net position for the years ended June 30, 2021, 2020, and 2019:

Table 6

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

	2021	2020	2019
Employer contributions	$ 6,250	$ 2,327	$ 6,240
Investment earnings	29,802	1,727	3,787
Total additions	36,052	4,054	10,027
Benefit payments	8,513	7,564	7,197
Administrative expenses	110	144	137
Total deductions	8,623	7,708	7,334
Increase in net position	27,429	(3,654)	2,693
Trust net position, beginning	131,292	134,946	132,253
Trust net position, ending	$ 158,721	$ 131,292	$ 134,946

THE 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. The following chart displays assets, liabilities, and net position of the trust fund as well as the funded status of the plan as of June 30, 2021, 2020, and 2019:

Table 7

Trust Net Position
As of June 30
(dollars in thousands)

	2021	2020	2019
Trust assets	$ 733,653	$ 574,108	$ 574,982
Trust liabilities	41	53	62
Trust net position	$ 733,612	$ 574,055	$ 574,920
Total pension liability	$ 775,386	$ 756,617	$ 713,756
Funded percentage	95%	76%	81%

Management's Discussion and Analysis

continued

(dollars in thousands)

Total net position as of June 30, 2021 increased by $159,557 or 27.8 percent due to contributions and significant investment earnings over fiscal year 2021 (See Note 15). Total net position as of June 30, 2020 decreased by $865, or 0.2 percent, due to the payments for retirement benefits were greater than the slight increase in the fair market value of investments along with total employer contributions to the plan of $37,755 in fiscal year 2020. TriMet's board adopted a funding policy for the plan in 2014 and adopted a resolution in 2019 amending the District's Strategic Financial Plan Guideline on Pension Funding. Employer contributions to the plan are funded on a monthly basis. The following chart displays changes in net position for the years ended June 30, 2021, 2020, and 2019:

Table 8

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

	2021	2020	2019
Employer contributions	$ 33,929	$ 37,755	$ 34,718
Investment earnings	170,880	3,683	18,621
Total additions	$ 204,809	41,438	53,339
Benefit payments	$ 44,963	41,940	38,905
Administrative expenses	289	363	396
Total deductions	45,252	42,303	39,301
Increase (decrease) in net position	159,557	(865)	14,038
Trust net position, beginning	574,055	574,920	560,882
Trust net position, ending	$ 733,612	$ 574,055	$ 574,920

Other Post Employment Benefits Liability

The District has established a trust to fund the OPEB liability. In addition, the District has adopted a strategic financial plan (SFP) (TriMet Strategic Financial Plan) that includes funding the OPEB obligation. In January 2019, the SFP was amended (Amended Strategic Financial Plan). For further details on OPEB see Note 13, Other Employee Benefits. Complete reports of the actuarial valuations for OPEB can be found on TriMet's website under Accountability and Transparency (https://trimet.org/about/accountability.htm#financial).

ECONOMIC FACTORS AND FISCAL YEAR 2022 BUDGET

The District's Board of Directors adopted the fiscal year 2022 budget on June 23, 2021. The fiscal year 2022 budget includes $1,177,484 in total appropriations, a 0.7 percent increase from fiscal year 2021. From the approved budget on March 24, 2021 to the final adopted budget in June, significant changes were implemented in response to the ATU Working Wage Agreement, although offset by a contingency reduction, and carryover from the capital improvement project budgets from fiscal year 2021 to fiscal year 2022. Funding exchanges also increased significantly due to carryover and timing of exchanges. On the resource side unrestricted fund balance was increased based on fiscal year 2021 estimated results being less than anticipated and a significant increase in federal stimulus funding. Coinciding with carryover on capital project budgets, capital project resources were also carried over from fiscal year 2021 to fiscal year 2022 on resources.

Fiscal year 2022 includes continued recovery from the COVID-19 pandemic. Passenger revenues from forecast were down significantly due to the decrease in ridership. Continued focus on sanitizing and cleanliness of vehicles, trains and platforms in addition to the safety of riders and employees are paramount. Investments in CIP are also crucial to the agency for such projects as the light rail vehicle replacements, Division Transit Project, Red Line Project, Powell Maintenance Facility and electric vehicle infrastructure, where substantial progress is expected to be made. Service was reduced by nearly 20 percent during the pandemic and the onset of fiscal year 2021, however, approximately 40 percent of the bus service has been restored with additional planned in fiscal year 2022. Passenger revenues are still down significantly, but expected to uptick a bit in fiscal year 2022 from the previous fiscal year. Payroll and self-employment taxes have become stable, giving a solid platform for continuing future operations. The fiscal year 2022 adopted budget can be found online under "Financial Information" and "Budgets" at: https://trimet.org/about/accountability.htm#policy

Management's Discussion and Analysis

continued

(dollars in thousands)

The fiscal year 2022 adopted budget includes the cost of operating and maintaining the existing transit system, the costs of fixed route bus and rail service to maintain headways and capacity as the region grows, costs of ADA complementary paratransit service, costs associated with Reimagining Public Safety, capital investments in infrastructure and assets, mid-life overhaul of light rail vehicles and debt service expense. For the ninth consecutive year, the budget does not include any increase in fares. Highlights from the $1.18 billion adopted budget include:

- Operating and tax revenues total $478.1 million.
- Coronavirus Aid, Relief, Economic Security (CARES) Act and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funding of approximately $157.2 million.
- Total day-to-day operating requirements of $754.4 million, which includes $436.5 million for all activities required to operate the system, $137.4 million in general and administrative costs, $54.0 million for other post-employment benefits and $126.5 million for debt service.
- TriMet will continue service lines and begin to add service back to pre-pandemic conditions throughout fiscal year 2022 including increased frequency and route changes.
- TriMet continues to provide free fare grants to area community-based organizations and nonprofits now totaling over $2 million. These grants are in addition to the Hop Fastpass® program, which provides fare equity for frequent riders through its innovative fare-capping policy and State STIF Grant Low Income Fare Program. Revenue reductions are anticipated from the fare relief grant program, low-income youth high school program, social service agency outlet sales program and the fare assistance program.
- Capital Improvement Program (CIP) Requirements of $367.9 million. 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/), complete construction on the Division Transit project (https://trimet.org/division/) and continued efforts on the transit signal priorities project.
- 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 $32.5 million, 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 2021 contingency totals $22.6 million.
- Ending fund balance totals $741.7 million and is unappropriated and not available for spending in fiscal year 2021. Fund balance includes $208.1 million in restricted bond proceeds and other restrictions to be spent after fiscal year 2021; $38.5 million restricted for future debt service payments; and $495.1 million 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 his 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. In fiscal year 2020, TriMet began testing its first fleet of five battery electric buses and accepted delivery of four zero-emission repowered transit buses. In fiscal year 2021, TriMet began ordering more battery-electric buses. In fiscal year 2022, TriMet dedicates additional funding for the purchase and implementation of electrification infrastructure.

  The District expects more change over the next year and will have a better idea of how ridership reacts to the continued pandemic. Preserving service, keeping riders and employees' safe, and maintaining infrastructure in a state of good repair remain top priorities of the District. Affordability and further recovery from the pandemic will be key for any expansion in the future.

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
1800 S.W. 1st Avenue, Suite 300
Portland, OR 97201
www.trimet.org

Enterprise Fund
Statements of Net Position
June 30, 2021 and 2020
(dollars in thousands)

Assets	2021	2020
Current assets:		
Cash and cash equivalents	$ 322,340	$ 181,141
Investments	30,246	3,656
Taxes and other receivables, net	110,176	116,457
Grants receivable	38,139	3,158
Grants receivable - CARES Act, CRRSAA	13,647	54,602
Leases receivable	176	662
Prepaid expenses	9,883	9,922
Total current assets	524,607	369,598
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	105,043	102,013
Investments	216,363	307,067
Interest receivables	192	1,331
Grants receivable	8,190	14,440
Lease receivable	3,127	3,263
Lease leaseback, net	8,390	13,152
Prepaid lease expenses	67	391
Long-term receivable	24	-
Materials and supplies	57,313	52,054
Right to use assets, net of accumulated amortization	11,042	13,461
Capital assets:		
Land and other, not being depreciated	229,692	231,410
Construction in process	435,861	359,953
Capital assets, net of accumulated depreciation	2,388,211	2,495,515
Net capital assets	3,053,764	3,086,878
Total noncurrent assets	3,463,515	3,594,050
Total assets	3,988,122	3,963,648
Deferred outflows of resources		
Deferred outflows related to pensions	13,451	68,074
Unamortized loss on refunded debt	10,194	11,625
Deferred outflows related to OPEB	210,562	155,594
Total deferred outflows of resources	234,207	235,293
Total assets and deferred outflows of resources	$ 4,222,329	$ 4,198,941

See accompanying notes to basic financial statements

Enterprise Fund
Statements of Net Position

June 30, 2021 and 2020
(dollars in thousands)
Continued

Liabilities	2021	2020
Current liabilities (unrestricted):		
Accounts payable	$ 22,643	$ 25,856
Accrued payroll	29,620	26,686
Current portion of noncurrent liabilities	5,957	6,291
Unearned revenue	14,147	16,320
Lease liability	2,350	2,147
Current liabilities (restricted):		
Accounts payable	23,320	32,359
Current portion of long-term debt	25,387	24,257
Unearned revenue	1,000	1,000
Unearned capital project revenue	90,420	68,330
Other accrued liabilities	10,827	11,277
Total current liabilities	225,671	214,523
Noncurrent liabilities:		
Long-term debt	867,982	901,261
Net pension liability	29,001	198,223
Other postemployment benefits liability (OPEB)	944,273	901,420
Other long-term liabilities	15,396	17,051
Lease liability	8,919	11,145
Total noncurrent liabilities	1,865,571	2,029,100
Total liabilities	2,091,242	2,243,623
Deferred inflows of resources		
Deferred inflows related to pensions	93,229	6,950
Deferred inflows related to leases	5,356	5,772
Deferred inflows related to OPEB	143,825	89,700
Total deferred inflows of resources	242,410	102,422
Net position		
Net investment in capital assets	2,332,385	2,459,273
Restricted	54,204	42,124
Unrestricted	(497,912)	(648,501)
Total net position	1,888,677	1,852,896
Total liabilities, deferred inflows of resources and net position	$ 4,222,329	$ 4,198,941

See accompanying notes to basic financial statements

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

For the Years Ended June 30, 2021 and 2020
(dollars in thousands)

	2021	2020 *as restated*
Operating revenues		
Passenger revenue	$ 39,528	$ 93,558
Auxiliary transportation and other revenue	19,771	21,282
Total operating revenues	59,299	114,840
Operating expenses		
Labor	209,425	199,933
Fringe benefits	205,137	225,604
Materials and services	116,974	120,193
Utilities	10,928	10,886
Purchased transportation	14,981	26,497
Depreciation and amortization expense	142,919	137,472
Other operating expense	14,887	17,931
Total operating expenses	715,251	738,516
Operating loss	(655,952)	(623,676)
Non-operating revenues (expenses)		
Payroll and other tax revenue	415,529	398,353
Grant revenue	117,450	110,065
Grant revenue - CARES Act, CRRSAA	203,503	118,200
Net leveraged lease income	732	844
Gain on disposal of capital assets	463	4,599
Pass through revenue	10,701	13,258
Pass through expense	(10,701)	(13,258)
Interest and other expense	(34,129)	(10,817)
Funding exchanges and other payments	(1,900)	(14,189)
Impairment of capital assets	(58,579)	-
Total non-operating revenues, net	643,069	607,055
Loss before contributions	(12,883)	(16,621)
Capital contributions	48,664	35,581
Changes in net position	35,781	18,960
Total net position - beginning	1,852,896	1,831,758
Cumulative effect to implement GASB No. 87	-	2,178
Total net position - beginning restated	1,852,896	1,833,936
Total net position - ending	$ 1,888,677	$ 1,852,896

See accompanying notes to basic financial statements

Enterprise Fund
Statements of Cash Flows

For the Years Ended June 30, 2021 and 2020
(dollars in thousands)

	2021	2020 *as restated*
Cash flows from operating activities		
Receipts from passengers	$ 49,035	$ 98,753
Receipts from other sources	20,291	20,710
Payments to employees	(396,066)	(375,801)
Payments to suppliers	(180,761)	(177,856)
Net cash used in operating activities	(507,501)	(434,194)
Cash flows from noncapital financing activities		
Receipts from payroll taxes	409,755	391,944
Receipts from operating grants	326,927	178,649
Other noncapital financing	(760)	(14,190)
Net cash provided by noncapital financing activities	735,922	556,403
Cash flows from capital and related financing activities		
Receipts from capital grants	77,002	89,600
Receipts from (payments made) property taxes	-	(60)
(Payments) receipts on leases	(865)	2,693
Receipts from sales or lease of capital assets	2,185	6,495
Acquisition and construction of capital assets	(167,688)	(211,995)
Issuance of debt	-	250,048
Principal payments on long-term debt	(24,245)	(88,546)
Interest payments on long-term debt	(35,629)	(42,234)
Net cash provided (used) by capital and related financing activities	(149,240)	6,001
Cash flows from investing activities		
Purchases of investment securities	(1,159,729)	(1,152,145)
Proceeds from sales and maturities of investment securities	1,221,976	1,127,682
Interest received	2,801	4,019
Net cash provided (used) by investing activities	65,048	(20,444)
Net increase in cash and cash equivalents	144,229	107,766
Cash and cash equivalents, beginning of year	283,154	175,388
Cash and cash equivalents, end of year	$ 427,383	$ 283,154
Reconciliation of cash and cash equivalents		
Unrestricted cash and cash equivalents	$ 322,340	$ 181,141
Restricted cash and cash equivalents	105,043	102,013
Total cash and cash equivalents	$ 427,383	$ 283,154

See accompanying notes to basic financial statements

Enterprise Fund
Statements of Cash Flows

For the Years Ended June 30, 2021 and 2020
(dollars in thousands)
Continued

Reconciliation of operating loss to net cash used in operating activities

	2021	2020 *as restated*
Operating loss	$ (655,952)	$ (623,676)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	142,919	137,472
Prior period adjustment for GASB Statement No. 87, *Leases*	-	2,178
(Increase) decrease in taxes and other receivables	12,056	(1,404)
(Increase) Decrease in long-term receivable	(24)	256
(Increase) decrease in prepaid expenses and other assets	571	(11,998)
Decrease in materials, supplies and other	(5,259)	(6,513)
Increase (decrease) in accounts payable	(12,252)	5,307
Increase in accrued payroll	2,934	2,843
Increase (decrease) in unearned revenue	(2,173)	1,867
Increase (decrease) in net pension liability and related deferrals	(28,319)	6,720
Increase in OPEB and related deferrals	42,011	39,271
Increase (decrease) in other liabilities	(4,013)	13,483
Total adjustments	148,451	189,482
Net cash used in operating activities	$ (507,501)	$ (434,194)

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

(dollars in thousands)

	2021	2020
Net leveraged lease income	$ 732	$ 844
Accretion/amortization of investments	(534)	1,748
Fiber optic lease	546	339

See accompanying notes to basic financial statements

Trust Fund
Statement of Pension Plan Fiduciary Net Position

June 30, 2021
(dollars in thousands)

	2021		
	Trust Fund		
	Retirement Plan for Management and Staff Employees	Pension Plan for Bargaining Unit Employees	Total
Assets			
Cash and cash equivalents	$ 414	$ 3,524	$ 3,938
Investments:			
Domestic large/mid cap equity	33,015	213,279	246,294
Domestic small cap equity	3,526	27,586	31,112
International equity	23,886	161,527	185,413
Domestic fixed income	37,925	124,968	162,893
Tactical asset allocation	16,617	79,438	96,055
Real estate	12,448	61,571	74,019
Absolute return	23,886	40,279	64,165
Private credit	3,776	4,180	7,956
Private equity	3,234	17,301	20,535
Total investments	158,313	730,129	888,442
Total assets	158,727	733,653	892,380
Liabilities			
Accounts payable	6	41	47
Total liabilities	6	41	47
Net position			
Held in trust for pension benefits	$ 158,721	$ 733,612	$ 892,333

See accompanying notes to basic financial statements

Trust Fund
Statement of Pension Plan Fiduciary Net Position

June 30, 2020
(dollars in thousands)
Continued

	2020 Trust Fund: Retirement Plan for Management and Staff Employees	2020 Trust Fund: Pension Plan for Bargaining Unit Employees	2020 Trust Fund: Total
Assets			
Cash and cash equivalents	$ 357	$ 315	$ 672
Investments:			
Domestic large/mid cap equity	27,312	164,783	192,095
Domestic small cap equity	2,511	17,106	19,617
International equity	20,241	128,183	148,424
Domestic fixed income	31,989	86,721	118,710
Tactical asset allocation	11,092	47,763	58,855
Real estate	11,757	56,908	68,665
Absolute return	20,305	55,355	75,660
Private credit	3,546	4,217	7,763
Private equity	2,207	12,757	14,964
Total investments	130,960	573,793	704,753
Total assets	131,317	574,108	705,425
Liabilities			
Accounts payable	25	53	78
Total liabilities	25	53	78
Net position			
Held in trust for pension benefits	$ 131,292	$ 574,055	$ 705,347

See accompanying notes to basic financial statements

Trust Fund
Statement of Changes in Pension Plan Fiduciary Net Position
For the Year Ended June 30, 2021
(dollars in thousands)

	2021 Trust Fund		
	Retirement Plan for Management and Staff Employees	Pension Plan for Bargaining Unit Employees	Total
Additions			
Employer contributions	$ 6,250	$ 33,929	$ 40,179
Investment income (loss):			
Interest	1	2	3
Dividends	991	3,613	4,604
Other income	399	2,570	2,969
Net increase in fair value of investments	28,572	165,582	194,154
Less investment expense	(161)	(887)	(1,048)
Net investment income	29,802	170,880	200,682
Total additions	36,052	204,809	240,861
Deductions			
Benefits	8,513	44,963	53,476
Administrative expenses	110	289	399
Total deductions	8,623	45,252	53,875
Change in net position	27,429	159,557	186,986
Net position held in trust for pension benefits:			
Beginning of year	131,292	574,055	705,347
End of year	$ 158,721	$ 733,612	$ 892,333

See accompanying notes to basic financial statements

Trust Fund
Statement of Changes in Pension Plan Fiduciary Net Position

For the Year Ended June 30, 2020
(dollars in thousands)
Continued

	2020		
	Trust Fund		
	Retirement Plan for Management and Staff Employees	Pension Plan for Bargaining Unit Employees	Total
Additions			
Employer contributions	$ 2,327	$ 37,755	$ 40,082
Investment income:			
Interest	13	70	83
Dividends	1,153	3,327	4,480
Other income	444	2,987	3,431
Net increase (decrease) in fair value of investments	300	(1,831)	(1,531)
Less investment expense	(183)	(870)	(1,053)
Net investment income	1,727	3,683	5,410
Total additions	4,054	41,438	45,492
Deductions			
Benefits	7,564	41,940	49,504
Administrative expenses	144	363	507
Total deductions	7,708	42,303	50,011
Change in net position	(3,654)	(865)	(4,519)
Net position held in trust for			
Beginning of year	134,946	574,920	709,866
End of year	$ 131,292	$ 574,055	$ 705,347

See accompanying notes to basic financial statements

Notes to Financial Statements
June 30, 2021
(dollars in thousands)

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 District also has fiduciary responsibility for two pension plans: The TriMet Defined Benefit Plan for Management and Staff Employees Trust Fund, and the Pension Plan for Bargaining Unit Employees of TriMet Trust Fund. The investment, pension funding and benefit payment activity in these funds and pension plan 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 does not have any component unit relationships. Conversely, TriMet is not considered a component unit of any primary government.

(b) Basis of accounting and presentation

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to proprietary 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 postemployment benefit plan (OPEB). As of June 30, 2021, the OPEB plan had $424 in net position and no activity other than interest earnings. Therefore, the trust fund statements for the OPEB plan are not included as part of the basic financial statements.

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

Operating revenues consist primarily of passenger fares. The District also recognizes operating revenue for contracted service revenue and transit advertising revenue. Operating expenses include the costs of operating the District, including depreciation on capital assets. Capital contributions include grant revenue and other contributions related to capital asset acquisitions or construction. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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, as well as certain resources set aside for their repayment, a long-term receivable due from Portland Streetcar related to development costs for the electronic fare system (Hop), 2005 lease leaseback transaction and capital contributions restricted for costs of certain capital projects. The long-term receivable due from Portland Streetcar was paid in full in fiscal year 2020.

(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 0.7837 percent of the wages paid to individuals (for the payroll tax) and the net earnings from self-employed individuals (for the self employment tax). 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 rolling stock and other transportation equipment. Materials and supplies inventory are stated at cost determined on a moving average basis.

(j) Prepaid expenses

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

(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. Grants receivable are recorded in accordance with the non-exchange guidance and represent Federal Transit Administration relief for the 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).

(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 5.

(m) Capital assets and depreciation

Capital assets are stated at cost, except for donated capital assets, which are stated at the fair (acquisition) value on the date of donation. Expenditures for additions and improvements, with a value in excess of $5 and a useful life of more than one year, are capitalized. Expenditures 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.

Interest costs are capitalized to the extent that interest costs exceed interest earned on related temporary investments, from the date of borrowing until assets are ready for their intended use. 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) 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.

(o) 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.

(p) Leases

Lessee – As a lessee, the District recognizes a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease, or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives received). The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

Lessor – As a lessor, the District recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. The District does not derecognize the asset underlying the lease. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable plus any payment received at or before the commencement of the lease term that relate to future periods.

(q) 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.

(r) Contributed capital

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

(s) 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."

(t) 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 2021 budget throughout the year. For fiscal year-end June 30, 2021, the District was in budget compliance at all division levels.

In fiscal year 2020, the District changed to the budgetary basis of accounting for debt service from the GAAP to cash basis. On the Budgetary basis, principal and interest on long-term debt is recognized when due. The amortization of premiums, discounts, deferred loss/gain on refundings are recognized on the GAAP basis. The impact of this change was to increase the beginning of the year fund balance on a budgetary basis by $72,395. This change includes the balances of deferred gains and losses from various debt refundings, bond premiums and interest payable amounts. See *Schedule of Revenues and Expenses Budget (Budget Basis) and Actual* in Supplementary Information.

(dollars in thousands)

(u) Reclassification for Financial Presentation

Reclassifications of certain amounts from the prior year were necessary in order to conform with the current year presentation. Reclassified amounts include restricted investments in U.S. Treasuries and the adjustment to fair value on the investments related to the 2005 lease-leaseback transaction in connection with the implementation of GASB No. 87. Reclassifications had no impact on net position or the changes in net position.

(v) New Accounting Pronouncements Implemented

In fiscal year 2021, the District implemented GASB Statement No. 87, *Leases*. This statement establishes standards of accounting and financial reporting for leases by lessees and lessors and establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Beginning net position was restated to retroactively adopt the provisions of GASB Statement No. 87 as follows:

Net position at June 30, 2019, as previously reported	$ 1,831,758
Add lease receivable under GASB Statement 87 at June 30, 2019 as lessor	4,034
Less deferred inflows of resources under GASB Statement 87 at June 30, 2019 as lessor	(6,187)
Less lease liability under GASB Statement 87 at June 30, 2019 as lessee	(15,557)
Add right to use assets under GASB Statement 87 at June 30, 2019 as lessee	17,159
Add cumulative effects of incremental rent expense as lessee	1,922
Add deferred revenue on prepaid leases as lessor	2,409
Less prepaid assets as lessee	(1,602)
Effect of implementation	2,178
Net position as restated June 30, 2019	$ 1,833,936

(w) 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, 2021:

GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period.* The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. GASB Statement No. 89 will be effective for the District's fiscal year ending June 30, 2022.

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. GASB Statement No. 91 will be effective for the District's fiscal year ending June 30, 2022.

GASB Statement No. 93, Replacement of Interbank Offered Rates. This Statement requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. GASB 93 will be effective for the District's fiscal year ending June 30, 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). GASB 94 will be effective for the District's fiscal year ending June 30, 2023.

GASB Statement No. 96, *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB 96 will be effective for the District's fiscal year ending June 30, 2023.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* — an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. GASB 97 will be effective for the District's fiscal year ending June 30, 2022.

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.

2. Cash and Investments

Cash and Investments at June 30, 2021 and 2020, consisted of the following:

Notes to Financial Statements
June 30, 2021
(dollars in thousands)
continued

	2021			2020 *as restated*		
	Fair value	% of portfolio	Weighted average maturity (years)	Fair value	% of portfolio	Weighted average maturity (years)
Cash and cash equivalents:						
Cash on hand	$ 297	0.0 %	-	$ 289	0.0 %	-
Demand deposits with financial institutions	304,499	45.2 %	-	72,103	12.1 %	-
Oregon local government investment pool (LGIP)	51,148	7.6 %	-	74,807	12.6 %	-
U.S. Agencies - Federal Home Loan Bank	-	0.0 %	-	24,998	4.2 %	0.08
U.S. Treasuries	71,439	10.6 %	0.06	110,958	18.7 %	0.08
Total cash and equivalents	$ 427,383			$ 283,155		
Investments:						
U.S. Agencies - Federal Home Loan Bank	4,885	0.7 %	0.04	14,841	2.5 %	0.38
U.S. Treasuries	85,076	12.6 %	0.16	295,881	49.8 %	0.43
Commercial Paper	156,648	23.2 %	1.61	-	0.0 %	-
	$ 246,609			$ 310,722		
Total Cash, Cash Equivalents, and Investments	$ 673,992			$ 593,877		

Cash and investments are reflected in the Statements of net position as follows:

	2021	2020
Cash and cash equivalents		
Unrestricted	$ 322,340	$ 181,141
Restricted	105,043	102,013
Total restricted cash and cash equivalents	$ 427,383	$ 283,154
Investments		
Unrestricted	$ 30,246	$ 3,656
Restricted	216,363	307,067
Total restricted investments	$ 246,609	$ 310,723
Total Cash, cash equivalents, and investments	$ 673,992	$ 593,877

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, 2021 and 2020. The categorization is based on pricing transparency of the investments, and not an indication of the risks associated with investing in the security.

Notes to Financial Statements
June 30, 2021
(dollars in thousands)
continued

Investment Type	Balance at June 30, 2021	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: Amortized Cost Measurement
U.S. Treasuries	$ 156,515	$ 156,515	$ -	$ -	$ -
U.S. Agencies (FHLB)	4,885	-	4,885	-	-
Commercial Paper	156,648	-	156,648	-	-
LGIP	51,148	-	-	-	51,148
Demand deposits	304,499	-	-	-	304,499
Cash on hand	297	-	-	-	297
Total	$ 673,992	$ 156,515	$ 161,533	$ -	$ 355,944

Investment Type	Balance at June 30, 2020 *as restated*	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: Amortized Cost Measurement
U.S. Treasuries	$ 406,839	$ 406,839	$ -	$ -	$ -
U.S. Agencies (FHLB)	39,839	-	39,839	-	-
LGIP	74,807	-	-	-	74,807
Demand deposits	72,103	-	-	-	72,103
Cash on hand	289	-	-	-	289
Total	$ 593,877	$ 406,839	$ 39,839	$ -	$ 147,199

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 Local Government Investment Pool (LGIP) is administered by the Oregon State Treasury. 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 LGIP includes investments in external investment pools and does not meet the requirements for "leveling" discosures as established in GASB Statement No. 72. Therefore, fair value of the LGIP is determined by the pool's underlying portfolio.

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 was in compliance with policy at year-end June 30, 2021.

Notes to Financial Statements
June 30, 2021
(dollars in thousands)
continued

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 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.

As of June 30, 2021 and 2020, TriMet's investments were rated as follows:

Investment Type	Moody's	S&P	Fair Value at June 30, 2021	June 30, 2020 *as restated*
U.S. Treasury	Aaa	AA+	$ 85,076	$ 295,881
US Agency	Aaa	AA+	4,885	14,841
Commercial Paper	Aaa	AA+	156,648	-
			$ 246,609	$ 310,722

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 including U.S. government securities (no limit), agency securities (33 percent maximum with any one agency, 90 percent maximum of the total portfolio), commercial paper (2.5 percent maximum with any issuer, 10 percent maximum of the total portfolio), local government investment pool (limited to maximum per ORS 294.810), time deposits, certificates of deposit and savings accounts (25 percent maximum with any issuer, 50 percent maximum of the total portfolio), corporate indebtedness (2.5 percent maximum with any issuer, 10 percent maximum of the total portfolio) and municipal debt obligations (5 percent maximum with any issuer, 10 percent maximum of the total portfolio).

At June 30, 2021, the District had 23.2 percent invested in U.S. government securities, 0.7 percent in agency securities, 23.2 percent in commercial paper, 45.2 percent in demand deposits and 7.6 percent in local government investment pool. At June 30, 2021, the District was out of compliance with the investment policy for commercial paper by per issuer constraints. The policy limit per issuer for commercial paper is 2.5 percent, and at June 30, 2021, the District had more than 2.5 percent invested in one issuer of commercial paper. Management notified the Board of Directors of the instance of noncompliance. Management anticipates redeeming the investment when market conditions are favorable for a gain on the transaction.

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, 2021, the carrying amount of the District's deposits (excluding amounts held in trust for debt service) was $283,574 and the bank balance was $285,799. Of this bank balance, $1,000 was covered by the federal depository insurance's general deposit rules and $284,799 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.

Notes to Financial Statements
June 30, 2021
(dollars in thousands)
continued

3. Receivables

At June 30, 2021 and 2020, the District had the following receivables under various federal and state grant agreements:

2021	Unrestricted	Restricted	Total
Federal pass through	$ -	$ 4	$ 4
Other federal	31,205	7,047	38,252
State and local grants	6,934	1,139	8,073
	$ 38,139	$ 8,190	$ 46,329

2020	Unrestricted	Restricted	Total
Federal pass through	$ -	$ 3,283	$ 3,283
Other federal	855	8,517	9,372
State and local grants	2,303	2,640	4,943
	$ 3,158	$ 14,440	$ 17,598

In addition to the Federal grants noted above, at June 30, 2021 and 2020, TriMet recorded $13,647 and $54,602, respectively, in Coronavirus Aid, Relief Emergency Secure (CARES) Act and Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) receivables. 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, 2021 and 2020, including the applicable allowances for uncollectible accounts, are as follows:

2021	Receivable	Allowance for uncollectible accounts	Net receivable
Unrestricted:			
Payroll tax	$ 101,048	$ 3,050	$ 97,998
Self-employment tax	10,577	770	9,807
Trade accounts	1,090	400	690
Other	1,681	-	1,681
Total unrestricted	114,396	4,220	110,176
Restricted:			
Other	192	-	192
Total restricted	192	-	192
Total taxes and other receivables	$ 114,588	$ 4,220	$ 110,368

2020	Receivable	Allowance for uncollectible accounts	Net receivable
Unrestricted:			
Payroll tax	$ 91,824	$ 3,640	$ 88,184
Self-employment tax	15,063	750	14,313
Trade accounts	2,854	400	2,454
Other	11,506	-	11,506
Total unrestricted	121,247	4,790	116,457
Restricted:			
Other	1,331	-	1,331
Total restricted	1,331	-	1,331
Total taxes and other receivables	$ 122,578	$ 4,790	$ 117,788

Notes to Financial Statements
June 30, 2021
(dollars in thousands)
continued

4. Capital Assets

Capital assets at June 30, 2021 and 2020 consisted of the following:

2021	Lives (in years)	Beginning balance	Additions	Deletions	Transfers	Ending balance
Capital assets, not being depreciated						
Land and other		$ 231,410	$ 1,428	$ (3,146)	$ -	$ 229,692
Construction in process		359,953	167,688	(58,579)	(33,201)	435,861
Total capital assets, not being depreciated		591,363	169,116	(61,725)	(33,201)	665,553
Capital assets, being depreciated						
Rail right-of-way and stations	5-70	2,433,717	-	-	2,608	2,436,325
Buildings	40	806,882	-	-	6,950	813,832
Transportation equipment	5-30	793,837	-	(12,181)	14,216	795,872
Furniture and other equipment	3-20	322,540	-	(86)	9,427	331,881
Total capital assets, being depreciated		4,356,976	-	(12,267)	33,201	4,377,910
Less accumulated depreciation for						
Rail right-of-way and stations		(1,043,218)	(63,021)	-	-	(1,106,239)
Buildings		(266,321)	(19,382)	-	-	(285,703)
Transportation equipment		(370,474)	(43,043)	12,176	-	(401,341)
Furniture and other equipment		(181,448)	(15,055)	87	-	(196,416)
Total accumulated depreciation		(1,861,461)	(140,501)	12,263	-	(1,989,699)
Total capital assets, being depreciated, net		2,495,515	(140,501)	(4)	33,201	2,388,211
Total capital assets, net		$ 3,086,878	$ 28,615	$ (61,729)	$ -	$ 3,053,764

2020	Lives (in years)	Beginning balance	Additions	Deletions	Transfers	Ending balance
Capital assets, not being depreciated						
Land and other		$ 235,089	$ -	$ (1,786)	$ (1,893)	$ 231,410
Construction in process		222,190	211,894	-	(74,131)	359,953
Total capital assets, not being depreciated		457,279	211,894	(1,786)	(76,024)	591,363
Capital assets, being depreciated						
Rail right-of-way and stations	5-70	2,419,114	-	-	14,603	2,433,717
Buildings	40	805,886	-	-	996	806,882
Transportation equipment	5-30	764,276	-	(24,714)	54,275	793,837
Furniture and other equipment	3-20	317,965	-	(1,575)	6,150	322,540
Total capital assets, being depreciated		4,307,241	-	(26,289)	76,024	4,356,976
Less accumulated depreciation for						
Rail right-of-way and stations		(980,099)	(63,119)	-	-	(1,043,218)
Buildings		(247,186)	(19,135)	-	-	(266,321)
Transportation equipment		(353,741)	(41,447)	24,714	-	(370,474)
Furniture and other equipment		(169,244)	(13,771)	1,567	-	(181,448)
Total accumulated depreciation		(1,750,270)	(137,472)	26,281	-	(1,861,461)
Total capital assets, being depreciated, net		2,556,971	(137,472)	(8)	76,024	2,495,515
Total capital assets, net		$ 3,014,250	$ 74,422	$ (1,794)	$ -	$ 3,086,878

Included in the line item for Depreciation and amortization expense on the Statement of Revenues, Expenses and Changes in Net Position is $2,418 for amortization related to leases under GASB Statement No. 87.

In fiscal year 2021, the District wrote-off $58,579 of construction in progress related to the Southwest Corridor light rail project (SWC) to Impairment of capital assets. This amount represents design costs incurred since fiscal year 2018 when the District issued Capital Grant Receipt Revenue bonds to fund the Southwest Corridor light rail project. In November 2020, a ballot measure went to the voters to approve additional funding for this capital project. The voters did not approve the ballot measure and therefore design costs for SWC were written-off to impairment of capital assets. The line item for Impairment of capital assets of $58,579 in fiscal year 2021 is presented on the Statement of Revenues, Expenses and Changes in Net Position as a non-operating expense.

5. Leases

The District has several leasing arrangements, 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 $5,209 and $6,942 as of June 30, 2021 and 2020, respectively. Right to use assets, net of amortization, for these leases is $4,922 as of June 30, 2021 and $6,759 as of June 30, 2020. Interest expense recognized on these leases was $162 and $210 for the fiscal years ended June 30, 2021 and 2020, respectively. Principal payments of $1,790 and $1,832 were recognized in the years ended June 30, 2021 and June 30, 2020, respectively. Final payment on these leases is expected in fiscal year 2040.

The District has accrued liabilities for five parking leases. Many of these leases help support parking at the District's park and ride locations. The remaining liability for these leases is $1,452 and $1,613 as of June 30, 2021 and 2020 respectively. Right to use assets, net of amortization, for these leases is $1,419 as of June 30, 2021 and $1,596 as of June 30, 2020. Interest expense recognized on these leases was $40 and $66 for fiscal years ended June 30, 2021 and June 30, 2020 respectively. Principal payments of $161 and $160 were recognized in the years ended June 30, 2021 and June 30, 2020, respectively. Final payment on these leases is expected in fiscal year 2109.

The District has accrued liabilities for six radio tower (telecommunications) leases. The remaining liability for these leases is $1,661 and $1,768 as of June 30, 2021 and 2020 respectively. Right to use assets, net of amortization, for these leases is $1,598 as of June 30, 2021 and $1,746 as of June 30, 2020. Interest expense recognized on these leases was $46 and $51 in the years end June 30, 2021 and June 30, 2020, respectively. Principal payments of $107 and $126 were recognized in the years ended June 30, 2021 and June 30, 2020, respectively. Final payment on these lease 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 $2,823 and $2,974 as of June 30, 2021 and 2020 respectively. The right to use asset, net of amortization, for this lease is $2,757 as of June 30, 2021 and $2,939 as of June 30, 2020. Interest expense recognized on this lease was $77 and $151 for the years ended June 30, 2021 and June 30, 2020 respectively. Principal payments of $151 and $147 were recognized in the years ended June 30, 2021 and June 30, 2020, respectively. Final payment is expected in fiscal year 2036.

The District has recognized two prepaid leases for land associated developments. As these are prepaid leases, there is no lease liability recognized. The right to use assets, net of amortization were $346 as of June 30, 2021 and $421 as of June 30, 2021 and 2020 respectively. No interest expense or principal payments were recognized in connection with these leases. The final lease expires in fiscal year 2052.

Below is a schedule of the changes in the right to use assets with the accumulated amortization for the fiscal years ended June 30, 2021 and June 30, 2020:

Notes to Financial Statements
June 30, 2021
(dollars in thousands)
continued

Right to use assets For fiscal year-end June 30, 2021	Beginning balance	Additions	Deletions	Ending balance
Lessee leases:				
Office space	$ 8,769	$ -	$ -	$ 8,769
Parking	1,773	-	-	1,773
Radio towers	1,894	-	-	1,894
Bridge	3,121	-	-	3,121
Land	552	-	-	552
Total right to use assets	$ 16,109	$ -	$ -	$ 16,109

Accumulated amortization For fiscal year-end June 30, 2021	Beginning balance	Additions	Deletions	Ending balance
Lessee leases:				
Office space	$ (2,010)	$ (1,837)	$ -	$ (3,847)
Parking	(177)	(177)	-	(354)
Radio towers	(148)	(148)	-	(296)
Bridge	(182)	(182)	-	(364)
Land	(131)	(75)	-	(206)
Total accumulated amortization	$ (2,648)	$ (2,419)	$ -	$ (5,067)
Total right to use assets, net	$ 13,461	$ (2,419)	$ -	$ 11,042

Right to use assets For fiscal year-end June 30, 2020	Beginning balance	Additions	Deletions	Ending balance
Lessee leases:				
Office space	$ 8,769	$ -	$ -	$ 8,769
Parking	1,773	-	-	1,773
Radio towers	1,894	-	-	1,894
Bridge	3,121	-	-	3,121
Land	2,020	-	(1,468)	552
Total right to use assets	$ 17,577	$ -	$ (1,468)	$ 16,109

Accumulated amortization For fiscal year-end June 30, 2020	Beginning balance	Additions	Deletions	Ending balance
Lessee leases:				
Office space	$ -	$ (2,010)	$ -	$ (2,010)
Parking	-	(177)	-	(177)
Radio towers	-	(148)	-	(148)
Bridge	-	(182)	-	(182)
Land	(418)	-	287	(131)
Total accumulated amortization	$ (418)	$ (2,517)	$ 287	$ (2,648)
Total right to use assets, net	$ 17,159	$ (2,517)	$ (1,181)	$ 13,461

(dollars in thousands)

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

Fiscal Year ending June 30:	*Principal*	*Interest*	*Total*
2022	$ 2,226	$ 278	$ 2,504
2023	2,111	219	2,330
2024	529	181	710
2025	469	167	636
2026	317	156	473
2027 - 2031	1,715	645	2,360
2032 - 2036	1,823	402	2,225
2037 - 2041	548	220	768
2042 - 2046	21	183	204
2047 - 2051	(80)	191	111
2052 - 2056	(73)	202	129
2057 - 2061	(61)	211	150
2062 - 2066	(45)	218	173
2067 - 2071	(22)	223	201
2072 - 2076	8	225	233
2077 - 2081	48	222	270
2082 - 2086	100	213	313
2087 - 2091	167	196	363
2092 - 2096	252	169	421
2097 - 2101	359	129	488
2102 - 2106	492	74	566
2107 - 2111	365	9	374
Totals	$ 11,269	$ 4,733	$ 16,002

Lessor Activities

The District has accrued a receivable for an office space lease. The remaining receivable for this lease is $555 and $585 as of June 30, 2021 and 2020 respectively. Deferred inflows related to this lease were $525 as of June 30, 2021 and $570 as of June 30, 2020. Interest revenue recognized on this lease was $15 and $16 for the years ended June 30, 2021 and June 30, 2020 respectively. Principal receipts of $31 and $30 were recognized in the years ended June 30, 2021 and June 30, 2020, respectively. Final receipt is expected in fiscal year 2033.

The District has accrued a receivable for five land based leases. The remaining receivable for these leases was $709 and $730 at June 30, 2021 and 2020 respectively. Deferred inflows related to these leases were $2,794 as of June 30, 2021 and $2,848 as of June 30, 2020. Interest revenue recognized on these leases was $23 and $33 for the year ended June 30, 2021 and June 30, 2020 respectively. Principal receipts of $21 and $19 were recognized in the years ended June 30, 2021 and June 30, 2020, respectively. Final receipt is expected in fiscal year 2107.

The District has accrued a receivable for four radio tower (telecommunications) leases. The remaining receivable for these leases was $175 and $227 as of June 30, 2021 and 2020 respectively. Deferred inflows related to these leases were $166 as of June 30, 2021 and $221 as of June 30, 2020. Interest revenue recognized on these leases was $5 and $7 for the years ended June 30, 2021 and June 30, 2020, respectively. Principal receipts of $52 and $50 were recognized in the years ended June 30, 2021 and June 30, 2020, respectively. Final receipt is expected in fiscal year 2024.

The District has accrued a receivable for two conduit space leases. The remaining receivable for these leases was $1,824 and $2,330 as of June 30, 2021 and 2020 respectively. Deferred inflows related to these leases were $1,870 as of June 30, 2021 and $2,131 as of June 30, 2020. Interest revenue recognized on these leases was $147 and $134 for the years ended June 30, 2021 and June 30, 2020, respectively. Principal receipts of $506 and $63 were recognized in the years ended June 30, 2021 and 2020, respectively. Final receipt is expected in fiscal year 2045.

Notes to Financial Statements
June 30, 2021
(dollars in thousands)
continued

Below is a schedule of the changes in the lease receivable for the fiscal years ended June 30, 2020 and June 30, 2021:

Lease receivable For fiscal year-end June 30, 2021	Beginning balance	Additions	Deletions	Ending balance	Due within One Year
Lessor leases:					
Office space	$ 585	$ -	$ (30)	$ 555	$ 33
Land	730	-	(21)	709	22
Radio towers	227	-	(52)	175	55
Conduit space	2,330	-	(506)	1,824	26
Total lease receivable	$ 3,872	$ -	$ (609)	3,263	$ 136
Less current portion				(136)	
Long-term lease receivable, net				$ 3,127	

Lease receivable For fiscal year-end June 30, 2020	Beginning balance	Additions	Deletions	Ending balance	Due within One Year
Lessor leases:					
Office space	$ 615	$ -	$ (30)	$ 585	$ 30
Land	749	-	(19)	730	21
Radio towers	277	-	(50)	227	52
Conduit space	2,393	-	(63)	2,330	506
Total lease receivable	$ 4,034	$ -	$ (162)	3,872	$ 609
Less current portion				(609)	
Long-term lease receivable, net				$ 3,263	

Interest receivable of $40 and $53 is included in the current portion of leases receivable on the Statement of Net position for fiscal years ending June 30, 2021 and 2020 respectively.

The District's schedule of future receipts included in the measurement of the lease receivable is as follows:

Notes to Financial Statements
June 30, 2021
(dollars in thousands)
continued

Fiscal Year ending June 30:	*Principal*	*Interest*	*Total*
2022	$ 136	$ 90	$ 226
2023	146	87	233
2024	156	83	239
2025	101	79	180
2026	109	76	185
2027 - 2031	635	333	968
2032 - 2036	551	247	798
2037 - 2041	516	183	699
2042 - 2046	541	103	644
2047 - 2051	10	65	75
2052 - 2056	12	63	75
2057 - 2061	14	61	75
2062 - 2066	16	58	74
2067 - 2071	19	55	74
2072 - 2076	23	51	74
2077 - 2081	27	47	74
2082 - 2086	32	42	74
2087 - 2091	39	36	75
2092 - 2096	46	29	75
2097 - 2101	55	20	75
2102 - 2106	65	9	74
2107 - 2111	14	1	15
	$ 3,263	$ 1,818	$ 5,081

6. Short-term Debt

Bank Line of Credit

In May 2019 TriMet entered into a $60,000 revolving credit agreement (RCA) with a financial institution. The RCA is a three year facility that allows TriMet to draw for working capital and/or advances in capital projects. Each draw will be evidenced by either a tax-exempt or taxable note depending on its purpose. Repayment of each note will be secured by a subordinate pledge of payroll tax revenues, similar to the senior lien payroll tax revenue bonds. In accordance with the fee letter that accompanied the RCA, TriMet will pay a quarterly commitment fee to the bank ranging from 0.125% - 0.25% of the amount available to be drawn on the RCA, depending on the balance in a deposit account with the bank. Amounts drawn under the RCA will bear interest at LIBOR plus a spread of 0.30% if taxable and 80% of LIBOR plus a spread of 0.30% if tax-exempt. As of June 30, 2021 and 2020, there were no draws on the RCA.

Short-term debt activity for the year ended June 30, 2021 and 2020 was as follows:

June 30, 2021	Beginning Balance	Draws	Repayments	Ending Balance
Bank Line of Credit	$ -	$ -	$ -	$ -

June 30, 2020	Beginning Balance	Draws	Repayments	Ending Balance
Bank Line of Credit	$ -	$ -	$ -	$ -

Notes to Financial Statements
June 30, 2021
(dollars in thousands)
continued

7. Long-Term Debt

Long-Term Debt at June 30, 2021 and 2020 consists of the following:

2021	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Payroll Tax Bonds:					
2009 Revenue Bonds, Series A and B	$ 12,530	$ -	$ -	$ 12,530	$ -
2012 Senior Lien Payroll Tax Bonds, Series A	8,575	-	(2,725)	5,850	2,850
2015 Senior Lien Revenue and Refunding Bonds, Series A and B	69,435	-	(5,115)	64,320	5,355
2016 Senior Lien Revenue Refunding Bonds, Series A	73,720	-	(380)	73,340	390
2017 Senior Lien Payroll Tax Bonds, Series A	92,760	-	(2,450)	90,310	2,560
2018 Senior Lien Payroll Tax Bonds, Series A	146,830	-	(1,620)	145,210	1,695
2019 Senior Lien Revenue and Refunding Bonds, Series A and B	237,815		(710)	237,105	725
Subtotal Payroll Tax Bonds	641,665	-	(13,000)	628,665	13,575
Capital Grant Receipt Revenue Bonds:					
2011 Capital Grant Receipt Revenue Bonds	22,240	-	(10,850)	11,390	11,390
2017 Capital Grant Receipt Revenue Refunding Bonds, Series A	76,015	-	-	76,015	-
2018 Capital Grant Receipt Revenue Bonds, Series A	113,900	-	(395)	113,505	410
Subtotal Capital Grant Receipt Revenue Bonds	212,155	-	(11,245)	200,910	11,800
Capital Leases:					
Other	27	-	(12)	15	13
Total	853,847	-	(24,257)	829,590	25,388
Add (deduct):					
Unamortized bond premium	71,671		(7,891)	63,780	
Current portion of long-term debt	(24,257)			(25,388)	
Long-term debt, net	$ 901,261			$ 867,982	

2020	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Payroll Tax Bonds:					
2009 Revenue Bonds, Series A and B	$ 14,250	$ -	$ (1,720)	$ 12,530	$ -
2012 Senior Lien Payroll Tax Bonds, Series A	11,180	-	(2,605)	8,575	2,725
2015 Senior Lien Revenue and Refunding Bonds, Series A and B	114,120	-	(44,685)	69,435	5,115
2016 Senior Lien Revenue Refunding Bonds, Series A	74,085	-	(365)	73,720	380
2017 Senior Lien Payroll Tax Bonds, Series A	95,125	-	(2,365)	92,760	2,450
2018 Senior Lien Payroll Tax Bonds, Series A	148,245		(1,415)	146,830	1,620
2019 Senior Lien Revenue and Refunding Bonds, Series A and B		237,815		237,815	710
Subtotal Payroll Tax Bonds	457,005	237,815	(53,155)	641,665	13,000
Payroll Tax and Capital Grant Receipt Revenue Bonds:					
2013 Payroll Tax and Grant Receipt Revenue Bonds	25,000	-	(25,000)	-	
Capital Grant Receipt Revenue Bonds:					
2011 Capital Grant Receipt Revenue Bonds	32,620	-	(10,380)	22,240	10,850
2017 Capital Grant Receipt Revenue Refunding Bonds, Series A	76,015	-	-	76,015	-
2018 Capital Grant Receipt Revenue Bonds, Series A	113,900	-	-	113,900	395
Subtotal Capital Grant Receipt Revenue Bonds	222,535	-	(10,380)	212,155	11,245
Capital Leases:					
Other	38	-	(11)	27	12
Total	704,578	237,815	(88,546)	853,847	24,257
Add (deduct):					
Unamortized bond premium	73,428	12,233	(13,990)	71,671	
Current portion of long-term debt	(47,206)			(24,257)	
	$ 730,800			$ 901,261	

Notes to Financial Statements
June 30, 2021
(dollars in thousands)
continued

Total interest cost on all outstanding debt was $28,707 and $28,792 in fiscal years 2021 and 2020, 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.

	June 30, 2021		
Description of Debt:	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	$ 20,479	$ 718	
2012 Senior Lien Payroll Tax Bonds, Series A	6,146	3,072	
2015 Revenue Bonds, Series A and B	85,986	8,126	
2016 Revenue Bonds, Series A	99,329	3,105	
2017 Revenue Bonds, Series A	141,318	6,732	
2018 Revenue Bonds, Series A	273,715	8,630	
2019 Revenue Bonds, Series A and B	384,717	8,169	
	$ 1,011,690	$ 38,552	$ 415,529
Capital Grant Receipt Revenue Bonds - pledged: Section 5307, STP, and CMAQ grant receipts			
2011 Capital Grant Receipt Revenue Bonds	$ 11,671	$ 11,680	
2017 Capital Grant Receipt Revenue Refunding Bonds, Series A	91,758	3,801	
2018 Capital Grant Receipt Revenue Bonds, Series A	164,405	5,630	
	$ 267,834	$ 21,111	$ 72,330

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, 2021 and 2020.

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, and 2019 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.

2007 Revenue Bonds, Series A

On January 23, 2007, TriMet issued $45,450 in limited tax pledge 2007 Revenue Bonds, Series A (2007 Revenue Bonds) to fund the District's share of the I-205/Portland Mall Light Rail Project and other capital projects.

The 2007 Revenue Bonds mature serially each September 1, beginning September 1, 2007 through 2026, with a $13,025 term bond due September 1, 2031. The term bond is subject to mandatory sinking fund requirements annually on September 1, 2027 through 2031. Interest is payable semiannually on March 1 and September 1 and fixed interest rates range from 4.0 percent to 5.0 percent on outstanding maturities. The 2007 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 March 1, 2017 at a price of par (100%) plus accrued interest thereon to the date of redemption.

On September 9, 2015, TriMet defeased in substance future principal and interest payments on a portion of its 2007 Revenue Bonds, Series A. As of June 30, 2021, there were $25,500, in defeased bonds with scheduled maturities annually on September 1, 2021 through 2031.

In September 2016, the final principal payment of $1,545 on the 2007 Revenue Bonds, Series A was made by TriMet and there are no future debt service obligations for the District.

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. As of June 30, 2021 there were, $20,415, in defeased bonds with scheduled maturities annually on September 1, 2021 through 2029.

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. The 2012 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, 2022, at a price of par (100%) plus accrued interest thereon to the date of redemption.

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. As of June 30, 2021, there were $68,670, in defeased bonds with scheduled maturities annually on September 1, 2023 through 2037.

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 currently 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, 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, 2021, there were $41,340, in defeased bonds with scheduled maturities annually on September 1, 2028 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.

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.

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.

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.

Payroll Tax and Grant Receipt Revenue Bonds

Payroll Tax and Grant Receipt Revenue Bonds, Series 2013

On March 7, 2013, TriMet issued $325,000 in Payroll Tax and Grant Receipt Revenue Bonds, Series 2013 to provide interim financing for PMLR. Bond proceeds are being used to provide project cash flow in advance of federal grants.

The Payroll Tax and Grant Receipt Revenue Bonds, Series 2013 bonds are payable from and secured by Section 5309 federal grant funds related to PMLR, with interest payable from a pledge of the employer and self employment taxes levied by the District, and debt service account. The Payroll Tax and Grant Receipt Revenue Bonds mature serially each November 1 through 2019. Interest is payable semiannually on May 1 and November 1, and fixed interest rates range from 3.0 percent to 5.0 percent on outstanding maturities. The Payroll Tax and Grant Receipt Revenue Bonds, Series 2013 are subject to redemption prior to maturity in whole or in part at the option of TriMet on any date 18 months before each serial maturity, prior to maturity at a price of par (100%) plus accrued interest thereon to the date of redemption.

The final $25,000 of principal on the 2013 bonds were paid during the fiscal year ended June 30, 2020.

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. As of June 30, 2021, there were $81,240, in defeased bonds with scheduled maturities annually on October 1, 2022 through 2027.

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 are not general obligations of the District.

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, 2021, 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*
2022	$ 13,575	$ 24,979	$ 38,554	$ 11,800	$ 9,296	$ 21,096	$ 25,375	$ 34,275	$ 59,650
2023	14,225	24,333	38,558	12,835	8,684	21,519	27,060	33,017	60,077
2024	14,855	23,700	38,555	13,465	8,027	21,492	28,320	31,727	60,047
2025	15,530	23,027	38,557	14,105	7,337	21,442	29,635	30,364	59,999
2026	16,300	22,256	38,556	14,795	6,615	21,410	31,095	28,871	59,966
2027-2031	93,030	99,753	192,783	71,515	21,970	93,485	164,545	121,723	286,268
2032-2036	114,560	78,211	192,771	62,395	4,995	67,390	176,955	83,206	260,161
2037-2041	139,515	53,242	192,757	-	-	-	139,515	53,242	192,757
2042-2046	112,615	27,454	140,069	-	-	-	112,615	27,454	140,069
2047-2051	94,460	6,070	100,530	-	-	-	94,460	6,070	100,530
Totals	$ 628,665	$ 383,025	$ 1,011,690	$ 200,910	$ 66,924	$ 267,834	$ 829,575	$ 449,949	$ 1,279,524

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, 2021, the per claims limit was $769 and the per occurrence limit was $1,538. Effective July 1, 2021 those limits raise to $783 per claim and $1,565 per occurrence.

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 per occurrence for industrial accident claims related to heavy rail or PMLR operations and $5,000 per occurrence for all other industrial accident claims. 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.

Notes to Financial Statements
June 30, 2021
(dollars in thousands)
continued

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, 2021 and 2020:

	2021		2020	
	Industrial accident claims	Public liability	Industrial accident claims	Public liability
Liability at beginning of year	$ 5,186	$ 4,977	$ 5,286	$ 7,316
Current year claims	2,825	345	2,316	428
Changes in estimates for claims of prior periods	628	299	201	2,019
Payments of claims	(3,111)	(1,218)	(2,617)	(4,786)
Liability at end of year	$ 5,528	$ 4,403	$ 5,186	$ 4,977

Based on historical experience, the District has classified $3,365 and $4,000 of the industrial accident and public liability claims liabilities as current liabilities, at June 30, 2021 and 2020, respectively.

9. Other Long-term Liabilities

Other long-term liabilities include public liability and industrial accident claims liabilities, unearned lease revenue, rent payable, and long-term employee sick leave as follows:

2021	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Uninsured claims liability:					
Industrial accident claims	$ 5,186	$ 3,453	$ (3,111)	$ 5,528	$ 1,119
Employee dental insurance	252	76	-	328	328
Employee health insurance	2,045	225	-	2,270	2,270
Public liability	4,977	644	(1,218)	4,403	2,246
Total claims liability	12,460	4,398	(4,329)	12,529	5,963
Long-term employee sick leave	7,690	1,140		8,830	-
Rent payable	1,069	-	(1,069)	-	-
Unearned lease revenue	2,129	-	(2,129)	-	-
Total other liabilities	23,348	5,538	(7,527)	21,359	5,963
Deduct current portion	(6,297)			(5,963)	
Other long-term liabilities	$ 17,051			$ 15,396	

2020	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Uninsured claims liability:					
Industrial accident claims	$ 5,280	$ 2,523	$ (2,617)	$ 5,186	$ 1,693
Employee dental insurance	465	-	(213)	252	252
Employee Health Insurance	2,044	1	-	2,045	2,045
Public liability	7,316	2,447	(4,786)	4,977	2,307
Total claims liability	15,105	4,971	(7,616)	12,460	6,297
Long-term employee sick leave	6,478	1,212	-	7,690	-
Rent payable	1,508	-	(439)	1,069	-
Unearned lease revenue	2,153	-	(24)	2,129	-
Total other liabilities	25,244	6,183	(8,079)	23,348	6,297
Deduct current portion	(8,785)			(6,297)	
Other long-term liabilities	$ 16,459			$ 17,051	

(dollars in thousands)

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 net benefit is recorded as deferred inflows of resources and is recognized over the basic term of the lease. Leased assets are included within Capital Assets and depreciation of the leased assets is recorded over the term of the lease. The Federal Transit Administration reviewed the operative documents and approved the transaction.

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 net benefit is recorded as deferred inflow of resources and is recognized over the remaining term of the lease.

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 & Poors 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 & Poors 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 & Poors, Aaa by Moody's and AAA by Kroll at June 30, 2021. As of June 30, 2021, TriMet is not aware of any default, event of default or event of loss under any of the operative documents. The total outstanding lease obligations under the 2005 leases are as follows:

	FSA uncollateralized	US Treasuries in trust	TriMet obligation	Total payment obligations
Fiscal year ending June 30:				
2022	$ -	$ -	$ -	$ -
2023	-	110	-	110
2024	-		-	-
2025	-	-	-	-
2026	-	-	-	-
2027-2031	-	135	-	135
2032-2036	71,562	68,561	9,586	149,709
	$ 71,562	$ 68,806	$ 9,586	$ 149,954

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continued

Legislative and regulatory activities

Pursuant to the terms of the tax indemnity agreements of TriMet's 1997 and 1998 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, 2021, no indemnity claims have been made against TriMet. With respect to TriMet's 1997 and 1998 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.

Financial Statement Summary

In connection with the implementation of GASB No. 87, *Leases*, in fiscal year 2021, 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:	2021	2020
Restricted Cash and Investments - Lease Collateral	$ 58,159	$ 62,727
Prepaid lease expense	30,390	28,501
Total assets	$ 88,549	$ 91,228
Liabilities:		
Long-term lease liability	$ 67,185	$ 64,189
Total liabilities	$ 67,185	$ 64,189
Deferred Inflows of Resources:		
Unamortized gain on leases	$ 12,974	$ 13,887
Total liabilities and deferred inflows of resources	$ 80,159	$ 78,076
Net long-term restricted lease-leaseback	$ 8,390	$ 13,152
Net leveraged lease revenue	$ 732	$ 844

11. Commitments and Contingencies

TriMet has authorized commitments unexpended as of June 30, 2021 of $1,019,752 that represent contracts awarded with future performance obligations. The most significant commitments include contracts for new articulated buses and other Division Bus Rapid Transit Project construction, standard bus fleet replacements and expansions, Type VI light rail vehicle purchases, Type II and IV light rail vehicle mid-life overhauls, Powell Bus Garage renovation, construction of Columbia Bus Base Facility construction, MAX Red Line extension, 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 affect on the District's financial position, results of operations or cash flows.

12. Enterprise Fund 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 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 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

Plan investments are reported at fair value. 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. Level 1 inputs are quoted prices in active markets for identical assets. Investments of securities held in the Union DC Plan are valued using quoted market prices (Level 1 inputs).

As of June 30, 2021 and 2020, there were 1,673 and 1,643 active employees, respectively, covered by the Union DC Plan. District contributions to the Union DC Plan were $7,487 and $6,813 for the years ended June 30, 2021 and 2020, respectively. Employee contributions to the Union DC Plan were $5,534 and $5,110 for the years ended June 30, 2021 and 2020, 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 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 Management 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 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 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.

Method used to value investments

Plan investments are reported at fair value. 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. Level 1 inputs are quoted prices in active markets for identical assets. Investments of securities held in the Union DC Plan are valued using quoted market prices (Level 1 inputs).

As of June 30, 2021 and 2020 there were 482 and 487 active employees, respectively, covered by the Management DC Plan. District contributions to the Management DC Plan were $4,155 and $3,771 for the years ended June 30, 2021 and 2020, respectively. Employee contributions to the Management DC Plan were $1,856 and $1,645 for the years ended June 30, 2021 and 2020, respectively.

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. Plan participant investments are determined by the employee participants. 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 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 benefits as prescribed by TriMet's personnel policies. As of June 30, 2021 and 2020, the District's vacation pay liability was $14,990 and $14,344, respectively, all of which was classified as a current liability in accrued payroll.

General Information about the OPEB Plan

Plan description. The District's defined benefit OPEB plan provides health care 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 polices for non-union employees. While TriMet has placed $431 in a trust for the purpose of funding OPEB payments, such assets are considered de-minimus and are therefore not considered a trust that meets the criteria in paragraph 4 of Statement 75.

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:

(dollars in thousands)

	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.

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, 2021, the following employees (union and non-union) were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1,945
Inactive employees entitled to but not yet receiving benefits	-
Active Employees	3,197
Total	5,142

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continued

Net OPEB Liability

The District's net OPEB liability of $944,273 was measured as of January 1, 2021, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.25%
Salary Increases:	2.75%
Discount Rate:	2.12% (2.74% at January 1, 2020)

The discount rate was based on Bond Buyer 20-Bond GO Index, December 26, 2020.

Healthcare cost trend rates:

Union Plans			Non Union Plans	
Pre-Medicare	**Medicare**	**Medicare Part B**	**Pre-Medicare**	**Medicare**
8.25% in 2021, trending down to 3.78% in 2040 thereafter.	*6.4% in 2021 trending down to 3.78% in 2040 and thereafter.*	*4.82% in 2020 increasing to 6.28% in 2030, then trending down to 3.78% in 2040 and thereafter.*	*6.4% in 2021 trending down to 3.78% in 2040 and thereafter.*	*6.4% in 2021 trending down to 3.78% in 2040 and thereafter.*

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

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Mortality rates were based on the tables as detailed below:

Employee Class	Mortality Tables
Union Healthy	RP-2014 Annuitant and Non-Annuitant Mortality Tables with Blue Collar Adjustment, set forward 1 year for males and 2 years for females
Union Disabled	RP-2014 Disabled Mortality tables
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.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of a 2013 actuarial experience study with subsequent update letters dated, May 14, 2015; June 2, 2016; and May 31, 2017.

Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at January 1, 2020	$ 901,844	$ 424	$ 901,420
Changes for the year:			
Service cost	34,524	-	34,524
Interest	24,849	-	24,849
Differences between expected and actual experience	(83,329)	-	(83,329)
Changes in assumptions or other inputs	91,128	-	91,128
Contributions	-	(24,312)	(24,312)
Benefit payments	(24,312)	(24,312)	-
Net Investment Income	-	7	(7)
Net Changes	42,860	(48,617)	42,853
Balance at January 1, 2021	$ 944,704	$ (48,193)	$ 944,273

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at January 1, 2019	$ 725,436	$ 411	$ 725,025
Changes for the year:			
Service cost	27,059	-	27,059
Interest	29,811	-	29,811
Differences between expected and actual experience	(22,272)	-	(22,272)
Changes in assumptions or other inputs	165,525	-	165,525
Contributions	-	23,715	(23,715)
Benefit payments	(23,715)	(23,715)	-
Net Investment Income	-	13	(13)
Net Changes	176,408	13	176,395
Balance at January 1, 2020	$ 901,844	$ 424	$ 901,420

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 4.10 percent as of January 1, 2019, to 2.74 percent as of January 1, 2020, and to 2.12 percent as of January 1, 2021. In addition, changes of assumptions were made to update healthcare costs and trends, and a change was made to the spousal coverage assumption during the measurement period ending 01/01/2018.

(dollars in thousands)

Benefit payments in the measurement period included amounts for the purchase of allocated insurance contracts of $15,581 during the measurement period ending January 1, 2021 and $15,007 during the period ended January 1, 2020. 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:

Fiscal Year 2021	1% Decrease	Discount Rate	1% Increase
	1.12%	2.12%	3.12%
Net OPEB Liability	$1,099,264	$944,273	$819,020

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:

Fiscal Year 2021	1% Decrease	Healthcare Trend	1% Increase
Net OPEB Liability	$823,602	$944,273	$1,096,384

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

For the years ended June 30, 2021 and 2020 the District recognized OPEB expense of $67,216 and $63,600, respectively. At June 30, 2021 and 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources			
		2021		2020
Differences between actual and expected experience	$	655	$	874
Changes of assumptions or other inputs		196,853		142,560
Contributions subsequent to the measurement date		13,054		12,160
Total	$	210,562	$	155,594
	Deferred Inflows of Resources			
		2021		2020
Differences between actual and expected experience	$	(105,906)	$	(42,307)
Changes of assumptions or other inputs		(37,902)		(47,377)
Net difference between projected and actual earnings on OPEB plan investments		(17)		(16)
Total	$	(143,825)	$	(89,700)

$13,054 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 year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred will be recognized in expense as follows:

(dollars in thousands)

Fiscal year ending June 30:	Amortization	
2022	$	7,843
2023		7,843
2024		7,845
2025		7,459
2026		21,579
Thereafter	$	1,114

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 ($2,571) and $4,622 in pension expense for the Management DB Plan in the years ended June 30, 2021 and 2020, 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. Amendments to the plan are authorized by the TriMet Board of Directors. 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, 2021 and 2020:

	2021	2020
Active employees	64	71
Retirees and beneficiaries:		
Receiving benefits	346	335
Deferred Retirement benefits		
Terminated employees	64	59
Transfers to union plan	-	14
Disabled employees	-	1
Total Participants	474	480

(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: Domestic equities, International equities, Fixed income securities, Tactical Asset Allocation Strategy funds, Private real estate investments, Absolute return investment funds, Private equity investments, and Private credit funds.

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 Plan has the following fair value measurements by fair value level at June 30, 2021:

		Fair Value Measurement Using		
	Balance at June 30, 2021	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				
Fixed income	$ 37,925	$ 37,925	$ -	$ -
U.S. large-mid cap equities	33,015	33,015	-	-
U.S. small cap equities	3,526	3,526	-	-
International equity	23,886	23,886	-	-
	$ 98,352	$ 98,352	-	-
Measured at Net Asset Value				
Tactical asset allocation	$ 16,617			
Absolute return	23,886			
Private real estate	12,448			
Private equity	3,234			
Private credit	3,776			
	$ 59,961			
Total Fair Value of Assets	$ 158,313			

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The Plan has the following fair value measurements by fair value level at June 30, 2020:

		Fair Value Measurement Using		
	Balance at June 30, 2020	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				
Fixed income	$ 31,989	$ 31,989	$ -	$ -
U.S. large-mid cap equities	27,312	27,312	-	-
U.S. small cap equities	2,511	2,511	-	-
International equity	20,241	20,241	-	-
	$ 82,053	$ 82,053	$ -	$ -
Measured at Net Asset Value				
Tactical asset allocation	$ 11,092			
Absolute return	20,305			
Private real estate	11,756			
Private equity	2,207			
Private credit	3,547			
	$ 48,907			
Total Fair Value of Assets	$ 130,960			

Investments measured at Net Asset Value ("NAV")

Tactical Asset Allocation includes investment in a private offering fund with a goal of providing returns that exceed inflation by a premium of 5% on an annualized basis over a market cycle. The fair values of the investments in this type have been determined using the NAV per share of the investments.

Absolute Return includes investment in a private offering fund with a goal of generation of consistent positive returns with lower levels of volatility and low levels of correlation to traditional stocks and bonds. The fair values of the investments in this type have been determined using the NAV per share of the Management DB Plan's ownership interest in the investments. Distributions from this fund will be received as the underlying investments of the fund are liquidated.

Private Real Estate includes investment in a commingled investment vehicle with a goal of generating consistent, low volatility returns. Investments in this category are in high quality, well-leased properties, with a focus on income generation. The fair values of the investments in this type have been determined using the NAV per share of the Management DB Plan's ownership interest in partners' capital. Distributions from this fund will be received as the underlying investments of the fund are liquidated.

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Private Equity includes investment in a commingled fund of funds with a goal of generating high levels of long-term returns. The fair values of the investments in this type have been determined using the NAV per share of the Management DB Plan's ownership interest in the investments. Distributions from this fund will be received as the underlying investments of the fund are liquidated.

Private Credit includes investment in commingled investment vehicles, which invest globally utilizing less liquid or illiquid credit market instruments. The fair values of the investments in this type have been determined using the NAV per share of the Management DB Plan's ownership interest in the investments. Distributions from this fund will be received as the underlying investments of the fund are liquidated.

Outstanding commitments and redemption limitations for each investment class as of June 30, 2021 and 2020 are as follows:

Measured at Net Asset Value	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
As of June 30, 2021:				
Private real estate	$ 12,448	$ -	Quarterly	45 days
Private equity	$ 3,234	$ 287	N/A	N/A
Private credit	$ 3,776	$ 1,801	N/A	N/A
As of June 30, 2020:				
Private real estate	$ 11,756	$ -	Quarterly	45 days
Private equity	$ 2,207	$ 286	N/A	N/A
Private credit	$ 3,546	$ 1,801	N/A	N/A

Rate of Return

For the years ended June 30, 2021 and 2020, respectively, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 23.0 percent and 1.4 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, 2021 and 2020.

Management DB Plan	Allocation Policy 2021	Allocation Policy 2020
Aggressive growth	1.0%	1.0%
Traditional growth	37.0%	37.0%
Stablized growth	12.0%	12.0%
Inflation protection	5.0%	5.0%
Principal protection	15.0%	15.0%
Diversifying strategies	30.0%	30.0%
Total	100.0%	100.0%

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continued

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

As of June 30, 2021 and 2020, the plan had investments of more than 5% of the total Plan fiduciary net position, as follows:

	2021	2020
Ryan Labs Core Bond Fund	14.5%	15.1%
Graham Tactical Trend	10.5%	8.5%
State Street RAFI US 1000 Fund	20.0%	19.6%
Vanguard Russell 1000 Index Fund	10.3%	10.5%
Vanguard Total International Stock Fund	7.5%	7.7%
RREEF America REIT II	6.6%	7.8%
Capital Guardian International Fund	7.6%	7.6%
AQR Enhanced Style Premia Fund, L.P.	10.0%	4.2%
Millennium	5.1%	7.5%

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	2021	2020
Total pension liability	$ 145,948	$ 146,953
Plan fiduciary net position	$ 158,721	$ 131,292
Net pension liability (asset)	(12,773)	15,661
Plan fiduciary net position as a percent of total pension liability	108.8%	89.3%
Annual covered payroll	$ 7,965	$ 8,105
Net Pension Liability (Asset) as a percentage of covered payroll	-160.4%	193.2%

Actuarial methods and assumptions

Significant actuarial assumptions used in the valuation include a rate of return on the investment of present and future assets of 6.0 percent, discount rate on plan liabilities of 6.0 percent, an annual post-retirement benefit increase of 2.03 percent, and annual salary increases of 2.75 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, 2021.

The 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.

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Estimated real rates of return by asset class were as follows at June 30, 2021:

Long-Term Expected Real Rate of Return

Risk Based Class/Components	Expected Return
U.S. Equity	4.7%
International Equity	5.0%
Fixed Income	-0.3%
Diversifying Strategies	2.1%
Private Equity	7.0%
Private Credit	4.7%
Private Real Estate	3.4%

The discount rate used to measure the total pension liability was 6.0 percent. 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.

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continued

Changes in net pension liability

The following table presents the changes in the net pension liability for the years ended June 30, 2021 and 2020:

Management DB Plan

	2021	2020
Total pension liability		
Service cost	$ 633	$ 650
Interest cost	8,604	8,939
Benefit payments	(8,513)	(7,563)
Changes of benefit terms	(32)	-
Experience (gain) loss	(1,697)	928
Changes of assumptions	-	(959)
Net change in total pension liability	(1,005)	1,995
Total pension liability, beginning	146,953	144,958
Total pension liability, ending	145,948	146,953
Plan fiduciary net position		
Contributions	6,250	2,327
Net Investment Income	29,802	1,727
Benefit payments	(8,513)	(7,563)
Administrative Expense	(110)	(145)
Net change in plan fiduciary net position	27,429	(3,654)
Plan fiduciary net position, beginning	131,292	134,946
Plan fiduciary net position, ending	158,721	131,292
Net pension liability (asset), ending	$ (12,773)	$ 15,661
Plan fiduciary net position as a percent of total pension liability (asset)	109%	89%
Covered payroll	$ 7,965	$ 8,105
Net pension liability as a percent of covered payroll	-160%	193%

(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	Net pension liability (asset)	
1% decrease (5.0%)	$	4,522
Current discount rate (6.0%)	$	(12,773)
1% increase (7.0%)	$	(27,277)

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, 2021 and 2020:

	2021		2020	
Deferred outflows:				
Differences between projected and actual earnings on pension investments	$	-	$	7,732
Differences between expected and actual experience in the measurement of total pension liability		-		84
Total deferred outflows	$	-	$	7,816
Deferred inflows:				
Differences between projected and actual earnings on pension investments	$	(11,884)		-
Changes in assumptions		-		(87)
Total deferred inflows	$	-	$	(87)

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

For the Year Ended	Deferred Amounts	
2022	$	(2,234)
2023		(2,175)
2024		(3,077)
2025		(4,398)
	$	(11,884)

(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 $14,432 and $42,181 in pension expense for the Bargaining Unit DB Plan in the years ended June 30, 2021 and 2020, 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, 2021 and 2020:

	2021	2020
Active employees	954	1,052
Retirees and beneficiaries:		
Receiving benefits	2,124	2,059
Deferred Retirement benefits:		
Terminated employees	132	138
Transfers to management plan	49	47
Total Participants	3,259	3,296

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.

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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: Domestic equities, International equities, Fixed income securities, Tactical Asset Allocation Strategy funds, Private real estate investments, Absolute return investment funds, Private equity investments, and Private credit funds.

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 Plan has the following fair value measurements by fair value level at June 30, 2021:

		Fair Value Measurement Using		
Measured at Fair Value Level	**Balance at June 30, 2021**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Fixed income	$ 124,968	$ 124,968	$ -	$ -
U.S. large-mid cap equities	213,279	213,279	-	-
U.S. small cap equities	27,586	27,586	-	-
International equity	161,526	161,526	-	-
	$ 527,359	$ 527,359	$ -	$ -
Measured at Net Asset Value				
Tactical asset allocation	$ 79,438			
Absolute return	40,279			
Private real estate	61,572			
Private equity	17,301			
Private credit	4,180			
	$ 202,770			
Total Fair Value of Assets	$ 730,129			

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continued

The Plan has the following fair value measurements by fair value level at June 30, 2020:

		Fair Value Measurement Using		
Measured at Fair Value Level	**Balance at June 30, 2020**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Fixed income	$ 86,721	$ 86,721	$ -	$ -
U.S. large-mid cap equities	164,783	164,783	-	-
U.S. small cap equities	17,106	17,106	-	-
International equity	128,183	128,183	-	-
	$ 396,793	$ 396,793	$ -	$ -
Measured at Net Asset Value				
Tactical asset allocation	$ 47,763			
Absolute return	55,355			
Private real estate	56,908			
Private equity	12,756			
Private credit	4,218			
	$ 177,000			
Total Fair Value of Assets	$ 573,793			

Investments measured at Net Asset Value ("NAV")

Tactical Asset Allocation includes investment in a private offering fund with a goal of providing returns that exceed inflation by a premium of 5% on an annualized basis over a market cycle. The fair values of the investments in this type have been determined using the NAV per share of the investments.

Absolute Return includes investment in a private offering fund with a goal of generation of consistent positive returns with lower levels of volatility and low levels of correlation to traditional stocks and bonds. The fair values of the investments in this type have been determined using the NAV per share of the Bargaining Unit DB Plan's ownership interest in the investments. Distributions from this fund will be received as the underlying investments of the fund are liquidated.

Private Real Estate includes investment in a commingled investment vehicle with a goal of generating consistent, low volatility returns. Investments in this category are in high quality, well-leased properties, with a focus on income generation. The fair values of the investments in this type have been determined using the NAV per share of the Bargaining Unit DB Plan's ownership interest in partners' capital. Distributions from this fund will be received as the underlying investments of the fund are liquidated.

Private Equity includes investment in a commingled fund of funds with a goal of generating high levels of long-term returns. The fair values of the investments in this type have been determined using the NAV per share of the Bargaining Unit DB Plan's ownership interest in the investments. Distributions from this fund will be received as the underlying investments of the fund are liquidated.

Private Credit includes investment in commingled investment vehicles, which invest globally utilizing less liquid or illiquid credit market instruments. The fair values of the investments in this type have been determined using the NAV per share of the Bargaining Unit DB Plan's ownership interest in the investments. Distributions from this fund will be received as the underlying investments of the fund are liquidated.

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continued

Outstanding commitments and redemption limitations for each investment class as of June 30, 2021 and 2020 are as follows:

Measured at Net Asset Value	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
As of June 30, 2021:				
Private real estate	$ 61,572	$ -	Quarterly	45 days
Private equity	$ 17,301	$ 1,728	N/A	N/A
Private credit	$ 4,180	$ 1,907	N/A	N/A
As of June 30, 2020:				
Private real estate	$ 56,908	$ -	Quarterly	45 days
Private equity	$ 12,756	$ 1,724	N/A	N/A
Private credit	$ 4,217	$ 1,907	N/A	N/A

Rate of Return

For the years ended June 30, 2021 and 2020, respectively, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 30.1 percent and 0.7 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 is the trustee adopted asset allocation policy as of June 30, 2021 and 2020:

Bargaining Unit DB Plan	Allocation Policy 2021	Allocation Policy 2020
Aggressive growth	2.0%	2.0%
Traditional growth	52.0%	52.0%
Stablized growth	12.0%	12.0%
Inflation protection	4.0%	4.0%
Principal protection	8.0%	8.0%
Diversifying strategies	22.0%	22.0%
Total	100.0%	100.0%

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

(dollars in thousands)

As of June 30, 2021 and 2020, the plan had the following investments of more than 5% of the total Plan fiduciary net position:

	2021	2020
State Street RAFI US 1000 Index Fund	21.9%	21.3%
Vanguard Russell 1000 Index Fund	14.5%	14.7%
Vanguard Total International Stock Index Fund	11.0%	11.2%
Capital Guardian International All Countries Equity Class Db	11.0%	11.2%
AFL/CIO Housing Trust	7.6%	7.9%
Graham	6.1%	5.1%
RREEF America REIT II	6.0%	7.4%
Millennium	2.9%	5.8%

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:

Net pension liability
As of June 30

	2021	2020
Total pension liability	$ 775,386	$ 756,617
Plan fiduciary net position	733,612	574,055
Net pension liability	$ 41,774	$ 182,562
Plan fiduciary net position as a percent of total pension liability	94.6%	75.9%
Annual covered payroll	$ 83,542	$ 90,089
Net Pension Liability as a percentage of covered payroll	50.0%	202.6%

Actuarial methods and assumptions

Significant actuarial assumptions used in the 2021 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 6.5 percent, MP-2020 mortality tables, price inflation of 2.25 percent and annual salary increases of 2.75 percent. The benefit cost of living increase is 2.37 percent annually for participants who retired prior to August 1, 2012 and 2.13 percent annually for participants who retire after August 1, 2012. Mortality rates were based on the MP-2020 mortality improvement scale to adjust base mortality rates beginning in 2016. Net pension liability has been measured and reported as of June 30, 2021.

Significant actuarial assumptions used in the 2020 valuation include a long term rate of return on the investment of present and future assets of 6.75 percent, RP-2014 mortality tables, inflation of 2.5 percent and annual salary increases of 2.75 percent. The benefit cost of living increase is 3.00 percent annually for participants who retired prior to August 1, 2012 and 2.70 percent annually for participants who retire after August 1, 2012. Mortality rates were based on the RP-2014 Combined Healthy Mortality Table with Blue Collar Adjustment for males and females, set forward 1 year for males and 2 years for females.

(dollars in thousands)

The long-term expected rate of return on pension plan investments of 6.5 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. Estimated real rates of return by asset class were as follows at June 30, 2021:

Long-Term Expected Real Rate of Return

Risk Based Class/Components	Expected Return
Private Equity	7.0%
U.S. Equity	4.7%
International Equity	5.0%
Private Real Estate	3.4%
Private Credit	4.7%
Diversifying Strategies	2.2%
Fixed Income	-0.3%

The discount rate used to measure the total pension liability was 6.5 percent. 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.

Notes to Financial Statements
June 30, 2021
(dollars in thousands)
continued

Changes in net pension liability

The following table presents the changes in the net pension liability for the years ended June 30, 2021 and 2020:

Bargaining Unit DB Plan

	2021	2020
Total pension liability		
Service cost	$ 8,150	$ 8,675
Interest cost	48,272	47,372
Effect of economic/demographic gains	3,365	(5,375)
Benefit payments	(44,963)	(41,940)
Changes in assumptions	3,945	34,129
Net change in total pension liability	18,769	42,861
Total pension liability, beginning	756,617	713,756
Total pension liability, ending	775,386	756,617
Plan fiduciary net position		
Contributions	33,929	37,755
Net investment income	170,880	3,683
Benefit payments	(44,963)	(41,940)
Administrative expense	(289)	(363)
Net change in plan fiduciary net position	159,557	(865)
Plan fiduciary net position, beginning	574,055	574,920
Plan fiduciary net position, ending	733,612	574,055
Net pension liability, ending	$ 41,774	$ 182,562
Plan fiduciary net position as a percent of total pension liability	95%	76%
Covered payroll	$ 83,542	$ 90,089
Net pension liability as a percent of covered payroll	50%	203%

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	Net pension liability
1% decrease (5.5%)	$ 129,465
Current discount rate (6.5%)	$ 41,774
1% increase (7.5%)	$ (32,261)

(dollars in thousands)

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, 2021 and 2020:

	2021	2020
Deferred outflows		
Differences between projected and actual earnings on pension investments		$ 33,939
Changes in assumptions	11,332	21,489
Differences between expected and actual experience in the measurement of total pension liability	2,119	4,831
Total deferred outflows	$ 13,451	$ 60,259
Deferred inflows		
Differences between projected and actual earnings on pension investments	$ (79,797)	$ -
Differences between expected and actual experience in the measurement of total pension liability	(1,547)	(6,862)
Total deferred inflows	$ (81,344)	$ (6,862)

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 Amounts
2022	$ (7,238)
2023	(14,078)
2024	(19,791)
2025	(26,786)
	$ (67,893)

16. Subsequent Events – Potential Financing

In October 2021, the District intends to issue senior lien payroll tax revenues bonds (2021A Bonds) to finance up to $200,000 of capital projects, including costs associated with the Red Line Extension, bus and vehicle replacements, the Powell Garage and the Columbia Bus Base. In addition, market conditions permitting, TriMet intends to advance refund of certain outstanding Senior Lien Payroll Tax Revenue Bond obligations using taxable fixed rate bonds (2021B Bonds). The Bonds are expected to price as early as the week of October 4, 2021. The size, timing, and structure of the anticipated transaction remain subject to market conditions and TriMet reserves the right to change or modify its plans as it deems appropriate.

TRIMET

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

(dollars in thousands)

Management DB Plan

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability									
Service cost	$ 633	$ 650	$ 685	$ 919	$ 1,162	$ 1,224	$ 505	$ 793	$ 906
Interest cost	8,604	8,939	8,784	8,621	8,309	8,327	7,931	8,454	7,903
Benefit payments	(8,513)	(7,563)	(7,197)	(6,211)	(5,286)	(4,502)	(4,458)	(3,892)	(3,519)
Changes of benefit terms	(32)	-	-	-	-	-	-	-	1,711
Change in assumptions	-	(959)	-	-	-	474	(2,178)	(531)	1,015
Experience (gain) loss	(1,697)	928	397	(29)	1,441	(1,293)	3,592	(3,002)	152
Net change in total pension liability	(1,005)	1,995	2,669	3,300	5,626	4,230	5,392	1,822	8,168
Total pension liability, beginning	146,953	144,958	142,289	138,988	133,362	129,132	123,740	121,918	113,750
Total pension liability, ending	145,948	146,953	144,958	142,288	138,988	133,362	129,132	123,740	121,918
Plan fiduciary net position									
Contributions	6,250	2,327	6,240	6,497	6,330	7,036	6,559	5,602	9,776
Net Investment Income	29,802	1,727	3,787	8,108	7,990	1,460	2,004	14,074	10,100
Benefit payments	(8,513)	(7,563)	(7,197)	(6,211)	(5,286)	(4,502)	(4,458)	(3,892)	(3,519)
Administrative Expense	(110)	(145)	(137)	(97)	(76)	(97)	(123)	-	-
Net change in plan fiduciary net position	27,429	(3,654)	2,693	8,297	8,958	3,897	3,982	15,784	16,357
Plan fiduciary net position, beginning	131,292	134,946	132,253	123,956	114,998	111,101	107,119	91,335	74,978
Plan fiduciary net position, ending	158,721	131,292	134,946	132,253	123,956	114,998	111,101	107,119	91,335
Net pension liability, ending	$ (12,773)	$ 15,661	$ 10,012	$ 10,035	$ 15,032	$ 18,364	$ 18,031	$ 16,621	$ 30,583
Plan fiduciary net position as a percent of total pension liability	109%	89%	93%	93%	89%	86%	86%	87%	75%
Covered payroll	$ 7,965	$ 8,105	$ 8,280	$ 9,446	$ 10,593	$ 12,722	$ 12,751	$ 13,142	$ 14,200
Net pension liability as a percent of covered payroll	-160%	193%	121%	106%	142%	144%	141%	126%	215%

Schedule of Changes in Net Pension Liability and Related Ratios

(dollars in thousands)

Bargaining Unit DB Plan

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability									
Service cost	$ 8,150	$ 8,675	$ 9,643	$ 9,875	$ 10,851	$ 10,703	$ 11,756	$ 11,406	$ 11,122
Interest cost	48,272	47,372	46,537	43,494	43,889	43,372	43,025	42,870	41,827
Effect of plan changes	-	-	-	3,286	-	-	-	-	-
Changes of assumptions	3,945	34,129	-	-	-	18,776	(16,558)	29,476	15,354
Effect of economic/demographic (gains) losses	3,365	(5,375)	(2,453)	21,274	(19,615)	(8,967)	(541)	(11,294)	(8,583)
Benefit payments	(44,963)	(41,940)	(38,905)	(36,394)	(34,163)	(32,680)	(30,677)	(28,846)	(27,373)
Net change in total pension liability	18,769	42,861	14,822	41,535	962	31,204	7,005	43,612	32,347
Total pension liability, beginning	756,617	713,756	698,934	657,399	656,437	625,233	618,228	574,616	542,269
Total pension liability, ending	775,386	756,617	713,756	698,934	657,399	656,437	625,233	618,228	574,616
Plan fiduciary net position									
Contributions	33,929	37,755	34,718	35,228	35,862	38,027	36,200	47,261	70,380
Net investment income	170,880	3,683	18,329	41,479	46,645	1,948	12,276	64,461	42,349
Benefit payments	(44,963)	(41,940)	(38,905)	(36,394)	(34,163)	(32,680)	(30,677)	(28,846)	(27,373)
Administrative expense	(289)	(363)	(104)	(357)	(246)	(281)	(363)	(486)	(223)
Net change in plan fiduciary net position	159,557	(865)	14,038	39,955	48,098	7,014	17,436	82,390	85,133
Plan fiduciary net position, beginning	574,055	574,920	560,882	520,927	472,829	465,815	448,379	365,989	280,856
Plan fiduciary net position, ending	733,612	574,055	574,920	560,882	520,927	472,829	465,815	448,379	365,989
Net pension liability, ending	$ 41,774	$ 182,562	$ 138,836	$ 138,052	$ 136,472	$ 183,608	$ 159,418	$ 169,849	$ 208,627
Plan fiduciary net position as a percent of total pension liability	95%	76%	81%	80%	79%	72%	75%	73%	64%
Covered payroll	$ 83,542	$ 90,089	$ 97,406	$ 109,924	$ 106,596	$ 117,666	$ 116,556	$ 124,696	$ 125,143
Net pension liability as a percent of covered payroll	50%	203%	143%	126%	128%	156%	137%	136%	167%

Schedules of Pension Contributions

(dollars in thousands)

Management DB Plan

Actuarial valuation date	Actuarially determined contribution	Contributions	Contribution excess	Covered payroll	Contributions as a percentage of covered payroll
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%
June 30, 2014	4,957	5,602	645	13,142	43%
June 30, 2013	6,491	9,776	3,285	14,200	69%

Bargaining Unit DB Plan

Actuarial valuation date	Actuarially determined contribution	Contributions	Contribution excess	Covered payroll	Contributions as a percentage of covered payroll
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%
June 30, 2014	35,553	48,689	13,136	124,696	39%
June 30, 2013	34,638	36,766	2,128	125,143	29%

Schedules of Investment Returns

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Management DB Plan	22.95%	1.41%	2.97%	6.62%	6.92%	1.30%	1.87%	15.62%	13.10%
Bargaining Unit DB Plan	30.07%	0.71%	3.40%	8.04%	9.85%	0.42%	2.73%	17.28%	14.06%

Schedule of Changes in the District's Net OPEB Liability

Schedule of Changes in the District's Total OPEB Liability

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 34,524	$ 27,059	$ 33,512	$ 34,417
Interest cost	24,849	29,811	27,236	28,333
Change in assumptions	91,128	165,525	(66,328)	1,192
Experience (gain) loss	(83,329)	(22,272)	(32,503)	1,529
Benefit Payments	(24,312)	(23,715)	(23,022)	(22,647)
Net change in total OPEB liability	42,860	176,408	(61,105)	42,824
Total OPEB liability, beginning	901,844	725,436	786,541	743,717
Total OPEB liability, ending	$ 944,704	$ 901,844	$ 725,436	$ 786,541
Plan fiduciary net position				
Contributions	$ 24,312	$ 23,715	$ 23,022	$ 22,647
Investment Income	7	13	8	2
Benefit payments	(24,312)	(23,715)	(23,022)	(22,647)
Net change in plan fiduciary net position	7	13	8	2
Plan fiduciary net position, beginning	424	411	403	401
Plan fiduciary net position, ending	$ 431	$ 424	$ 411	$ 403
Net OPEB liability, ending	$ 944,273	$ 901,420	$ 725,025	$ 786,138
Plan fiduciary net position as a percent of the total pension liability	0.05%	0.05%	0.06%	0.05%
Covered-employee payroll	$ 234,230	$ 236,032	$ 219,240	$ 198,560
Net OPEB liability as a percent of covered payroll	403.14%	381.91%	330.70%	395.92%

Changes of assumptions and other inputs reflect a change in the discount rate from 3.78 percent as of 01/01/2017 to 3.44 percent as of 01/01/2018, 4.10% as of 01/01/2019, 2.74% as of 01/01/2020, and 2.12% as of 01/01/2021. In addition, changes of assumptions were made during the 2017 and 2018 measurement periods to update healthcare costs and trends.

TRIMET

Supplementary Information

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

For The Year Ended June 30, 2021
(dollars in thousands)

Budget basis	
Revenues	$ 855,448
Expenses	802,257
Revenues over expenses	53,191
Add budget activity not qualifying as revenues/ expenses under GAAP:	
Par value of debt retired	24,245
Capital asset additions	167,688
Add (subtract) adjustments required by GAAP:	
Unfunded pension costs	28,319
Depreciation expense	(140,500)
Impairment of capital asset, Southwest Corridor	(58,579)
Net leveraged lease revenue	732
Leveraged lease payment	865
Change in interest payable	314
Claims liability changes	502
Unfunded OPEB Costs	(42,011)
Differences due to bond premiums	7,891
Differences due to deferred losses on refunding	(1,431)
Subtract budget resources not qualifying as revenues under GAAP:	
Net Book Value of Assets Retired	(1,722)
Prior period adjustment, GASB No. 87, Leases	(3,723)
GAAP basis income presented in statement of revenues, expenses and changes in net position	$ 35,781

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

June 30, 2021 (dollars in thousands)

Budget basis ending fund balance	$ 726,497
Reconciliation to GAAP basis:	
Net capital assets	3,053,764
GASB Statement No. 87, Leases, lease adjustment	(2,279)
Bonds payable and related amounts	(893,988)
Other postemployment benefits and deferred amounts	(877,536)
Net pension liability and deferred amounts	(108,779)
Claims liability	(8,983)
Lease leaseback and deferred amounts	(19)
GAAP basis net position	$ 1,888,677

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Schedule of Revenues and Expenses
Budget (Budget Basis) and Actual

For The Year Ended June 30, 2021
(dollars in thousands)

GENERAL FUND

	Original budget	Final budget	Actual	Variance from final budget over (under)
Revenues				
Operating revenue	$ 74,248	$ 74,248	$ 48,977	$ (25,271)
Tax revenue	362,017	362,017	415,529	53,512
Operating grant and other revenue	254,496	254,496	323,045	68,549
Capital program resources	101,379	101,379	48,664	(52,715)
Debt proceeds	260,000	260,000	-	(260,000)
Gain on disposal of capital assets	-	-	2,185	2,185
Interest income (expense)	2,613	2,613	(5,583)	(8,196)
Other non-operating resources	15,957	15,957	19,064	3,107
GASB Statement No. 87, leasing adjustment	-	-	3,567	3,567
Total revenues	1,070,710	1,070,710	855,448	(215,262)
Expenses				
Office of the general manager	954	954	883	(71)
Public affairs	26,983	26,983	16,120	(10,863)
Safety and security	41,578	41,578	28,489	(13,089)
Information technology	29,052	30,527	24,311	(6,216)
Finance and administration	48,237	48,237	25,588	(22,649)
Labor relations and human resources	6,187	6,187	5,019	(1,168)
Legal services	7,074	7,074	5,980	(1,094)
Chief operating officer	17,685	17,685	11,304	(6,381)
Transportation	262,207	262,207	231,506	(30,701)
Maintenance	316,270	316,270	242,831	(73,439)
Engineering and construction	178,607	178,607	84,328	(94,279)
OPEB and UAAL pension	53,158	53,658	52,693	(965)
Regional Funding Exchanges	7,706	9,606	1,900	(7,706)
Debt service	122,596	122,596	60,604	(61,992)
Pass-through requirements	10,969	10,969	10,701	(268)
Contingency	39,584	35,709	-	(35,709)
Total expenses	1,168,847	1,168,847	802,257	(366,590)
Revenues over (under) expenses	(98,137)	(98,137)	53,191	151,328
Beginning fund balance	569,399	569,399	673,306	103,907
Ending fund balance	$ 471,262	$ 471,262	$ 726,497	$ 255,235

Schedule of Bonds Payable Obligation

June 30, 2021
(dollars in thousands)

	Payroll Tax Revenue (PRT) Bonds									
Fiscal	**2009 Bonds**		**2012 Bonds**		**2015 Bonds**		**2016 Bonds**		**2017 Bonds**	
Year	*Principal*	*Interest*	*Principal*	*Interest*	*Principal*	*Interest*	*Principal*	*Interest*	*Principal*	*Interest*
2022	$ -	$ 718	$ 2,850	$ 221	$ 5,355	$ 2,779	$ 390	$ 2,719	$ 2,560	$ 4,169
2023	-	718	3,000	75	5,600	2,517	395	2,713	2,695	4,037
2024	-	718	-	-	5,900	2,262	3,550	2,639	2,815	3,914
2025	-	718	-	-	6,125	1,993	3,700	2,476	2,945	3,784
2026	-	718	-	-	6,430	1,682	3,890	2,286	3,095	3,633
2027	-	718	-	-	6,760	1,352	4,085	2,148	3,255	3,474
2028	-	718	-	-	7,100	1,005	4,170	2,003	3,425	3,307
2029	-	718	-	-	-	828	4,385	1,789	3,600	3,131
2030	-	718	-	-	-	828	4,610	1,564	3,785	2,947
2031	2,870	636	-	-	-	828	4,850	1,352	3,975	2,753
2032	3,040	466	-	-	1,620	803	5,045	1,154	4,180	2,549
2033	3,215	287	-	-	-	777	5,255	948	4,395	2,334
2034	3,405	98	-	-	-	777	5,470	767	4,620	2,109
2035	-	-	-	-	-	777	5,630	615	4,860	1,872
2036	-	-	-	-	2,800	721	5,790	451	5,060	1,668
2037	-	-	-	-	2,965	606	5,970	274	5,230	1,498
2038	-	-	-	-	3,140	484	6,155	92	5,415	1,315
2039	-	-	-	-	3,320	355	-	-	5,650	1,079
2040	-	-	-	-	3,505	218	-	-	5,940	789
2041	-	-	-	-	3,700	74	-	-	6,245	484
2042	-	-	-	-	-	-	-	-	6,565	164
2043	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-	-	-
Totals	**$ 12,530**	**$ 7,949**	**$ 5,850**	**$ 296**	**$ 64,320**	**$ 21,666**	**$ 73,340**	**$ 25,989**	**$ 90,310**	**$ 51,008**

2018 Bonds		2019 Bonds		Total PRT Bonds	
Principal	*Interest*	Principal	Interest	*Principal*	*Interest*
$ 1,695	$ 6,927	$ 725	$ 7,446	$ 13,575	$ 24,979
1,795	6,840	740	7,432	14,225	24,333
1,835	6,749	755	7,418	14,855	23,700
1,990	6,654	770	7,403	15,530	23,027
2,100	6,551	785	7,387	16,300	22,256
2,145	6,445	800	7,370	17,045	21,507
2,325	6,334	820	7,352	17,840	20,719
2,445	6,214	8,200	7,247	18,630	19,927
2,580	6,089	8,385	7,050	19,360	19,195
2,550	5,960	5,910	6,876	20,155	18,405
2,680	5,830	4,440	6,746	21,005	17,547
5,595	5,623	3,480	6,643	21,940	16,613
5,845	5,337	3,580	6,549	22,920	15,637
2,335	5,132	11,070	6,266	23,895	14,662
2,460	5,012	8,690	5,900	24,800	13,752
2,585	4,886	8,905	5,636	25,655	12,900
2,710	4,754	9,210	5,281	26,630	11,926
9,215	4,496	9,605	4,829	27,790	10,759
9,645	4,065	9,985	4,403	29,075	9,475
10,140	3,571	10,280	4,053	30,365	8,182
1,530	3,279	12,770	3,708	20,865	7,150
8,510	3,028	13,160	3,319	21,670	6,346
8,945	2,591	13,560	2,918	22,505	5,509
9,385	2,152	13,970	2,505	23,355	4,657
9,825	1,711	14,395	2,079	24,220	3,791
10,290	1,249	14,835	1,641	25,125	2,890
10,775	766	15,290	1,189	26,065	1,955
11,280	259	15,755	723	27,035	982
-	-	16,235	244	16,235	244
$ 145,210	**$ 128,505**	**$ 237,105**	**$ 147,612**	**$ 628,665**	**$ 383,025**

Schedule of Bonds Payable Obligation (continued)

June 30, 2021

(dollars in thousands)

Capital Grant Receipt (CGR) Revenue Bonds									
2011 Bonds		**2017 Bonds**		**2018 Bonds**		**Total CGR Bonds**		**Totals**	
Principal	*Interest*	*Principal*	*Interest*	*Principal*	*Interest*	*Principal*	*Interest*	*Principal*	*Interest*
$ 11,390	$ 281	-	$ 3,801	$ 410	$ 5,214	$ 11,800	$ 9,296	$ 25,375	$ 34,274
-	-	11,175	3,521	1,660	5,163	12,835	8,684	27,060	33,017
-	-	11,735	2,949	1,730	5,078	13,465	8,027	28,320	31,726
-	-	12,320	2,347	1,785	4,990	14,105	7,337	29,635	30,364
-	-	12,940	1,716	1,855	4,899	14,795	6,615	31,095	28,871
-	-	13,585	1,053	1,930	4,804	15,515	5,857	32,560	27,364
-	-	14,260	357	2,010	4,706	16,270	5,062	34,110	25,781
-	-	-	-	12,620	4,340	12,620	4,340	31,250	24,267
-	-	-	-	13,235	3,694	13,235	3,694	32,595	22,889
-	-	-	-	13,875	3,016	13,875	3,016	34,030	21,421
-	-	-	-	14,550	2,305	14,550	2,305	35,555	19,853
-	-	-	-	15,245	1,561	15,245	1,561	37,185	18,173
-	-	-	-	15,990	860	15,990	860	38,910	16,497
-	-	-	-	16,610	271	16,610	271	40,505	14,933
-	-	-	-	-	-	-	-	24,800	13,752
-	-	-	-	-	-	-	-	25,655	12,900
-	-	-	-	-	-	-	-	26,630	11,926
-	-	-	-	-	-	-	-	27,790	10,759
-	-	-	-	-	-	-	-	29,075	9,475
-	-	-	-	-	-	-	-	30,365	8,182
-	-	-	-	-	-	-	-	20,865	7,150
-	-	-	-	-	-	-	-	21,670	6,346
-	-	-	-	-	-	-	-	22,505	5,509
-	-	-	-	-	-	-	-	23,355	4,657
-	-	-	-	-	-	-	-	24,220	3,791
-	-	-	-	-	-	-	-	25,125	2,890
-	-	-	-	-	-	-	-	26,065	1,955
-	-	-	-	-	-	-	-	27,035	982
-	-	-	-	-	-	-	-	16,235	244
$ 11,390	**$ 281**	**$ 76,015**	**$ 15,743**	**$ 113,505**	**$ 50,901**	**$ 200,910**	**$ 66,924**	**$ 829,575**	**$ 449,949**

Audit Comments and Disclosures Required by State Regulations

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Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Oregon Municipal Auditing Standards*

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

We have audited the basic financial statements of Tri-County Metropolitan Transportation District of Oregon (District), as of and for the year ended June 30, 2021, and have issued our report thereon dated September 17, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-0000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The accounting records and related internal control structure.
- The use of various depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption, and execution of the annual budgets for fiscal years 2022 and 2021.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

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 that are required to be reported under Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 may exist that have not been identified.

This report is intended solely for the information of the Board of Directors, management, and the State of Oregon, and is not intended to be and should not be used by anyone other than those specified parties.

Julie Desimone

Julie Desimone, Partner, for
Moss Adams LLP
Portland, Oregon
September 17, 2021

TRIMET

Federal Grant Programs

MOSSADAMS

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Enterprise Fund, Retirement Plan for Management Staff Employees, Pension Plan for Bargaining Unit Employees, and Total Trust Fund of Tri-County Metropolitan Transportation District of Oregon (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 17, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 may exist that have not been identified.

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.

Moss Adams LLP

Portland, Oregon
September 17, 2021

MOSSADAMS

Report of Independent Auditors on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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

Report on Compliance for the Major Federal Program

We have audited the financial statements of the Enterprise Fund, Retirement Plan for Management Staff Employees, Pension Plan for Bargaining Unit Employees, and Total Trust Fund of Tri-County Metropolitan Transportation District of Oregon's (the District) compliance with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District as of and for the year ended June 30, 2021, and have issued our report thereon dated September 17, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Moss Adams LLP

Portland, Oregon
September 17, 2021

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021
(dollars in thousands)

Federal grantor/program title	Assistance Listing	Pass Through/ Grant number	Total expenditures	Passed through to subrecipients
U.S. Department of Transportation				
Federal Transit Cluster:				
U.S. Department of Transportation - Direct Programs				
Federal Transit - Capital Investment Grants	20.500	OR-2016-007	$ 4,276	$ -
Research and Development Program	20.500	OR-2021-001	26	
Federal Transit - Capital Investment Grants	20.500	OR-2020-001	24,736	-
			29,038	-
Federal Transit - Formula Grants	20.507	OR-2016-013	68	-
Federal Transit - Formula Grants	20.507	OR-2019-013	88	-
Federal Transit - Formula Grants	20.507	OR-2019-017	85	100
Federal Transit - Formula Grants	20.507	OR-2020-010	966	-
COVID-19 Federal Transit - Formula Grants - CARES	20.507	OR-2020-022	66,725	-
COVID-19 Federal Transit - Formula Grants - CRRSAA	20.507	OR-2021-014	136,778	-
Federal Transit - Formula Grants	20.507	OR-2021-017	40,527	-
Federal Transit - Formula Grants	20.507	Pending	21,390	-
Federal Transit - Formula Grants	20.507	Pending	5,900	-
Federal Transit - Formula Grants	20.507	Pending	3,306	-
			275,833	100
State of Good Repair Grants Program	20.525	OR-2021-018	25,291	-
Bus and Bus Facilities Formula Program	20.526	OR-2017-018	39	-
Bus and Bus Facilities Formula Program	20.526	OR-2020-016	2	-
Bus and Bus Facilities Formula Program	20.526	OR-2020-037	3,433	-
			3,474	-
Passed through from METRO				
Federal Transit - Formula Grants	20.507	METRO # 936389	17	-
Federal Transit - Formula Grants	20.507	METRO # 936341	342	-
			359	-
Total Federal Transit Cluster			333,995	100
Transit Services Program Cluster:				
U.S. Department of Transportation - Direct Programs				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	OR-2020-060	1,325	1,036
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	OR-2020-008	366	3
Passed through from Oregon Department of Transportation:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	ODOT 33601	758	-
Total Transit Services Program Cluster			2,449	1,039
U.S. Department of Transportation - Direct Programs				
Public Transportation Innovation	20.530	OR-2020-043	289	-
Public Transportation Innovation	20.530	OR-2021-009	2	-
Public Transportation Innovation	20.530	OR-2021-004	5	-
Total Public Transportation Innovation			296	-
Passed through from Oregon Department of Transportation:				
Highway Research and Development Program	20.200	ODOT 33825	226	-
Total Research and Development Program			226	-
			522	-
Total U.S. Department of Transportation Programs			**336,966**	**1,139**
U.S. Department of Homeland Security - Direct Programs				
Rail and Transit Security Grant Program	97.075	EMW-2017-RA-00013	14	-
Rail and Transit Security Grant Program	97.075	EMW-2020-RA-00008	19	-
Total U.S. Department of Homeland Security Programs			**33**	**-**
Total Expenditures of Federal Awards			**$ 336,999**	**$ 1,139**

The accompanying notes are an integral part of this schedule.

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021
(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, 2021. 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. 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.

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, 2021 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.

The District does not utilize the 10 percent deminimus rate for overhead allocation.

4. Relationship to the Basic Financial Statements

Federal awards are reported in the District's financial statements as operating grant revenue and capital contributions.

5. Subrecipients

Included within the federal expenditures presented in the Schedule of Federal Awards are federal awards to subrecipients as follows:

Subrecipient	Federal CFDA Number	Grant Number/TriMet Contract number	Total Expenditures
Ride Connection	20.513	TriMet #17-0346	$ 3
Ride Connection	20.513	TriMet #17-0346	1,036
Portland Bureau of Transportation	20.507	TriMet #20-0834	100
Total subrecipient expenditures			$ 1,139

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	☐ Yes ☒ No
• Significant deficiency(ies) identified?	☐ Yes ☒ None reported
Noncompliance material to financial statements noted?	☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	☐ Yes ☒ No
• Significant deficiency(ies) identified?	☐ Yes ☒ None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	☐ Yes ☒ No

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

CFDA Numbers	*Name of Federal Program or Cluster*	*Type of Auditor's Report Issued*
20.500, 20.507, 20.525, 20.526	Federal Transit Cluster	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, 2021

Summary Schedule of Prior Audit Findings

None reported

APPENDIX C

FORM OF BOND COUNSEL LEGAL OPINION

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On the date of issuance of the Series 2021 Bonds, Hawkins Delafield & Wood LLP, Bond Counsel, proposes to issue its approving opinion in substantially the following form:

[Dated Date], 2021

Tri-County Metropolitan Transportation District of Oregon
1800 S.W. First Avenue, Suite 300
Portland, Oregon 97201

Subject: $[Series 2021 Principal Amount] Tri-County Metropolitan Transportation District of Oregon
$[Series 2021A Principal Amount] Senior Lien Payroll Tax Revenue Bonds, Series 2021A (Tax-Exempt) (Sustainability Bonds)
$[Series 2021B Principal Amount] Senior Lien Payroll Tax Revenue Refunding Bonds, Series 2021B (Federally Taxable) (Sustainability Bonds)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Tri-County Metropolitan Transportation District of Oregon ("TriMet") of its $[Series 2021A Principal Amount] Senior Lien Payroll Tax Revenue Bonds, Series 2021A (the "Series 2021A Bonds"), and its $[2021B Principal] Senior Lien Payroll Tax Revenue Refunding Bonds, Series 2021B (Federally Taxable) (the "Series 2021B Bonds" and collectively with the Series 2021A Bonds, the "Series 2021 Bonds"), which are dated as of their date of delivery. The Series 2021 Bonds are issued pursuant to Oregon Revised Statutes ("ORS") 287A.150, 287A.360 to 287A.375 and other applicable provisions of ORS Chapter 287A, ORS Chapter 267 and applicable provisions, TriMet Resolution 15-06-37 adopted June 24, 2015 and TriMet Resolution 20-06-27 adopted June 24, 2020 (collectively, the "Resolution"), and pursuant to a Trust Indenture between TriMet and The Bank of New York Mellon Trust Company, N.A., as trustee, dated as of April 1, 2001, as amended and supplemented, including amendments and supplements made by an Eleventh Supplemental Trust Indenture dated as of [Dated Date], 2021 (collectively, the "Indenture"). Capitalized terms used but not defined in this opinion have the respective meanings assigned to such terms in the Indenture.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on representations of TriMet in the Indenture and in the certified proceedings and on other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. TriMet has the legal authority and power to issue the Series 2021 Bonds. The Series 2021 Bonds have been legally and validly authorized, sold, executed and issued under and pursuant to the Constitution and Statutes of the State of Oregon, the Resolution, and the Indenture and have been issued for a purpose provided in and authorized by the Act. The Series 2021 Bonds constitute valid and legally binding special obligations of TriMet that are enforceable in accordance with their terms.

2. The Series 2021 Bonds are payable and secured by a pledge of and lien on the Trust Estate, which includes the Specified Tax Revenues, as provided in the Indenture.

3. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Series 2021A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. [Bond counsel further is of the opinion that, for any Series 2021A Bonds having original issue discount (a “Discount Bond”), original issue discount that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series 2021A Bonds.] In rendering our opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by TriMet and others in connection with the Series 2021A Bonds, and we have assumed compliance by TriMet and others with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2021A Bonds from gross income under Section 103 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2021A Bonds in order that, for federal income tax purposes, interest on the Series 2021A Bonds not be included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Series 2021A Bonds, restrictions on the investment of proceeds of the Series 2021A Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2021A Bonds to become subject to federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of delivery of the Series 2021A Bonds, TriMet will execute a Tax Certificate (the “Tax Certificate”) containing provisions and procedures pursuant to which such requirements can be satisfied. By executing the Tax Certificate, TriMet covenants that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things required by the Code to assure that interest paid on the Series 2021A Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in paragraph 3 hereof we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of interest paid on the Series 2021A Bonds, and (ii) compliance by TriMet with the procedures and covenants set forth in the Tax Certificate.

4. Interest on the Series 2021B Bonds is not excludable from gross income for federal income tax purposes.

5. Interest on the Series 2021 Bonds is exempt from Oregon personal income tax.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2021 Bonds or the ownership or disposition thereof, except as stated in paragraphs 3, 4 and 5 above. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series 2021A Bonds.

The portion of this opinion that is set forth in paragraph 1, above, is qualified only to the extent that enforceability of the Series 2021 Bonds may be limited by or rendered ineffective by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors’ rights generally;

(ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as TriMet.

This opinion is limited to matters of Oregon law and applicable federal law, and we assume no responsibility as to the applicability of laws of other jurisdictions.

This opinion is provided to you as a legal opinion only, and not as a guaranty or warranty of the matters discussed herein. No opinions may be inferred or implied beyond the matters expressly stated herein. No qualification, limitation or exception contained herein shall be construed in any way to limit the scope of the other qualifications, limitations and exceptions. For purposes of this opinion, the terms "law" and "laws" do not include unpublished judicial decisions, and we disclaim the effect of any such decision on this opinion.

We have served as bond counsel only to TriMet in connection with the Series 2021 Bonds and have not represented and are not representing any other party in connection with the Series 2021 Bonds. This opinion is given solely for the benefit of TriMet in connection with the Series 2021 Bonds and may not be relied on in any manner or for any purpose by any person or entity other than TriMet and any person to whom we may send a formal reliance letter indicating that the recipient is entitled to rely on this opinion.

Very truly yours,

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APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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CONTINUING DISCLOSURE CERTIFICATE

$[Series 2021 Principal Amount]
Tri-County Metropolitan Transportation District of Oregon

$[Series 2021A Principal Amount] **Senior Lien Payroll Tax** **Revenue Bonds, Series 2021A** **(Tax-Exempt) (Sustainability Bonds)**	**$[Series 2021B Principal Amount]** **Senior Lien Payroll Tax** **Revenue Refunding Bonds, Series 2021B** **(Federally Taxable) (Sustainability Bonds)**

This Continuing Disclosure Certificate (the "Certificate") is executed and delivered by the Tri-County Metropolitan Transportation District of Oregon ("TriMet") in connection with the issuance of the above-captioned bonds (collectively, the "Series 2021 Bonds").

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by TriMet for the benefit of the owners of the Series 2021 Bonds and to assist the underwriters of the Series 2021 Bonds in complying with paragraph (b)(5) of the United States Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) as amended (the "Rule"). This Certificate constitutes TriMet's written undertaking for the benefit of the owners of the Series 2021 Bonds as required by Section (b)(5) of the Rule.

Section 2. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for purposes of this Certificate, have the meanings herein specified.

"Beneficial Owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Series 2021 Bonds, including persons holding Series 2021 Bonds through nominees or depositories.

"Commission" means the United States Securities and Exchange Commission.

"MSRB" means the United States Municipal Securities Rulemaking Board or any successor to its functions.

"Official Statement" means the final official statement for the Series 2021 Bonds dated __________, 2021.

"Rule" means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as it has been and may be amended.

Section 3. Financial Information. TriMet agrees to provide or cause to be provided to the MSRB, the following annual financial information and operating data:

A. TriMet's latest publicly available audited financial statements, including the financial statements of TriMet for the most recently completed fiscal year prepared in accordance with generally accepted accounting principles prescribed by the Governmental Accounting Standards Board (or its successors) and generally of the type included in the Official Statement in "APPENDIX B: Audited Financial Statements for Fiscal Years Ended June 30, 2021 and 2020"; and

B. To the extent not provided in the audited financial statements, historical financial information and operating data of the type set forth in the following sections of the Official Statement:

- Information regarding the maximum legislatively-established base rate and the authorized TriMet rates of the type provided under the subheadings "Revenue Sources – Payroll Taxes and Self-Employment Taxes" and "Revenue Sources – State In-Lieu Payments" in "THE SPECIFIED TAX REVENUES";
- Table 5 (Historical Payroll, Self-Employment and State In-Lieu Tax Revenues);
- Table 6 (Historical Specified Tax Revenues, Senior Lien Debt Service and Debt Service Coverage);
- Table A-6 (Summary of TriMet Statements of Net Position For Fiscal Years Ended June 30); and,
- Table A-7 (Summary of TriMet Statement of Revenues, Expenses and Changes in Net Assets for Fiscal Years Ended June 30).

Section 4. Timing. The information described in Section 3 hereof shall be provided on or before nine months after the end of TriMet's fiscal year. TriMet's current fiscal year ends June 30. TriMet may adjust such fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing such annual financial information and operating data, TriMet may cross-reference to other documents provided to the MSRB.

Section 5. Material Events. TriMet agrees to provide or cause to be provided to the MSRB in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Series 2021 Bonds:

(a) Principal and interest payment delinquencies;

(b) Non-payment related defaults, if material;

(c) Unscheduled draws on debt service reserves reflecting financial difficulties;

(d) Unscheduled draws on credit enhancements reflecting financial difficulties;

(e) Substitution of credit or liquidity providers or their failure to perform;

(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(g) Modifications to the rights of security holders, if material;

(h) Bond calls, if material, and tender offers;

(i) Defeasances;

(j) Release, substitution or sale of property securing repayment of the securities, if material;

(k) Rating changes;

(l) Bankruptcy, insolvency, receivership or similar event of the obligated person; (Note: For the purposes of the event identified in this paragraph (l), the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the United States

Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.);

(m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(o) Incurrence of a financial obligation of an obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of an obligated person, any of which affect security holders, if material. For the purposes of this paragraph (o) and paragraph (p) below, "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); the term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule;

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of an obligated person, any of which reflect financial difficulties.

TriMet may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed in this Section, if, in the judgment of TriMet, such other event is material with respect to the Series 2021 Bonds, but TriMet does not undertake any commitment to provide such notice of any event except those events listed in this Section.

Section 6. Failure to File Annual Financial Information. TriMet agrees to provide or cause to be provided, in a timely manner, to the MSRB, notice of a failure by TriMet to provide the annual financial information described in Section 3 hereof on or prior to the time set forth in Section 4 hereof.

Section 7. Termination. TriMet's obligation to provide notices of material events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2021 Bonds. This Certificate, or any provision hereof, shall be null and void if TriMet (a) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Certificate, or any provision hereof, are invalid, have been repealed retroactively or otherwise do not apply to the Series 2021 Bonds; and (b) notifies the MSRB of such opinion and the termination of its obligations under this Certificate.

Section 8. Amendment. Notwithstanding any other provision of this Certificate, TriMet may amend this Certificate under the following conditions:

A. the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of TriMet, or type of business conducted;

B. this Certificate, as amended, would have complied with the requirements of the Rule at the time of the original issuance of the Series 2021 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

C. the amendment does not materially impair the interest of the owners of the Series 2021 Bonds, as determined either by parties unaffiliated with TriMet (such as nationally recognized bond counsel), or by approving vote of the owners of the Series 2021 Bonds pursuant to the terms of the governing instrument for the Series 2021 Bonds, as it is in effect at the time of the amendment.

In the event of any amendment of a provision of this Certificate, TriMet shall describe such amendment in its next annual filing pursuant to Section 3 hereof, and shall include, as applicable, a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by TriMet. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of the amendment shall be given in the same manner as for a material event under Section 5 hereof, and (ii) the annual filing pursuant to Section 3 hereof for the first fiscal year that is affected by the change in accounting principles should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Series 2021 Bondowner's Remedies Under This Certificate. The right of any Series 2021 Bondowner to enforce the provisions of this Certificate shall be limited to a right to obtain specific enforcement of TriMet's obligations hereunder, and any failure by TriMet to comply with the provisions of this Certificate shall not be an event of default with respect to the Series 2021 Bonds. Series 2021 Bondowners may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause TriMet to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed a default or an event of default under the documents authorizing issuance of the Series 2021 Bonds, and no monetary damages shall arise or be payable hereunder, and the sole remedy under this Certificate in the event of any failure of TriMet to comply with this Certificate shall be an action to compel performance.

Section 10. Form of Information. All information required to be provided under this Certificate will be provided in an electronic format as prescribed by the MSRB, and with the identifying information prescribed by the MSRB.

Section 11. Submitting Information Through EMMA. So long as the MSRB continues to approve the use of the Electronic Municipal Market Access ("EMMA") continuing disclosure service, any information required to be provided to the MSRB under this Certificate may be provided through EMMA. As of the date of this Certificate, the web portal for EMMA is emma.msrb.org.

Section 12. Dissemination Agent. TriMet, from time to time, may engage or appoint an agent to assist TriMet in disseminating information hereunder (the "Dissemination Agent"). TriMet may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 13. Choice of Law. This Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Dated as of the [__th day of _____], 2021.

Tri-County Metropolitan Transportation District of Oregon

____

Dee Brookshire, Executive Director,
Finance and Administrative Services

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APPENDIX E

INFORMATION ABOUT DTC AND ITS BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each series of the Series 2021 Bonds, each in the aggregate principal amount of such series, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2021 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021

Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents relating to the Series 2021 Bonds. For example, Beneficial Owners of Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Certificate Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within a Series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to TriMet as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments represented by the Series 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from TriMet or the Fiscal Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Fiscal Agent, or TriMet, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of TriMet or the Fiscal Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to TriMet or the Fiscal Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

To the extent permitted by law, TriMet may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The above information concerning DTC and DTC's book-entry system has been obtained from sources that TriMet believes to be reliable, but TriMet takes no responsibility for the accuracy thereof. Neither TriMet nor the Fiscal Agent will have any responsibility or obligation to Participants or the persons for whom they act as nominees or Beneficial Owners with respect to DTC's record keeping, payments by DTC or Participants, notices to be delivered by DTC, or any other action taken by DTC as Registered Owner of the Series 2021 Bonds.

So long as Cede & Co. is the registered owner of the Series 2021 Bonds, as nominee for DTC, references herein to the holders or registered owners of the Series 2021 Bonds (other than under the caption "TAX MATTERS") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2021 Bonds. When reference is made to any action, which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given TriMet or the Fiscal Agent shall send them to DTC only.

For every transfer and exchange of the Series 2021 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

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APPENDIX F

SUMMARY OF THE INDENTURE

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SUMMARY OF INDENTURE

This Appendix F summarizes selected provisions of the Trust Indenture dated as of April 1, 2001 as amended and supplemented, including amendments made by the Eleventh Supplemental Trust Indenture dated as of [___], 2021 (the "Indenture"). The Indenture is between TriMet (the "Issuer") and The Bank of New York Mellon Trust Company, N.A. as trustee (the "Trustee"). This summary also omits administrative provisions that do not apply to the Series 2021 Bonds, or that are stated in the forepart of this Official Statement. These summaries do not purport to be complete or definitive and are qualified in their entirety by reference to the complete text of the Indenture. Prospective purchasers of the Series 2021 Bonds may obtain the complete text of the Indenture from the Trustee upon written request.

DEFINITIONS.

The Indenture uses the following defined terms:

"ADDITIONAL BONDS" means any Senior Lien Bonds issued after the first Series of Senior Lien Bonds. The first Series of Senior Lien Bonds were issued in 2001.

"ANNUAL DEBT SERVICE" means the amount required to be paid in the then current or any succeeding Fiscal Year in respect of the principal of or interest on any Outstanding Senior Lien Bonds and under any existing Derivative Product; *provided that:*

(i) there shall be credited against such sum any interest capitalized or otherwise payable from proceeds derived from the sale of such Senior Lien Bonds;

(ii) the amount required to be paid in any Fiscal Year under any Derivative Product shall be calculated by offsetting the aggregate amount of all Net Anticipated Reciprocal Payments for such Fiscal Year against the aggregate amount of all Net Anticipated Issuer Payments for such Fiscal Year;

(iii) the amount of Term Obligations subject to mandatory redemption in any Fiscal Year pursuant to a Mandatory Redemption Schedule shall be deemed to mature in the Fiscal Year in which such Term Obligations are subject to such mandatory redemption and only the principal amount of such Term Obligations scheduled to remain Outstanding on the final maturity date thereof shall be included in determining the Annual Debt Service for Senior Lien Bonds in the Fiscal Year in which such maturity date occurs;

(iv) the procedure for determining Annual Debt Service for the Outstanding Senior Lien Bonds which constitute Option Obligations shall be as follows:

(A) except as provided in paragraph (A) and (B), any Option Obligations Outstanding at the time of such determination shall be assumed to mature on their stated dates of maturity; *provided that* if such Option Obligations are subject, without contingency, to scheduled mandatory redemption on specific determinable dates and in specific amounts, then such Option Obligations shall be deemed to mature on the dates and in the amounts provided in connection with such scheduled mandatory redemption;

(B) during any Fiscal Year in which such Senior Lien Bonds may be tendered at the option of the Owners thereof, if a Credit Facility is in effect which will purchase all of such Senior Lien Bonds which are tendered but not remarketed, it shall be assumed that the aggregate principal amount of all such Senior Lien Bonds which may, during such Fiscal Year, be tendered by the Owners thereof, together with interest thereon at the maximum rate at which such Senior Lien Bonds may be remarketed, shall be amortized in equal installments over a term equal to twenty-five (25) years;

(C) during any Fiscal Year in which such Senior Lien Bonds may be tendered at the option of the Owners thereof, if a Credit Facility is not in effect which will purchase all of such Senior Lien Bonds which are tendered but not remarketed, is shall be assumed that every Senior Lien Bond that may be so tendered matures in such Fiscal Year.

(v) for purposes of computing Annual Debt Service for the Outstanding Senior Lien Bonds which constitute Variable Rate Obligations, such Variable Rate Obligations shall be deemed to bear interest at all times to maturity thereof at the maximum interest rate allowed under the Indenture, *provided that*, in any Fiscal Year in which the Specified Tax Revenues collected by, or on behalf of the Issuer (in the case of current or prior Fiscal Years), or in which the Issuer's Fiscal Year budget projects the receipt of Specified Tax Revenues that will be at least equal to ten (10) times the amount of the annual debt service for the prior Fiscal Year (calculated by using the Estimated Average Interest Rates applicable to Variable Rate Obligations and variable rate Issuer payments), such Variable Rate Obligations shall be deemed to bear interest at all times to maturity thereof at the Estimated Average Interest Rate applicable thereto and if such Variable Rate Obligations are subject, without contingency, to scheduled mandatory redemption on specific or determinable dates and in specific amounts, then such Variable Rate Obligations shall be deemed to mature on the dates and in the amounts provided in connection with such scheduled mandatory redemption;

(vi) for purposes of computing Annual Debt Service on Outstanding Senior Lien Bonds which constitute Capital Appreciation Obligations, only that portion of the Accreted Value becoming due at maturity or by virtue of a scheduled mandatory redemption prior to maturity with respect to such Senior Lien Bonds shall be included in the calculations of accrued and unpaid interest and principal requirements; and

(vii) for purposes of computing Annual Debt Service on any Senior Lien Bonds which constitute Balloon Indebtedness, it shall be assumed that the principal of such Balloon Indebtedness, together with interest thereon at the rate applicable to such Balloon Indebtedness, shall be amortized in equal annual installments over a term equal to the lesser of:

(1) twenty-five (25) years; or

(2) the average weighted useful life (expressed in years and rounded to the next highest integer) of the properties and assets constituting the Project (if any) financed out of the proceeds of such Balloon Indebtedness.

"BALLOON INDEBTEDNESS" means any Series of Senior Lien Bonds more than twenty-five percent (25%) of the principal of which, in accordance with the terms of such Senior Lien Bonds, is due and payable in any one Fiscal Year either by reason of the stated maturity date of such Senior Lien Bonds or pursuant to a Mandatory Redemption Schedule; *provided that* with respect to any Senior Lien Bonds issued as Term Obligations, such Senior Lien Bonds shall only be treated as Balloon Indebtedness if more than twenty-five percent (25%) of the principal thereof is due in any one Fiscal Year pursuant to the applicable Mandatory Redemption Schedule or upon the stated maturity date thereof (assuming that the only principal due on the stated maturity date thereof will be the principal remaining outstanding after all redemptions have been made pursuant to the applicable Mandatory Redemption Schedule).

"CODE" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated or applicable thereunder, and any successor statute (but only to the extent that such successor statute is applicable to particular Senior Lien Bonds).

"COMPLETION BONDS" means Senior Lien Bonds that are issued to finance the completion of a Project.

"CREDIT AGREEMENT" means: (1) an agreement with a Credit Provider pursuant to which a Credit Facility is issued or given as security for a particular Series of Senior Lien Bonds; or (2) an agreement with an insurer or other guarantor pursuant to which a Derivative Facility is given as security for the Issuer's obligations under a Derivative Product.

"CREDIT FACILITY" means a letter of credit, a municipal bond insurance policy, a surety bond, standby bond purchase agreement or other credit enhancement device given, issued or posted as security for one or more Series of Senior Lien Bonds, including any Alternate Credit Facility.

"CREDIT PROVIDER" means the person or entity, if any, providing a Credit Facility as security for a Series of Senior Lien Bonds.

"DEBT SERVICE ACCOUNT" means the account held by the Trustee under the Indenture to pay Senior Lien Bonds. The full text of the Indenture uses the term "2001 Debt Service Account" to describe the Debt Service Account.

"DERIVATIVE FACILITY" means a letter of credit, an insurance policy, a surety bond or other credit enhancement device given, issued or posted as security for the Issuer's obligations under one or more Derivative Products.

"DERIVATIVE PAYMENT DATE" means, with respect to a Derivative Product, any date specified in the Derivative Product on which both or either of an Issuer Payment and/or a Reciprocal Payment is due and payable under the Derivative Product.

"DERIVATIVE PRINCIPAL" means, as of any date of calculation, the notional amount used for purposes of determining the amount of Issuer Payments and/or Reciprocal Payments under a Derivative Product. Unless otherwise provided in the Derivative Product, where a Derivative Principal is based upon the principal amount of one or more designated Series or maturities, the Derivative Principal shall be scheduled to take account of each scheduled mandatory redemption date within the designated Series or maturities and each optional redemption planned by the Issuer at the time of entering the related Derivative Product.

"DERIVATIVE PRODUCT" means a written contract or agreement between the Issuer and a third party which has at least an investment grade rating from a Rating Agency (the "Reciprocal Payor") which provides that the Issuer's obligations thereunder shall be conditioned on the absence of: (i) a failure by the Reciprocal Payor to make any payment required thereunder when due and payable, or (ii) a default thereunder with respect to the financial status of the Reciprocal Payor; and:

(i) under which the Issuer is obligated to pay, on one or more scheduled and specified Derivative Payment Dates, the Issuer Payments in exchange for the Reciprocal Payor's obligation to pay or to cause to be paid to the Issuer, on scheduled and specified Derivative Payment Dates, the amounts set forth in the Derivative Product (the "Reciprocal Payments");

(ii) for which the Issuer's obligation to make Issuer Payments may be secured by a pledge of and lien on the Specified Tax Revenues on an equal and ratable basis with the Outstanding Senior Lien Bonds;

(iii) under which Reciprocal Payments are to be made directly to the Trustee for deposit into the Revenue Fund;

(iv) for which the Issuer Payments are either specified to be one or more fixed amounts or are determined according to a formula set forth in the Derivative Product by multiplying a specified rate of interest or other multiplier (the "Issuer Rate"), which may be a fixed rate or a variable rate, by the Derivative Principal *provided that* the Derivative Product shall specify a maximum applicable rate for variable rate Issuer Rates; and

(v) for which the Reciprocal Payments are either specified to be one or more fixed amounts or are determined according to a formula set forth in the Derivative Product by multiplying a specified rate of interest or other multiplier (the "Reciprocal Rate"), which may be a fixed rate or a variable rate, by the Derivative Principal or any other notional amount *provided that* the Derivative Product shall specify a minimum applicable rate for each Reciprocal Rate that is a variable rate.

"ESTIMATED AVERAGE DERIVATIVE RATE" means:

(i) as to the variable rate payments to be made by a party under any Derivative Product:

(a) to the extent such variable rate payments have been made for a period of 12 months or more, the higher (in the case of variable rate Issuer Payments), or the lower, (in the case of variable Rate Reciprocal Payments) of:

(1) the weighted average rate of interest applicable to such payments during the immediately preceding 12 month period; or

(2) the rate applicable under the related Derivative Product as of the date of determination; or

(b) to the extent such variable rate payments have not been made for a period of 12 months or more, the most current actual rate used in calculating such variable rate payments; and

(ii) as to any Derivative Products which have been authorized to be entered into by the Issuer but have not yet been executed or become effective, the variable rate shall be estimated by applying the variable rate formula specified in the contract to the most recently published rate for the floating rate index or other equivalent specified in the Derivative Product as the basis upon which the variable rate shall be determined,

provided that, where the variable rate to be used in a Derivative Product is specified as the rate, or rates applicable to one or more specified maturities of Senior Lien Bonds, the variable rate or rates under the Derivative Product will be deemed to be the same rate or rates estimated for the specified maturity or maturities of the specified Senior Lien Bonds, and *provided further that*, if two or more Derivative Products each specify the same index or and formula for determining and setting their respective variable rates, on the same dates, and for the same periods of time, and with respect to identical Derivative Principal amounts, all such Derivative Products shall be deemed to have the same Estimated Average Derivative Rate, calculated in accordance with paragraph (i) and (ii) of this definition, and calculated, where applicable, with respect to the first of such Derivative Products to become effective.

"ESTIMATED AVERAGE INTEREST RATE" means:

(i) as to any Outstanding Senior Lien Bonds during any period in which such Senior Lien Bonds are Variable Rate Obligations:

(a) to the extent such Variable Rate Obligations have been Outstanding for a period of 12 months or more, the higher of:

(1) the weighted average rate of interest applicable to such Senior Lien Bonds during the immediately preceding 12 month period; or

(2) the rate of interest applicable to such Senior Lien Bonds as of the date of determination; or

(b) to the extent such Variable Rate Obligations have not been Outstanding for a period of 12 months or more, the most current actual interest rate on such Variable Rate Obligations; and,

(ii) as to any Senior Lien Bonds which have been authorized to be issued or incurred but have not yet been issued or incurred, 100% of the most recently published interest rate for municipal bonds with similar terms and credit ratings published in *The Bond Buyer.*

"EVENT OF DEFAULT" means:

(i) default occurs in the due and punctual payment of Senior Lien Bond principal, interest or premium, whether at maturity, on prior redemption or otherwise;

(ii) other defaults occur with respect to Senior Lien Bonds or Derivative Products that continue for a period of sixty days after written notice is given to the Issuer by the Trustee, or to the Issuer and the Trustee by the Owners of at least fifty percent of the Outstanding Senior Lien Bond principal;

(iii) the Issuer files a petition or otherwise seeks relief under any federal or state bankruptcy law or similar law;

(iv) the appointment of a receiver for the Issuer or any substantial part of its properties or operations, if the appointment is made with the consent of the Issuer, or is made without the consent of the Issuer and is not vacated, discharged or stayed within ninety days;

(v) notice is given to the Trustee that an event of default has occurred under a Credit Agreement, or certain failures of the Issuer with respect to Credit Facilities;

(vi) the Issuer fails to make an Issuer Payment under a Derivative Product (other than a failure in connection with a good faith contest); and,

(vii) any other event that is expressly stated to constitute an Event of Default in a Supplemental Indenture.

"FIDUCIARY" means the Trustee, any Bond Registrar, any Paying Agent, any Depositary and any Remarketing Agent or Tender Agent for Senior Lien Bonds which constitute Variable Rate Obligations or Option Obligations, or any or all of them, as may be appropriate.

"FISCAL YEAR" means the fiscal year of the Issuer as prescribed by law, currently that period commencing on July 1 and continuing to and including the next succeeding June 30.

"FITCH" means Fitch Investors Service, Inc., its successors and assigns.

"GOVERNMENT OBLIGATIONS" means, to the extent permitted by law for investment as contemplated in the Indenture, any general obligations of the United States of America or any obligations of any agency or instrumentality thereof which are backed by the full faith and credit of the United States of America.

"INDENTURE" means the Trust Indenture dated as of April 1, 2001 as it is currently amended and supplemented and as it may be amended or supplemented from time to time in accordance with its terms.

"INTEREST PAYMENT DATE" means the date on which interest on a Series of Senior Lien Bonds is payable.

"ISSUER" means the Tri-County Metropolitan Transportation District of Oregon, a municipal corporation and a public body, corporate and politic, exercising public powers and duly created and existing under and pursuant to the laws of the State of Oregon, particularly Chapter 267 of Oregon Revised Statutes.

"ISSUER PAYMENT" means any payment required to be made by or on behalf of the Issuer under a Derivative Product.

"LOCAL BUDGET LAW" means ORS 294.305 to 294.565, as amended, and the administrative rules promulgated thereunder.

"MANDATORY REDEMPTION SCHEDULE" means with respect to particular Senior Lien Bonds, the schedule pursuant to which the principal portions thereof (howsoever designated) are subject, without contingency, to mandatory redemption or prepayment prior to maturity, all as set forth in the Supplemental Indenture pursuant to which such Senior Lien Bonds are issued.

"NET ANTICIPATED ISSUER PAYMENT" means, with respect to any Derivative Payment Date, the amount by which the Issuer Payment expected to be made under the related Derivative Product (calculated, where a variable rate is used to derive the Reciprocal Payment, as the maximum amount permissible on such date under the related Derivative Product), exceeds the Reciprocal Payment expected to be made on such Derivative Payment Date under the Derivative Product (calculated, where a variable rate is used to derive the Reciprocal Payment, as the minimum amount permissible on such date under the related Derivative Product), *provided that*, in Fiscal Years during which the Annual Debt Service on Senior Lien Bonds that are Variable Rate Obligations would, if such Senior Lien Bonds were Outstanding, be permitted to be calculated by use of the Estimated Average Interest Rate, the Net Anticipated Reciprocal Payment may be calculated by applying the Estimated Average Derivative Rate to the Issuer Payment(s) or Reciprocal Payment(s), as applicable.

"NET ANTICIPATED RECIPROCAL PAYMENT" means, with respect to any Derivative Product, the amount by which, within a particular period, the Reciprocal Payment(s) (calculated, where a variable rate is used to derive the Reciprocal Payment, as the minimum amounts permissible under the Derivative Product), is or are expected to exceed the Issuer Payment(s) (calculated, where a variable rate is used to derive the Issuer Payment, as the maximum amounts permissible under the related Derivative Products), *provided that*, in Fiscal Years during which the Annual Debt Service on Senior Lien Bonds that are Variable Rate Obligations would, if such Senior Lien Bonds were Outstanding, be permitted to be calculated by use of the Estimated Average Interest Rate, the Net Anticipated Reciprocal Payment may be calculated by applying the Estimated Average Derivative Rate to the Issuer Payment(s) or Reciprocal Payment(s), as applicable.

"NET ISSUER PAYMENT" means, with respect to a particular Derivative Product, the amount by which, within a particular period, the sum of the actual Issuer Payment(s) under a Derivative Product exceeds the sum of the actual Reciprocal Payment(s) under such Derivative Product.

"NET RECIPROCAL PAYMENT" means, with respect to a particular Derivative Product, the amount by which, within a particular period, the sum of the actual Reciprocal Payment(s) under a Derivative Product exceeds the sum of the actual Issuer Payment(s) under such Derivative Product.

"OPINION OF BOND COUNSEL" means an opinion of Bond Counsel:

(i) in the case of the issuance of any Additional Bonds, addressed to the Issuer and opining as to the due authorization and issuance of such Additional Bonds, the validity and enforceability thereof and, if such Additional Bonds are intended to be Tax-Exempt Obligations, the federal tax exempt status of the interest thereon; and

(ii) in other cases in which such an opinion is required as a condition precedent to any action under the Indenture, addressed to the Issuer and the Trustee and opining that the action proposed to be taken is authorized or permitted by the Indenture or the applicable provisions of any Supplemental Indenture and will not adversely affect the excludability for federal income tax purposes of the interest on any affected Senior Lien Bonds issued as, and which at the time of rendition of such opinion still are, Tax-Exempt Obligations from the gross incomes of the Owners thereof.

"OPTION OBLIGATIONS" means, with respect to a particular Series of Senior Lien Bonds, Senior Lien Bonds which by their terms may be tendered by and at the option of the Owner for purchase prior to the stated maturity thereof.

"ORIGINAL ISSUE DATE" means the date on which a Series of Senior Lien Bonds is issued.

"OUTSTANDING" when used with reference to a particular Series of Senior Lien Bonds, means, as of a particular date, all Senior Lien Bonds of such Series theretofore authenticated and delivered under the Indenture and, in the case of Additional Bonds, the Supplemental Indenture pursuant to which such Senior Lien Bonds are issued, except:

(i) Senior Lien Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(ii) Senior Lien Bonds (or portions of Senior Lien Bonds) for the payment or redemption of which moneys, or investments thereof, equal to or calculated to produce on the Redemption Date, the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the Indenture or any Supplemental Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), *provided that* if such Senior Lien Bonds (or portions of Senior Lien Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in the Indenture or the applicable provisions of any Supplemental Indenture;

(iii) Senior Lien Bonds in lieu of or in substitution for which other Senior Lien Bonds shall have been authenticated and delivered pursuant to Article V or Section 1306 of the Indenture or the applicable provisions of any Supplemental Indenture unless proof satisfactory to the Trustee is presented that any such Senior Lien Bonds are held by a *bona fide* purchaser in due course; and

(iv) Senior Lien Bonds paid or deemed to have been paid as provided in Section 1401 of the Indenture.

In addition, Senior Lien Bonds of a Series held by or for the Issuer shall not be deemed to be Outstanding for most purposes under the Indenture.

"OWNER" means any person who shall be the registered owner of any Senior Lien Bond or Senior Lien Bonds as shown by the registration books maintained by the Bond Registrar for such Senior Lien Bonds. However, the insurer of a Series of Senior Lien Bonds may be entitled to be treated as the Owner of that Series for all purposes under the Indenture except payment.

"PARTICIPANT" means a broker-dealer, bank or other financial institution for which DTC holds Senior Lien Bonds as Securities Depository.

"PAYING AGENT" means, with respect to a particular Series of Senior Lien Bonds, any bank, trust company or national banking association, which may include the Trustee or its successor or successors, authorized by the Issuer pursuant to a Supplemental Indenture to pay the principal or Redemption Price of or interest due on such Series of Senior Lien Bonds and having the duties, responsibilities and rights provided for in the Indenture and such Supplemental Indenture and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to the Indenture or the applicable provisions of any Supplemental Indenture. The initial Paying Agent for the Series 2021 Bonds is the Trustee.

"PERMITTED INVESTMENTS" means those investments in which, under the applicable laws of the State of Oregon or the applicable provisions of any charter, resolution or ordinance heretofore or hereinafter adopted for or by the Issuer, the Issuer is permitted to invest its funds. The laws of the State of Oregon which, as of the date of enactment of the Indenture, set forth such investments are contained in ORS 294.035.

"PRINCIPAL PAYMENT DATE" means any date on which any Senior Lien Bonds are scheduled to be retired, whether by virtue of their maturity or by mandatory sinking fund redemption prior to maturity.

"PROJECT" means any buildings, structures, land, interests in land, improvements, furnishings, machinery or equipment and any tangible personal or real property of every kind and description deemed necessary or appropriate by the Issuer for use in its operations or in furtherance of its governmental purposes and functions.

"QUALIFIED CONSULTANT" means an independent engineer, an independent financial advisor, or similar independent professional consultant of nationally recognized standing and having experience and expertise in the area for which such person or firm is retained by the Issuer for purposes of the Indenture.

"RATING AGENCY" means the rating agency that rates a series of Senior Lien Bonds at the request of the Issuer.

"RECIPROCAL PAYMENT" means any payment to be made to, or for the benefit of, the Issuer under a Derivative Product by the Reciprocal Payor.

"RECIPROCAL PAYOR" means a party to a Derivative Product who is obligated to make one or more Reciprocal Payments thereunder.

"REDEMPTION PRICE" means, with respect to any Senior Lien Bond, the amount payable upon the redemption or prepayment thereof prior to maturity, including the principal of, premium (if any) and accrued or accreted interest thereon.

"REVENUE FUND" means the fund described in the Indenture into which the Issuer is obligated to deposit Specified Tax Revenues to pay the Senior Lien Bonds.

"SENIOR LIEN BOND" or **"SENIOR LIEN BONDS"** means obligations that are secured by a senior lien on the Trust Estate. Senior Lien Bonds must be issued under the Indenture and include the Series 2021 Bonds, Additional Bonds, Refunding Bonds and Completion Bonds. The complete text of the Indenture refers to Senior Lien Bonds as "Bonds."

"SETTLEMENT DATE" means the last Business Day of each week.

"SERIES" means all of the Senior Lien Bonds issued, authenticated and delivered pursuant to the Indenture or a Supplemental Indenture on the original issuance of a stipulated aggregate principal amount in a simultaneous transaction and any Senior Lien Bonds thereafter authenticated and delivered in lieu of or in substitution therefor pursuant to the Indenture or such Supplemental Indenture regardless of variations in maturity, interest rate or other provisions.

"SPECIFIED TAX" means any tax imposed by the Issuer, the revenues from which have been duly pledged by the Issuer as security for the Senior Lien Bonds and included as part of the Specified Tax Revenues.

"SPECIFIED TAX REVENUES" means the tax revenues derived by the Issuer from:

(i) the taxes imposed by the Issuer pursuant to ORS 267.380 and 267.385, as amended, and the payments received by the Issuer from the State of Oregon in lieu of taxes on payrolls for activities within the Issuer's boundaries pursuant to ORS 291.405 to 291.406, as amended;

(ii) any Substitute Tax imposed by the Issuer in complete or partial substitution of the taxes described in subparagraph (i) of this definition in accordance with and subject to the limitations of the Indenture and which are duly pledged by the Issuer as security for the Senior Lien Bonds, Derivative Products and any Credit Facility or Derivative Facility secured by a lien on the Specified Tax Revenues; and

(iii) any other revenues received by the Issuer from the State of Oregon or any political subdivision or municipal or quasi-municipal corporation thereof in lieu of the taxes described in this definition and which are duly pledged by the Issuer as security for the Senior Lien Bonds, Derivative Products and any Credit Facility or Derivative Facility secured by a lien on the Specified Tax Revenues, *provided that*, each Rating Agency which has a current rating on any Outstanding Senior Lien Bond has been notified of the Issuer's intent to pledge such revenues as security for the Senior Lien Bonds and has determined that the use of such revenues as part of the Specified Tax Revenues would not cause a withdrawal or lowering of the ratings of the Senior Lien Bonds.

"SUBSTITUTE TAX" means any other tax, fee or other charge imposed or to be imposed by the Issuer but only if:

(i) prior to the use of such revenues as a Substitute Tax the Issuer obtains a report from a Qualified Consultant which report projects the amount of such revenues to be collected in the Fiscal Year in which such revenues are to be pledged as security for the Senior Lien Bonds and in the four (4) succeeding Fiscal Years, and which outlines the basis for the Qualified Consultant's projections;

(ii) each Rating Agency which has a current rating on any Outstanding Senior Lien Bond has been notified of the Issuer's intent to pledge such revenues as security for the Senior Lien Bonds, has received a copy of the report of the Qualified Consultant with respect to such revenues, and has determined that the use of such revenues in lieu of all or part of the Specified Tax Revenues would not prevent such Rating Agency from issuing a new rating for the Senior Lien Bonds that is at least as high as the rating then in effect from such Rating Agency nor cause such Rating Agency to lower its ratings of the Senior Lien Bonds;

(iii) the Issuer has made arrangements for the revenues from such tax, fee or other charge to be paid directly to the Trustee in accordance with the provisions of the Indenture; and

(iv) the Issuer has duly pledged the revenues from such tax, fee or other charge as security for the Senior Lien Bonds, Derivative Products and any Credit Facility or Derivative Facility entitled to a lien on the Specified Tax Revenues.

"SUPPLEMENTAL INDENTURE" means any Indenture supplemental to or amendatory of the Indenture, entered into by the Issuer in accordance with the Indenture.

"STATE" means the State of Oregon.

"TRUSTEE" means The Bank of New York Mellon Trust Company, N.A., as successor in interest to BNY Western Trust Company, and its successors and any other corporation which may at any time be substituted in its place as Trustee under the Indenture.

"TRUST ESTATE" means the properties and assets pledged in the Indenture as security for the payment of the Senior Lien Bonds (see "PLEDGE OF TRUST ESTATE" below).

PLEDGE OF TRUST ESTATE.

In the Indenture, the Issuer pledges to the Trustee, in trust for the benefit of the Owners of the Senior Lien Bonds, and for the benefit of the provider of any Credit Facility issued with respect to the Senior Lien Bonds, all of the Issuer's right, title and interest to, in and under the following:

(i) the Specified Tax Revenues;

(ii) the moneys and investments (including investment earnings thereon) on deposit from time to time in the Debt Service Account;

(iii) any Credit Facility given as security for the payment of any amounts owing under or with respect to any Senior Lien Bonds together with all moneys drawn or paid thereunder;

provided that with respect to any such Credit Facility which is given as security for some, but not all, of the Outstanding Senior Lien Bonds, such Credit Facility together with the moneys drawn or paid thereunder shall be held by the Trustee solely as security for the Senior Lien Bonds for which such Credit Facility was given as security and neither such Credit Facility nor any moneys drawn or paid thereunder shall secure the payment of any amounts owing under or with respect to any other Senior Lien Bonds or any other Credit Facility; and

(iv) such other properties and assets and interests in properties and assets as may hereafter be pledged to the payment of the Senior Lien Bonds pursuant to any Supplemental Indenture or which may be delivered, pledged, mortgaged or assigned by any person to the Trustee as security for the Senior Lien Bonds.

The foregoing are referred to collectively as the "Trust Estate."

The Issuer covenants and agrees, with and for the benefit of the Owners from time to time of all Senior Lien Bonds that is shall not issue any additional obligations which have a lien on the Trust Estate which is superior to the lien of the Senior Lien Bonds.

PARI PASSU SERIES OF SENIOR LIEN BONDS; CREDIT AGREEMENT OBLIGATIONS; DERIVATIVE PRODUCTS.

The Indenture provides that all Senior Lien Bonds shall be payable from the Specified Tax Revenues *pari passu* with all other Senior Lien Bonds and Derivative Products. Except as otherwise provided in a Supplemental Indenture, Senior Lien Bonds and amounts owed by the Issuer under any Credit Facility (but not Derivative Products) shall be secured by an equal lien on and pledge of the Trust Estate.

The Issuer may provide that the pecuniary obligations arising under a Credit Agreement pursuant to which a Credit Facility for the Senior Lien Bonds shall be equally and ratably secured by the Trust Estate with all Outstanding Senior Lien Bonds and shall be payable from the Specified Tax Revenues *pari passu* with all Outstanding Senior Lien Bonds and Derivative Products, to the same extent and with the same force and effect as if the financial obligations under such Credit Agreement were a Senior Lien Bond.

The Issuer may provide in the Supplemental Indenture pursuant to which a Derivative Products is entered into that the Credit Agreement pursuant to which a related Derivative Facility is provided shall be payable from the Specified Tax Revenues *pari passu* with all Outstanding Senior Lien Bonds and Derivative Products to the same extent and with the same force and effect as if the financial obligations under such contract or agreement were a Derivative Product.

CONDITIONS PRECEDENT TO ISSUANCE OF ADDITIONAL SENIOR LIEN BONDS.

Except as otherwise expressly provided in the Indenture with respect to Completion Bonds and Refunding Bonds, the following are conditions precedent to the issuance of any Additional Bonds under the Indenture:

(A) REPORTS AND CERTIFICATES OF ISSUER AND QUALIFIED CONSULTANT. The Issuer shall cause to be delivered to the Trustee a report from a Qualified Consultant certifying that the Specified Tax Revenues for any period of 12 consecutive months during the 18 months immediately preceding the issuance of such Additional Bonds equal at least four (4) times the maximum Annual Debt Service for the Outstanding Senior Lien Bonds, Derivative Products, if any, and the Additional Bonds then to be issued.

(B) OPINION OF BOND COUNSEL. The Issuer shall cause to be delivered an Opinion of Bond Counsel.

(C) NO EVENT OF DEFAULT. At the time of issuance of such Additional Bonds, there shall not exist and be continuing any Event of Default under the Indenture other than an Event of Default which will be duly cured or waived upon the issuance of such Additional Bonds.

(D) CERTIFICATE REGARDING PROJECT COSTS. If such Additional Bonds are to be used to finance the acquisition, construction or rehabilitation of a Project and the Issuer wishes to preserve the option to issue Completion Bonds, a certificate of the Issuer stating that the proceeds of such Additional Bonds (to the extent not designated for purposes other than the payment of the costs of such Project), together with other specified amounts reasonably expected to be available for the payment of the costs of such Project, will be sufficient to pay the costs of such Project as estimated at the time of issuance of such Additional Bonds.

COMPLETION BONDS.

The Indenture provides special rules for Senior Lien Bonds issued to complete a Project already being funded with Senior Lien Bond Proceeds if there are costs that were not anticipated at the time of issuance or incurrence of the original Series of Senior Lien Bonds issued to finance such Project and the use of the proceeds of the Completion Bonds will not materially expand the scope of the Project, except to the extent necessary for such Project to: (A) comply with any requirements of law applicable thereto; or (B) serve the purposes intended to be served thereby at the time such Project was originally undertaken. To take advantage of the special rules, the Issuer must first file with the Trustee a certificate of a Qualified Consultant to the effect that, in the judgment of the Qualified Consultant, the proceeds of the proposed Completion Bonds, together with any Issuer Contribution available for such purpose, will be sufficient to pay the remaining costs of the Project or Projects with respect to which such Completion Bonds are being issued. The Issuer must also file an Opinion of Bond Counsel. The principal amount of Completion Bonds that may be issued under these special rules for the purpose of completing any one Project may not exceed the amount which is ten (10) percent of the aggregate principal amount of all other Senior Lien Bonds issued in accordance with the general rules applicable to Additional Bonds for the purpose of financing the Project.

REFUNDING BONDS.

The Issuer may issue Senior Lien Bonds to refund Senior Lien Bonds without complying with the general conditions precedent to the issuance of Additional Bonds that are listed above, if the issuance of the refunding Senior Lien Bonds will not increase maximum Annual Debt Service on all Senior Lien Bonds.

DERIVATIVE PRODUCTS.

The Issuer may enter into Derivative Products subject to the conditions provided in the Indenture. The conditions precedent to the issuance of a Derivative Product are similar to those for the issuance of Additional Bonds, including a certificate from the Issuer certifying that the Specified Tax Revenues for any period of 12 consecutive months during the 18 months immediately preceding the issuance of such Derivative Product equal at least two (2) times the maximum Annual Debt Service for the Outstanding Senior Lien Bonds, all other outstanding Derivative Products and the Derivative Product to be entered into, an Opinion of Bond Counsel, an opinion of Reciprocal Party, and the absence of a continuing Event of Default under the Indenture at the time of execution of such Derivative Product.

The Indenture calls for the Issuer to execute and deliver a Supplemental Indenture to the Trustee prior to entering its first Derivative Product.

SHORT TERM DEBT, SUBORDINATED DEBT, AND OTHER ISSUER OBLIGATIONS.

The Indenture provides that nothing in the Indenture is intended to in any way restrict or limit the ability of the Issuer:

(a) to incur indebtedness or issue bonds, notes warrants or similar obligations which have a term to maturity in excess of one year and which are secured by a pledge of all or any part of the Specified Tax Revenues on a subordinated lien basis to the pledge thereof securing the Senior Lien Bonds; or

(b) to incur indebtedness or issue any bonds, notes, warrants or similar obligations of any maturity which are secured by any tax revenues of the Issuer or any other properties, assets or revenues of the Issuer other than the Specified Tax Revenues.

REVENUE FUND AND ACCOUNTS; DEPOSITS TO AND APPLICATION OF REVENUE FUND.

REVENUE FUND AND ACCOUNTS. The Indenture obligates the Issuer to maintain the Revenue Fund with the Trustee in the manner provided in the Indenture.

The Indenture establishes the Debt Service Account in the Revenue Fund to hold Specified Tax Revenues that are segregated to pay the Senior Lien Bonds.

DEPOSIT OF SPECIFIED TAX REVENUES AND RECIPROCAL PAYMENTS INTO REVENUE FUND. The Specified Tax Revenues shall be paid directly to the Trustee as and when the same are collected and otherwise required to be paid to the Issuer. The Issuer shall from time to time take such actions as may be necessary or appropriate to ensure that all Specified Tax Revenues shall be paid directly to the Trustee. All Reciprocal Payments under any Derivative Product shall also be paid directly to the Trustee.

Upon receipt by the Trustee, all Specified Tax Revenues and Reciprocal Payments shall be deposited in the Revenue Fund and applied as provided in the Indenture.

TRANSFERS TO DEBT SERVICE ACCOUNT. The Trustee shall transfer the following amounts from the Revenue Fund to the Debt Service Account for each Series of Senior Lien Bonds except Balloon Indebtedness, Capital Appreciation Obligations and Variable Rate Obligations:

(A) On each Settlement Date during an Interest Deposit Period for each Series of Bonds and except as otherwise provided for Balloon Indebtedness, Capital Appreciation Obligations and Variable Rate Obligations, the Trustee shall transfer from the Revenue Fund to the Debt Service Account an amount such that, if an equal amount is transferred to the Debt Service Account on all remaining Settlement Dates in the Interest Deposit Period, there will be available in the Debt Service Account an amount sufficient to pay the interest on that Series of Bonds that is due on the Interest Payment Date for that Interest Deposit Period. The Trustee shall credit against the transfers required by this subsection any Net Reciprocal Payment received by the Trustee and any capitalized interest for that Series of Bonds as provided in the Indenture. For purposes of paragraph:

> "Interest Accrual Period" means the period of time during which interest on a Series of Bonds accrues before it is scheduled to be paid. For example: if a Series of Bonds is issued on January 1 and the first interest payment is due on July 1, the first Interest Accrual Period will be six months; if the first interest payment for that Series is due on October 1, the first Interest Accrual Period will be nine months.
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> "Interest Deposit Period" means each period that begins on the fourth Settlement Date before the beginning of an Interest Accrual Period for a Series of Bonds (or the Settlement Date immediately following the Original Issue Date of that Series if the fourth Settlement Date before the beginning of an Interest Accrual Period occurs before the Original Issue Date), and ends on the fourth Settlement Date before the end of that Interest Accrual Period. The Interest Deposit Period includes the Settlement Date on which the Interest Deposit Period begins and the Settlement Date on which the Interest Deposit Period ends.

(B) On each Settlement Date during a Principal Deposit Period for each Series of Bonds, except as otherwise provided for Balloon Indebtedness, Capital Appreciation Obligations and Variable Rate Obligations, the Trustee shall transfer from the Revenue Fund to the Debt Service Account an amount such that, if an equal amount is transferred to the Debt Service Fund on all remaining Settlement Dates in the Principal Deposit Period, there will be available in the Debt Service Account on the last Settlement Date of the Principal Deposit Period an amount sufficient to pay the principal on that Series of Bonds that is due on the Principal Payment Date for that Principal Deposit Period. The Trustee may, at the request of the Issuer, credit any surplus in the Debt Service Account against transfers that are required by this subsection. For purposes of this section, "Principal Deposit Period" means each period that begins on the 56th Settlement Date before a Principal Payment Date for a Series of Bonds (or the Settlement Date immediately following the Original Issue Date of that Series if the 56^{th} Settlement Date before a Principal Payment Date occurs before the Original Issue Date) and ends on the fourth Settlement Date before that Principal Payment Date. The Principal Deposit Period includes the Settlement Date on which the Principal Deposit Period begins and the Settlement Date on which the Principal Deposit Period ends.

The Indenture provides special provisions for the calculation of transfers to the Debt Service Account in the case of Senior Lien Bonds which constitute Balloon Indebtedness, the accreted interest on any Senior Lien Bonds which constitute Capital Appreciation Obligations, and the interest on any Senior Lien Bonds which constitute Variable Rate Obligations.

SPECIAL CALCULATION OF DEBT SERVICE IN CONNECTION WITH NET RECIPROCAL PAYMENTS RECEIVED BY TRUSTEE. Unless otherwise provided in a Supplemental Indenture, if the Trustee receives a Net Reciprocal Payment under a Derivative Product the Trustee shall deposit that payment in the Debt Service Account and credit that payment against future deposits that are required to be made to that account.

TRANSFERS FOR DERIVATIVE PRODUCTS. The Trustee is required to deposit Specified Tax Revenues equal to one quarter of the maximum estimated Issuer Payment into the Derivative Products Account on each of the four Settlement Dates immediately preceding each Derivative Payment Date.

PRIORITY; INSUFFICIENCY OF FUNDS TO MAKE REQUIRED TRANSFERS. If the amounts available in the Revenue Fund for transfer to the Debt Service Account and the Derivative Product Account are not sufficient to make the required transfers on each Settlement Date, the Trustee shall make transfers from the Revenue Fund to the Debt Service Account on a *pro rata* basis.

If, on any Settlement Date, there are insufficient moneys on deposit in the Revenue Fund to make all transfers to the Debt Service Account and the Derivative Product Account, if any, then and in any such event the amount of such deficiency shall be transferred (on a *pro rata* basis) on the next succeeding Settlement Date(s) until such time as all such deficiencies have been fully cured.

If seven days before any Interest Payment Date or Principal Payment Date, the Trustee determines that it will not have an amount in Debt Service Account that is sufficient to make the Senior Lien Bond principal or interest payments that are due on that payment date, the Trustee shall notify the Issuer, and the Issuer shall, not later than two days before the payment date, transfer to the Trustee an amount equal to the deficiency from the Issuer's lawfully available funds.

CREDIT FOR INVESTMENT EARNINGS AND UNUSED BALANCES. The Indenture allows the following amounts to be credited against required transfers from the Revenue Fund to the Debt Service Account:

(A) the investment earnings then on deposit in Debt Service Account; plus

(B) any other moneys then on deposit in the Debt Service Account, but not including any moneys deposited in the Debt Service Account, and being held by the Trustee, for the purpose of paying: (1) the Redemption Price of any Senior Lien Bonds called for Redemption but not yet presented for payment; (2) the principal of and interest on any Senior Lien Bonds which have theretofore matured but which have not yet been presented for payment; or (3) any amounts to become due on any Senior Lien Bonds but which are not yet due and payable.

DISPOSITION OF EXCESS. The amounts remaining on deposit in the Revenue Fund on each Settlement Date after making the transfers to the Debt Service Account or the Derivative Product Account, if any, is in the Indenture referred to as the "Excess." On each Settlement Date, the Trustee shall pay any Excess to the Issuer. Upon payment of the Excess by the Trustee to the Issuer, the Excess shall no longer be subject to the lien and pledge of the Indenture but shall be unrestricted, unencumbered funds of the Issuer which may be used and applied by the Issuer for any lawful purpose.

THE DEBT SERVICE ACCOUNT.

The moneys on deposit in the Debt Service Account shall be used to pay the principal of, interest on and Redemption Price of the Senior Lien Bonds, and, if applicable, the Trustee shall transfer such moneys to the appropriate Paying Agent(s) for application to the payment when due of the principal of, interest on and Redemption Price of the Senior Lien Bonds. Notwithstanding the foregoing or any other provision in the Indenture to the contrary, if any amount applied to the payment of principal of, interest on or Redemption Price of any Senior Lien Bonds that would have been paid from the Debt Service Account is paid instead by amounts drawn or paid under a Credit Facility (including but not limited to a Reserve Credit Facility), amounts on deposit in the Debt Service Account, and allocable to such payment for said Senior Lien Bonds, shall be paid to the extent required under the related Credit Agreement to the related Credit Provider.

INVESTMENTS.

Amounts held under the Indenture may be invested in Permitted Investments.

GENERAL COVENANTS OF THE ISSUER.

In the Indenture, the Issuer makes representations and covenants for the benefit of the Owners of the Senior Lien Bonds, including the following:

EXTENSION OF PAYMENT OF SENIOR LIEN BONDS. The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of any of the Senior Lien Bonds or the time of payment of any interest on the Senior Lien Bonds. The issuance of Refunding Bonds shall not be deemed to constitute an extension of maturity of Senior Lien Bonds.

FURTHER ASSURANCE. At any and all times the Issuer shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, pledging, assigning and confirming in all and singular the rights, the Trust Estate and other moneys, securities and funds pledged or assigned as security for any Series of Senior Lien Bonds, or intended so to be, or which the Issuer may become bound to pledge or assign.

POWER TO ISSUE SENIOR LIEN BONDS AND TO PLEDGE THE TRUST ESTATE AND OTHER FUNDS. The Issuer is duly authorized under all applicable laws to issue the Senior Lien Bonds or to enter into the applicable Derivative Product and to execute and deliver the Indenture and such Supplemental Indenture, to pledge the Trust Estate and other moneys, securities and funds purported to be pledged as security for particular Series of Senior Lien Bonds or for such Derivative Product in the manner and to the extent provided in the Indenture and any Supplemental Indenture, and to perform its obligations hereunder and under the Senior Lien Bonds and any Supplemental Indenture. Except as otherwise required by law, the Trust Estate and the Specified Tax Revenues are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to the pledge created by the Indenture or any Supplemental Indenture and, except to the extent otherwise provided in the Indenture or any Supplemental Indenture, other moneys, securities and funds so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Indenture or any Supplemental Indenture.

GENERAL TAX COVENANTS. Except with respect to Senior Lien Bonds issued by the Issuer which are not Tax-Exempt Obligations, the Issuer shall take all actions within its control required by the Code as necessary to preserve the exclusion of interest received on Senior Lien Bonds issued or, then to be issued, from gross income for federal income tax purposes.

FINANCIAL AND RELATED COVENANTS.

In addition to the general covenant described above, the Issuer makes the following financial covenants under the Indenture:

ACCOUNTS AND REPORTS. The Issuer shall keep or cause to be kept proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Revenue Fund and Accounts established under the Indenture, and which books of records and accounts, together with all other books and papers of the Issuer relating to the Indenture and any Senior Lien Bonds or Derivative Products issued hereunder, shall at all times be subject to the inspection of the Trustee, the issuers of any Credit Facility for the Senior Lien Bonds, and the Owners of an aggregate of not less than 15% in aggregate principal amount of the Senior Lien Bonds then Outstanding or their representatives duly authorized in writing.

Within one hundred eighty (180) days after the close of each Fiscal Year, the Issuer shall cause to be filed with the Trustee a copy of the Issuer's annual audit report for such Fiscal Year, accompanied by an Accountant's Opinion, and including the following statements in reasonable detail: a statement of assets and liabilities as of the end of such Fiscal Year; and a summary with respect to the Revenue Fund and each Account established under the Indenture for the Senior Lien Bonds of the receipts therein and disbursements therefrom during such Fiscal Year and the amount held therein at the end of such Fiscal

Year. Such Accountant's Opinion shall state whether, to the knowledge of the signer, the Issuer is in default with respect to any of the covenants, agreements or conditions on its part contained in the Indenture, and if so, the nature of such default.

The Issuer shall with the Trustee, any Credit Provider, and the provider of any Derivative Facility:

(i) forthwith upon becoming aware of any Event of Default or default in the performance by the Issuer of any covenant, agreement or condition contained in the Indenture with respect to the Senior Lien Bonds or any Derivative Product, a certificate of the Issuer specifying such Event of Default or default; and

(ii) simultaneous with the filing of the annual audit report described above, a certificate of the Issuer stating that, to the best of the signer's knowledge and belief, the Issuer has kept, observed, performed and fulfilled its covenants and obligations contained in the Indenture and there does not exist at the date of such certificate any default by the Issuer under the Indenture or other event which, with the giving of notice or the lapse of time or both, would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Indenture shall be available for the inspection of Owners of the Senior Lien Bonds at the office of the Trustee and shall be mailed to each such Owner who shall file a written request therefor with the Trustee. The Trustee shall charge each Owner requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

PAYMENT OF TAXES AND CHARGES. The Issuer shall pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the Issuer, its assets or properties or its operations, or upon any Project financed in whole or in part from the proceeds of any Senior Lien Bonds, or upon the rights, revenues, income, receipts, and other moneys, securities and funds of the Issuer, when the same shall become due (including all rights, moneys and other property transferred, assigned or pledged under the Indenture or any Supplemental Indenture in connection with any Senior Lien Bonds), and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which the Issuer shall in good faith contest by proper legal proceedings if the Issuer shall in all such cases have set aside on its books reserves deemed adequate with respect thereto.

LEVY OF SPECIFIED TAXES. The Issuer shall, subject only to limitations imposed by law, impose, levy and collect, and shall take all action as shall be necessary to impose, levy and collect, Specified Tax Revenues in an amount which, when added to all other revenues of the Issuer available for such purpose, shall be sufficient to pay when due all Outstanding Senior Lien Bonds and all other expenses, liabilities and obligations, including, but not limited to, obligations under any Derivative Product, of the Issuer.

TAX REDUCTIONS AND SUBSTITUTE TAXES. The Issuer shall not take any action within its control which will:

(i) repeal in whole or in part any Specified Tax;

(ii) reduce the rate(s) at which a Specified Tax is levied; or

(iii) eliminate from the levy of a Specified Tax any category of persons or property subject to such Specified Tax on the date the Issuer pledges the revenues derived therefrom as part of the Specified Tax Revenues pledged as security for the Senior Lien Bonds or Derivative Products (any action of the Issuer which will have any effect described in (i), (ii) or (iii) above being hereinafter called a "Tax Reduction"); if, as a result of such Tax Reduction, the estimated Specified Tax Revenues for the 12-month period immediately following the effective date of such Tax Reduction (which estimate shall be based upon a report of a Qualified Consultant, which report must be filed with the Trustee not less than 20 days prior to the effective date of the Tax Reduction) will be less than the Specified Tax Revenues for any period of 12 consecutive months during the 18 months immediately preceding the effective date of the Tax Reduction. The Indenture sets forth the manner in which the Specified Tax Revenues for the 12-month period immediately following the Tax Reduction effective date shall be calculated. Such calculation will include the revenues estimated to be derived from any Substitute Tax , but only if:

(a) the Issuer causes such Substitute Tax to be first levied and imposed not later than the effective date of the Tax Reduction; and

(b) (I) the Issuer takes all necessary or appropriate action to duly pledge as security for the Senior Lien Bonds and Derivative Products all revenues derived from such Substitute Tax and such pledge is effective on or before the effective date of the Tax Reduction, or (II) the Issuer takes all necessary or appropriate action to duly pledge as security for the Senior Lien Bonds and Derivative Products such portion of the revenues derived from such Substitute Tax as are needed to ensure that the estimated Specified Tax Revenues for the 12-month period immediately following the Tax Reduction effective date (which estimate shall be based upon the Consultant's Report) will at least equal the Specified Tax Revenues for any period of 12 consecutive months during the 18 months immediately preceding the Tax Reduction effective date, and such pledge is effective on or before the Tax Reduction date.

Subject to the limitations set forth above, the Issuer shall have the right from time to time to effect a Tax Reduction or to substitute as part of the Specified Tax Revenues the revenues derived from a Substitute Tax in lieu of, or in addition to, the Revenues derived from any other Specified Tax or take any other action whatsoever with respect to the Specified Taxes and the Specified Tax Revenues.

PARITY DEBT. The Issuer shall not (except with respect to Additional Bonds issued and Derivative Products entered into by the Issuer under the Indenture):

(i) incur any indebtedness, or issue any bonds, notes, warrants or similar obligations which are secured by a pledge of all or any part of the Specified Tax Revenues on an equal and ratable (parity) basis with the Senior Lien Bonds or Derivative Products; or

(ii) create or cause to be created any lien or charge on the Trust Estate equal or superior to the lien on the Trust Estate securing the Senior Lien Bonds;

The Issuer has reserved the right to pledge Senior Lien Bond proceeds to pay for costs of Projects, to make pledges of the Trust Estate that take effect after all Senior Lien Bonds are defeased, and to make pledges for Credit Facilities and Derivative Products as permitted by the Indenture.

INCLUSION OF DEBT SERVICE IN FISCAL BUDGET. The Issuer shall comply with all laws of the State of Oregon pertinent to its financial administration, and, in particular, with the Local Budget Law. For each Fiscal Year of the Issuer during which any Senior Lien Bonds or Derivative Products are Outstanding, the Issuer shall calculate all expenditures related to the Outstanding Senior Lien Bonds and Derivative Products that are projected to be due in such Fiscal Year, and shall include such projected expenditures in its budget for such Fiscal Year and duly appropriate the funds needed to pay such expenditures.

EVENTS OF DEFAULT.

So long as an Event of Default shall have occurred and be continuing, unless the principal of all the Senior Lien Bonds shall have already become due and payable, the Trustee may, and upon the written request of the Owners of not less than fifty percent (50%) in principal amount of the Senior Lien Bonds Outstanding, shall declare the principal of all the Senior Lien Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in the Indenture or in any Supplemental Indenture contained to the contrary notwithstanding.

However if, at any time after such declaration, but before the Senior Lien Bonds shall have matured by their terms, all defaults shall be cured or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Trustee, by written notice to the Issuer and the Owners of the Outstanding Senior Lien Bonds, or the Owners of 50% in principal amount of the Senior Lien Bonds Outstanding, by written notice to the Issuer and to the Trustee, may rescind such declaration and annul such default in its entirety, but no such recession or annulment shall extend to or affect any subsequent default.

APPLICATION OF REVENUES AND OTHER MONEYS AFTER DEFAULT.

After an Event of Default occurs without being remedied, the Issuer, upon the demand of the Trustee, shall cause to be paid over to the Trustee:

(a) all moneys, securities and funds held by the Issuer or a Depositary in the Revenue Fund and any fund or Account established under the Indenture with respect to the Senior Lien Bonds; and

(b) as promptly as practicable after receipt thereof, all Specified Tax Revenues needed to meet the Issuer's obligations hereunder.

During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds and Specified Tax Revenues received by the Trustee as follows and in the following order of priority:

(I) REBATE PAYMENTS: to the payment of any amounts required to be rebated to the United States of America;

(II) EXPENSES OF FIDUCIARIES: to the payment of the reasonable and proper charges, expenses and liabilities of the Fiduciaries for the Senior Lien Bonds;

(III) PAYMENT OF SENIOR LIEN BONDS AND DERIVATIVE PRODUCTS: to the payment of the interest and principal then due on the Senior Lien Bonds, to the payment of Issuer Payments then due under any Derivative Product, and for payment of obligations under any Credit Agreement relating to a Credit Facility given as security for any Series of Senior Lien Bonds or as security for the Issuer's obligations under a Derivative Product, as follows:

(A) unless the principal of all of the Senior Lien Bonds shall have become or have been declared due and payable,

FIRST: To the payment to the persons entitled thereto of all installments of interest then due on the Outstanding Senior Lien Bonds in the order of the maturity of such installments, and, with respect to funds other than those held in the Debt Service Account, to the payment of any and all Issuer Payments then due under any Derivative Product, and, if the amount available shall not be sufficient to pay in full any installment or installments and Issuer Payments maturing or coming due on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference;

SECOND: To the payment to the persons entitled thereto of the unpaid principal of any Outstanding Senior Lien Bonds which shall have become due, whether at maturity or by call for Redemption or prepayment in the manner provided in the Indenture; and

THIRD: To the payment of any amounts owing to the issuer and provider or issuers and providers of any Credit Facility or Derivative Facility;

(B) if the principal of all of the Senior Lien Bonds shall have become or have been declared due and payable to the payment of the principal and interest then due and unpaid upon the Outstanding Senior Lien Bonds and, with respect to funds other than those held under the Debt Service Account, Derivative Product and for payment of obligations under any Credit Agreement relating to a Credit Facility, and with respect to funds other than those held under the Debt Service Account, under any contract or agreement relating to a Derivative Product given as security for any Series of Senior Lien Bonds or any Derivative Product, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Senior Lien Bond or Credit Agreement over any other Senior Lien Bond or Credit Agreement in the manner set forth in the Indenture.

APPOINTMENT OF RECEIVER.

Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners of the Senior Lien Bonds under the Indenture, the Trustee shall be entitled to make application for the appointment of a receiver or custodian of the Specified Tax Revenues with such power as the court making such appointment shall confer.

PROCEEDINGS BROUGHT BY TRUSTEE.

If an Event of Default occurs the Trustee may proceed, and upon written request of the Owners of not less than 25% in principal amount of the Senior Lien Bonds Outstanding shall proceed, to protect and enforce its rights and the rights of the Owners of the Senior Lien Bonds or the issuer of any Credit Facility given as security for any Series of Senior Lien Bonds, under the Indenture.

The Owners of not less than a majority in principal amount of the Senior Lien Bonds at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or of exercising any trust or power conferred upon the Trustee, *provided that* the Trustee shall have the right to decline to follow any such direction if the Trustee shall not be provided adequate security and indemnity or shall be advised by counsel that the action or proceeding so directed may not lawfully be taken or shall be inconsistent with the provisions of the Indenture, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Owners of Senior Lien Bonds not parties to such direction.

RESTRICTION ON OWNER'S ACTION.

No Owner of any Senior Lien Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Indenture, unless such Owner shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in the Indenture, and the Owners of at least twenty-five percent (25%) in principal amount of the Senior Lien Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in the Indenture or by the Act or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity.

NOTICE OF DEFAULT.

The Trustee shall mail written notice of the occurrence of any Event of Default to each Owner of Senior Lien Bonds then Outstanding at his or her address, if any, appearing upon the registry books of the Issuer.

THE TRUSTEE AND FIDUCIARIES.

Unless otherwise provided in a Supplemental Indenture with respect to a particular Series of Senior Lien Bonds, the Trustee shall be the Paying Agent and Bond Registrar for all Senior Lien Bonds issued under the Indenture.

Any recitals of fact in the Indenture, in any Supplemental Indenture and in the Senior Lien Bonds contained shall be taken as the statements of the Issuer and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Indenture, any Supplemental Indenture or of any Senior Lien Bonds or Derivative Products issued thereunder or as to the security afforded by the Indenture or any Supplemental Indenture, and no Fiduciary shall incur any liability in respect thereof. The Trustee and each Fiduciary authorized to authenticate Senior Lien Bonds shall, however, be responsible for its representation contained in its certificate of authentication on the related Senior Lien Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciary in accordance with the provisions of the Indenture or any Supplemental Indenture to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in any expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified. Subject to the Indenture, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default.

Each Fiduciary, upon receipt of any notice resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of the Indenture or any Supplemental Indenture, shall examine such instrument to determine whether it conforms to the requirements of the Indenture or the applicable provisions of a Supplemental Indenture and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties.

RESIGNATION AND REMOVAL OF TRUSTEE.

The Trustee may resign by giving not less than sixty (60) days' written notice to the Issuer and mailing notice thereof, postage prepaid, specifying the date when such resignation shall take effect, to each registered Owner of related Senior Lien Bonds then Outstanding at his address appearing upon the registry books of the Issuer, and such resignation shall take effect upon the latest to occur of the day specified in such notice or the date upon which the Issuer has appointed a successor and such successor has agreed to act in such capacity. Unless otherwise agreed to in writing by the Issuer, any such resignation by the Trustee shall, when effective, also serve to remove the Trustee as Bond Registrar and Paying Agent under the Indenture.

The Trustee may be removed at any time by an instrument in writing, filed with the Trustee, and signed by the Issuer. No such removal shall be effective until the Issuer has appointed a successor and such successor has agreed to act in such capacity.

If no appointment of a successor Trustee shall be made within forty-five (45) days after the Trustee shall have given to the Issuer written notice or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, removal, or for any other reason whatsoever, the Trustee or the Owner of any Senior Lien Bond may apply to any court of competent jurisdiction to appoint a successor Trustee.

The Trustee shall be a bank or trust company or national banking association, doing business and having its principal office in the State of Oregon, and shall have (or its parent company or holding company shall have) capital stock and surplus aggregating at least $50,000,000.

RESIGNATION OR REMOVAL OF PAYING AGENT OR BOND REGISTRAR AND APPOINTMENT OF SUCCESSOR.

Any Paying Agent or Bond Registrar, if different from the Trustee, may resign by giving at least 60 days' written notice to the Issuer and the Trustee. Any Paying Agent or Bond Registrar may be removed at any time by an instrument filed with such Bond Registrar and the Trustee and signed by the Issuer. Any successor Paying Agent or Bond Registrar shall be appointed by the Issuer with the approval of Trustee, and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least $25,000,000.

In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of such Paying Agent or Bond Registrar, the Trustee shall act as such Paying Agent or Bond Registrar.

SUPPLEMENTAL INDENTURES EFFECTIVE WITHOUT CONSENT OF OWNERS.

The Indenture provides that a Supplemental Indenture may be executed and delivered by the Issuer and the Trustee without the consent of Owners in certain circumstances, including, but not limited to the following:

(i) To add to the covenants and agreements of the Issuer, or to the limitations and restrictions in the Indenture, other covenants, agreements, limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(ii) To authorize the issuance of any Series of Senior Lien Bonds and, in connection therewith, to specify and determine the matters and things relative to such Senior Lien Bonds which are not contrary to or inconsistent with the provisions of the Indenture;

(iii) To modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute, federal tax laws or state securities laws;

(iv) To add additional security as part of any Trust Estate subject to the pledge and lien of the Indenture or any Supplemental Indenture;

(v) To confirm, as further assurance, any security interest or pledge created under the Indenture or any Supplemental Indenture;

(vi) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture or any Supplemental Indenture;

(vii) To make any change required by a Rating Agency as a precondition to the issuance of a rating on any Series of Senior Lien Bonds which is not to the prejudice of the Owners of the Senior Lien Bonds of any other Series;

(viii) To surrender any right or power of the Issuer, but only if the surrender is not contrary to the covenants and agreements of the Issuer in the Indenture;

(ix) To incorporate into the Indenture or any Supplemental Indenture any financing powers hereafter granted to or conferred upon the Issuer by law, or

(x) To enter into any Derivative Product.

POWERS OF AMENDMENT.

Any modification or amendment of the Indenture and of the rights and obligations of the Issuer and of the Owners of the Senior Lien Bonds may be made by a Supplemental Indenture with the written consent as provided in the Indenture of the Owners of at least a majority in principal amount of the affected Senior Lien Bonds Outstanding at the time such consent is given and any affected Credit Provider.

No such modification or amendment shall permit a change in the terms of Redemption or maturity of the principal of any Outstanding Senior Lien Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption premium (if any) thereof or in the rate of interest thereon or diminish the security afforded by any Credit Facility, or shall reduce the percentages or otherwise affect the classes of Senior Lien Bonds the consent of the Owners of which is required to effect any such modification or amendment, without the consent of the Owner of each Senior Lien Bond affected thereby, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

For the purposes of amendment, Senior Lien Bonds of a particular maturity shall be deemed to be affected by a modification or amendment of the Indenture if the same adversely affects or diminishes the rights of the Owners of Senior Lien Bonds of such maturity. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment, Senior Lien Bonds of any particular maturity would be affected by any modification or amendment of the Indenture, and may rely upon the advice of Bond Counsel, and any such determination shall be binding and conclusive on the Issuer and all Owners of Senior Lien Bonds.

CONSENT OF OWNERS.

The Indenture provides that the Owners shall be provided with a brief summary of any Supplemental Indenture containing amendments, modifications or other provisions that require the Owners' consent. Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Trustee the written consents of Owners of the percentages of Outstanding Senior Lien Bonds specified in the Indenture which are affected by such Supplemental Indenture and the issuer of any affected Credit Facility and an Opinion of Bond Counsel.

Each required consent shall be effective only accompanied by proof of the ownership, at the date of such consent, of the Senior Lien Bonds with respect to which such consent is given. A certificate or certificates executed by the Trustee and filed with the Issuer stating that it has examined such proof and that such proof is sufficient in accordance with the Indenture shall be conclusive that the consents have been given by the Owners of the affected Senior Lien Bonds and the issuer of any affected Credit Facility described in such certificates of the Trustee. After the Trustee certifies the consent of the Owners, such consent shall be binding upon the Owner of the Senior Lien Bonds and the issuer of any affected Credit Facility giving such consent and upon any subsequent Owner.

MODIFICATIONS BY UNANIMOUS CONSENT.

The terms and provisions of the Indenture and the rights and obligations of the Issuer and of the Owners of the Senior Lien Bonds may be modified or amended in any respect upon the enactment by the Issuer of a Supplemental Indenture and the consent of the issuer of any affected Credit Facility, and the Owners of all of the affected Senior Lien Bonds then Outstanding.

DEFEASANCE.

The Indenture sets forth provisions for the release of the pledge and lien of the Senior Lien Bonds on the Trust Estate and the Indenture ("Defeasance"), if the Issuer pays to the Owners or holders of any Senior Lien Bonds the principal of, premium (if any) and interest due or to become due thereon, the obligations under any related Credit Agreement and the obligations under any Derivative Product at the times and in the manner stipulated in the Indenture.

Senior Lien Bonds or interest installments thereon for the payment or Redemption of which moneys or Government Obligations shall have been set aside and shall be held in trust by the Trustee shall be deemed to have been paid within the meaning and with the effect expressed in the foregoing; *provided that* in connection with any such deposit there shall be provided to the Trustee or other corporate trustee, as appropriate, a verification report of nationally recognized independent certified public accountants confirming the sufficiency of the moneys or Government Obligations so deposited.

EVIDENCE OF SIGNATURES OF OWNERS AND OWNERSHIP OF SENIOR LIEN BONDS.

Any request, consent, revocation of consent or other instrument which the Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. The ownership of Senior Lien Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books therefor. Any request or consent by the Owner of any Senior Lien Bond or the issuer of any Credit Facility shall bind all future Owners of such Senior Lien Bond and all future issuers of any Alternate Credit Facility given in replacement or substitution of such Credit Facility in respect of anything done or suffered to be done by the Issuer or any Fiduciary in accordance therewith.

MONEYS HELD FOR PARTICULAR SENIOR LIEN BONDS; UNCLAIMED MONEYS.

Anything in the Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Senior Lien Bonds which remain unclaimed for six years after the date when such Senior Lien Bonds have become due and payable may be repaid by the Fiduciary to the Issuer, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Issuer for the payment of such Senior Lien Bonds.

PARTIES INTERESTED IN THE INDENTURE.

Nothing in the Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Issuer, the Fiduciaries, the Credit Providers and the Owners of the Senior Lien Bonds, any right, remedy or claim under or by reason of the Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in the Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Fiduciaries, the Credit Providers and the Owners of the Senior Lien Bonds.

HOLIDAYS.

If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Indenture, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Trustee or the issuer of any Credit Facility are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding business day, with the same force and effect as if done on the nominal date provided in the Indenture.

GOVERNING LAW.

The Indenture shall be interpreted, governed by and construed under the laws of the State, as if executed and to be performed wholly within the State.

APPENDIX G

DEMOGRAPHIC INFORMATION

The boundaries of TriMet incorporate areas within Multnomah, Washington and Clackamas Counties and cover an area of 533 square miles, including the entire City of Portland which encompasses approximately 133 square miles, taking into account the withdrawal of the Boring area on January 1, 2013. Multnomah County consists of 431 square miles, Washington County consists of 724 square miles, and Clackamas County consists of 1,870 square miles, ranking as some of the smallest of the State's 36 counties in geographical size, but containing approximately 42 percent of the State's population. Multnomah County ranks first, Washington County ranks second and Clackamas County ranks third in population. The Tri-County Area constitutes the financial, economic and industrial center of the State. The map on page ii of the forepart of this Official Statement shows TriMet's service area.

The most recent population estimate of the TriMet district is 1.7 million, which is approximately 92 percent of the estimated population of the Tri-County Area and 41 percent of the State's estimated population of 4.3 million.

As of 2020, the Tri-County Area accounted for approximately 51 percent of the State's total employment. The Tri-County Area economy is diversified in manufacturing, trade, high technology, services, construction, tourism and government sectors.

The three counties which comprise the Tri-County Area are also amongst the counties with the highest per capita income in Oregon.

TABLE G-1
POPULATION OF THE TRI-COUNTY AREA

Year(1)	Multnomah County	Washington County	Clackamas County	Total
2016	790,670	583,595	404,980	1,779,245
2017	803,000	595,860	413,000	1,811,860
2018	813,300	606,280	419,425	1,839,005
2019	821,730	613,410	423,420	1,858,560
2020	829,560	620,080	426,515	1,876,155

(1) Estimate as of July 1.
Source: Portland State University, Population Research Center, as of April 2021.

TABLE G-2
OREGON COUNTIES WITH HIGHEST PER CAPITA PERSONAL INCOME IN 2021

	County	Per Capita Personal Income
1.	Washington County	$ 64,043
2.	Clackamas County	61,726
3.	Multnomah County	60,773
4.	Sherman County	56,940
5.	Deschutes County	56,447
	Oregon State Average	53,191
	National Average	56,490

Source: U.S. Department of Commerce, Bureau of Economic Analysis, as of August 2021.

TABLE G-3
ANNUAL AVERAGE NON-FARM EMPLOYMENT IN THE TRI-COUNTY AREA[1]

Industry	2017	2018	2019	2020	2021[2]
Mining and Logging	700	700	700	700	600
Construction	50,800	54,700	57,100	55,500	57,600
Manufacturing	101,200	104,200	105,900	99,200	99,000
Trade, Transportation and Utilities	176,800	178,800	182,200	177,800	180,400
Information	21,600	21,600	22,200	21,000	21,000
Financial Activities	60,000	61,300	62,400	61,000	59,500
Professional and Business Services	156,500	159,800	163,800	155,800	156,000
Education and Health Services	138,500	147,300	149,600	140,100	136,300
Leisure and Hospitality	101,200	103,100	104,200	72,600	78,200
Other Services	34,300	35,100	35,400	31,800	34,200
Government	122,100	116,500	118,100	114,000	111,700
Total Non-Farm:	**963,500**	**983,000**	**1,001,400**	**929,600**	**934,500**

(1) Not seasonally adjusted.
(2) Data for July 2021.
Note: Totals may not foot due to rounding.
Source: Oregon Employment Department, as August 2021..

TABLE G-4
ANNUAL AVERAGE UNEMPLOYMENT[1]

	Multnomah County		Washington County		Clackamas County	
Year	Civilian Labor Force	% Unemployed	Civilian Labor Force	% Unemployed	Civilian Labor Force	% Unemployed
2015	430,032	4.8	301,910	4.6	205,321	5.0
2016	442,861	4.2	312,711	4.0	212,188	4.3
2017	451,727	3.6	319,253	3.4	216,622	3.7
2018	450,380	3.6	321,225	3.4	217,156	3.6
2019	453,933	3.2	325,772	3.0	219,631	3.3
2020	457,372	8.6	321,579	6.5	218,040	7.2
2021[2]	466,058	5.7	331,463	4.5	224,025	5.0

	State of Oregon		United States	
Year	Civilian Labor Force	% Unemployed	Civilian Labor Force	% Unemployed
2015	1,979,475	5.5	157,130,000	5.3
2016	2,042,929	4.7	159,187,000	4.9
2017	2,080,801	4.1	160,320,000	4.4
2018	2,087,262	4.0	162,075,000	3.9
2019	2,106,948	3.7	163,539,000	3.7
2020	2,104,657	7.6	160,742,000	8.1
2021[2]	2,175,131	5.3	162,167,000	6.1

(1) Not seasonally adjusted and based on annual averages.
(2) Data for month of June 2021.
Source: Oregon Employment Department, as of August 2021.

TABLE G-5
25 LARGEST PAYROLL TAX PAYERS IN THE DISTRICT
(For the Fiscal Year ended June 30, 2021)

1. Nike, Inc. Subsidiaries
2. Intel Corporation
3. Oregon Health and Science University
4. Providence Health System
5. Kaiser Foundation Health Plan
6. Legacy Emanuel Hospital Health Center
7. City of Portland
8. Daimler Trucks North America LLC
9. Multnomah County
10. Northwest Permanente PC
11. Amazon.Com Services Inc.
12. LAM Research Corp & Sub Standard Insurance Co.
13. Wells Fargo Bank NA
14. Portland General Electric Co.
15. US National Bank
16. TriMet
17. Fairway Independent Mortgage Inc.
18. Portland State University
19. ADP TotalSource FL XVI Inc.
20. Kroger – Fred Meyer
21. Standard Insurance Co.
22. Clackamas County
23. PCC Structurals Inc.
24. United Parcel Service Inc. (Ohio) & Affiliates
25. Washington County

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Source: TriMet.

The twenty-five largest payroll tax payers, listed above, paid 35 percent of the total collected payroll taxes in FY 2021.

TABLE G-6
25 LARGEST EMPLOYERS IN THE DISTRICT
(For the Fiscal Year ended June 30, 2019)

	Business Name	Total Employees
1.	Intel Corporation	19,961
2.	Oregon Health & Sciences University	17,458
3.	Providence Health & Services	17,309
4.	Kaiser Permanente	12,947
5.	Nike, Inc. Subsidiaries	12,838
6.	Legacy Health Systems	10,686
7.	The Kroger Company Subsidiaries	9,880
8.	City of Portland	7,379
9.	Amazon.com, Inc.	5,837
10.	Albertsons Companies, Inc. Subsidiaries	5,583
11.	Multnomah County	5,532
12.	U.S. Bank National, Association	3,873
13.	Veteran Affairs Medical Center	3,790
14.	Wells Fargo Bank, National Association	3,635
15.	Portland Community College	3,631
16.	United Postal Service, Inc.	3,609
17.	PCC Structurals, Inc.	3,571
18.	United States Postal Service	3,536
19.	Portland State University	3,329
20.	TriMet	3,188
21.	Daimler Trucks North America, LLC	3,043
22.	New Seasons Market, Inc.	2,900
23.	Clackamas County	2,676
24.	The Home Depot	2,655
25.	Portland General Electric.	2,577

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Source: TriMet, based on information from the Oregon Department of Revenue.

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APPENDIX H

GLOBAL CLEARANCE PROCEDURES

REFERENCES IN THIS SECTION TO THE "ISSUER" MEAN TRIMET AND REFERENCES TO "BONDS" OR "SECURITIES" MEAN THE SERIES 2021B BONDS OFFERED HEREBY. **NEITHER TRIMET NOR THE UNDERWRITERS ASSUME ANY RESPONSIBILITY FOR THE CONTENTS OF THIS SECTION.**

The information in this section concerning DTC, Euroclear Bank SA/NV as operator of the Euroclear System ("Euroclear") and Clearstream Banking, S.A., Luxembourg ("Clearstream Banking") (DTC, Euroclear and Clearstream Banking together, the "Clearing Systems"), and DTC's book-entry-only system has been provided by DTC, Euroclear and Clearstream Banking for use in disclosure documents such as this Official Statement. DTC will act as the initial securities depository for the Bonds. Euroclear and Clearstream Banking are participants of DTC and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders.

The information set forth below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect and TriMet expressly disclaims any responsibility to update this Official Statement to reflect any such changes. The information herein concerning the Clearing Systems has been obtained from sources that TriMet believes to be reliable, but neither TriMet nor the Underwriters take any responsibility for the accuracy or completeness of the information set forth herein. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. TriMet and the Underwriters will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

TriMet cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to participants of the Clearing Systems ("Participants") (2) Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC or the other Clearing Systems will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants (hereinafter defined) are on file with DTC.

Euroclear and Clearstream Banking

Euroclear and Clearstream Banking have advised as follows:

Euroclear and Clearstream Banking each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream Banking provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream Banking also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream Banking have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream Banking customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream Banking is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

Clearing and Settlement Procedures

Any Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, for the account of its participants, including but not limited to Euroclear and Clearstream Banking. If the investors are participants in Clearstream Banking and Euroclear in Europe, or indirectly through organizations that are participants in the Clearing Systems, Clearstream Banking and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream Banking's and Euroclear's names on the books of their respective depositories. In all cases, the record holder of the Bonds will be DTC's nominee and not Euroclear or Clearstream Banking. The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream Banking or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream Banking or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream Banking or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream Banking participant on that business day. Cash received in Clearstream Banking or Euroclear as a result of sales of securities by or through a Clearstream Banking participant or Euroclear participant to a DTC Participant, other than the depository for Clearstream Banking or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream Banking or Euroclear cash account only as of the business day following settlement in DTC.

Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream Banking participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream Banking participants or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream Banking participants or Euroclear participants may not deliver instructions directly to the depositories.

The Issuer will not impose any fees in respect of holding the Bonds; however, holders of book-entry interests in the Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in the Clearing Systems.

Initial Settlement

Interests in the Bonds will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the Bonds through Euroclear and Clearstream Banking accounts will follow the settlement procedures applicable thereto and applicable to DTC. Book-entry interests in the Bonds will be credited by DTC to Euroclear and Clearstream Banking participants' securities clearance accounts on the business day following the date of delivery of the Bonds against payment (value as on the date of delivery of the Bonds). DTC participants acting on behalf of purchasers electing to hold book-entry interests in the Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. DTC participants' securities accounts will be credited with book-entry interests in the Bonds following confirmation of receipt of payment to the Issuer on the date of delivery of the Bonds.

Secondary Market Trading

Secondary market trades in the Bonds will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream Banking or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the Bonds may be transferred within Euroclear and within Clearstream Banking and between Euroclear and Clearstream Banking in accordance with procedures established for these purposes by Euroclear and Clearstream Banking. Book-entry interests in the Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book-entry interests in the Bonds between Euroclear or Clearstream Banking and DTC shall be effected in accordance with procedures established for this purpose by Euroclear, Clearstream Banking and DTC.

Special Timing Considerations

Investors should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Bonds through Euroclear or Clearstream Banking on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream Banking and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Bonds, or to receive or make a payment or delivery of Bonds, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream Banking is used, or Brussels if Euroclear is used.

Clearing Information

It is expected that the Bonds will be accepted for clearance through the facilities of Euroclear and Clearstream Banking. The international securities identification number, common code and CUSIP number for the Bonds are set out on the cover page of this Official Statement.

General

None of Euroclear, Clearstream Banking or DTC is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

Neither the Issuer, the Underwriters nor any of their agents will have any responsibility for the performance by Euroclear, Clearstream Banking or DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

Limitations

For so long as the Bonds are registered in the name of DTC or its nominee, Cede & Co., the Issuer and the Trustee will recognize only DTC or its nominee, Cede & Co., as the registered owner of the

Bonds for all purposes, including payments, notices and voting. So long as Cede & Co. is the registered owner of the Bonds, references in this Official Statement to registered owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

Because DTC is treated as the owner of the Bonds for substantially all purposes, Beneficial Owners may have a restricted ability to influence in a timely fashion remedial action or the giving or withholding of requested consents or other directions. In addition, because the identity of Beneficial Owners is unknown to the Issuer, the Trustee, or DTC, it may be difficult to transmit information of potential interest to Beneficial Owners in an effective and timely manner. Beneficial Owners should make appropriate arrangements with their broker or dealer regarding distribution of information regarding the Bonds that may be transmitted by or through DTC.

Neither the Issuer nor the Trustee will have no responsibility or obligation with respect to:

- the accuracy of the records of DTC, its nominee or any Direct Participant or Indirect Participant with respect to any Beneficial Ownership interest in any Bonds;
- the delivery to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Trustee, of any notice with respect to any Bonds including, without limitation, any notice of redemption with respect to any Bonds;
- the payment to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Trustee, of any amount with respect to the principal of, premium, if any, or interest on, any Bonds; or
- any consent given by DTC or its nominee as registered owner.

Prior to any discontinuation of the book entry only system hereinabove described, the Issuer and the Trustee may treat Cede & Co. (or such other nominee of DTC) as, and deem Cede & Co. (or such other nominee) to be, the absolute registered owner of the Bonds for all purposes whatsoever, including, without limitation:

- the payment of principal, premium, if any, and interest on the Bonds;
- giving notices of redemption and other matters with respect to the Bonds;
- registering transfers with respect to the Bonds; and
- the selection of Bonds for redemption.

APPENDIX I

SUSTAINABILITY

TriMet's mission is to provide public transportation in the Portland, Oregon metropolitan area. TriMet's service area covers approximately 533 square miles within Multnomah, Washington and Clackamas counties. As a transit agency, TriMet provides a host of sustainable benefits.

In 2019 (the last full calendar year not impacted by the COVID-19 pandemic) TriMet provided over 95 million boarding rides helping to reduce local emissions and greenhouse gas emissions from drive-alone travel. TriMet also has created plans and works with jurisdictional partners to support bicycling and walking as non-emitting modes for access to transit.

Renewable Electricity

As of June, 2021, TriMet uses renewable energy for all light rail operations and at all TriMet-owned and operated facilities. This change reduced TriMet's CO_2-equivalent greenhouse gas emissions from direct operations and energy use by approximately one-quarter.

Buses

The following describes sustainability measures related to TriMet buses.

- Biodiesel: TriMet operates just under 500 buses during peak hours on weekdays. All of the diesel buses use B5 biodiesel to reduce emissions and have done so for more than a decade.
- Renewable diesel: TriMet is in a procurement process to purchase renewable diesel for fixed-route buses and paratransit buses. Depending on the manufacturer and shipping, TriMet anticipates this development will reduce emissions from TriMet's fleet of buses by more than half.
- Zero emission buses: TriMet has committed to a zero-emissions fleet by 2040. TriMet currently operates eight older hybrid electric buses. Five 100 percent battery-electric buses are in operation now with nine more ordered, under production, or in testing. Larger purchases are planned in the immediate future years when more of TriMet's existing diesel fleet will reach retirement age.
- NASCAR-Inspired Cooling in current diesel buses: TriMet was the first transit agency in the nation to use NASCAR technology to electronically cool bus engines and increase fuel efficiency. TriMet received a Clean Air Excellence Award from the U.S. Environmental Protection Agency for this use. The innovative electronic cooling system reduces engine drag, maximizes horsepower and improves fuel economy by up to ten percent. Now a standard in new buses, this technology was developed in partnership with TriMet and first tested on TriMet buses.

Green Infrastructure

TriMet has designed and constructed hundreds of bioswales into the stormwater systems at its garages, park and rides, and right of ways, helping to recharge local groundwater aquifers, improving water quality by filtering out sediments and pollutants, and reducing peak stormwater discharges to sewer systems which helps eliminate sewer overflows, further protecting local water resources. Bioswales also provide a habitat for greenhouse gas reducing vegetation. TriMet's bus and light rail vehicle wash racks recirculate wash water, substantially reducing water use.

During construction of the most recent light rail project, the MAX Orange Line, a number of sustainable elements were incorporated into the project. The project included the Tilikum Crossing, a bridge built for light rail, streetcar, buses, bicycles, and pedestrians, which captures rain and channels it to bioswales instead of going straight into the river as all the auto bridges across the Willamette River do. The Orange Line project also included urban creek restoration and multiple bicycle and pedestrian improvements to make mobility without a car easier. The solar panel array TriMet built near Portland State University was the largest in Downtown Portland when it was constructed. TriMet also installed solar panels on Orange Line shelters and systems buildings.

Other Electricity Saving Efforts

The following describes sustainability measures related to TriMet buses.

- LED lighting modernizations. During the past two years, TriMet has recently modernized lighting systems in four maintenance facilities, the light rail tunnel, and a structured park and ride to improve visibility and safety while substantially reducing electricity use.
- Solar powered bus shelters: TriMet has close to 500 bus shelters with lighting that is powered by solar panels.
- MAX Regenerative Braking: The energy created as Orange Line trains brake, which would otherwise be lost as heat, is stored in supercapacitors and put back into the MAX system.

Participation in and Recognition by Relevant Groups

TriMet participates in and has been recognized by relevant groups as described below.

- TriMet was a founding signatory of the American Public Transportation Association's Sustainability Commitment and TriMet's sustainability initiatives have received recognition as Gold Level standing under that commitment.
- TriMet received an Alice B. Toeclips Award from the Bicycle Transportation Alliance in 2009 for the Rose Quarter Bike Lane Team integrating a bicycle path through the Portland Rose Quarter.
- TriMet staff participates in professional peer groups including the National Association of City Transportation Officials' Stormwater Network, Transit Street Design, Urban Street Design, and others.

Policies and Initiatives

TriMet has a number of sustainability-related policies and initiatives. They are described below.

- TriMet's Business Plan includes two objectives specific to environmental sustainability with 12 specific Key Strategic Actions related to sustainability. The objectives are:
    - 10. Improve environmental sustainability and stewardship
    - 21. Reduce TriMet's carbon footprint
- In September 2018, the TriMet Board approved Resolution 18-09-68, Adopting the 2018 TriMet Non-Diesel Bus Plan. See "Zero emission buses" under the heading "Buses" above.
- TriMet has signed on to the Federal Transit Administrations Sustainable Transit for a Healthy Planet Challenge FTA's Sustainable Transit for a Healthy Planet Challenge which encourages transit agencies to take actions and investments to cut greenhouse gas emissions.
- TriMet's internal Sustainability Team meets regularly to identify, support, and advance TriMet sustainability efforts across the agency.

Tri-County Metropolitan transportation District of Oregon • (Sustainability Bonds) Senior Lien Payroll Tax Revenue Bonds, Series 2021A (Tax-Exempt) and Refunding Series 2021B (Federally Taxable)

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