

Photo courtesy of Washington County Visitors Association



Year Ended  
June 30, 2019

# Comprehensive Annual Financial Report

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**WASHINGTON COUNTY, OREGON**

155 N First Avenue  
Hillsboro, Oregon 97124-3072

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the fiscal year ended June 30, 2019

Prepared by:

Washington County Finance Division

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# WASHINGTON COUNTY, OREGON

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**WASHINGTON COUNTY,  
OREGON**

**INTRODUCTORY  
SECTION**

**SECTION I**

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**WASHINGTON COUNTY, OREGON**

Principal Officials

Commissioners as of June 30, 2019

<u>Name</u>	<u>Term Expires</u>
Kathryn Harrington, Chair Commissioner-At-Large	December 31, 2022
Dick Schouten District 1	December 31, 2020
Pam Treese District 2	December 31, 2022
Roy Rogers, Vice Chair District 3	December 31, 2020
Jerry Willey District 4	December 31, 2022

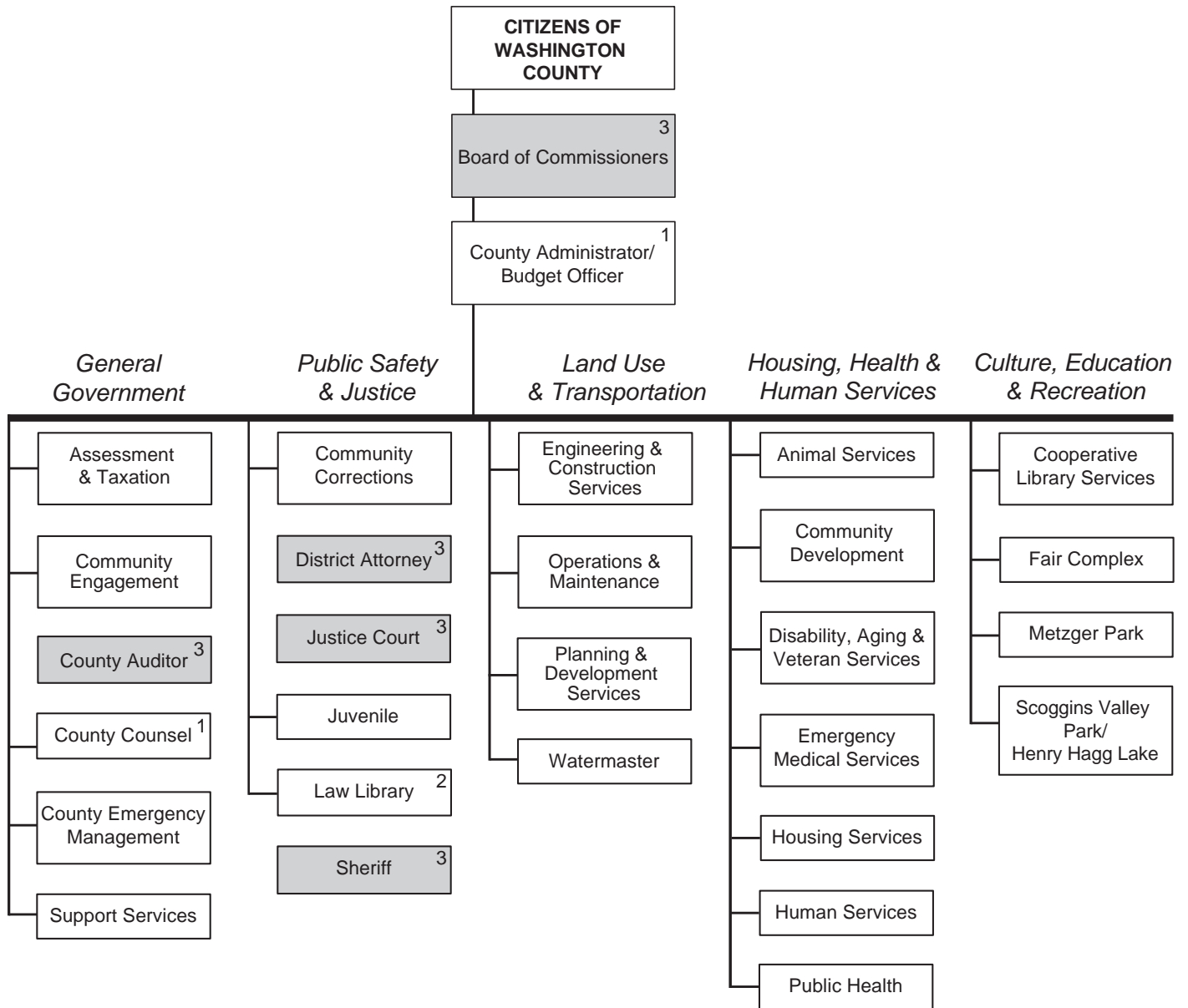
Administrative Staff

Robert Davis, County Administrator  
Don Bohn, Assistant County Administrator  
Jack Liang, Chief Finance Officer  
Roger Dawes, Controller  
Josh Salaets, Chief Accountant

Administrative Offices

Washington County, Oregon  
155 N First Avenue  
Hillsboro, Oregon 97124-3072

# Washington County, Oregon Organizational Chart



1. Appointed by County Commissioner

2. Appointed by Circuit Court

3. Gray boxes denote elected positions

\*Unless otherwise indicated, department heads are appointed by, and responsible to, the County Administrator.



January 28, 2020

To the Board of County Commissioners and Citizens of Washington County, Oregon

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, unless extended, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2019.

Management has full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Talbot, Korvola & Warwick, LLP has issued an unmodified (clean) opinion on Washington County's financial statements for the fiscal year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

In addition, they have issued a report in accordance with the Single Audit Act, Uniform Guidance, and OMB's Compliance Supplement. Information related to the single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs and auditors' reports on the internal controls and statutory and regulatory compliance is presented in a separate report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### ***Profile of the County***

Washington County (the County) was incorporated in 1849 and is located in the northwestern part of Oregon, south of the Columbia River and immediately to the west of Portland, the state's largest city. The County is the second largest county by population in the state, encompasses 727 square miles, and serves a population of approximately 613,400 per Portland State University College of Urban and Public Affairs estimate July 1, 2019. There are 16 incorporated cities in the County. The three largest cities, Hillsboro, Beaverton and Tigard account for 42% of the overall population; the unincorporated area also represents approximately 43% of the County's population. The unincorporated area, with a population of almost 262,400 would be the second largest city in the state after Portland if it were incorporated. Most local governments, including the County, have permanent authority to levy property taxes for operations at a maximum tax rate (permanent tax rate). All property tax levies exceeding the permanent tax rate require voter approval at a general election; levies funding operations are limited to five years, levies dedicated to capital expenditures are limited to ten years, and levies to pay general obligation bonds are limited by the debt service requirements of the bonds.

Washington County operates under a home rule charter initially adopted by voters in November 1962; voters approved a general revision and update of the charter in November 2008. The County is governed by a Board of five commissioners elected for four-year overlapping terms. Four are elected from districts, and the Board Chair is elected at-large. The County Administrator is hired by the Board of County Commissioners and exercises administrative direction, based on Board policy. The Sheriff, County Auditor, Justice Court Judge and District Attorney are elected officials.

Washington County provides a full range of County services including general government, public safety & justice, land use & transportation, housing, health & human services, and culture, education, & recreation services. This report includes all funds of the County as well as all of its component units, which are legally separate entities for which the County has the authority to exercise influence over their operations, and includes the Housing Authority of Washington County, Service District for Lighting No. 1, Enhanced Sheriff's Patrol District, Urban Road Maintenance District, North Bethany County Service District for Roads, and Clean Water Services (District). Because there is no fiscal benefit/burden relationship with the District, the District is reported as a discrete (separate) component unit of the County. Additional information on all six of these legally separate entities can be found in the notes to the financial statements.

The Board of County Commissioners is required to adopt a budget each year by July 1<sup>st</sup>. This annual budget serves as the foundation for Washington County's financial planning and control. The budget is prepared by fund (e.g., General Fund), functional area (e.g., Public Safety), organization unit (Countywide Law Enforcement Services) and program (e.g., Patrol Operations), and legally adopted at the organizational unit level. Department management may transfer resources within an organizational unit as they see fit. Transfers between organizational units require approval from the governing body.

### ***Local Economy***

The County is part of the Portland-Vancouver Metropolitan Statistical Area (Portland PMSA), which includes Clackamas, Columbia, Multnomah, Washington and Yamhill Counties in Oregon and Clark and Skamania Counties in Washington. The economy of the Portland metropolitan area is broad and widely diversified. The Portland PMSA includes the state's largest employers, including Intel, Providence Health System, Oregon Health & Sciences University, Fred Meyer, Kaiser Foundation Health Plan, Legacy Health System and Nike.

Currently, manufacturing accounts for 17% of the total non-farm employment in the Portland PMSA, while trade, transportation and utilities also accounts for 17%, government jobs 8%, professional and business services 18%, education and health services 12%, and leisure and hospitality 9%.

### **Strategic Investment Program**

The Strategic Investment Program ("SIP") was authorized by the Legislative Assembly in 1993 to provide tax incentives for capital-intensive investments by firms in Oregon's key industries, particularly in the high technology and metals industries. SIP recipients receive a tax break on the assessed value of new construction over \$100 million for 15 years. The \$100 million cap on assessed value increases by 6% per year. SIP recipients pay an annual Community Service Fee which is equal to one-fourth of the value of the tax break and which is allocated to local governments. The allocations are determined during negotiations of the SIP agreement with the local governments. The Community Service Fee is not considered a property tax and thus is outside of the constitutional property tax rate limitations.

In 2005, Intel and the County entered into a strategic investment program covering the potential investment of \$25 million to commence when the 1999 SIP agreement reached the limits of its investment ceiling; the 1999 agreement ended in 2014-15. The 2005 agreement went into effect July 1, 2010 and will end in 2025-26. The intent of the 2005 SIP is to extend the competitive tax structure in the County that is essential for Intel to provide high-value, family wage jobs in Oregon and continue to contribute to the State's quality of life. Obligations from Intel are similar to the 1999 agreement providing for guaranteed annual payments, a community service fee and fee in lieu of property taxes; with funds being split with other jurisdictions. The County anticipates receiving an estimated \$115 million over the life of this agreement.



In August of 2014, Washington County, the City of Hillsboro and Intel Corporation negotiated a 30-year agreement that would provide up to \$100 billion of investment over multiple, concurrent 15-year periods beginning as soon as 2015. As with past agreements, the 2014 agreement requires Intel to pay the equivalent of full property taxes on all land and buildings associated with each SIP project. The agreement allows for partial property tax savings to Intel for the investment in machinery and equipment used for semiconductor manufacturing. This machinery and equipment costs billions of dollars to create and can become obsolete within a few years. The 2014 proposal is the fifth for Intel since the program's inception.

The statutorily required payments would total to an estimated \$122 million in property taxes and fees over the life of the agreement. Additional fees would total to an estimated \$228 million over the same period. Actual payments under the proposed 30-year SIP agreement will depend on the nature and timing of Intel's investment.

The following shows the SIP payments received and how much is retained by the County (dollars in thousands):

<u>Agreements</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
1999 Intel	\$ 8,482	8,266	8,319	-	-	-	-
2005 Intel	2,692	10,593	12,092	22,899	28,380	33,767	40,127
2014 Intel	-	-	-	-	-	8,162	1,862
2006 Genentech	547	896	920	946	972	998	1,026
<b>Totals</b>	<b><u>11,721</u></b>	<b><u>19,755</u></b>	<b><u>21,331</u></b>	<b><u>23,845</u></b>	<b><u>29,352</u></b>	<b><u>42,927</u></b>	<b><u>43,015</u></b>
<b>Distributed to:</b>							
Washington County	7,790	12,905	13,862	15,131	18,589	21,877	27,166
Other agencies	3,931	6,850	7,469	8,714	10,763	21,050	15,849
<b>Totals</b>	<b>\$ <u>11,721</u></b>	<b><u>19,755</u></b>	<b><u>21,331</u></b>	<b><u>23,845</u></b>	<b><u>29,352</u></b>	<b><u>42,927</u></b>	<b><u>43,015</u></b>

*Source: Washington County Finance Division*

Gain Share

Gain Share provides the State a vehicle to distribute tax dollars back to communities where local property tax abatement helped create the jobs. The Gain Share program was approved by the legislature in 2007 and returns to local governments 50 percent of the state income taxes generated from new and retained jobs at companies that received property tax relief as part of a SIP. In June 2015 the legislature modified the Gain Share program with the passage of SB 129. The modification included a cap of \$16 million on the amount a county can receive each fiscal year, extended the program from 2019 to 2024 and changed the allocation mechanism from a separate shared services fund to a direct allocation by the Oregon Department of Revenue.

The following shows the Gain Share payments received and how much is retained by the County (dollars in thousands):

<u>Agreements</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
2005 Intel	\$ 10,932	23,127	36,774	15,037	15,037	15,037	15,037
2006 Genentech	639	759	1,031	963	963	963	963
<b>Totals</b>	<b>11,571</b>	<b>23,886</b>	<b>37,805</b>	<b>16,000</b>	<b>16,000</b>	<b>16,000</b>	<b>16,000</b>
<b>Distributed to:</b>							
Washington County	7,036	11,481	18,274	9,765	9,835	9,746	9,734
Schools	-	5,000	8,000	-	-	-	-
Other agencies	4,535	7,405	11,531	6,235	6,165	6,254	6,266
<b>Totals</b>	<b>\$ 11,571</b>	<b>23,886</b>	<b>37,805</b>	<b>16,000</b>	<b>16,000</b>	<b>16,000</b>	<b>16,000</b>

*Source: Washington County Finance Division*

**Long Term Financial Planning**

The 2019-20 adopted budget includes General Fund beginning fund balance of \$45 million or 21% of revenues. In March 2007 the Board adopted a policy to maintain a reserve of 20% or more and not less than 15% of General Fund revenues. With guidance from the Budget Committee, annual transfers to the Major Streets Transportation Improvement Program (MSTIP) and the Washington County Cooperative Library System (WCCLS) have been excluded from General Fund revenues for purposes of calculating the fund balance reserve. Executive management works with departments to meet the upper reserve amount at each fiscal year end. The Board is updated on the General Fund forecast and other funds as deemed appropriate.

The County 2020 plan sets forth the strategic direction of the County through fiscal year 2019-20 by describing the County’s mission, its guiding principles and a set of core strategies for each department and agency of the County. Over the next several years, a series of enabling plans will be developed to further detail the initiatives to be undertaken by County departments to achieve the County’s mission.

Funding for MSTIP projects comes from the County’s permanent tax rate. The 2019-20 budget includes over \$34 million for this program from the County’s property tax collections. This program currently consists of a number of projects to widen and improve existing roadways to accommodate increased traffic volume and provide additional traffic safety. The County has also developed an interim list of projects to continue the program while the next generation of projects is developed through a public process.

## ***Relevant Financial Policies***

### Cash Management

Cash not required for current operations is invested according to the County investment policy as authorized by the Board of County Commissioners. County funds are pooled for investment purposes; investment instruments may include U.S. Treasury securities, Government Sponsored Enterprises (GSEs), and the State of Oregon Local Government Investment Pool.

GSEs are privately held corporations with public purposes created by the United States Congress to reduce the cost of capital for certain borrowing sectors of the economy, such as students, farmers, and homeowners. Examples of GSEs include but are not limited to the Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Home Loan Banks, and the Federal Farm Credit Bureau.

### Independent Audit

Pursuant to the Oregon Municipal Audit Law, ORS 297.405 – 297.555, all Oregon counties must obtain an audit annually. The required audit may be performed by the State Division of Audits or by independent public accountants certified by the state as capable of auditing municipal corporations. The accounting firm of Talbot, Korvola & Warwick, LLP conducted the audit for the fiscal year ended June 30, 2019.

### Risk Management

The County is self-insured for liability/casualty, workers' compensation, unemployment and dental. Excess insurance is purchased whenever feasible, and liabilities are recorded for incurred but not reported claims. The Risk Division takes an active role in identifying, evaluating and reducing risks to the County.

## ***Major Initiatives***

### High Growth Transportation Funding Program

Washington County, in partnership with the cities of Beaverton, Hillsboro and Tigard, has developed a transportation finance program for four major residential growth areas: North Bethany/Bonny Slope West (unincorporated Washington County), South Hillsboro (City of Hillsboro), South Cooper Mountain (City of Beaverton) and River Terrace (City of Tigard).

These areas are slated for development simultaneously. An estimated 18,000 homes – and thousands of additional vehicles – are expected in these residential areas over the next 20 years. Many County roads will need upgrades to accommodate increased traffic and to improve safety for new and existing residents.

Cost sharing - two-thirds of the \$140 million cost of the identified capacity and safety road-improvement projects will be funded by Washington County; the remaining one-third will be funded by the cities and developers. The formula is based on travel forecasting that estimates only one-third of travelers using the improved roads will result from the developments. The remaining traffic will be "regional travel"– trips that begin and end outside of the high-growth areas. This will improve countywide mobility.

The County issued bonds in December 2016 to fund two-thirds of the project costs. Incremental growth in revenue from the Countywide property tax-based Major Streets Transportation Improvement Program (MSTIP) will be used to pay back the bonds. Issuing bonds will allow improvements to be made proactively – before the deficient roadways become problematic. Cities may use the Transportation Development Tax (TDT) and other development-based revenues to fund their one-third of the project costs.

Additional partnerships, such as pipeline collocation opportunities with the Willamette Water Supply Program, will be pursued to obtain potential construction cost savings and to reduce traffic and community impacts.

By preserving the existing MSTIP funding level of \$35 million/year for improvements on other roadways throughout Washington County, these high-growth projects will not compete with other MSTIP transportation projects.

#### Emergency Communications System Financing

Washington County voters approved the issuance of \$77 million in general obligation bonds for emergency and 911 facilities during the May 2016 Primary Election. Bond funds will help pay for converting the existing emergency communications system to current technology; improving countywide coverage by installing more towers; strengthening facilities for earthquakes, storms and other emergencies; providing for efficient expansion of the 911 center and emergency response facilities, and replacing approximately 3,000 analog radios currently used by first responders countywide.

Washington County officials were notified in June 2016 that Moody's Investors Service had assigned its highest rating, "Aaa," to the County's \$77 million General Obligation Bonds, Series 2016A (federally taxable) and 2016B (tax-exempt). The bonds were issued in July 2016.

As stated in Moody's Credit Opinion report (<http://www.co.washington.or.us/CAO/upload/OR-Washington-County-Final-Report.pdf>), "The ratings reflect the county's very large tax base, strong local economy that is integrated into the larger Portland metropolitan area, above average resident wealth, healthy financial position, and very low level of direct debt."

#### Other Debt Financing

In December 2016 the County issued \$107,925,000 of Full Faith and Credit Bonds. The debt issue will be used to fund general facilities capital projects, build an Event Center, and add funding for the Major Streets Transportation Improvement Program (MSTIP) projects. In February 2017 Moody's Investor Services' (Moody's) upgraded the County's rating from Aa1 to Aaa.

#### County Levies

In May 2017 voters approved a \$0.68 fixed rate levy for the Enhanced Sheriff's Patrol District; the levy covers the period July 1, 2018 – June 30, 2023 and is expected to generate an estimated \$47 million over the five years.

Voters renewed the fixed rate County-wide public safety levy (\$0.42) and approved an increase of \$0.05 to the library (\$0.22) local option tax levy in November 2015. The public safety levy is expected to generate an estimated \$132 million over the five years. Funds are used for enhanced public safety activities and include continued funding for an estimated 132 positions including patrol, corrections, and district attorney. The Countywide library levy is expected to generate an estimated \$69 million over the five years. The renewed levies begin July 1, 2016 and expire June 30, 2021.

### ***Awards and Acknowledgements***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to Washington County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This was the 33rd consecutive year the County received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated service of the entire Finance Division and other County staff. We wish to express our appreciation to all members of the County staff who assisted and contributed to the preparation of this report. Credit also must be given to the Board of County Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Washington County's finances.

Respectfully submitted,

Jack Liang  
Chief Finance Officer

Roger Dawes  
Controller

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Washington County  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

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**WASHINGTON COUNTY,  
OREGON**

**FINANCIAL  
SECTION**

**SECTION II**

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**Talbot, Korvola  
& Warwick, LLP**

4800 Meadows Road, Suite 200  
Lake Oswego, OR 97035

P 503.274.2849  
F 503.274.2853

[www.tkw.com](http://www.tkw.com)

## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
Washington County, Oregon  
Hillsboro, Oregon

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Oregon (the County), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County'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 audit. We did not audit the financial statements of Clean Water Services (CWS), the discretely presented component unit of the County, which represents 28%, 28%, and 26%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the County. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for CWS, is based solely on the report of the other auditors. We conducted our audit 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. The financial statements of CWS were not audited in accordance with *Government Auditing Standards*.

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.



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## INDEPENDENT AUDITOR'S REPORT (Continued)

Board of County Commissioners  
Washington County, Oregon

### **OPINIONS**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **OTHER MATTERS**

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, schedules of pension and other post-employment benefits, and Notes to Required Supplementary Information, as listed in the Table of Contents, 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 and other auditors 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparisons for the General Fund and major special revenue funds, as listed in the Table of Contents as Required Supplementary Information, 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. The required budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The information listed in the Table of Contents as Other Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Other Supplementary Information is the responsibility of management and were derived from and relates 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, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**INDEPENDENT AUDITOR'S REPORT (Continued)**

Board of County Commissioners  
Washington County, Oregon

**OTHER MATTERS (Continued)**

***Other Information***

The Introductory and Statistical Sections and the Other Financial Schedule, as listed in the Table of Contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2020, on our consideration of the County'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 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 County'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 County's internal control over financial reporting and compliance.

***Other Reporting Required by Oregon Minimum Standards***

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated January 28, 2020, on our consideration of the County'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.

**TALBOT, KORVOLA & WARWICK, LLP**

By   
Julie B. Fahey, Partner

Lake Oswego, Oregon  
January 28, 2020

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**WASHINGTON COUNTY, OREGON**  
**Management's Discussion and Analysis**

**June 30, 2019**

**(Dollars in thousands)**

As management of Washington County, we offer readers of Washington County's financial statements this narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 through 9 of this report.

The County has five blended component units included in this presentation - Housing Authority of Washington County (the Authority), Service District for Lighting No. 1, Enhanced Sheriff's Patrol District, Urban Road Maintenance District and North Bethany County Service District for Roads. The County also has one discretely presented component unit - Clean Water Services (the District) included in the government – wide financial statements presentation.

### **Financial Highlights**

- The assets and deferred outflows of resources of Washington County exceeded its liabilities and deferred inflows of resources at June 30, 2019 by \$2,280,764. Net investment in capital assets was \$1,965,583 and accounts for 86% of total net position. Of the remaining net position, \$48,138 may be used to meet the County's ongoing obligations to citizens and creditors.
- As of June 30, 2019, Washington County's governmental funds reported a combined unassigned ending fund balances of \$70,172.
- Unassigned fund balance for the General Fund was \$70,505 at June 30, 2019, amounting to 42% of total General Fund expenditures for 2019.
- Committed fund balance for the Major Streets Transportation Improvement Program III Fund (MSTIP III) was \$102,883 at June 30, 2019, amounting to 189% of total MSTIP III expenditures. Restricted fund balance for the Road Fund was \$31,558 at June 30, 2019, amounting to 64% of total Road Fund expenditures. Restricted fund balance for the Human Services Fund was \$9,107 or 33% of fund expenditures. Restricted fund balance for the HOME Fund was \$163, or 29% of total fund expenditures.
- Washington County's governmental activities had \$82,242 in general obligation debt, net of premiums and adjustments, at June 30, 2019, allowing for the potential to have voter-approved general obligation debt up to \$2,247,774. Total non-voter approved full faith and credit debt at June 30, 2019 was \$148,331, net of premiums and adjustments, with remaining capacity for this type of debt at \$1,016,678.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner like a private-sector business.

**WASHINGTON COUNTY, OREGON**  
**Management's Discussion and Analysis**

**June 30, 2019**

**(Dollars in thousands)**

The *statement of net position* presents information on all the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government; public safety and justice; land use and transportation; housing, health and human services; culture, education and recreation; and other non-departmental activities. The business-type activities include housing and street lighting.

The government-wide financial statements include not only Washington County itself (known as the *primary government*), but also legally separate utility, road maintenance, patrol and lighting service districts, and a housing authority for which the County is financially accountable.

The government-wide financial statements can be found on pages 26 through 28 of this report.

**Discretely presented component unit.** A *component unit* which does not function as an integral part of the primary government is presented discretely (separately) from the data of the primary government. The County is presenting the District discretely.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

**WASHINGTON COUNTY, OREGON**  
**Management's Discussion and Analysis**  
**June 30, 2019**  
**(Dollars in thousands)**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and governmental activities in the government-wide financial statements.

The County maintains 56 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, HOME Fund, Human Services Fund, Road Fund, and Major Streets Transportation Improvement Program III Fund, all of which are major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements and individual schedules* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 29 and 31 of this report.

**Proprietary funds.** The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Housing Authority's programs and the Service District for Lighting No. 1. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for self-insurance funds, fleet operations and other functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County's internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of combining statements and schedules elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 33 through 35 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 36 and 37 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38 through 121 of this report.

**WASHINGTON COUNTY, OREGON**  
**Management's Discussion and Analysis**

**June 30, 2019**

**(Dollars in thousands)**

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning certain Washington County's major governmental funds, and schedules related to the County's other postemployment benefits and pension plans. Required supplementary information can be found beginning on page 122 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on major governmental funds. Combining and individual fund statements and schedules can be found on pages 143 through 214 of this report.

**Government-wide Financial Analysis**

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. In the case of Washington County, assets and deferred outflows exceeded liabilities and deferred inflows by \$2,280,764 at the close of the most recent fiscal year.

		Statement of Net Position						Discretely Presented Component Unit	
		Washington County - Primary Government				County Total		District	
		Government activities		Business-type activities					
		2019	2018	2019	2018	2019	2018	2019	2018
Current assets	\$	293,250	271,058	17,482	14,412	310,732	285,470	337,302	339,408
Noncurrent assets		367,236	397,996	635	(159)	367,871	397,837	3,272	3,263
Capital assets (net of depreciation)		2,112,234	2,094,507	23,620	24,698	2,135,854	2,119,205	766,712	704,521
<b>Total assets</b>		<b>2,772,720</b>	<b>2,763,561</b>	<b>41,737</b>	<b>38,951</b>	<b>2,814,457</b>	<b>2,802,512</b>	<b>1,107,286</b>	<b>1,047,192</b>
Deferred outflows of resources		96,370	82,371	1,809	1,818	98,179	84,189	34,759	17,144
Current liabilities		125,605	120,253	2,483	3,170	128,088	123,423	43,429	35,287
Noncurrent liabilities		450,538	447,697	27,846	27,964	478,384	475,661	215,048	223,896
<b>Total liabilities</b>		<b>576,143</b>	<b>567,950</b>	<b>30,329</b>	<b>31,134</b>	<b>606,472</b>	<b>599,084</b>	<b>258,477</b>	<b>259,183</b>
Deferred inflows of resources		25,400	16,797	-	-	25,400	16,797	2,797	1,129
<b>Net position:</b>									
Net investment in capital assets		1,968,329	1,961,458	(2,746)	(2,047)	1,965,583	1,959,411	580,499	512,558
Restricted		263,487	263,487	3,556	3,006	267,043	266,493	118,105	120,428
Unrestricted		35,731	36,240	12,407	8,676	48,138	44,916	182,167	171,038
<b>Total net position</b>	<b>\$</b>	<b>2,267,547</b>	<b>2,261,185</b>	<b>13,217</b>	<b>9,635</b>	<b>2,280,764</b>	<b>2,270,820</b>	<b>880,771</b>	<b>804,024</b>

**WASHINGTON COUNTY, OREGON**  
**Management's Discussion and Analysis**

**June 30, 2019**

**(Dollars in thousands)**

By far the largest portion of the County's net position (86%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Washington County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$48,138 may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County reported positive balances in all three categories of net position for the County and for its governmental activities. For its business-type activities the County reported positive balances in restricted and unrestricted net position but had a negative balance of \$2,746 in the net investment in capital assets category. For the prior fiscal year, the County reported positive balances in all three categories of net position for the County and for its governmental activities. For its business-type activities, the County reported positive balances in restricted and unrestricted net position but had a negative balance of \$2,047 in the net investment in capital assets category.

The County's net position increased by \$9,944 during the current fiscal year; the result is a \$3,582 increase in business-type activities net position and a \$6,362 increase in governmental activities net position.

Business Type – The Authority's restricted net position increased by \$550 due to future debt service and asset replacement needs.

Component Unit – The District's total net position increased by \$76,747, mainly due to net proceeds from current year operations and capital contributions from developers.

**Governmental activities.** Governmental activities increased the County's net position by \$6,362. Key elements of this decrease are as follows:

- Overall program expenses increased \$18,246 during the fiscal year due primarily to a decrease in expenses of \$238 in the public, safety & justice functional area, a \$12,149 increase in expenses in the land use and transportation functional area, a \$8,379 increase in expenses in the housing, health & human services functional area, a \$680 increase in expenses in the general government functional area, and a \$2,724 decrease in expenses in the culture, education and recreation, non-operating, and interest functional areas.

**WASHINGTON COUNTY, OREGON**  
**Management's Discussion and Analysis**

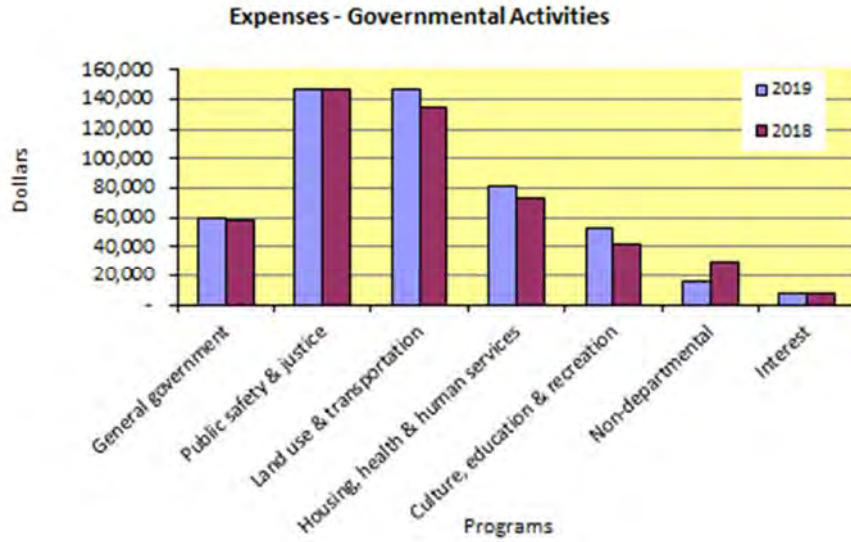
**June 30, 2019**

**(Dollars in thousands)**

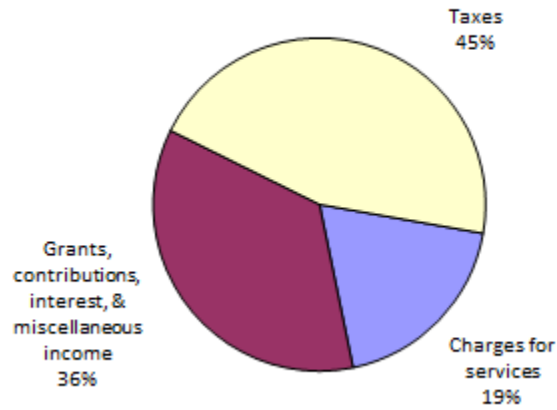
- Total revenue increased overall by \$39,832. This would include land use & transportation increases of \$3,339 in charges for services due to completion of large commercial projects this year combined with a \$7,796 increase in operating grants and contributions. General revenues increased \$25,534 compared to the prior year and are attributable to a \$7,317 increase in property taxes along with an increase of \$960 in other taxes including transient lodging and real property transfer taxes. Interest and miscellaneous revenues increased by \$17,257 primarily due to an increase in interest income of \$21,594 compared to prior year.

	Changes in Net Position						Discretely Presented	
	Washington County - Primary Government						Component Unit	
	Government activities		Business-type activities		County Total		District	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenues								
Program Revenues								
Charges for services	\$ 97,871	94,532	12,592	12,529	110,463	107,061	151,483	144,329
Operating grants and contributions	136,983	129,187	30,137	28,048	167,120	157,235	-	-
Capital grants and contributions	13,614	10,451	647	443	14,261	10,894	34,910	31,808
General Revenues								
Taxes	234,373	226,096	-	-	234,373	226,096	-	-
Interest income	25,055	3,461	421	21	25,476	3,482	12,585	786
Miscellaneous revenue	8,209	12,546	-	-	8,209	12,546	-	-
Gain on disposal of capital assets	-	-	-	3	-	3	-	-
Gain (loss) on equity in joint venture	-	-	193	211	193	211	(76)	(78)
Total revenues	<u>516,105</u>	<u>476,273</u>	<u>43,990</u>	<u>41,255</u>	<u>560,095</u>	<u>517,528</u>	<u>198,902</u>	<u>176,845</u>
Program Expenses								
General government	58,881	58,201	-	-	58,881	58,201	-	-
Public safety and justice	146,798	147,036	-	-	146,798	147,036	-	-
Land use and transportation	146,144	133,995	-	-	146,144	133,995	-	-
Housing, health and human services	81,241	72,862	38,694	37,381	119,935	110,243	-	-
Culture, education and recreation	52,575	41,704	-	-	52,575	41,704	-	-
Sanitation and surface water	-	-	-	-	-	-	122,155	120,853
Street lighting	-	-	2,170	2,031	2,170	2,031	-	-
Non-operating	16,204	28,906	-	-	16,204	28,906	-	-
Interest expense	7,444	8,337	-	-	7,444	8,337	-	-
Total expenses	<u>509,287</u>	<u>491,041</u>	<u>40,864</u>	<u>39,412</u>	<u>550,151</u>	<u>530,453</u>	<u>122,155</u>	<u>120,853</u>
Transfer in (out)	(456)	(292)	456	292	-	-	-	-
Change in net position	6,362	(15,060)	3,582	2,135	9,944	(12,925)	76,747	55,992
Net position beginning of year	<u>2,261,185</u>	<u>2,275,235</u>	<u>9,635</u>	<u>7,500</u>	<u>2,270,820</u>	<u>2,282,735</u>	<u>804,024</u>	<u>748,440</u>
Restatement (See Note 4)	-	1,010	-	-	-	1,010	-	(408)
Net position beginning of year, as restated	<u>2,261,185</u>	<u>2,276,245</u>	<u>9,635</u>	<u>7,500</u>	<u>2,270,820</u>	<u>2,283,745</u>	<u>804,024</u>	<u>748,032</u>
Net position end of year	<u>\$ 2,267,547</u>	<u>2,261,185</u>	<u>13,217</u>	<u>9,635</u>	<u>2,280,764</u>	<u>2,270,820</u>	<u>880,771</u>	<u>804,024</u>

**WASHINGTON COUNTY, OREGON**  
**Management's Discussion and Analysis**  
**June 30, 2019**  
**(Dollars in thousands)**



**Revenues by Source - Governmental Activities**



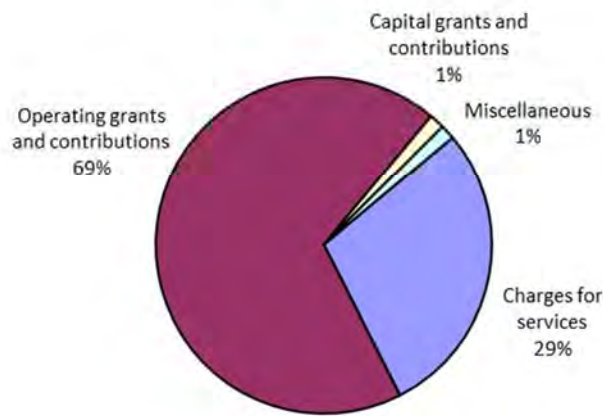
WASHINGTON COUNTY, OREGON  
Management's Discussion and Analysis

June 30, 2019

(Dollars in thousands)

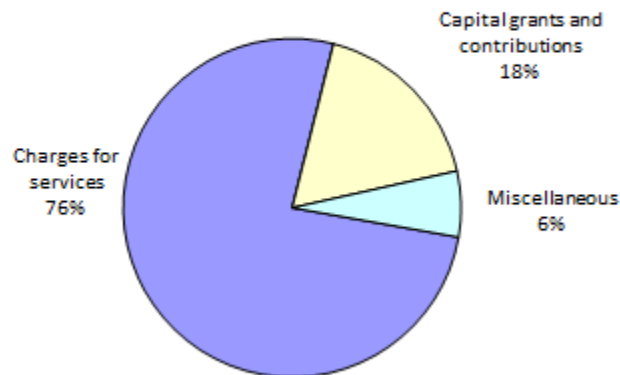
**Business-type activities** – Business-type activities net position increased by \$3,582. The Authority's total net position increased by \$3,631, due to total operating revenues exceeding total operating expenses by \$3,489, nonoperating expenses exceeding nonoperating revenues \$969, and capital contributions plus transfers in from governmental funds of \$1,111. The Service District for Lighting No. 1's net position decreased \$49, with operating expenses exceeding operating revenues by \$94, nonoperating interest income of \$53, and transfers to other funds of \$8.

Revenues by Source - Business-type Activities



**Component unit – District** - Total net position increased by \$76,747 during fiscal year 2019, due to total revenues exceeding total expenses by \$41,837 and capital contributions from developers of \$34,910.

Revenues by Source - Component Unit - District





**WASHINGTON COUNTY, OREGON**  
**Management's Discussion and Analysis**

**June 30, 2019**

**(Dollars in thousands)**

**Financial Analysis of the County's Funds**

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

**Governmental funds.** The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. *Unassigned fund balance* may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, Washington County's governmental funds reported combined ending fund balances of \$503,946; a decrease of \$7,908 in comparison with the prior year. Of this amount, \$70,172 constitutes *unassigned fund balance*, which is available for spending at the County's discretion.

The remainder of fund balance is classified as *nonspendable, restricted, committed, or assigned* to indicate that it is not available for new spending because it has already been dedicated to other needs throughout the County.

The General Fund is the primary operating fund of the County. At the end of the current fiscal year, the General Fund had an unassigned fund balance of \$70,505. As a measure of the General Fund's liquidity it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 42% of total General Fund expenditures, while total fund balance represents approximately 47%.

The fund balance of the County's General Fund increased by \$12,858 during the current fiscal year compared to fund balance decrease of \$9,835 in the prior fiscal year. This two-year swing of \$22,693 in fund balance, is due to an increase of \$17,275 in total revenue with the main components of increases in taxes, intergovernmental revenues and interfund revenues. This was off-set by increases in total expenditures of \$10,639 mostly in the general government, public safety and justice areas, and housing, health and human service areas. These increases were offset by a reduction in other financing sources (uses) of \$8,872 with transfers out to other funds and an increase of \$7,185 with transfers in from other funds for a net difference of \$16,057.

The Major Streets Transportation Improvement Program III fund has a total committed fund balance of \$102,883; all of which has been committed to road improvements within the County. The fund balance decreased \$3,530 from the prior year due to spending on County road projects.

**Proprietary funds.** The County's proprietary funds provide the same type of information as the government-wide financial statements, but in more detail.

Business-type activities - Unrestricted net position at the end of the year for the Service District for Lighting No. 1 was \$961 and \$11,446 for the Housing Authority. The total change in net position for these two funds was a decrease of \$49 for the Service District for Lighting No. 1 and an increase of \$3,631 for the Housing Authority.

**WASHINGTON COUNTY, OREGON**  
**Management's Discussion and Analysis**

**June 30, 2019**

**(Dollars in thousands)**

**General Fund Budgetary Highlights**

During the year there were several changes in appropriations between the adopted and revised budget for the General Fund. The main components of the changes are as follows:

- \$757 decrease in contingency for purchase of property of \$625 and increased funding of \$132 for extended service hours for the North Hillsboro Shuttle.
- The offset was a \$757 increase to transfers out in the non-operating functional area.

Total expenditures in the General Fund were \$163,265 or 18% under the final revised budget for the year. Key factors in this savings include:

- \$22,765 in operating contingency that was not utilized during the fiscal year.
- \$5,398 in total cost savings across all programs in the general government functional area; of which \$1,848 is attributable to savings in the information services program area, \$935 in the facilities management area and \$1,030 in the assessment and taxation program area.
- \$5,491 in savings recognized in the public safety and justice functional area; of which \$1,794 is due to law enforcement program area expenditures being lower than anticipated; \$1,991 is due to jail operations program area being lower than anticipated and \$877 is due to district attorney program area being lower than anticipated.
- \$1,480 in savings recognized in the housing, health and human services functional area during the fiscal year; of which \$962 is due to expenditures being lower than anticipated in the public health program area and \$343 is due to expenditures being lower than anticipated in the animal services program area.
- The remaining \$687 reduction is from savings recognized in other functional areas of the General Fund, including \$579 from land use and transportation, \$58 from culture, education and recreation, and \$50 in miscellaneous expenditures from non-operating.

**Capital Asset and Debt Administration**

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounts to \$2,135,854 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, park facilities, roads, highways, and bridges. Of this total investment, approximately 1.1% was held by the County's business-type activities, with the balance being held by the County's governmental activities.

	Washington County - Primary Government						Discretely Presented Component Unit	
	Governmental activities		Business-type Activities		County Total		District	
	2019	2018	2019	2018	2019	2018	2019	2018
Land and artwork	\$ 1,006,957	993,800	8,957	8,778	1,015,914	1,002,578	38,523	32,180
Land improvements	473	565	-	-	473	565	-	-
Buildings and improvements	99,590	95,235	14,621	15,599	114,211	110,834	118,836	121,485
Sewer lines	-	-	-	-	-	-	166,629	159,638
Treatment plants	-	-	-	-	-	-	239,552	254,332
Machinery and equipment	21,853	19,205	42	60	21,895	19,265	34,028	36,622
Infrastructure	835,687	843,924	-	-	835,687	843,924	-	-
Construction in progress	147,674	141,778	-	261	147,674	142,039	169,144	100,264
	<u>\$ 2,112,234</u>	<u>2,094,507</u>	<u>23,620</u>	<u>24,698</u>	<u>2,135,854</u>	<u>2,119,205</u>	<u>766,712</u>	<u>704,521</u>

**WASHINGTON COUNTY, OREGON**  
**Management's Discussion and Analysis**

**June 30, 2019**

**(Dollars in thousands)**

Additional information on the County's capital assets can be found in the Capital Assets note on pages 59 through 61 of this report.

**Long-term debt.** The County has the following outstanding obligations – contracts, notes, and various types of bonds. The County's maintains an Aaa from Moody's Investor Services for general obligation and full faith and credit debt along with an AA+ rating from Standards & Poor's (S&P) for the general obligation debt. The revenue bond rating for the County's component unit – Clean Water Services – was Aa2 from Moody's and AA from S&P. The Finance Division manages the County's debt and is responsible for evaluating funding needs and determining the appropriate means to raise necessary funds.

At the end of the current fiscal year, the County had total bonded debt outstanding of \$230,880, of which 36% is debt backed by general obligation and 64% is debt backed by the full faith and credit of the County. The Authority had total bonded debt outstanding of \$26,200

Component unit – District - At the end of the current fiscal year, the District had \$186,064 in revenue bonds secured solely by specified revenue sources by the District.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 2% of its total real market valuation. The current debt limitation for the County is \$2,247,774. The Authority is limited to 13% of its total market valuation by State statutes. The current debt limitation for the Authority is \$15,145,108.

	Washington County - Primary Government						Discretely Presented Component Unit	
	Governmental activities		Business-type Activities		County Total		District	
	2019	2018	2019	2018	2019	2018	2019	2018
Contracts Payable	223	245	-	-	223	245	-	-
Notes Payable	\$ 307	445	3,530	3,986	3,837	4,431	-	-
Full Faith & Credit Obligations	131,530	143,895	24,030	26,305	155,560	170,200	-	-
General Obligation Bonds	72,410	73,995	-	-	72,410	73,995	-	-
Revenue Bonds	-	-	-	-	-	-	178,485	191,025
Unamortized Premiums (Discounts)	26,633	28,953	2,170	(173)	28,803	28,780	7,579	9,394
	<u>\$ 231,103</u>	<u>247,533</u>	<u>29,730</u>	<u>30,118</u>	<u>260,833</u>	<u>277,651</u>	<u>186,064</u>	<u>200,419</u>

Additional information on the County's long-term debt can be found on pages 63 through 74 of this report.

**WASHINGTON COUNTY, OREGON**  
**Management's Discussion and Analysis**  
**June 30, 2019**  
**(Dollars in thousands)**

**Economic Factors and Next Year's Budgets and Rates**

The unemployment rate for the County is currently 3.3%, which remains unchanged from a year ago. This compares favorably to the State and national average unemployment rate of 4.0%. The County government is funded through a variety of revenue sources including property taxes, state and federal funding, user fees and other revenues. The County economy has rebounded following the recession and an unemployment rate of less than 3.5%; the lowest recorded in 15 years. The building industry is strong along with an increase in manufacturing. In fact, manufacturing in Washington County accounts for one-quarter of all manufacturing jobs currently found in the State of Oregon. These manufacturing jobs, with their attractive wages and benefits, were the highest average annual wage earnings among the 36 Oregon counties last year.

The County has a history of funding an enhanced level of public safety and library services through voter approved local option levies. Voters continue to support these enhanced service levels as recently as November 2015 for the public safety and library local option levies and in November 2012 for the Enhanced Sheriff's Patrol District levy. Property tax revenues continue to increase over prior years due to increases in property values and new construction.

All these factors were considered in preparing the County's budget for the 2019-20 fiscal year.

**Requests for Information**

This financial report is designed to provide a general overview of Washington County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Washington County Finance Division at 155 N. First Avenue, Hillsboro, Oregon 97124-3072.

## **BASIC FINANCIAL STATEMENTS**

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WASHINGTON COUNTY, OREGON

Statement of Net Position

June 30, 2019

(Dollars in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Clean Water Services of Washington County (District)
<b>Current assets:</b>				
Cash and investments	\$ 246,436	11,835	258,271	177,114
Restricted cash and investments	7,817	4,979	12,796	132,193
Property taxes receivable	3,581	—	3,581	—
Assessments receivable, short-term portion	46	34	80	—
Accounts receivable, net	25,372	650	26,022	22,676
Accrued interest receivable	7,615	—	7,615	—
Contract receivable, short-term portion	540	(52)	488	—
Connection charges receivable	—	—	—	1,695
Supply inventory	530	—	530	1,465
Other current assets	1,313	36	1,349	2,159
<b>Total current assets</b>	<b>293,250</b>	<b>17,482</b>	<b>310,732</b>	<b>337,302</b>
<b>Noncurrent assets:</b>				
Long-term investments	334,795	—	334,795	—
Long-term assessments receivable	457	89	546	231
Contracts receivable, net - long-term portion	30,520	(1,207)	29,313	—
Investments in limited partnership/joint venture	—	1,753	1,753	2,264
Other noncurrent assets	—	—	—	441
PERS net OPEB RHIA asset	1,464	—	1,464	336
<b>Total noncurrent assets excluding capital assets</b>	<b>367,236</b>	<b>635</b>	<b>367,871</b>	<b>3,272</b>
<b>Capital assets:</b>				
Land, CIP and other assets not being depreciated	1,154,631	8,957	1,163,588	207,667
Buildings and equipment, infrastructure and other assets net of depreciation	957,603	14,663	972,266	559,045
<b>Capital assets, net</b>	<b>2,112,234</b>	<b>23,620</b>	<b>2,135,854</b>	<b>766,712</b>
<b>Total noncurrent assets</b>	<b>2,479,470</b>	<b>24,255</b>	<b>2,503,725</b>	<b>769,984</b>
<b>Total assets</b>	<b>2,772,720</b>	<b>41,737</b>	<b>2,814,457</b>	<b>1,107,286</b>
<b>Deferred outflows of resources:</b>				
Deferred charge on refunding	2,500	1,809	4,309	3,220
County/District OPEB related	142	—	142	—
PERS OPEB RHIA related	682	—	682	169
Pension related	93,046	—	93,046	31,370
<b>Total deferred outflows of resources</b>	<b>96,370</b>	<b>1,809</b>	<b>98,179</b>	<b>34,759</b>
<b>Current liabilities:</b>				
Accounts payable	31,870	893	32,763	19,895
Accrued payroll liabilities	9,818	—	9,818	5,844
Accrued self insurance, current portion	7,007	—	7,007	688
Amounts held in trust	587	—	587	—
Unearned revenue	35,902	47	35,949	—
Tenant and other deposits	9,998	831	10,829	—
Accrued interest payable	1,874	91	1,965	2,146
Pollution remediation obligation, current portion	220	—	220	—
Other long-term obligations, current portion, net of discount/premium	28,329	621	28,950	14,856
<b>Total current liabilities</b>	<b>\$ 125,605</b>	<b>2,483</b>	<b>128,088</b>	<b>43,429</b>

See accompanying notes to basic financial statements.

(Continued)

**WASHINGTON COUNTY, OREGON**  
Statement of Net Position, Continued  
June 30, 2019  
(Dollars in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business- Type Activities	Total	Clean Water Services of Washington County (District)
Noncurrent liabilities:				
Accrued self insurance	\$ —	—	—	346
Pollution remediation obligation	4,180	—	4,180	—
Bond and bond anticipation notes payable, net of premium	79,842	—	79,842	171,208
Noncurrent portion of other long term obligations, net of premium	134,169	27,846	162,015	—
County/District OPEB obligation	3,528	—	3,528	1,046
PERS net pension liability	228,819	—	228,819	42,448
	450,538	27,846	478,384	215,048
Total noncurrent portion of long-term obligations				
	576,143	30,329	606,472	258,477
Deferred inflows of resources:				
County/District OPEB related	513	—	513	—
PERS OPEB RHIA related	414	—	414	96
Pension related	24,473	—	24,473	2,701
	25,400	—	25,400	2,797
Net position:				
Net investment in capital assets	1,968,329	(2,746)	1,965,583	580,499
Restricted for:				
Law enforcement	39,035	—	39,035	—
Community support programs	3,701	—	3,701	—
Road maintenance, repair and improvement	36,095	—	36,095	—
Building inspection	17,533	—	17,533	—
Economic development	139	—	139	—
Land development	5,606	—	5,606	—
Community health programs	30,776	—	30,776	—
County fair, parks and tourism	3,065	—	3,065	—
Captive insurance	—	—	—	250
Debt service	342	3,556	3,898	21,899
Capital projects	127,195	—	127,195	95,956
	263,487	3,556	267,043	118,105
Total restricted				
Unrestricted	35,731	12,407	48,138	182,167
	2,267,547	13,217	2,280,764	880,771
Total net position				

See accompanying notes to basic financial statements.



WASHINGTON COUNTY, OREGON

Statement of Activities

For the fiscal year ended June 30, 2019

(Dollars in thousands)

	Net Revenue (Expense) and Changes in Net Position							Component Unit Clean Water Services of Washington County (District)
	Program Revenue				Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities		
Functions/Programs:								
Primary Government:								
Governmental activities:								
General government	\$ 58,881	2,167	2,386	—	(54,328)	—	(54,328)	—
Public safety and justice	146,798	9,504	24,866	64	(112,364)	—	(112,364)	—
Land use and transportation	146,144	26,501	51,562	—	(68,081)	—	(68,081)	—
Housing, health and human services	81,241	23,124	47,960	146	(10,011)	—	(10,011)	—
Culture, education and recreation	52,575	1,780	975	3,670	(46,150)	—	(46,150)	—
Non-operating functional area	16,204	34,795	9,234	9,734	37,559	—	37,559	—
Interest	7,444	—	—	—	(7,444)	—	(7,444)	—
Total governmental activities	509,287	97,871	136,983	13,614	(260,819)	—	(260,819)	—
Business-type activities:								
Housing authority	38,694	10,516	30,137	647	—	2,606	2,606	—
Street lighting	2,170	2,076	—	—	—	(94)	(94)	—
Total business-type activities	40,864	12,592	30,137	647	—	2,512	2,512	—
Total primary government	550,151	110,463	167,120	14,261	(260,819)	2,512	(258,307)	—
Component Unit:								
Sanitation and surface water	\$ 122,155	151,483	—	34,910	—	—	—	64,238
General revenues:								
Taxes:								
Property taxes, levied for general purposes					211,420	—	211,420	—
Property taxes, levied for debt service					4,359	—	4,359	—
Other taxes:								
Transient lodging tax					10,850	—	10,850	—
Real property transfer tax					6,683	—	6,683	—
County fuel tax					934	—	934	—
Other tax					127	—	127	—
Total taxes					234,373	—	234,373	—
Interest income					25,055	421	25,476	12,585
Miscellaneous revenues					8,209	—	8,209	—
Gain (loss) on equity in limited partnership/joint venture					—	193	193	(76)
Total general revenues					267,637	614	268,251	12,509
Transfers in (out)					(456)	456	—	—
Change in net position					6,362	3,582	9,944	76,747
Net position July 1, 2018					2,261,185	9,635	2,270,820	804,024
Net position June 30, 2019	\$				2,267,547	13,217	2,280,764	880,771

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Balance Sheet  
 Governmental Funds  
 June 30, 2019  
 (Dollars in thousands)

	General Fund	HOME Fund	Human Services Fund	Road Fund	Major Streets Transportation Improvement Program III Fund	Other Governmental Funds	Total
<b>Assets</b>							
Cash and investments	\$ 78,984	131	45,088	37,424	108,118	285,782	555,527
Restricted cash and investments	—	—	—	—	—	7,757	7,757
Property taxes receivable	2,337	—	—	—	—	1,244	3,581
Assessments receivable	—	—	—	76	—	427	503
Accounts receivable	5,836	122	575	5,779	5,178	7,874	25,364
Accrued interest receivable	3,801	3,559	—	—	—	255	7,615
Contracts receivable	—	26,684	—	—	—	4,376	31,060
Due from other funds	1,827	—	—	—	—	—	1,827
Advances to other funds	132	—	—	—	—	—	132
Inventory	103	—	—	124	—	—	227
Other assets	1,090	—	39	4	—	180	1,313
Total assets	<u>94,110</u>	<u>30,496</u>	<u>45,702</u>	<u>43,407</u>	<u>113,296</u>	<u>307,895</u>	<u>634,906</u>
<b>Liabilities</b>							
Accounts payable	4,720	86	3,111	2,270	8,550	12,648	31,385
Accrued payroll liabilities	6,063	4	347	737	—	2,587	9,738
Deposits payable	1,160	—	—	7,973	—	865	9,998
Amounts held in trust	538	—	—	1	—	48	587
Due to other funds	—	—	—	—	—	1,826	1,826
Advances from other funds	—	—	—	—	—	132	132
Unearned revenue	135	—	33,099	664	—	2,004	35,902
Total liabilities	<u>12,616</u>	<u>90</u>	<u>36,557</u>	<u>11,645</u>	<u>8,550</u>	<u>20,110</u>	<u>89,568</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	<u>2,588</u>	<u>30,243</u>	<u>38</u>	<u>80</u>	<u>1,863</u>	<u>6,580</u>	<u>41,392</u>
<b>Fund Balances (Deficit)</b>							
Nonspendable	103	—	—	124	—	—	227
Restricted	—	163	9,107	31,558	—	225,446	266,274
Committed	—	—	—	—	102,883	52,463	155,346
Assigned	8,298	—	—	—	—	3,629	11,927
Unassigned	<u>70,505</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(333)</u>	<u>70,172</u>
Total fund balances	<u>78,906</u>	<u>163</u>	<u>9,107</u>	<u>31,682</u>	<u>102,883</u>	<u>281,205</u>	<u>503,946</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 94,110</u>	<u>30,496</u>	<u>45,702</u>	<u>43,407</u>	<u>113,296</u>	<u>307,895</u>	<u>634,906</u>

See accompanying notes to basic financial statements.

**WASHINGTON COUNTY, OREGON**

Reconciliation of the Governmental Funds Balance Sheet to the  
Government-wide Statement of Net Position - Governmental Activities

June 30, 2019

(Dollars in thousands)

Fund balances - total governmental funds		\$ 503,946
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the governmental funds.		2,097,974
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		41,392
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.		
Deferred charge on refunding	\$ 2,500	
Accrued interest payable	(1,874)	
Pollution remediation obligation	(4,400)	
Long-term obligations	<u>(242,214)</u>	(245,988)
The County OPEB obligation is not a financial obligation in the governmental funds, but is reported in the Statement of Net Position		(3,486)
County OPEB related deferred outflows and inflows of resources are not a current financial resource or liability, and, therefore, are not reported in the governmental funds.		(367)
The PERS net OPEB RHIA obligation is not a financial obligation in the governmental funds, but is reported in the Statement of Net Position		1,446
PERS OPEB RHIA related deferred outflows and inflows of resources are not a current financial resource or liability, and, therefore, are not reported in the governmental funds.		265
The PERS net pension liability is not a financial obligation in the governmental funds, but is reported in the Statement of Net Position		(226,073)
Pension related deferred outflows and inflows of resources are not a current financial resource or liability, and, therefore, are not reported in the governmental funds.		67,750
Internal Service Funds are used by management to charge the costs of activities to individual funds. Net Position of the internal service funds that are reported with governmental activities.		<u>30,688</u>
Net Position of governmental activities		<u>\$ 2,267,547</u>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Revenues, Expenditures and Changes  
in Fund Balances - Governmental Funds

For the fiscal year ended June 30, 2019

(Dollars in thousands)

	General Fund	HOME Fund	Human Services Fund	Road Fund	Major Streets Transportation Improvement Program III Fund	Other Governmental Funds	Total
<b>Revenues:</b>							
Taxes	\$ 155,374	—	—	934	—	84,642	240,950
Licenses and permits	7,805	—	—	251	—	4,684	12,740
Intergovernmental revenues	30,135	153	23,033	38,609	9,831	46,148	147,909
Charges for services	38,309	—	6	9,490	—	23,886	71,691
Fines and forfeitures	2,230	—	—	—	—	483	2,713
Special assessments	—	—	—	21	—	134	155
Miscellaneous revenues	7,734	576	2,190	1,785	5,008	44,688	61,981
Interfund revenues	29,965	—	145	7,856	—	1,762	39,728
<b>Total revenues</b>	<b>271,552</b>	<b>729</b>	<b>25,374</b>	<b>58,946</b>	<b>14,839</b>	<b>206,427</b>	<b>577,867</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	55,723	—	—	—	—	—	55,723
Public safety and justice	79,963	—	—	—	—	102,781	182,744
Land use and transportation	4,224	—	—	47,930	49,524	25,842	127,520
Housing, health and human services	21,799	566	27,209	—	—	32,684	82,258
Culture, education and recreation	1,705	—	—	—	—	42,177	43,882
Nonoperating	4,243	—	—	—	—	18,172	22,415
<b>Total current</b>	<b>167,657</b>	<b>566</b>	<b>27,209</b>	<b>47,930</b>	<b>49,524</b>	<b>221,656</b>	<b>514,542</b>
Capital outlay	479	—	—	1,304	4,939	40,116	46,838
Debt service:							
Principal	22	—	—	—	—	14,358	14,380
Interest	9	—	—	—	—	9,550	9,559
<b>Total debt service</b>	<b>31</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>23,908</b>	<b>23,939</b>
<b>Total expenditures</b>	<b>168,167</b>	<b>566</b>	<b>27,209</b>	<b>49,234</b>	<b>54,463</b>	<b>285,680</b>	<b>585,319</b>
Revenues over (under) expenditures	103,385	163	(1,835)	9,712	(39,624)	(79,253)	(7,452)
<b>Other financing sources (uses):</b>							
Transfers in from other funds	9,190	—	3,462	1,104	36,675	62,783	113,214
Transfers out to other funds	(99,717)	—	(40)	(2,463)	(581)	(10,869)	(113,670)
<b>Total other financing sources (uses)</b>	<b>(90,527)</b>	<b>—</b>	<b>3,422</b>	<b>(1,359)</b>	<b>36,094</b>	<b>51,914</b>	<b>(456)</b>
<b>Net changes in fund balances</b>	<b>12,858</b>	<b>163</b>	<b>1,587</b>	<b>8,353</b>	<b>(3,530)</b>	<b>(27,339)</b>	<b>(7,908)</b>
Fund balances July 1, 2018	66,048	—	7,520	23,329	106,413	308,544	511,854
Fund balances June 30, 2019	\$ 78,906	163	9,107	31,682	102,883	281,205	503,946

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Reconciliation of the Governmental Funds Statement of Revenues,  
Expenditures and Changes in Fund Balance to the  
Government-wide Statement of Activities - Governmental Activities

For the fiscal year ended June 30, 2019

(Dollars in thousands)

Net change in fund balances - Governmental Funds \$ (7,908)

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded net additions in the current period.

Capital asset additions	\$ 101,326	
Capital asset disposals	(789)	
Current year depreciation expense	<u>(84,861)</u>	15,676

The issuance of long-term debt provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of long-term debt and capital lease obligations	14,380	
Amortization of premiums and related deferred charges	<u>1,956</u>	16,336

Some revenues and expenses, as well as gains and losses, reported in the Statement of Activities do not provide nor require the use of current financial resources and, therefore are not reported as revenues or expenditures in the governmental funds. (6,664)

Change in accrued interest payable 159

Change in County OPEB liability and related deferred items 358

Change in PERS net OPEB RHIA liability and related deferred items 809

Change in PERS net pension liability and related deferred items (14,613)

Change in pollution remediation obligation 220

Internal Service funds are used by management to charge the costs of certain activities to individual funds. These funds are designed to recover all costs. The amount of revenues in excess of expenses reported in the Statement of Activities. 1,989

Change in net position \$ 6,362

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Net Position - Proprietary Funds

June 30, 2019

(Dollars in thousands)

	Enterprise Funds			Internal Service Funds
	Housing Authority of Washington County	Service District for Lighting No. 1	Total	
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 10,744	1,091	11,835	25,704
Restricted cash and investments	4,979	—	4,979	60
Assessments receivable	—	34	34	—
Accounts receivable - net of allowance for uncollectibles	650	—	650	6
Short-term portion of contracts receivable	4	—	4	—
Supply inventory	—	—	—	303
Other current assets	36	—	36	2
Total current assets	16,413	1,125	17,538	26,075
Noncurrent assets:				
Long-term portion of contracts receivable	89	—	89	—
Capital assets:				
Land, artwork, CIP, and other assets not being depreciated	8,957	—	8,957	—
Buildings and equipment and infrastructure, net of depreciation	14,663	—	14,663	14,260
PERS net OPEB RHIA asset	—	—	—	18
Investment in limited partnership	1,753	—	1,753	—
Total noncurrent assets	25,462	—	25,462	14,278
Total assets	41,875	1,125	43,000	40,353
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	1,809	—	1,809	—
County OPEB related	—	—	—	2
PERS OPEB RHIA related	—	—	—	8
Pension related	—	—	—	1,117
Total deferred outflows of resources	1,809	—	1,809	1,127
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	729	164	893	486
Accrued payroll liabilities	—	—	—	206
Accrued self-insurance	—	—	—	7,007
Deposits	831	—	831	—
Unearned revenue	47	—	47	—
Accrued interest payable	91	—	91	—
Long term obligations, current portion, net of discount	677	—	677	—
Total current liabilities	2,375	164	2,539	7,699
Noncurrent liabilities:				
Other long term obligations	29,053	—	29,053	—
County OPEB obligation	—	—	—	42
PERS net pension liability	—	—	—	2,746
Total noncurrent liabilities	29,053	—	29,053	2,788
Total liabilities	31,428	164	31,592	10,487
<b>Deferred Inflows of Resources</b>				
County OPEB related	—	—	—	6
PERS OPEB RHIA related	—	—	—	5
Pension related	—	—	—	294
Total deferred inflows of resources	—	—	—	305
<b>Net Position</b>				
Net position:				
Net investment in capital assets	(2,746)	—	(2,746)	14,260
Restricted for:				
Debt service	3,556	—	3,556	—
Payment of claims	—	—	—	60
Unrestricted	11,446	961	12,407	16,368
Total net position	\$ 12,256	961	13,217	30,688

See accompanying notes to basic financial statements.

**WASHINGTON COUNTY, OREGON**

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds

For the fiscal year ended June 30, 2019

(Dollars in thousands)

	Enterprise Funds			Internal Service Funds
	Housing Authority of Washington County	Service District for Lighting No. 1	Total	
Operating revenues:				
Charges for services	\$ —	—	—	48,105
Intergovernmental revenue	30,137	—	30,137	—
Rental income	6,295	—	6,295	—
Street lighting assessments	—	2,076	2,076	—
Other	4,221	—	4,221	1,866
<b>Total operating revenues</b>	<b>40,653</b>	<b>2,076</b>	<b>42,729</b>	<b>49,971</b>
Operating expenses:				
Labor and fringe benefits	—	—	—	2,403
Housing assistance payments	26,905	—	26,905	—
Utilities	725	1,932	2,657	28
Professional services	—	—	—	311
Supplies	—	3	3	2,590
Administrative costs	4,327	235	4,562	2,547
Depreciation and amortization	1,537	—	1,537	2,073
Insurance claims and premiums	—	—	—	38,600
Repairs and maintenance	2,917	—	2,917	630
Other	753	—	753	—
<b>Total operating expenses</b>	<b>37,164</b>	<b>2,170</b>	<b>39,334</b>	<b>49,182</b>
<b>Operating income (loss)</b>	<b>3,489</b>	<b>(94)</b>	<b>3,395</b>	<b>789</b>
Nonoperating income (expense):				
Interest income	368	53	421	1,024
Investment in limited partnership	193	—	193	—
Gain on sale of capital assets	—	—	—	176
Interest expense	(1,530)	—	(1,530)	—
<b>Total nonoperating income (expense)</b>	<b>(969)</b>	<b>53</b>	<b>(916)</b>	<b>1,200</b>
<b>Change in net position before contributions and transfers</b>	<b>2,520</b>	<b>(41)</b>	<b>(2,446)</b>	<b>1,989</b>
Contributions and transfers:				
Capital contributions	647	—	647	—
Transfers in from Governmental Funds	464	—	464	—
Transfers out to Governmental Funds	—	(8)	(8)	—
<b>Total contributions and transfers</b>	<b>1,111</b>	<b>(8)</b>	<b>1,103</b>	<b>—</b>
<b>Change in net position</b>	<b>3,631</b>	<b>(49)</b>	<b>3,582</b>	<b>1,989</b>
Net position July 1, 2018	8,625	1,010	9,635	28,699
Net position June 30, 2019	\$ <u>12,256</u>	<u>961</u>	<u>13,217</u>	<u>30,688</u>

See accompanying notes to basic financial statements.

**WASHINGTON COUNTY, OREGON**  
Statement of Cash Flows - Proprietary Funds  
For the fiscal year ended June 30, 2019  
(Dollars in thousands)

	<b>Enterprise Funds</b>			<b>Internal Service Funds</b>
	<b>Housing Authority of Washington County</b>	<b>Washington County Service District for Lighting No. 1</b>	<b>Total</b>	
Cash flows provided by (used in) operating activities:				
Cash received for services provided	\$ 41,003	2,140	43,143	48,152
Cash payments for labor and fringe benefits	(3,375)	—	(3,375)	(2,363)
Cash payments for goods and services	(32,005)	(2,327)	(34,332)	(44,503)
Other operating revenue	—	—	—	1,966
Other receipts	—	—	—	4
Net cash provided by (used in) operating activities	<u>5,623</u>	<u>(187)</u>	<u>5,436</u>	<u>3,256</u>
Cash flows provided by (used in) capital and related financing activities:				
Proceeds of borrowings	26,200	—	26,200	—
Acquisition and construction of capital assets	(459)	—	(459)	(4,239)
Proceeds from sale of capital assets	—	—	—	289
Proceeds from contracts receivable	368	—	368	—
Principal paid on notes payable	(26,760)	—	(26,760)	—
Interest paid on bonds and notes payable	(1,878)	—	(1,878)	—
Capital grants	647	—	647	—
Net cash used in capital and related financing activities	<u>(1,882)</u>	<u>—</u>	<u>(1,882)</u>	<u>(3,950)</u>
Cash flows provided by investing activities:				
Interest on investments	368	53	421	1,024
Increase in investment in partnership	(550)	—	(550)	—
Net cash provided by (used in) investing activities	<u>(182)</u>	<u>53</u>	<u>(129)</u>	<u>1,024</u>
Net increase (decrease) in cash and investments	<u>3,559</u>	<u>(134)</u>	<u>3,425</u>	<u>330</u>
Cash and investments, July 1, 2018	<u>12,164</u>	<u>1,225</u>	<u>13,389</u>	<u>25,434</u>
Cash and investments, June 30, 2019 <sup>(1)</sup>	<u><u>15,723</u></u>	<u><u>1,091</u></u>	<u><u>16,814</u></u>	<u><u>25,764</u></u>
Reconciliation of operating income to net cash from operating activities:				
Operating income (loss)	3,489	(94)	3,395	789
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	1,537	—	1,537	2,073
Transfers in (out) to governmental funds	464	(8)	456	—
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(73)	—	(73)	150
(Increase) decrease in assessments receivable	—	64	64	—
Increase in supply inventory	—	—	—	(3)
Decrease in other current assets	—	—	—	(97)
Increase (decrease) in accounts payable	129	(149)	(20)	(588)
Increase in deposits	48	—	48	—
Increase in unearned revenue	29	—	29	—
Increase in accrued liabilities	—	—	—	932
Net cash provided by (used in) operating activities	<u><u>5,623</u></u>	<u><u>(187)</u></u>	<u><u>5,436</u></u>	<u><u>3,256</u></u>

<sup>(1)</sup> Cash and investments are reflected on the Statement of Net Position - Proprietary Funds as follows:

Current assets - Cash and investments	10,744	1,091	11,835	25,704
Current assets - Restricted cash and investments	<u>4,979</u>	<u>—</u>	<u>4,979</u>	<u>60</u>
	<u>\$ 15,723</u>	<u>1,091</u>	<u>16,814</u>	<u>25,764</u>

See accompanying notes to basic financial statements.



**WASHINGTON COUNTY, OREGON**

Statement of Fiduciary Net Position

June 30, 2019

(Dollars in thousands)

	<b>Private- Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>Assets</b>		
Cash and investments	\$ 1,346	9,510
Accounts receivable	—	5,226
Property taxes receivable	—	14,378
Total assets	<u>1,346</u>	<u>29,114</u>
<b>Liabilities</b>		
Accounts payable	—	1,921
Amounts due to other jurisdictions	—	12,815
Undistributed taxes	—	14,378
Total liabilities	<u>—</u>	<u>29,114</u>
<b>Net Position</b>		
Amounts held in trust and other purposes	<u>\$ 1,346</u>	

See accompanying notes to basic financial statements.

**WASHINGTON COUNTY, OREGON**  
Statement of Changes in Fiduciary Net Position  
For the fiscal year ended June 30, 2019  
(Dollars in thousands)

	<u>Private- Purpose Trust Funds</u>
<b>Additions:</b>	
Intergovernmental revenues	\$ 2,120
Contributions	121
Interest earnings	30
Total additions	<u>2,271</u>
<b>Deductions:</b>	
Distributions	<u>1,658</u>
Change in net position	613
Net position July 1, 2018	<u>733</u>
Net position June 30, 2019	<u><u>\$ 1,346</u></u>

See accompanying notes to basic financial statements.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

**1. Summary of significant accounting policies**

**Reporting entity**

Washington County (County) is a municipal corporation established in 1849 and is governed by a five-member Board. The accompanying financial statements present the activities of the County, its five blended component units, and one discretely presented component unit, which are separate legal entities that meet the component unit criteria. The five blended component units are classified as such since they share the same or substantively the same governing body as the County Board of Commissioners and the management of the primary government also manages the blended component units in essentially the same manner as it manages its own activities. The County's discretely presented component unit is classified as such since it has the same governing body as the County, which provides for the possibility of the primary government to impose its will on the separate legal entity.

**Blended Component Units**

**Housing Authority of Washington County (Authority)**

The Authority operates programs that provide low-income housing for residents of Washington County. The program is funded by grants from the U.S. Department of Housing and Urban Development (HUD) and rental receipts.

**Enhanced Sheriff's Patrol District (ESPD)**

ESPD contracts with the Washington County Sheriff's Office to provide a municipal level of police service to certain unincorporated areas of the County and is funded by property taxes and voter-approved local option levies.

**Service District for Lighting No. 1 (SDL)**

SDL administers a program to provide street lighting to certain unincorporated areas of Washington County. Property owners are assessed at a rate estimated to cover utility costs plus administrative costs.

**North Bethany County Service District for Roads (NBCSDR)**

NBCSDR provides a portion of the needed transportation projects in the yet to be developed North Bethany community and is funded by property taxes.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

#### **Urban Road Maintenance District (URMD)**

URMD provides an enhanced level of maintenance services to local, minor collector, and public roads in the urban unincorporated areas of the County.

The accompanying basic financial statements present the blended component units as follows: The Authority and SDL are presented as business-type activities; ESPD, NBCSDR, and URMD are reported as special revenue funds.

#### **Discretely (separate) Presented Component Unit**

##### **Clean Water Services (District)**

The District is a special service district that provides sanitary sewer and surface water management service for the urbanized portion of Washington County, small parts of the City of Portland, and Multnomah and Clackamas counties.

The District is a discretely presented component unit and as such is reported in a separate column in the government-wide financial statements to emphasize the District's separate enterprise operations.

##### **District - Clean Water Institute (CWI)**

On March 2, 2010, the Clean Water Services Board of Directors instructed the District to form Clean Water Institute (CWI). One of the District's Board Members currently serves on CWI's Board.

CWI is a nonprofit 501(c)(3) formed to advance watershed restoration and resource recovery through innovative strategies and to promote scientific research, education, and environmental protection activities that benefit watersheds throughout the country and around the world. For the fiscal year ended June 30, 2019, the transactions between the District and CWI are deemed to be immaterial, and therefore, CWI is not reported as a component unit of the District.

##### **District – Clean Water Insurance Company (CWIC)**

On February 16, 2016, the Clean Water Services Board of Directors instructed the District to form Clean Water Insurance Company (CWIC), a wholly owned subsidiary of the District, domiciled in the state of Hawaii. The District is the sole member of this captive insurance company.

CWIC is a registered Limited Liability Company (LLC) formed to advance long term risk management program savings through the use of a formalized self-insurance program that can

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

access the reinsurance markets for additional seismic coverages as well as provide a potential for funding of loss prevention and mitigation projects to further protect District assets or recover from a seismic event.

CWIC is considered a component unit of the District and is presented in the Comprehensive Annual Financial Report of the District as a blended component unit because it provides services exclusively to the District. CWIC issues separate financial statements and they can be obtained upon request from the District.

Complete financial statements for all component units may be obtained from the Washington County Finance Division at 155 N. First Avenue, Hillsboro, Oregon 97124-3072.

#### **Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the County and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### **Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and private purpose trust fund financial statements. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

requirements imposed by the provider have been met. Eliminations have been made to minimize the double counting of internal activities; however, in the government-wide statement of activities, interfund services provided and used are not eliminated in the process of consolidation.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue in the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund and it accounts for all financial resources of the general government, except those required, legally or administratively, to be accounted for in another fund.

The *HOME Fund* accounts for the expenditure of funds provided to the County's community development program by the U.S. Department of Housing and Urban Development (HUD).

The *Human Services Fund* accounts for the delivery of community mental health services and is primarily funded by state and federal grants.

The *Road Fund* accounts for state gasoline tax used for the maintenance, repair and improvement of existing roads as required by ORS 366.

The *Major Streets Transportation Improvement Program III (MSTIP III) Fund* accounts for resources collected to support a comprehensive transportation construction program.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

The County reports the following major proprietary funds:

The *Housing Authority of Washington County Fund* accounts for the operation of programs that provide low-income housing for residents of the County through grants from the U.S. Department of Housing and Urban Development (HUD), full faith and credit obligations, and rental income.

The *Service District for Lighting No. 1 Fund* accounts for the operation of street lighting to certain unincorporated areas of the County through rates assessed on property owners.

Additionally, the County reports the following fund types:

*Special Revenue Funds* account for revenue derived from specific tax or other revenue sources, including federal and state grant awards, which are restricted or committed to finance specific functions or activities.

*Debt Service Funds* account for the payment of principal and interest on general obligation and refunding bonds. Revenue is derived primarily from property taxes, or specific revenue streams as identified.

*Capital Projects Funds* account for the acquisition or construction of major capital facilities or assets (other than those financed by proprietary funds).

*Internal Service Funds* account for fleet, insurance, central mail, and printing services provided to other organizational units of the County on a cost reimbursement basis. Charges are made to other County operating departments to support these activities. For budgetary purposes the County accounts for certain expenditures on the modified accrual basis of accounting. For financial reporting purposes, the accrual basis of accounting is used. The differences relate primarily to the methods of accounting for depreciation, capital outlay, PERS net pension liability, and OPEB obligations.

The *Private Purpose Trust Funds* account for all trust agreement transactions, under which all principal and income benefit individuals, private organizations, or other governments. The County School Fund generates a majority of the activity in the County's Private Purpose Trust Funds, and it was established to transfer a portion of federal forest reserve receipts to school districts within the County to acquire, construct, or improve a school building, to fund the removal of asbestos substances, and to acquire or improve real and personal property used for district purposes.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

The *Agency Funds* account for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the applicable legislative enactment for each individual fund. Accordingly, all assets reported in an agency fund are offset by a liability to the party on whose behalf they are held. As is common practice, the County collects all separately levied taxes and uses an agency fund to account for the portion of taxes collected on behalf of other governments until those amounts are remitted to the respective jurisdictions.

Amounts reported as *program revenue* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Items not meeting the criteria of program revenues are reported as *general revenues*.

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

#### **Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or fund balance**

##### ***Deposits and investments***

The County's current cash and investments are considered to be cash on hand, demand deposits, and short-term investments with original maturities of less than twelve months from the date of acquisition. The County's long-term investments are comprised of investments with maturities of over twelve months from the acquisition date.

State statutes authorize the County to invest in obligations of the U.S. Treasury, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial paper, and the State Treasurer's Local Government Investment Pool (LGIP).

Investments for the County, as well as for its component units, are reported at fair value. The LGIP operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.



**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

***Receivables and payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Property taxes receivable that are collected within 60 days after year-end are considered measurable and available and, therefore, are recognized as revenue. The remaining balance is recorded as unavailable revenue in the governmental fund statements because it is not deemed available to finance operations of the current period. An allowance for doubtful accounts is not deemed necessary, as uncollectible taxes become a lien on the property. Property taxes are levied and become a lien against the property on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount is paid by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Assessments receivable represent uncollected amounts levied against benefited property for the cost of local improvements. Assessments receivable are offset by unavailable revenue and reported as deferred inflows of resources. An allowance for uncollectible amounts is not deemed necessary, as uncollected assessments are recoverable through liens.

Receivables of the enterprise funds are recognized as revenue when earned, including services provided but not billed. Receivables in governmental and enterprise funds are stated net of any allowance for uncollectible amounts.

***Inventories and prepaid items***

All inventories are valued at cost, using the first-in first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Payments to vendors which reflect costs applicable to future accounting periods are recorded as other assets in both the government-wide and fund financial statements.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

#### ***Capital assets***

In the government-wide financial statements, capital assets include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets (easements and land rights) and are reported in the applicable governmental activity, business-type activities, or discrete component unit columns in the government-wide financial statements.

As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the County values these capital assets at acquisition value as of the date of their donation.

Capital assets, other than infrastructure assets, are defined by the County as assets with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year; software is capitalized at \$25,000 (amount not rounded). One full month of depreciation is taken in the month the assets are acquired; no depreciation is taken in the month the asset is retired. Gains or losses from sales or retirements are included in operations of the current period.

Capital asset items purchased by the District are valued at estimated historical cost if actual historical cost is not available. Contributed capital assets are recorded at acquisition value at the time received. Major additions, improvements and replacements including related plans and studies are capitalized. Normal maintenance and repairs are charged to operations as incurred. Gains or losses realized from sales of capital assets are reported as incurred. Assets costing more than \$5,000 (amount not rounded) and estimated useful life in excess of five years are capitalized and depreciated over their useful lives.

Intangible capital assets purchased by the District with an individual cost of \$5,000 (amount not rounded) and a useful life of more than five years are capitalized and amortized over their useful lives. Intangible assets with indefinite lives are not amortized. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increases the capacity of an asset are capitalized. Normal maintenance and repairs are charged to operation as incurred.

Amortization on exhaustible intangible capital assets is reported on a straight-line basis over the estimated useful life of the asset. One-half year's amortization is taken in the year of acquisition and disposal of the asset. Gains or losses realized from sales of intangible capital assets are reported as incurred.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

Capital asset depreciation for the County and District is computed on capital assets placed in service using the straight-line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Years</u>
County	
Land improvements	20
Buildings and improvements	15 - 50
Office equipment	3 - 10
Machinery and equipment	2 - 20
Automotive equipment	5
Road network, bridge network, culverts, and signals	5 - 50
Authority	
Buildings	30
Building and site improvements	15
Office equipment	7
Vehicles	5
Computer hardware	5
Computer software	3
District	
Sewer lines	50
Treatment plants	25
Land improvements	25
Plans and studies	5 - 25
Buildings	20
Plant and office equipment	5 - 10
Automotive equipment	5

***Investment in joint ventures - District***

Investments in joint ventures with other governments are reported at cost, plus or minus the District's share of operating income or loss (equity method).

***Deferred outflows/inflows of resources***

In addition to assets, the statement of net position reports a separate section of deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

*Deferred charge on refunding.* An item that qualifies as a deferred outflow of resources is the deferred charge on refunding reported in the statement of net position. Deferred charges, resulting from the carrying value of refunded debt and its reacquisition price, are deferred and amortized to interest expense over the remaining life of the existing debt.

*Other Post Employment Benefit (OPEB) and Pension related.* For purposes of measuring the OPEB obligation/asset and net pension liability, deferred outflows of resources and deferred inflows of resources related to OPEB and pensions, and OPEB and pension expense are reported in the statement of net position.

*Unavailable revenue.* An item that qualifies as a deferred inflow of resources is the unavailable revenue reported in the governmental funds balance sheet. Unavailable revenue is largely made up of property taxes and contracts and is deferred and recognized as an inflow of resources in the period that the amounts become available.

#### **Leases**

Leases that meet certain criteria are classified as capital leases and recorded at the lower of the present value of minimum lease payments or the fair value of the leased property. The acquired property is also appropriately recorded as a capital asset at the time of acquisition.

#### **Compensated absences**

The County's policy is to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any such amounts when employees separate from service with the County. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The Authority, SDL, URMD, ESPD, and NBCSDR's personnel are exclusively contracted Washington County employees. Accordingly, the liability for vested compensated absences and sick pay is recorded by the County.

The District allows employees to accumulate earned but unused vacation and sick leave benefits and compensatory time balances. Unused sick pay is not recognized as a liability because it does not vest. Accumulated compensation for overtime and vacation pay accrued at the end of each year is used within one year and is reported as a current expense and liability.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

***Long-term obligations***

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are amortized over the life of the respective debt instruments. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

***Self-insurance - County***

The County is exposed to various risks of real and personal property loss and purchases Property Insurance with a maximum deductible of \$100 per claim for losses related to theft, damage, destruction or loss of County assets. General liability claims are self-insured for the first \$1,000 in defense, settlement or verdict costs, and purchases excess insurance up to \$14,000 per claim. Settled claims have not exceeded insurance coverage for the fiscal years ending June 30, 2019, 2018, or 2017.

The County is fully self-insured for unemployment, workers' compensation benefits, and losses resulting from torts, errors and omissions. The County carries excess workers' compensation coverage for individual claims exceeding \$750. The County also provides for general and employment liability incurred but not reported (IBNR) claims. IBNR claims are claims that are incurred through the end of the fiscal year but not reported until after that date.

***Self-insurance - District***

The District is insured under a guaranteed cost plan for workers' compensation and for costs in excess of insurance policy retention (deductible) limits on fire loss, property damage, and all risk coverage (theft, vandalism, etc.). The District currently provides for estimated losses from pending claims on all self-insured retention risks, and for IBNR claims for general liability claims (sewer back-ups and other flooding issues) and employment liability claims.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

#### ***Fund balance***

The County reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources reported in governmental funds. Those classifications are as follows:

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The Board of County Commissioners may commit fund balance by resolution and may also modify or rescind commitments by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Portions of revenue sources or ending fund balances are classified as assigned when they cannot otherwise be classified as non-spendable, restricted, or committed by formal written notice. Authority to assign fund balance is granted by the Board of County Commissioners to the County Administrator, Chief Finance Officer, or their designee and such authority may only be established, modified, or rescinded by the Board.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any residual fund deficits as unassigned.

When both restricted and unrestricted fund balance are available for use, the purpose for which that is restricted, it is the County's policy to use restricted fund balance first and then unrestricted fund balance as needed. When unrestricted fund balance is spent the County will consider that committed amounts will be reduced first, followed by assigned amounts, and then unassigned amounts last.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

Fund balances by classification for the year ended June 30, 2019 were as follows:

	General Fund	HOME Fund	Human Services Fund	Road Fund	Major Streets Transportation Improvement Program III Fund	Other Governmental Funds	Total
Fund balances (deficit):							
Nonspendable:							
Inventory	\$ 103	—	—	124	—	—	227
Total nonspendable fund balances	<u>103</u>	<u>—</u>	<u>—</u>	<u>124</u>	<u>—</u>	<u>—</u>	<u>227</u>
Restricted for:							
Law enforcement	—	—	—	—	—	42,382	42,382
Community support programs	—	163	—	—	—	3,814	3,977
Road maintenance, repair and improvement	—	—	—	31,558	—	14,968	46,526
Building inspection	—	—	—	—	—	15,515	15,515
Economic development	—	—	—	—	—	110	110
Land development	—	—	—	—	—	4,944	4,944
Community health programs	—	—	9,107	—	—	23,524	32,631
County fair, parks and tourism	—	—	—	—	—	2,999	2,999
Debt service	—	—	—	—	—	2,366	2,366
Capital projects	—	—	—	—	—	114,824	114,824
Total restricted fund balances	<u>—</u>	<u>163</u>	<u>9,107</u>	<u>31,558</u>	<u>—</u>	<u>225,446</u>	<u>266,274</u>
Committed to:							
Air quality	—	—	—	—	—	592	592
Library operations	—	—	—	—	—	12,353	12,353
Capital projects	—	—	—	—	102,883	39,518	142,401
Total committed fund balances	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>102,883</u>	<u>52,463</u>	<u>155,346</u>
Assigned to:							
Land development	1,371	—	—	—	—	—	1,371
PERS rate stabilization	6,927	—	—	—	—	—	6,927
Capital projects	—	—	—	—	—	3,629	3,629
Total assigned fund balances	<u>8,298</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,629</u>	<u>11,927</u>
Unassigned	70,505	—	—	—	—	(333)	70,172
Total fund balances	<u>\$ 78,906</u>	<u>163</u>	<u>9,107</u>	<u>31,682</u>	<u>102,883</u>	<u>281,205</u>	<u>503,946</u>
Fund balances (deficit) summary:							
Nonspendable	103	—	—	124	—	—	227
Restricted	—	163	9,107	31,558	—	225,446	266,274
Committed	—	—	—	—	102,883	52,463	155,346
Assigned	8,298	—	—	—	—	3,629	11,927
Unassigned	70,505	—	—	—	—	(333)	70,172
Total fund balances	<u>\$ 78,906</u>	<u>163</u>	<u>9,107</u>	<u>31,682</u>	<u>102,883</u>	<u>281,205</u>	<u>503,946</u>

The Board of County Commissioners has established a General Fund balance with a goal of maintaining a reserve that is a minimum of 20% of annual net General Fund revenues. The amounts transferred to MSTIP and Washington County Cooperative Library Services (WCCLS) are excluded from the General Fund revenues for purposes of calculating the fund balance reserve.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

**2. Stewardship, compliance, and accountability**

**Budgetary information**

Annual budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 – Local Budget Law) and accounting principles generally accepted in the United States of America. Annual appropriations lapse at the end of the fiscal year.

**3. Detailed notes on all accounts**

**Deposits and investments**

The County maintains a cash and investment pool for all County funds, blended component units, and its discretely presented component unit. Interest earnings are distributed monthly based on average daily balances.

**County, Blended Component Units, and Fiduciary Funds**

Cash and investments are comprised of the following at June 30, 2019:

Petty cash	\$	25
Deposits		5,813
Investments		<u>610,880</u>
	\$	<u><u>616,718</u></u>

Cash and investments are reported as follows:

Unrestricted:		
Cash and investments		593,066
Restricted for:		
Contractor working capital, construction, and payment of bond debt service		<u>12,796</u>
Primary government cash and investments		605,862
Fiduciary Funds		<u>10,856</u>
	\$	<u><u>616,718</u></u>



**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

**District – Discretely Presented Component Unit**

Cash and investments are comprised of the following at June 30, 2019:

Petty cash	\$	4
Deposits		1,130
Deposits with CWIC		1,246
Investments		306,927
	\$	<u>309,307</u>

Cash and investments are reported as follows:

Unrestricted:		
Cash and investments	\$	177,114
Restricted for:		
Contractor working capital, construction, and payment of bond debt service		132,193
	\$	<u>309,307</u>

Total County, blended component units, and discretely presented component unit cash and investments are reported as follows:

Governmental Funds	\$	563,284
Internal Service Funds		25,764
Enterprise Funds		16,814
District		309,307
Fiduciary Funds		10,856
	\$	<u>926,025</u>

***Deposits custodial credit risk – County and Blended Component Units***

This is the risk that in the event of a bank failure, deposits of the County and its blended component units' deposits may not be returned to them. At June 30, 2019, the carrying amount of the County and its blended component units' deposits was \$5,813 and the bank balance was \$15,905. \$663 of the bank balance was covered by the Federal Depository Insurance Corporation (FDIC). As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result, the County and blended component units' remaining deposits in excess of FDIC insurance are considered fully collateralized.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

***Deposits custodial credit risk – District***

This is the risk that in the event of a bank failure, deposits of the District may not be returned to them. At June 30, 2019, the carrying amount of the District’s deposits (including CWIC) was \$2,376 and the bank balance was \$6,499. \$337 of the bank balance was covered by the Federal Depository Insurance Corporation (FDIC). As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds except for the deposits held by CWIC. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result, the District had \$5,150 in deposits in excess of FDIC insurance considered fully collateralized, and \$1,012 not insured or collateralized.

***Interest rate risk – County and Blended Component Units***

The County has a formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

<u>Maturity</u>	<u>Minimum Allowed</u>	<u>Actual</u>
Less than 90 days	10%	23%
Less than 1 year	25%	43%
5 years or less	100%	100%
	<u>Maximum Allowed</u>	<u>Actual</u>
Weighted Average Maturity	2.5 years	1.6 years
Callable Agency Securities	25%	2%

***Interest rate risk – District***

The District relies upon their treasurer, Washington County, to monitor the interest rate risk inherent in its portfolio by comparing the maturity dates of its investments to the minimum maturity dates outlined in the investment policy. As a result, the District’s maturities mirror those of the County.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

#### ***Investment credit risk – County and Blended Component Units***

This is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized rating organization and is minimized by purchasing only those securities which are rated by two of the nationally recognized credit rating agencies at the time of purchase. The County's investment policy specifies ratings – Standard & Poor's = minimum AA-, and Moody's Investors Services = minimum Aa3. The following information includes Fiduciary Fund investments of \$10,856. The actual rating at year-end for each investment type is as follows:

Rating by Standard & Poor's Investment Service	AAA	AA+	AA	A-1	Not Rated	Total Invested Value	Percent Allocation	Weighted Average Maturity (Years)
Federal agency coupon securities	\$ -	289,514	66,271	-	-	355,785	58%	1.0
Corporate notes	5,321	3,314	-	3,324	-	11,959	2%	0.1
Treasury coupon securities	-	163,079	-	-	-	163,079	27%	0.5
State of Oregon Local Government Investment Pool (LGIP)	-	-	-	-	80,057	80,057	13%	-
<b>Total Investments</b>	<b>\$ 5,321</b>	<b>455,907</b>	<b>66,271</b>	<b>3,324</b>	<b>80,057</b>	<b>610,880</b>	<b>100%</b>	<b>1.6</b>

The County 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 invested value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County has the following fair value measurements as of June 30, 2019:

- Federal agency coupon securities of \$355,785 are valued using quoted market prices (Level 1 inputs).
- Corporate notes of \$11,959 are valued using quoted market prices (Level 1 inputs).
- Treasury coupon securities of \$163,079 are valued using quoted market prices (Level 1 inputs).

The State of Oregon Local Government Investment Pool (LGIP) is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the LGIP's investment policies. The State Treasurer is the investment officer for the LGIP and is responsible for all funds in the LGIP. These funds must be invested, and the investments managed as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-term Fund Board. The following table outlines the LGIP's investment maturities at June 30, 2019.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

<u>LGIP Maturity</u>	<u>per Policy</u>	<u>Actual</u>
Up to 93 days	Minimum of 50%	59%
94 days to 1 year	Maximum of 25%	19%
1 to 3 years	Maximum of 25%	22%

**Investment credit risk – District**

This is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized rating organization and is minimized by purchasing only those securities which are rated by two of the nationally recognized credit rating agencies at the time of purchase. The County’s investment policy specifies ratings – Standard & Poor’s = minimum AA-, and Moody’s Investors Services = minimum Aa3. The actual rating at year-end for each investment type is as follows:

<u>Rating by Standard &amp; Poor's Investment Service</u>	<u>AAA</u>	<u>AA+</u>	<u>AA</u>	<u>A-1</u>	<u>Not Rated</u>	<u>Total Invested Value</u>	<u>Percent Allocation</u>	<u>Weighted Average Maturity (Years)</u>
Federal agency coupon securities	\$ -	145,471	33,295	-	-	178,766	58%	1.0
Corporate notes	2,674	1,665	-	1,670	-	6,009	2%	0.1
Treasury coupon securities	-	81,931	-	-	-	81,931	27%	0.5
State of Oregon Local Government Investment Pool (LGIP)	-	-	-	-	40,221	40,221	13%	0.0
<b>Total Investments</b>	<b>\$ 2,674</b>	<b>229,067</b>	<b>33,295</b>	<b>1,670</b>	<b>40,221</b>	<b>306,927</b>	<b>100%</b>	<b>1.6</b>

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 invested value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2019:

- Federal agency coupon securities of \$178,766 are valued using quoted market prices (Level 1 inputs).
- Corporate notes of \$6,009 are valued using quoted market prices (Level 1 inputs).
- Treasury coupon securities of \$81,931 are valued using quoted market prices (Level 1 inputs).

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

The State of Oregon Local Government Investment Pool (LGIP) is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the LGIP’s investment policies. The State Treasurer is the investment officer for the LGIP and is responsible for all funds in the LGIP. These funds must be invested, and the investments managed as a prudent investor would, exercising reasonable care, skill, and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-term Funds Board. The LGIP investment maturities for the District mirror those of the County.

**Receivables – County and Blended Component Units**

Amounts are aggregated into a single accounts receivable line for certain funds and aggregated columns. Below is the detail of receivables for the County and its blended component units at June 30, 2019:

	<u>Accounts Receivable</u>	<u>Intergovernmental Revenues Receivable</u>	<u>Total</u>
General Fund	\$ 3,442	2,394	5,836
HOME Fund	122	-	122
Human Services Fund	44	531	575
Road Fund	41	5,738	5,779
MSTIP III Fund	5,178	-	5,178
Other Governmental Funds	5,240	2,634	7,874
<b>Total governmental funds</b>	<b>14,067</b>	<b>11,297</b>	<b>25,364</b>
Internal Service Funds	6	-	6
Fiduciary Funds	1,283	3,943	5,226
<b>Total accounts receivable</b>	<b>\$ 15,356</b>	<b>15,240</b>	<b>30,596</b>

**Receivables – District**

Receivables of the District represent user charges which are recognized as earned. An allowance for doubtful accounts is established for amounts deemed to be uncollectible, based on historical collection percentages. At June 30, 2019, the allowance was \$375.

**Deferred outflows/inflows of resources – County and Blended Component Units**

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until a future period. Deferred inflows of resources represent an acquisition of net position that applies to future periods, and so will not be recognized as an inflow of resources (revenue) until that time.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

*Deferred charge on refunding.* The item that qualifies in this category is the deferred charge on refunding reported in the statement of net position. Deferred charges, resulting from the carrying value of refunded debt and its reacquisition price, are deferred and amortized to interest expense over the remaining life of the existing debt. At June 30, 2019, the total deferred charge on refunding for the County was \$4,309.

*Other Post Employment Benefit (OPEB) and Pension related.* For purposes of measuring the OPEB obligation/asset and net pension liability, deferred outflows of resources and deferred inflows of resources related to OPEB and pensions, and OPEB and pension expense are reported in the in the statement of net position. OPEB and pension related deferred outflows of resources relate to the OPEB and pension plans consisting of differences between expected and actual experience, changes of assumptions, changes in proportionate share, differences between employer contributions and employer’s proportionate share of system contributions, and employer contributions to after the measurement date. OPEB and pension related deferred inflows of resources consist of differences between net difference between projected and actual earnings on investments, changes in proportionate share, differences between employer contributions and the County’s proportionate share of contributions, changes of assumptions, and changes in proportionate share. At June 30, 2019, the County reported OPEB related deferred outflows, OPEB RHIA related deferred outflows, and pension related deferred outflows of \$142, \$682, and \$93,046, respectively. The County also reported OPEB related deferred inflows, OPEB RHIA related deferred inflows, and pension related deferred outflows of \$513, \$414, and \$24,473, respectively.

*Unavailable revenue.* The item that qualifies in this category is the unavailable revenue reported in the governmental funds balance sheet. Unavailable revenue is largely made up of property taxes and contracts and is deferred and recognized as an inflow of resources in the period that the amounts become available. The various components of unavailable revenue reported in the governmental funds balance sheet is as of June 30, 2019, were as follows:

	<u>Property Taxes</u>	<u>Assessments</u>	<u>Contracts Receivable</u>	<u>Accounts Receivable</u>	<u>Total</u>
General Fund	\$ 1,931	-	-	657	2,588
HOME Fund	-	-	30,243	-	30,243
Human Services Fund	-	-	-	38	38
Road Fund	-	76	-	4	80
MSTIP III	-	-	-	1,863	1,863
Other Governmental Funds	<u>1,029</u>	<u>426</u>	<u>4,661</u>	<u>464</u>	<u>6,580</u>
Total unavailable revenue \$	<u><u>2,960</u></u>	<u><u>502</u></u>	<u><u>34,904</u></u>	<u><u>3,026</u></u>	<u><u>41,392</u></u>

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

**Deferred outflows/inflows of resources – District**

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until a future period. Deferred inflows of resources represent an acquisition of net position that applies to future periods, and so will not be recognized as an inflow of resources (revenue) until that time.

*Deferred charge on refunding.* The item that qualifies in this category is the deferred charge on refunding reported in the statement of net position. Deferred charges, resulting from the carrying value of refunded debt and its reacquisition price, are deferred and amortized to interest expense over the remaining life of the existing debt. At June 30, 2019, the total deferred charge on refunding for the District was \$3,220.

*Other Post Employment Benefit (OPEB) and Pension related.* For purposes of measuring the net OPEB obligation/asset and net pension liability, deferred outflows of resources and deferred inflows of resources related to OPEB and pensions, and OPEB and pension expense are reported in the statement of net position. OPEB-and-Pension-related deferred outflows of resources relate to the District's OPEB and pension plans consisting of employer contributions to OPERS after the measurement date, differences between expected and actual experience, changes of assumptions, net difference between projected and actual earnings on investments, and changes in proportionate share. OPEB-and-pension-related deferred inflows of resources consist of differences between employer contributions and the District's proportionate share of contributions and changes in proportionate share. At June 30, 2019, the District reported OPEB RHIA related deferred outflows and pension related deferred outflows of \$169 and \$31,370, respectively. The District also reported OPEB RHIA related deferred inflows and pension related deferred inflows of \$96 and \$2,701, respectively.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

**Capital assets**

Capital asset activity for governmental activities for the year ended June 30, 2019 was as follows:

	<b>Governmental Activities</b>				
	<b>Balance</b>				<b>Balance</b>
	<b>July 1, 2018</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>June 30, 2019</b>
Capital assets not being depreciated:					
Land	\$ 993,436	13,696	(539)	-	1,006,593
Artwork	364	-	-	-	364
Construction in progress	141,778	76,662	-	(70,766)	147,674
Total capital assets not being depreciated	<u>1,135,578</u>	<u>90,358</u>	<u>(539)</u>	<u>(70,766)</u>	<u>1,154,631</u>
Capital assets being depreciated:					
Land improvements	5,061	-	-	-	5,061
Buildings and improvements	170,611	717	(170)	7,833	178,991
Machinery and equipment	60,229	5,311	(3,186)	1,396	63,750
Road network	1,939,700	7,368	(346)	53,845	2,000,567
Bridge network	114,211	38	(92)	4,709	118,866
Culverts	19,725	-	-	47	19,772
Signals	72,268	1,778	(12)	2,936	76,970
Total capital assets being depreciated	<u>2,381,805</u>	<u>15,212</u>	<u>(3,806)</u>	<u>70,766</u>	<u>2,463,977</u>
Less accumulated depreciation for:					
Land improvements	(4,496)	(92)	-	-	(4,588)
Building and improvements	(75,376)	(4,155)	130	-	(79,401)
Machinery and equipment	(41,024)	(3,850)	2,977	-	(41,897)
Road network	(1,191,608)	(72,650)	233	-	(1,264,025)
Bridge network	(41,672)	(2,230)	92	-	(43,810)
Culverts	(7,305)	(486)	-	-	(7,791)
Signals	(61,395)	(3,478)	11	-	(64,862)
Total accumulated depreciation	<u>(1,422,876)</u>	<u>(86,941)</u>	<u>3,443</u>	<u>-</u>	<u>(1,506,374)</u>
Total capital assets being depreciated, net	<u>958,929</u>	<u>(71,729)</u>	<u>(363)</u>	<u>70,766</u>	<u>957,603</u>
Governmental activities capital assets, net	\$ <u>2,094,507</u>	<u>18,629</u>	<u>(902)</u>	<u>-</u>	<u>2,112,234</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 2,385
Public safety and justice	4,159
Land use and transportation	79,913
Housing, health and human services	282
Culture, education, and recreation	202
Total depreciation expense	\$ <u>86,941</u>



**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

Capital asset activity for business-type activities for the year ended June 30, 2019 was as follows:

	<u>Business-type Activities</u>			
	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2019</u>
Capital assets not being depreciated:				
Land	\$ 8,778	179	-	8,957
Construction in progress	261	-	(261)	-
Total capital assets not being depreciated	<u>9,039</u>	<u>179</u>	<u>(261)</u>	<u>8,957</u>
Capital assets being depreciated:				
Buildings and improvements	49,095	540	-	49,635
Vehicles	282	-	-	282
Office equipment	108	-	-	108
Total capital assets being depreciated	<u>49,485</u>	<u>540</u>	<u>-</u>	<u>50,025</u>
Less accumulated depreciation for:				
Buildings and improvements	(33,496)	(1,518)	-	(35,014)
Vehicles	(222)	(18)	-	(240)
Office equipment	(108)	-	-	(108)
Total accumulated depreciation	<u>(33,826)</u>	<u>(1,536)</u>	<u>-</u>	<u>(35,362)</u>
Total capital assets being depreciated, net	<u>15,659</u>	<u>(996)</u>	<u>-</u>	<u>14,663</u>
Business-type activities capital assets, net	\$ <u><u>24,698</u></u>	<u><u>(817)</u></u>	<u><u>(261)</u></u>	<u><u>23,620</u></u>
Depreciation expense was charged to functions as follows:				
Business-type activities:				
Housing		\$ <u><u>1,536</u></u>		

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

Capital asset activity for the District for the year ended June 30, 2019 was as follows:

	District activities				
	Balance				Balance
	July 1, 2018	Increases	Decreases	Transfers	June 30, 2019
Capital assets not being depreciated:					
Land	\$ 32,180	5,770	(14)	587	38,523
Construction in progress	<u>100,264</u>	<u>97,132</u>	<u>(3,075)</u>	<u>(25,177)</u>	<u>169,144</u>
Total capital assets not being depreciated	<u>132,444</u>	<u>102,902</u>	<u>(3,089)</u>	<u>(24,590)</u>	<u>207,667</u>
Capital assets being depreciated:					
Buildings and improvements	281,130	2,449	-	3,642	287,221
Treatment plants	682,417	-	(40)	5,236	687,613
Sewer lines	254,071	2,092	-	10,093	266,256
Plant equipment	103,866	-	(197)	4,287	107,956
Automotive equipment	13,413	-	(571)	1,092	13,934
Plans and studies	16,413	-	-	1	16,414
Office equipment	<u>13,949</u>	<u>-</u>	<u>-</u>	<u>239</u>	<u>14,188</u>
Total capital assets being depreciated	<u>1,365,259</u>	<u>4,541</u>	<u>(808)</u>	<u>24,590</u>	<u>1,393,582</u>
Less accumulated depreciation for:					
Buildings and improvements	(159,645)	(8,740)	-	-	(168,385)
Treatment plants	(428,085)	(19,988)	12	-	(448,061)
Sewer lines	(94,433)	(5,194)	-	-	(99,627)
Plant equipment	(74,312)	(6,678)	197	-	(80,793)
Automotive equipment	(10,650)	(959)	571	-	(11,038)
Plans and studies	(13,295)	(170)	-	-	(13,465)
Office equipment	<u>(12,762)</u>	<u>(406)</u>	<u>-</u>	<u>-</u>	<u>(13,168)</u>
Total accumulated depreciation	<u>(793,182)</u>	<u>(42,135)</u>	<u>780</u>	<u>-</u>	<u>(834,537)</u>
Total capital assets being depreciated, net	<u>572,077</u>	<u>(37,594)</u>	<u>(28)</u>	<u>24,590</u>	<u>559,045</u>
Component-type activities capital assets, net	<u>\$ 704,521</u>	<u>65,308</u>	<u>(3,117)</u>	<u>-</u>	<u>766,712</u>
Depreciation expense was charged to functions as follows:					
Component activities:					
Sanitation	\$ 36,692				
Surface Water Management	<u>5,443</u>				
Total depreciation expense	<u>42,135</u>				
Decrease in construction in progress is comprised of:					
Capital donations		2,696			
Items ineligible for capitalization		<u>379</u>			
Total decrease in construction in progress		<u>\$ 3,075</u>			

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

#### **Investment in Partnerships – Authority**

Investments in partnerships represent the Authority's equity interest in Quatama Housing Limited Partnership and Willow Creek Crossing Limited Partnership. These investments are accounted for using the equity method. Under the equity method, the initial investment is recorded at cost and increased or decreased by the Authority's share of income or loss and is increased by contributions and decreased by distributions. Investment in Quatama Housing Limited Partnership of \$1,203 was recorded as of December 31, 2018, and the latest available audited financial statements; investment in Willow Creek Crossing Limited Partnership of \$550 was recorded as of June 30, 2019, with the initial cash contribution made in October 2018.

#### **Joint Ventures – District**

The Barney Reservoir Joint Ownership Commission (the Commission) was formed to own, operate, and expand the JW Barney Reservoir. Ownership of the joint venture is comprised of the District (10%), Tualatin Valley Water District (35%), and the cities of Hillsboro (31%), Forest Grove (2.5%), and Beaverton (21.5%). The Commission is governed by one member from each entity. The operating costs of the joint venture are shared by the participating agencies and are reported as an operating expense by the District. The net position of the Commission continues to decline due to depreciation expense which is not funded by the joint venture partners. There are no projects identified in the 10-year capital plan for the Commission. If future projects are identified by the Commission, the District will include its proportionate share of costs in its annual capital improvement plan. The District's year-end equity investment in the Commission was \$2,264.

Financial statements for the Commission may be obtained from the City of Hillsboro Finance Department at 150 East Main Street, Hillsboro, Oregon 97123.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

**Long-term obligations**

In the following table the long-term debt information is presented in respect to governmental activities. Compensated absences are paid by those funds that originally incurred the associated salaries and wages. The information that follows presents current year changes in those obligations and the current portions due for each issue.

	<u>Balance</u>			<u>Balance</u>	<u>Due In</u>	<u>Long-term</u>
	<u>July 1, 2018</u>	<u>Increase</u>	<u>Decreases</u>	<u>June 30, 2019</u>	<u>One Year</u>	<u>portion</u>
<b>Governmental activities:</b>						
Compensated absences	\$ 10,553	11,237	10,553	11,237	11,237	-
Contracts Payable						
US Dept of Interior	245	-	22	223	22	201
Notes Payable						
State of Oregon, Econ. Dev. Dept.	445	-	138	307	150	157
Full Faith & Credit Obligations						
Series 2004	350	-	350	-	-	-
Series 2013 - Refunding	15,345	-	1,620	13,725	1,710	12,015
Series 2016 - Refunding	26,095	-	3,155	22,940	3,460	19,480
Series 2016 B	102,105	-	7,240	94,865	7,650	87,215
Subtotal Notes and FFCO	144,340	-	12,503	131,837	12,970	118,867
General Obligation Bonds						
Series 2016 A (Taxable)	1,995	-	1,585	410	410	-
Series 2016 B (Tax-Exempt)	72,000	-	-	72,000	1,370	70,630
Subtotal GO	73,995	-	1,585	72,410	1,780	70,630
Total Contracts, Notes, FFCO and GO	218,580	-	14,110	204,470	14,772	189,698
Total governmental activities	\$ 229,133	11,237	24,663	215,707	26,009	189,698
				Unamortized bond premium		
				26,633	2,320	24,313
				<u>242,340</u>	<u>28,329</u>	<u>214,011</u>
From the Statement of Net Position:						
Other long-term obligations, current portion, net of premium				\$ 28,329		
Bond and bond anticipation notes payable, net of premium				79,842		
Noncurrent portion of other long term obligations, net of premium				134,169		
Total governmental activities				\$ <u>242,340</u>		

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

In the following table the long-term debt information is presented in respect to business-type activities. The information that follows presents current year changes in those obligations and the current portions due for each issue.

	<u>Balance</u>			<u>Balance</u>	<u>Due In</u>	<u>Long-term</u>
	<u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2019</u>	<u>One Year</u>	<u>portion</u>
<b>Business-type activities:</b>						
Notes Payable						
Farmers Home Administration	\$ 309	-	6	303	6	297
WC Office of Community Development	649	-	-	649	-	649
WC HOME Contracts <sup>(1)</sup>	666	-	56	610	56	554
Berkadia Bank Mortgage 2014	1,997	-	29	1,968	33	1,935
Community Housing Fund	365	-	365	-	-	-
Subtotal notes payable	<u>3,986</u>	<u>-</u>	<u>456</u>	<u>3,530</u>	<u>95</u>	<u>3,435</u>
Housing Authority FFCO						
Series 2009 - Refunding	26,305	-	26,305	-	-	-
Series 2019 - Refunding	-	24,030	-	24,030	495	23,535
Total Notes and FFCO	<u>30,291</u>	<u>24,030</u>	<u>26,761</u>	<u>27,560</u>	<u>590</u>	<u>26,970</u>
Total business-type activities	\$ <u>30,291</u>	<u>24,030</u>	<u>26,761</u>	27,560	590	26,970
			Unamortized bond premium	2,170	87	2,083
				<u>29,730</u>	<u>677</u>	<u>29,053</u>
Housing Authority Notes Payable to County, current portion <sup>(1)</sup>				\$ 56		
Other long-term obligations, current portion, net of premium				<u>621</u>		
Total long term obligations, current portion, net of premium				<u>677</u>		
Housing Authority Notes Payable to County, noncurrent portion <sup>(1)</sup>				1,207		
Noncurrent portion of other long term obligations, net of premium				<u>27,846</u>		
Total other long term obligations, noncurrent portion				<u>29,053</u>		
Total business-type activities				\$ <u>29,730</u>		

<sup>(1)</sup> The Notes Payable to the County and Notes Receivable from the Authority net each other out on the Statement of Net Position; the Notes Payable to the County are correctly included above in the summary of Business-type Activities.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

In the following table the long-term debt information is presented in respect to District activities. The information that follows presents current year changes in those obligations and the current portions due for each issue.

	<u>Balance</u>			<u>Balance</u>	<u>Due In</u>	<u>Long-term</u>
	<u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2019</u>	<u>One Year</u>	<u>portion</u>
<b>District activities:</b>						
Compensated absences	\$ 2,442	2,594	2,442	2,594	2,594	-
Sewer Revenue Bonds						
Series A 2009	6,420	-	3,130	3,290	3,290	-
Series B 2010	83,575	-	3,475	80,100	3,575	76,525
Series A 2011	13,845	-	3,210	10,635	3,375	7,260
Series B 2011	41,185	-	1,965	39,220	2,060	37,160
Series A 2016	33,225	-	-	33,225	-	33,225
Revenue Pension Bonds						
Series 2004	12,775	-	760	12,015	870	11,145
Total bonds	191,025	-	12,540	178,485	13,170	165,315
Total district activities	\$ 193,467	2,594	14,982	181,079	15,764	165,315
			Unamortized bond premium	7,579	1,686	5,893
				188,658	17,450	171,208

District compensated absences (recorded in business-type activities as an accrued payroll liability)	\$ 2,594
Other long-term obligations, current portion, net of discount	14,856
Total current	17,450
Noncurrent portion of other long term obligations, net of discount	171,208
Total district activities	\$ 188,658

**Governmental Activities**

**Contract Payable**

**US Department of Interior** - In March 1980, a contract was issued in the amount of \$1,111 to repay a portion of the development costs incurred by the Federal Government, US Department of Interior, during the construction of Hagg Lake Park. The final maturity is in February 2029. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$ 22	8	3.500%
2021	22	7	3.500%
2022	22	6	3.500%
2023	22	5	3.500%
2024	22	5	3.500%
2025 - 2029	113	12	3.500%
	\$ 223	43	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

Notes Payable

State of Oregon, Economic Development Department - In October 2000, the County issued a note with Oregon Economic Development Department. The note was issued in the amount of \$2,000 to provide funding for the construction of the Harkins House juvenile shelter in October 2000. The final maturity is in December 2020. Detail obligation and interest rates follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$	150	17	5.280%
2021		157	9	5.280%
	\$	<u>307</u>	<u>26</u>	

Full Faith and Credit Obligations

Series 2004 - In May 2004, Full Faith & Credit obligations were issued for \$3,925. These obligations were issued to refinance the 1993 Certificates of Participation originally issued to provide funding for the completion of the Juvenile Justice/Law Library building, construction of a new animal shelter, and completion of several information services projects. This obligation was paid in full in July 2018.

Series 2013 Refunding - In February 2013, Full Faith and Credit obligations were issued for \$18,860 and placed into an irrevocable trust in order to fund the partial advance refunding of the March 2006 – Series 2006 New Money Full Faith & Credit Issue in the amount of \$18,530. As a result, the refunded obligations are considered defeased and the liability has been removed from the governmental activities column of the Statement of Net Position. The final maturity for these obligations is in June 2026. Detail obligation and interest rates follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$	1,710	511	5.000%
2021		1,795	425	5.000%
2022		1,885	336	5.000%
2023		1,975	241	5.000%
2024		2,075	143	2.125%
2025 - 2026		4,285	149	2.250 - 2.350%
	\$	<u>13,725</u>	<u>1,805</u>	

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

**Series 2016 Refunding** - In March 2016, Full Faith and Credit obligations were issued for \$31,960 in order to fund the full refunding of the February 2006 - Series 2006 Refunding Full Faith & Credit Issue in the amount outstanding of \$36,590. The final maturity for these obligations is in June 2026. Detail obligation and interest rates follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$	3,460	1,147	5.000%
2021		3,790	974	5.000%
2022		2,525	785	5.000%
2023		2,805	658	5.000%
2024		3,115	518	5.000%
2025 - 2026		7,245	552	5.000%
	\$	<u>22,940</u>	<u>4,634</u>	

**Series 2016 B** - In December 2016, Full Faith and Credit obligations were issued for \$107,925 in order to fund capital projects for County facilities, the building of an Events Center, and various Major Street Transportation Improvement Program projects. The final maturity for these obligations is in March 2032. Detail obligation and interest rates follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$	7,650	4,481	5.000%
2021		8,085	4,098	5.000%
2022		8,545	3,694	5.000%
2023		9,030	3,267	5.000%
2024		9,540	2,815	5.000%
2025 - 2029		38,705	6,866	4.000 - 5.000%
2030 - 2032		13,310	1,086	4.000%
	\$	<u>94,865</u>	<u>26,307</u>	

**General Obligation Bonds**

**Series 2016 A (Taxable)** - In July 2016, taxable general obligation bonds were issued for \$5,000. These voter-approved obligations were issued to fund updates to the County’s emergency communications system. The final maturity is in June 2020. Detail obligation and interest rates follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$	<u>410</u>	<u>16</u>	1.200%



**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

**Series 2016 B (Tax-Exempt)** - In July 2016, tax-exempt general obligation bonds were issued for \$72,000. These voter-approved obligations were issued to fund updates to the County's emergency communications system. The final maturity is in June 2035. Detail obligation and interest rates follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$	1,370	2,742	5.000%
2021		2,030	2,684	5.000%
2022		2,320	2,582	5.000%
2023		2,635	2,466	5.000%
2024		2,970	2,335	5.000%
2025 - 2029		20,820	9,064	4.000 - 5.000%
2030 - 2034		31,945	4,404	2.000 - 3.250%
2035		7,910	257	3.250%
	\$	<u>72,000</u>	<u>26,534</u>	

**Business-type Activities**

**Housing Authority Notes Payable**

**Farmers Home Administration** - In January 1988, the Authority issued three Farmer's Home Administration notes to purchase Kaybern Terrace (12 units of affordable housing) in North Plains. These notes totaled \$361. The final maturity is in February 2038. Detail obligation and interest rates follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$	6	28	9.000 - 9.500%
2021		7	28	9.000 - 9.500%
2022		8	27	9.000 - 9.500%
2023		8	26	9.000 - 9.500%
2024		9	26	9.000 - 9.500%
2025 - 2029		61	112	9.000 - 9.500%
2030 - 2034		98	75	9.000 - 9.500%
2035 - 2038		106	19	9.000 - 9.500%
	\$	<u>303</u>	<u>341</u>	

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

**Office of Community Development** - In June 2010, the Office of Community Development (OCD) provided funding under the Neighborhood Stabilization Program to acquire properties for low income housing. The note was in the amount of \$649 and is due when the properties are sold. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
Due on sale	\$ 649	-	0.000%

**HOME Contracts** - In November 1995, the OCD Home Loan for the Authority was issued at the time of the purchase of Amberwood. This property was financed with this note as well as with two revenue bond issues. This note was in the amount of \$604. The final maturity date will be December 2020. In September 2003, the OCD Home Loan for the Authority was issued to finance improvements to the Bonita Villa affordable housing property. This note was in the amount of \$500. The final maturity is in June 2029. Detail obligation and interest rates for the two loans follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$ 56	15	3.000%
2021	56	15	3.000%
2022	-	15	3.000%
2023	-	15	3.000%
2024	-	15	3.000%
2025 - 2029	498	75	3.000%
	\$ <u>610</u>	<u>150</u>	

**Berkadia Bank Mortgage** - In August 2014, the Authority refinanced the Aloha Park Apartments through a HUD FFA 223 (f) multi-family loan in August 2014. The proceeds of \$2,107 from the refinancing are primarily used to increase available cash flow. The final maturity is in August 2049. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$ 33	82	4.180%
2021	35	80	4.180%
2022	36	79	4.180%
2023	38	77	4.180%
2024	39	76	4.180%
2025 - 2029	222	352	4.180%
2030 - 2034	273	300	4.180%
2035 - 2039	337	237	4.180%
2040 - 2044	415	158	4.180%
2045 - 2049	511	62	4.180%
2050	29	-	4.180%
	\$ <u>1,968</u>	<u>1,503</u>	

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

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(Dollars in thousands)

**Community Housing Fund Loan** - In November 2016, the Authority entered into a predevelopment loan agreement with the Community Housing Fund for a total of \$365. This note was paid in full in fiscal year 2019.

**Housing Authority Full Faith & Credit Obligations**

**Series 2009 Refunding** - In November 2009, Full Faith & Credit obligations were issued for \$28,985. These obligations were issued on behalf of the Housing Authority of Washington County to provide for the current refunding of the Series 1999A, 2001A, 2001B, and 2002A Housing Authority Revenue Bond issues.

The purpose of the refunding was to reduce the annual debt service incurred by the Authority through lower interest rates and a longer maturity. This obligation was fully refunded in June of 2019.

**Series 2019 Refunding** - In June 2019, Full Faith & Credit obligations were issued for \$24,030. These obligations were issued on behalf of the Housing Authority of Washington County to provide for the current refunding of the Series 2019 Refunding Full Faith and Credit obligation. The bond refunding was issued with a net premium of \$2,170 and the reduced debt service payments over the life of the obligation are estimated to result in \$5,170 in net present value savings for the Authority. Final maturity date is in July 2044.

The purpose of the current refunding was to reduce the annual debt service incurred by the Authority through lower interest rates. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$ 495	520	5.000%
2021	535	892	5.000%
2022	565	864	5.000%
2023	590	836	5.000%
2024	615	805	5.000%
2025 - 2029	3,090	3,530	5.000%
2030 - 2034	4,565	2,629	3.000 - 5.000%
2035 - 2039	5,625	1,625	3.000%
2040 - 2044	6,510	713	3.000%
2045	1,440	22	3.000%
	<u>\$ 24,030</u>	<u>12,436</u>	

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

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**District-type activities**

**Sewer Revenue Bonds**

The District issues sewer revenue bonds for capital expansion of the sewer treatment plants and collection system. All the sewer revenue bonds are paid with the District's net revenue as defined in the bond indenture agreements.

**Series A 2009** - Issued March 2009 in the amount of \$58,755. The final maturity is in October 2019. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$ 3,290	82	5.000%

**Series B 2010** - Issued April 2010 in the amount of \$90,260. The final maturity is in October 2035. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$ 3,575	4,287	4.628%
2021	3,680	4,120	4.728%
2022	3,790	3,946	4.828%
2023	3,905	3,762	4.978%
2024	4,030	3,567	5.078%
2025 - 2029	22,290	14,434	5.228% - 5.701%
2030 - 2034	26,695	7,495	5.701% - 5.801%
2035 - 2036	12,135	709	5.801%
	\$ <u>80,100</u>	<u>42,322</u>	

**Series A 2011** - Issued August 2011 in the amount of \$30,255. The final maturity is in October 2021. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$ 3,375	447	5.000%
2021	3,540	275	5.000%
2022	3,720	93	5.000%
	\$ <u>10,635</u>	<u>815</u>	

**WASHINGTON COUNTY, OREGON**

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**Series B 2011** - Issued August 2011 in the amount of \$50,000. The final maturity is in October 2032. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$ 2,060	1,635	5.000%
2021	2,165	1,530	5.000%
2022	2,275	1,419	5.000%
2023	2,380	1,314	4.000%
2024	2,475	1,217	4.000%
2025 - 2029	14,215	4,255	4.000 - 5.000%
2030 - 2033	13,650	1,119	4.000%
	<u>\$ 39,220</u>	<u>12,489</u>	

**Series A 2016** - Issued October 2016 in the amount of \$33,225 to partially advance refund the March 2009 – Series A 2009 Sewer Revenue Bonds in the amount outstanding of \$38,620. The refunding was undertaken to reduce total future debt service payments and results in a net present savings of \$5,300. The acquisition price exceeded the net carrying amount of the old debt by \$3,969, which is being netted against the new debt and amortized over the remaining life of the advance refunded debt. The final maturity is in October 2028. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$ -	1,661	5.000%
2021	3,180	1,582	5.000%
2022	3,340	1,419	5.000%
2023	3,515	1,247	5.000%
2024	3,690	1,067	5.000%
2025 - 2029	19,500	2,345	5.000%
	<u>\$ 33,225</u>	<u>9,321</u>	

**Pension Revenue Bonds**

**Series 2004** - In May 2004, the District issued \$15,990 of pension revenue bonds to pay its unfunded pension liability with PERS. The pension revenue bonds are payable from gross sewer revenues. Final maturity is in June 2028. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$ 870	729	6.015%
2021	990	677	6.015%
2022	1,125	617	6.015%
2023	1,265	549	6.015%
2024	1,415	473	6.095%
2025 - 2028	6,350	924	6.095%
	<u>\$ 12,015</u>	<u>3,969</u>	

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

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**Defeased Debt – District**

In prior years, the District defeased certain bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service on the defeased bonds. Accordingly, the trust account assets and the related liability for those defeased bonds are not included in the District’s financial statements. As of June 30, 2019, prior years' refunded revenue bonds defeased totaled \$38,620.

**Conduit Debt Obligations - Authority**

The Authority has issued multi-family Housing Revenue Bonds to provide financial assistance to private sector entities for the construction, acquisition and rehabilitation of affordable housing. The bonds are fully secured by letters of credit and are payable solely from payments received from the developer on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. The bonds do not constitute a debt or pledge of the faith and credit of the Authority, the County, or the state and, accordingly, have not been reported in the accompanying basic financial statements.

As of June 30, 2019, there were two series of multi-family Housing Revenue Bonds outstanding, with an aggregate principal amount payable of \$35,157.

**Capital Lease Obligations - County**

Changes in the capital lease obligations for the year ended June 30, 2019, are as follows:

	<u>Outstanding July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding June 30, 2019</u>
Capital lease obligations \$	<u>270</u>	<u>-</u>	<u>(270)</u>	<u>-</u>

**Motorola Solutions 2011 Lease** - In 2011 the County entered into a capital lease obligation with Motorola Solutions for the purchase of a Zone Controller Tower at Washington County Consolidated Communication Agency in the amount of \$2,284. This equipment has an estimated useful life of 7 years and this year \$54 was included in depreciation expense, leaving a remaining net book value of \$0. This is a non-cancelable lease agreement. This lease was paid in full in October 2018.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

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**Operating Leases - County**

The County leases various buildings and land for use in their operations under cancelable and non-cancelable operating leases. Total costs for such leases were approximately \$1,180 for the year ended June 30, 2019.

The future minimum lease payments for the non-cancelable operating leases are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2020	\$ 1,119
2021	1,111
2022	1,055
2023	1,055
2024	1,055
2025 - 2029	3,595
2030	177
	<u>\$ 9,167</u>

**Operating Leases - District**

The District leases various equipment, buildings and land for use in their operations under cancelable and non-cancelable operating leases. Total costs for such leases were approximately \$78 for the year ended June 30, 2019.

The future minimum lease payments for the non-cancelable operating leases are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2020	\$ 58
2021	58
2022	58
2023	58
	<u>\$ 232</u>

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

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**Due To/From Other funds**

Interfund accounts at June 30, 2019, consist of:

<u>Fund</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Advances from Other Funds</u>	<u>Advances to Other Funds</u>
Major governmental funds:				
General Fund	\$ —	1,827	—	132
Other Governmental Funds	1,826	—	132	—
Agency Funds	1	—	—	—
	<u>\$ 1,827</u>	<u>1,827</u>	<u>132</u>	<u>132</u>

Interfund receivables of the General Fund consist of \$1,826 cash advanced to the non-major funds, and \$1 advanced to the Agency Funds to cover negative cash balances at year-end. Interfund advances of the General Fund consist of \$132 cash loaned to the Statewide Transportation Improvement Fund (STIF) to provide extended service hours on the North Hillsboro Shuttle between January and June 2019.

**4. Other information**

**Pension Plan – County**

Description

Substantially all County employees are members in the Oregon Public Employees Retirement System (OPERS); a cost-sharing multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for government units in the State of Oregon. Employees hired before August 29, 2003 belong to the Tier One/Tier Two Retirement Benefit Program (established pursuant to ORS Chapter 238), while employees hired on or after August 29, 2003 belong to the OPSRP Pension Program (established pursuant to ORS Chapter 238A).

The State of Oregon PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700, by calling 888-320-7377, or by viewing the PERS website at [www.oregon.gov/pers](http://www.oregon.gov/pers).



## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

#### Benefits Provided

##### Tier One/Tier Two Retirement Benefit

*Pension Benefits.* The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at a minimum retirement age for a service retirement allowance if he or she has had contributions in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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

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

*Disability Benefits.* A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefit regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

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*Benefit Changes After Retirement.* Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

#### OPSRP Pension Program

*Pension Benefits.* The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by formula for members who attain normal retirement age. For general service members, 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. For police and fire members, 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

*Death Benefits.* Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

*Disability Benefits.* A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

*Benefit Changes After Retirement.* Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

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Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2015 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2017, and include a required percentage contribution for retiree healthcare. The County's contribution rates for the period were 22.36% of covered employees' salaries for Tier One/Tier Two members, 14.05% for OPSRP general service members, and 18.82% for OPSRP police members. The County's total contributions were \$26,356. Covered employees are required to contribute 6% of their annual covered salary to the Plan.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the County reported a liability of \$228,819 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the County's proportion was 1.51%, which is 0.04% less than its proportion of 1.55% measured as of June 30, 2018.

For the year ended June 30, 2019, the County recognized pension expense of \$40,869 for the defined benefit portion of the pension plan as a result of the adoption of GASB Statement No. 68. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,784	—
Changes of assumptions	53,200	—
Net difference between projected and actual earnings on investments	—	10,161
Changes in proportionate share	33	13,150
Differences between employer contributions and employer's proportionate share of system contributions	<u>5,673</u>	<u>1,162</u>
<b>Subtotal</b>	66,690	24,473
Contributions subsequent to the measurement date	<u>26,356</u>	—
<b>Total</b>	\$ <u><u>93,046</u></u>	<u><u>24,473</u></u>

Deferred outflows of resources related to pensions of \$26,356 resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2020	\$ (25,213)
2021	(17,281)
2022	4,010
2023	(2,396)
2024	<u>(1,337)</u>
	\$ <u><u>(42,217)</u></u>

Actuarial Methods and Assumptions

The employer contribution rates effective July 1, 2017 through June 30, 2019 were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

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For the OPSRP Pension Program component of the PERS Defined Benefit Plan this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study	2016, published July 26, 2017
Actuarial Assumptions:	
Inflation Rate	2.50%
Long-term Expected Rate of Return	7.20%
Discount Rate	7.20%
Projected Salary Increases	3.50%
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<i>Healthy retirees and beneficiaries:</i> RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <i>Active members:</i> RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <i>Disabled retirees:</i> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 experience study which reviewed experience for the four-year period ended on December 31, 2016.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

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Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Policy Range</u>		<u>Target Allocation</u>
	<u>Low Range</u>	<u>High Range</u>	
Cash	0.00%	3.00%	0.00%
Debt Securities	15.00%	25.00%	20.00%
Public Equity	32.50%	42.50%	37.50%
Real Estate	9.50%	15.50%	12.50%
Private Equity	13.50%	21.50%	17.50%
Alternative Investments	0.00%	12.50%	12.50%
Opportunity Portfolio <sup>(1)</sup>	0.00%	3.00%	0.00%
Total			<u>100.00%</u>

<sup>(1)</sup> Opportunity Portfolio is an investment strategy and it may be invested up to 3% of total plan assets.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual Return (Geometric)</u>	<u>Standard Deviation</u>
Core Fixed Income	8.00%	3.59%	3.49%	4.55%
Short-Term Bonds	8.00%	3.42%	3.38%	2.70%
Bank/Leveraged Loans	3.00%	5.34%	5.09%	7.50%
High Yield Bonds	1.00%	6.90%	6.45%	10.00%
Large/Mid Cap US Equities	15.75%	7.45%	6.30%	16.25%
Small Cap US Equities	1.31%	8.49%	6.69%	20.55%
Micro Cap US Equities	1.31%	9.01%	6.80%	22.90%
Developed Foreign Equities	13.13%	8.21%	6.71%	18.70%
Emerging Market Equities	4.13%	10.53%	7.45%	27.35%
Non-US Small Cap Equities	1.88%	8.67%	7.01%	19.75%
Private Equity	17.50%	11.45%	7.82%	30.00%
Real Estate (Property)	10.00%	6.15%	5.51%	12.00%
Real Estate (REITS)	2.50%	8.26%	6.37%	21.00%
Hedge Fund of Funds - Diversified	2.50%	4.36%	4.09%	7.80%
Hedge Fund - Event-driven	0.63%	6.21%	5.86%	8.90%
Timber	1.88%	6.37%	5.62%	13.00%
Farmland	1.88%	6.90%	6.15%	13.00%
Infrastructure	3.75%	7.54%	6.60%	14.65%
Commodities	1.88%	5.43%	3.84%	18.95%
Assumed Inflation - Mean			2.50%	1.85%

\*Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Fund, revised as of June 7, 2017.

### Discount Rate

The discount rate used to measure the total pension liability was 7.20% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

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#### Plan Changes

In June 2019, the Senate Bill (SB) 1049 was enacted by the State of Oregon. The bill made certain changes to PERS pension plans, including a onetime 22-year re-amortization of the unamortized actuarial liability for Tier 1 and Tier 2 employees and contribution rate adjustments. The overall impact to the County's net pension liability and related balances is not known at this time. In August 2019, a petition was filed with the Oregon Supreme Court challenging the constitutionality of certain portions of SB 1049. The County cannot predict whether the petitioners will be successful in whole or in part nor what the impact of a successful challenge may be. Further, the County cannot predict whether SB 1049 will be subject to additional legal challenges that could affect some or all of its provisions.

#### Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the total pension liability. The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position is projected to cover benefit payments and administrative expenses. GASB 68 does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made.

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- PERS has a formal policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period which means that the payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projects regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is OPERS's independent actuary's opinion that the detailed depletion date projections would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

#### Payable to OPERS

At June 30, 2019, the County's payable to OPERS for defined benefit contributions was \$1,225. This amount represents legally required contributions to the plan for services incurred in the current fiscal year.



**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

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Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County’s proportionate share of the net pension liability, calculated using the discount rate of 7.20%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>6.20%</u>	<u>7.20%</u>	<u>8.20%</u>
County's proportionate share of the net pension liability	\$ <u>382,402</u>	<u>228,819</u>	<u>102,051</u>

Funding of New OPERS Side Account

The County made a one-time \$14.5 million payment to establish a new side account with OPERS during the fiscal year. This side account will be utilized to cover the unfunded pension liability and to stabilize future OPERS rate increases. The County recognized an immediate reduction to the employer contribution rate applied against payroll of 0.76%.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued OPERS financial report.

Individual Account Program

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003 and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS’ members retain their existing OPERS accounts, but any future member contributions are deposited into the member’s IAP, not the member’s OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system so long as they remain in covered employment.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

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(Dollars in thousands)

Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. This six percent contribution is deducted out of all County employees' pay with the exception of those represented by the Washington County Police Officers Association, where the County makes this contribution on their behalf. The County contributed approximately \$8,919 for the year ended June 30, 2019, of which approximately \$7,103 was recovered through employee payroll deductions.

#### **Pension Plan – District**

##### Description

Substantially all District employees are members in the Oregon Public Employees Retirement System (OPERS); a cost-sharing multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for government units in the State of Oregon. Employees hired before August 29, 2003 belong to the Tier One/Tier Two Retirement Benefit Program (established pursuant to ORS Chapter 238), while employees hired on or after August 29, 2003 belong to the OPSRP Pension Program (established pursuant to ORS Chapter 238A).

The State of Oregon PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700, by calling 888-320-7377, or by viewing the PERS website at [www.oregon.gov/pers](http://www.oregon.gov/pers).

##### Benefits Provided

###### Tier One/Tier Two Retirement Benefit

*Pension Benefits.* The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

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(Dollars in thousands)

A member is considered vested and will be eligible at a minimum retirement age for a service retirement allowance if he or she has had contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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

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

*Disability Benefits.* A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefit regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

*Benefit Changes After Retirement.* Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the COLA is capped at 2.00%.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

OPSRP Pension Program

*Pension Benefits.* The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by formula for members who attain normal retirement age. For general service members, 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. For police and fire members, 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

*Death Benefits.* Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

*Disability Benefits.* A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

*Benefit Changes After Retirement.* Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2016 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2018, and include a required percentage contribution for retiree healthcare. The District's contribution rates for the period were 16.29% for Tier One/Tier Two member and 8.90% for OPSRP General Service members. The District's total contributions were \$5,402. Covered employees are required to contribute 6% of their annual covered salary to the Plan.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the District reported a liability of \$42,448 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the District's proportion was 0.28%, which is 0.01% more than its proportion of 0.27% measured as of June 30, 2018.

For the year ended June 30, 2019, the District recognized pension expense of \$8,114 for the deferred benefit portion of the pension plan. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,444	—
Changes of assumptions	9,869	—
Net difference between projected and actual earnings on investments	—	1,885
Changes in proportionate share	1,478	96
Differences between employer contributions and employer's proportionate share of system contributions	—	720
<b>Subtotal</b>	<b>12,791</b>	<b>2,701</b>
Contributions subsequent to the measurement date	5,402	—
Side account funded during the period	15,000	
Amortization of side account during period	<u>(1,823)</u>	<u>—</u>
<b>Total</b>	<b>\$ <u>31,370</u></b>	<b><u>2,701</u></b>

Deferred outflows of resources related to pensions of \$5,402 resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Deferred outflows of resources related to pensions of \$15,000 resulting from the District funding a new side account during the period, which will be amortized over 20 years along with related investment gains/losses. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension income as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2020	\$ (5,309)
2021	(3,919)
2022	137
2023	(720)
2024	<u>(279)</u>
	<b>\$ <u>(10,090)</u></b>

**Actuarial Methods and Assumptions**

The employer contribution rates effective July 1, 2017 through June 30, 2019 were set using the entry age actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial methods and assumptions:

County & CWS - Pension Related Actuarial Methods and Assumptions

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study	2016, published July 26, 2017
Actuarial Assumptions:	
Inflation Rate	2.50%
Long-term Expected Rate of Return	7.20%
Discount Rate	7.20%
Projected Salary Increases	3.50%
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<i>Healthy retirees and beneficiaries:</i>  RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.  <i>Active members:</i>  RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.  <i>Disabled retirees:</i>  RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 experience study which reviewed experience for the four-year period ending on December 31, 2016.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>		
	<u>Low Range</u>	<u>High Range</u>	<u>Target</u>
Cash	0.00%	3.00%	0.00%
Debt Securities	15.00%	25.00%	20.00%
Public Equity	32.50%	42.50%	37.50%
Real Estate	9.50%	15.50%	12.50%
Private Equity	13.50%	21.50%	17.50%
Alternative Investments	0.00%	12.50%	12.50%
Opportunity Portfolio <sup>(1)</sup>	0.00%	3.00%	0.00%
Total			<u>100.00%</u>

<sup>(1)</sup> Opportunity Portfolio is an investment strategy and it may be invested up to 3% of total plan assets.



## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual Return (Geometric)</u>	<u>Standard Deviation</u>
Core Fixed Income	8.00%	3.59%	3.49%	4.55%
Short-Term Bonds	8.00%	3.42%	3.38%	2.70%
Bank/Leveraged Loans	3.00%	5.34%	5.09%	7.50%
High Yield Bonds	1.00%	6.90%	6.45%	10.00%
Large/Mid Cap US Equities	15.75%	7.45%	6.30%	16.25%
Small Cap US Equities	1.31%	8.49%	6.69%	20.55%
Micro Cap US Equities	1.31%	9.01%	6.80%	22.90%
Developed Foreign Equities	13.13%	8.21%	6.71%	18.70%
Emerging Market Equities	4.13%	10.53%	7.45%	27.35%
Non-US Small Cap Equities	1.88%	8.67%	7.01%	19.75%
Private Equity	17.50%	11.45%	7.82%	30.00%
Real Estate (Property)	10.00%	6.15%	5.51%	12.00%
Real Estate (REITS)	2.50%	8.26%	6.37%	21.00%
Hedge Fund of Funds - Diversified	2.50%	4.36%	4.09%	7.80%
Hedge Fund - Event-driven	0.63%	6.21%	5.86%	8.90%
Timber	1.88%	6.37%	5.62%	13.00%
Farmland	1.88%	6.90%	6.15%	13.00%
Infrastructure	3.75%	7.54%	6.60%	14.65%
Commodities	1.88%	5.43%	3.84%	18.95%
Assumed Inflation - Mean			2.50%	1.85%

\*Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Fund, revised as of June 7, 2017.

### Discount Rate

The discount rate used to measure the total pension liability was 7.20% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

#### Plan Changes

In June 2019, the Senate Bill (SB) 1049 was enacted by the State of Oregon. The bill made certain changes to PERS pension plans, including a onetime 22-year re-amortization of the unamortized actuarial liability for Tier 1 and Tier 2 employees and contribution rate adjustments. The overall impact to the County's net pension liability and related balances is not known at this time. In August 2019, a petition was filed with the Oregon Supreme Court challenging the constitutionality of certain portions of SB 1049. The District cannot predict whether the petitioners will be successful in whole or in part nor what the impact of a successful challenge may be. Further, the District cannot predict whether SB 1049 will be subject to additional legal challenges that could affect some or all of its provisions.

#### Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the total pension liability. The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position is projected to cover benefit payments and administrative expenses. GASB 68 does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made.

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- PERS has a formal policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that the payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projects regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is OPERS's independent actuary's opinion that the detailed depletion date projections would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

#### Payable to OPERS

At June 30, 2019, the District's payable to OPERS for defined benefit contributions was \$223. This amount represents legally required contributions to the plan for services incurred in the current fiscal year.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20%, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>6.20%</b>	<b>7.20%</b>	<b>8.20%</b>
District's proportionate share of the net pension liability	\$ 70,939	42,448	18,931

Funding of New OPERS Side Account

The District made a one-time \$15.0 million payment to establish a new side account with OPERS during the fiscal year. This side account will be utilized to cover the unfunded pension liability and to stabilize future OPERS rate increases. The County recognized an immediate reduction to the employer contribution rate applied against payroll of 3.57%.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued OPERS financial report.

Individual Account Program

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003 and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS’ members retain their existing OPERS accounts, but any future member contributions are deposited into the member’s IAP, not the member’s OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system so long as they remain in covered employment.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. The District makes this contribution on behalf of its employees. The District contributed approximately \$1,857 for the year ended June 30, 2019.

#### **Other Post-Employment Benefits – County**

##### Plan Description

The County is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75) is applicable to the County due to the resulting implicit rate subsidy. The County's postemployment benefit plan is a single-employer plan and is substantially the same plan that is provided to current employees. This is not a stand-alone plan and there are no separately issued financial statements.

##### Funding Policy

The County collects insurance premiums from all retirees each month. The County then pays health and dental insurance premiums for all retirees at the blended rate for each family classification. The required contributions to the plan include the employer's pay-as-you-go amount, an amount paid by retirees, and an additional amount calculated to pre-fund future benefits as determined by the actuary.

For fiscal year 2018-19, the County contributed \$603 and retirees made payments of \$1,172. The County has elected to not pre-fund the actuarially determined future cost amount of \$3,528.

As of the valuation date of June 30, 2018, there were 131 retirees and surviving spouses participating in the County's OPEB plan with an average retirement age of 56.7 years and current average age of 60.8 years.

##### County OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the County's OPEB Obligation

The County's total OPEB liability of \$3,528 was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2019.

For the fiscal year ended June 30, 2019, the County recognized OPEB expense from this plan of \$235. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to the County's OPEB plan from the following sources:

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 142	—
Changes of assumptions	<u>—</u>	<u>513</u>
<b>Total</b>	<b>\$ <u>142</u></b>	<b><u>513</u></b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2020	\$ 40
2021	40
2022	40
2023	40
2024	40
Thereafter	<u>171</u>
	<b>\$ <u>371</u></b>

Actuarial Assumptions and Other Inputs

The total County OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

# WASHINGTON COUNTY, OREGON

## Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal, level percent of salary
Actuarial Assumptions:	
Discount Rate	3.87% (increased from 3.00%)
Inflation Rate	2.50%
Projected Salary Increases	3.50%
Premium Rate	5.00%
Enrollment Rate	15.00% (decreased from 20.00%)
Covered Dependents	45.00% (increased from 40.00)
Persistence	6.00% (decreased from 8.00%)
Spouse's Age	Male spouses are assumed to be 2 years older than female spouses
Disability Rate	Assumed immaterial for purposes of this actuarial valuation
Mortality	<i>Healthy retirees and beneficiaries:</i> RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. <i>Active members:</i> Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. <i>Disabled retirees:</i> Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial valuations are performed biennially as of June 30<sup>th</sup>. The methods and assumptions shown above are based on the June 30, 2018 actuarial valuation.

### Changes in the Total County OPEB Obligation

	<u>Total County OPEB Obligation</u>
<b>Balance at 6/30/18</b>	\$ 3,856
Benefit payments	(603)
Service cost	138
Interest on total OPEB obligation	137
<b>Balance at 6/30/19</b>	<u>\$ 3,528</u>

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

Sensitivity of the County Total OPEB Liability

The following presents the total County OPEB obligation as well as what the County’s total OPEB obligation would be if it were calculated using a discount rate that is 1% lower (2.87%) or 1% higher (4.87%) than the current discount rate:

	<u>1% Decrease</u> <u>2.87%</u>	<u>Current</u> <u>Discount Rate</u> <u>3.87%</u>	<u>1% Increase</u> <u>4.87%</u>
Total County OPEB Obligation	\$ 3,779	3,528	3,297

The following presents the total County OPEB obligation as well as what the County’s OPEB obligation would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current</u> <u>Health Care</u> <u>Trend Rates</u>	<u>1% Increase</u>
Total County OPEB Obligation	\$ 3,203	3,528	3,909

**Other Post-Employment Benefits – District**

Plan Description

The District offers health benefits to retirees under age 65 as well as their qualified dependents at the same rate provided to current employees, as required by Oregon Revised Statutes 243.303. Retirees electing to remain on the District sponsored health plans pay the entire premium for that coverage in order to maintain coverage. Even though the District does not pay any portion of the retiree premium, there is an implicit rate subsidy with respect to retired employees because the medical premium rates charged are less than they would be if the retirees were in a separately rated health plan. Actual medical premium rates are determined by blending both active employee and retiree experience. This “plan” is a single-employer plan and is not a stand-alone plan, and therefore does not issue its own financial statements. No formal/legal trust has been established for the handling of resources used to fund this benefit.

Funding Policy

The District collects insurance premiums from all retirees each month. The District then pays the health insurance premiums for all retirees at the blended rate for each family classification. The required contributions to the plan include the entity’s pay-as-you-go amount, an amount paid by retirees and an additional amount calculated to prefund future benefits as determined by the actuary.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

For fiscal year 2018-19, the District contributed \$163 consisting of retiree payments. The District has elected to not pre-fund the actuarially determined future cost amount of \$1,046.

As of the valuation date of July 1, 2017, there were 147 retirees and surviving spouses participating in the District’s OPEB plan.

District OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the District’s OPEB Obligation

The District’s total OPEB liability of \$1,046 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2017.

For the fiscal year ended June 30, 2019, the District recognized OPEB expense from this plan of \$93. At June 30, 2019, the District reported no deferred outflows of resources or deferred inflows of resources related to the District’s OPEB plan.

Actuarial Assumptions and Other Inputs

The total District OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Valuation Date	July 1, 2017
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal, level percent of salary
Actuarial Assumptions:	
Discount Rate	3.75%
Inflation Rate	2.50%
Projected Salary Increases	3.50%
Premium Rate	Declining rate starting at 7.00% in 2018 and ending at 5.0% in 2037 and beyond
Enrollment Rate	Current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled, if any.
Covered Dependents	80% of future retirees electing coverage are assumed to cover a spouse as well.
Persistence	6.00% (decreased from 8.00%)
Spouse's Age	Male spouses are assumed to be 3 years older than female spouses
Mortality	Basic table: RP 2014, Employee/Healthy Annuitant, sex distinct, generational. Improvement Scale: Unisex Social Security Data Scale (60 year average) Male Adjustments: Blended 50% blue collar/50% white collar, no set back. Female Adjustments: Blended 50% blue collar/50% white collar, no set back.



**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial valuations are performed annually as of July 1<sup>st</sup>. The methods and assumptions shown above are based on the July 1, 2017 actuarial valuation.

Changes in the Total District OPEB Obligation

	<b>Total District OPEB Obligation</b>	
<b>Balance at 6/30/18</b>	\$	1,050
Benefit payments		(93)
Service cost		51
Interest on total OPEB obligation		38
<b>Balance at 6/30/19</b>	\$	<u>1,046</u>

Sensitivity of the District Total OPEB Liability

The following presents the total District OPEB obligation as well as what the District’s total OPEB obligation would be if it were calculated using a discount rate that is 1% lower (2.75%) or 1% higher (4.75%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<u>2.75%</u>	<u>3.75%</u>	<u>4.75%</u>
Total District OPEB Obligation	\$ <u>1,110</u>	<u>1,046</u>	<u>985</u>

The following presents the total District OPEB obligation as well as what the District’s OPEB obligation would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Current Health Care Trend Rates</b>	<b>1% Increase</b>
Total District OPEB Obligation	\$ <u>944</u>	<u>1,046</u>	<u>1,163</u>

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

#### **Retirement Health Insurance Account (RHIA) - County**

##### Plan Description

As a member of the Oregon Public Employees Retirement System (OPERS), the County contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefits other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefits provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired on or after August 29, 2003. OPERS issues a publicly available financial report that may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

##### Funding Policy

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

##### Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll first became effective July 1, 2017. The County's contribution rates for the period were 0.50% for Tier 1/Tier 2 members and 0.43% for OPSRP general service and police and fire members. The County's total contributions for the year ended June 30, 2019 was \$682.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

County PERS OPEB RHIA Liability (Asset), OPEB RHIA Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the County’s PERS OPEB Liability (Asset)

At June 30, 2019, the County reported an asset of \$1,464 for its proportionate share of the PERS OPEB RHIA asset. The net PERS OPEB RHIA asset was measured as of June 30, 2018, and the total PERS OPEB RHIA asset used to calculate the net PERS OPEB RHIA asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The County’s proportion of the net PERS OPEB RHIA asset was based on a projection of the County’s long-term share of contributions to the PERS OPEB RHIA plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the County’s proportion was 1.31%, which is 0.04% higher than its proportion of 1.27% measured as of June 30, 2018.

For the year ended June 30, 2019, the County recognized pension income of \$142 for the PERS OPEB RHIA plan as a result of the adoption of GASB Statement No. 75. At June 30, 2019, the County reported deferred outflows or resources and deferred inflows of resources related to the PERS OPEB RHIA from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ —	83
Changes of assumptions	—	5
Net difference between projected and actual earnings on investments	—	316
Changes in proportionate share	—	<u>10</u>
<b>Subtotal</b>	—	414
Contributions subsequent to the measurement date	<u>682</u>	—
<b>Total</b>	\$ <u><u>682</u></u>	<u><u>414</u></u>

Deferred outflows of resources related to the PERS OPEB RHIA of \$682 resulting from the County’s contributions subsequent to the measurement date will be recognized as an increase of the net PERS OPEB RHIA asset in the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to the PERS OPEB RHIA will be recognized in PERS OPEB RHIA income as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2020	\$ 138
2021	137
2022	107
2023	<u>32</u>
	\$ <u><u>414</u></u>

# WASHINGTON COUNTY, OREGON

## Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

### Actuarial Methods and Assumptions

The total PERS OPEB liability (asset) in the December 31, 2016 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study	2016, published July 26, 2017
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50%
Long-term Expected Rate of Return	7.20%
Discount Rate	7.20%
Projected Salary Increases	3.50%
Retiree Healthcare Participation	Healthy retirees: 38%; Disabled retirees: 20%
Healthcare Cost Trend Rate	Not applicable
Mortality	<i>Healthy retirees and beneficiaries:</i> RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. <i>Active members:</i> Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. <i>Disabled retirees:</i> Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 experience study which reviewed experience for the four-year period ended on December 31, 2016.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Policy Range</u>		<u>Target Allocation</u>
	<u>Low Range</u>	<u>High Range</u>	
Cash	0.00%	3.00%	0.00%
Debt Securities	15.00%	25.00%	20.00%
Public Equity	32.50%	42.50%	37.50%
Real Estate	9.50%	15.50%	12.50%
Private Equity	13.50%	21.50%	17.50%
Alternative Investments	0.00%	12.50%	12.50%
Opportunity Portfolio <sup>(1)</sup>	0.00%	3.00%	0.00%
Total			<u>100.00%</u>

<sup>(1)</sup> Opportunity Portfolio is an investment strategy and it may be invested up to 3% of total plan assets.

# WASHINGTON COUNTY, OREGON

## Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual Return (Geometric)</u>	<u>Standard Deviation</u>
Core Fixed Income	8.00%	3.59%	3.49%	4.55%
Short-Term Bonds	8.00%	3.42%	3.38%	2.70%
Bank/Leveraged Loans	3.00%	5.34%	5.09%	7.50%
High Yield Bonds	1.00%	6.90%	6.45%	10.00%
Large/Mid Cap US Equities	15.75%	7.45%	6.30%	16.25%
Small Cap US Equities	1.31%	8.49%	6.69%	20.55%
Micro Cap US Equities	1.31%	9.01%	6.80%	22.90%
Developed Foreign Equities	13.13%	8.21%	6.71%	18.70%
Emerging Market Equities	4.13%	10.53%	7.45%	27.35%
Non-US Small Cap Equities	1.88%	8.67%	7.01%	19.75%
Private Equity	17.50%	11.45%	7.82%	30.00%
Real Estate (Property)	10.00%	6.15%	5.51%	12.00%
Real Estate (REITS)	2.50%	8.26%	6.37%	21.00%
Hedge Fund of Funds - Diversified	2.50%	4.36%	4.09%	7.80%
Hedge Fund - Event-driven	0.63%	6.21%	5.86%	8.90%
Timber	1.88%	6.37%	5.62%	13.00%
Farmland	1.88%	6.90%	6.15%	13.00%
Infrastructure	3.75%	7.54%	6.60%	14.65%
Commodities	1.88%	5.43%	3.84%	18.95%
Assumed Inflation - Mean			2.50%	1.85%

\*Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Fund, revised as of June 7, 2017.

### Discount Rate

The discount rate used to measure the total PERS OPEB RHIA liability (asset) was 7.20% for the RHIA Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those contributing employers are made at contractually required rates, actuarially determined. Based on this assumption, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability (asset).

### Depletion Date Projection

GASB 75 generally requires that a blended discount rate be used to measure the total PERS OPEB RHIA liability (asset). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position is projected to cover benefit payments and administrative expenses. GASB 75 does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- PERS has a formal policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period which means that the payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 75 specifies that the projects regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is OPERS’s independent actuary’s opinion that the detailed depletion date projections would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Sensitivity of the County’s Proportionate Share of the Net PERS OPEB RHIA Liability (Asset) to Changes in the Discount Rate

The following presents the County’s proportionate share of the net PERS OBEB RHIA liability (asset) calculated using the discount rate of 7.20%, as well as the County’s proportionate share of the net PERS OPEB RHIA liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate.

	<u>1% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1% Increase</u>
	<u>6.20%</u>	<u>7.20%</u>	<u>8.20%</u>
County's proportionate share of the net PERS OPEB RHIA liability (asset)	\$ <u>(853)</u>	<u>(1,464)</u>	<u>(1,985)</u>

PERS OPEB RHIA Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued OPERS financial report.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

#### **Retirement Health Insurance Account (RHIA) - District**

##### Plan Description

As a member of OPERS, the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefits other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefits provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired on or after August 29, 2003. OPERS issues a publicly available financial report that may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

##### Funding Policy

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

##### Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll first became effective July 1, 2017. The District's contribution rates for the period were 0.50% for Tier 1/Tier 2 members and 0.43% for OPSRP general service members. The District's total contributions for the year ended June 30, 2019 was \$167.



**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

District PERS OPEB RHIA Liability (Asset), OPEB RHIA Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the District's PERS OPEB Liability (Asset)

At June 30, 2019, the District reported an asset of \$336 for its proportionate share of the PERS OPEB RHIA asset. The net PERS OPEB RHIA asset was measured as of June 30, 2018, and the total PERS OPEB RHIA asset used to calculate the net PERS OPEB RHIA asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The District's proportion of the net PERS OPEB RHIA asset was based on a projection of the District's long-term share of contributions to the PERS OPEB RHIA plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the District's proportion was 0.30%, which is 0.02% higher than its proportion of 0.28% measured as of June 30, 2018.

For the year ended June 30, 2019, the District recognized pension income of \$33 for the PERS OPEB RHIA plan as a result of the adoption of GASB Statement No. 75. At June 30, 2019, the District reported deferred outflows or resources and deferred inflows of resources related to the PERS OPEB RHIA from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ —	19
Changes of assumptions	—	1
Net difference between projected and actual earnings on investments	—	73
Changes in proportionate share	—	3
<b>Subtotal</b>	—	96
Contributions subsequent to the measurement date	169	—
<b>Total</b>	\$ <u>169</u>	<u>96</u>

Deferred outflows of resources related to the PERS OPEB RHIA of \$169 resulting from the District's contributions subsequent to the measurement date will be recognized as an increase of the net PERS OPEB RHIA asset in the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to the PERS OPEB RHIA will be recognized in PERS OPEB RHIA income as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2020	\$ 32
2021	32
2022	25
2023	7
	\$ <u>96</u>

# WASHINGTON COUNTY, OREGON

## Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

### Actuarial Methods and Assumptions

The total PERS OPEB liability (asset) in the December 31, 2016 actuarial valuation was determined using the following actuarial methods and assumptions:

#### County & CWS - PERS OPEB RHIA Related Actuarial Methods and Assumptions

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study	2016, published July 26, 2017

#### Actuarial Assumptions:

Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50%
Long-term Expected Rate of Return	7.20%
Discount Rate	7.20%
Projected Salary Increases	3.50%
Retiree Healthcare Participation	Healthy retirees: 38%; Disabled retirees: 20%
Healthcare Cost Trend Rate	Not applicable
Mortality	<i>Healthy retirees and beneficiaries:</i> RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. <i>Active members:</i> Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. <i>Disabled retirees:</i> Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 experience study which reviewed experience for the four-year period ending on December 31, 2016.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

#### Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>		
	<u>Low Range</u>	<u>High Range</u>	<u>Target</u>
Cash	0.00%	3.00%	0.00%
Debt Securities	15.00%	25.00%	20.00%
Public Equity	32.50%	42.50%	37.50%
Real Estate	9.50%	15.50%	12.50%
Private Equity	13.50%	21.50%	17.50%
Alternative Investments	0.00%	12.50%	12.50%
Opportunity Portfolio <sup>(1)</sup>	0.00%	3.00%	0.00%
Total			<u>100.00%</u>

<sup>(1)</sup> Opportunity Portfolio is an investment strategy and it may be invested up to 3% of total plan assets.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual Return (Geometric)</u>	<u>Standard Deviation</u>
Core Fixed Income	8.00%	3.59%	3.49%	4.55%
Short-Term Bonds	8.00%	3.42%	3.38%	2.70%
Bank/Leveraged Loans	3.00%	5.34%	5.09%	7.50%
High Yield Bonds	1.00%	6.90%	6.45%	10.00%
Large/Mid Cap US Equities	15.75%	7.45%	6.30%	16.25%
Small Cap US Equities	1.31%	8.49%	6.69%	20.55%
Micro Cap US Equities	1.31%	9.01%	6.80%	22.90%
Developed Foreign Equities	13.13%	8.21%	6.71%	18.70%
Emerging Market Equities	4.13%	10.53%	7.45%	27.35%
Non-US Small Cap Equities	1.88%	8.67%	7.01%	19.75%
Private Equity	17.50%	11.45%	7.82%	30.00%
Real Estate (Property)	10.00%	6.15%	5.51%	12.00%
Real Estate (REITS)	2.50%	8.26%	6.37%	21.00%
Hedge Fund of Funds - Diversified	2.50%	4.36%	4.09%	7.80%
Hedge Fund - Event-driven	0.63%	6.21%	5.86%	8.90%
Timber	1.88%	6.37%	5.62%	13.00%
Farmland	1.88%	6.90%	6.15%	13.00%
Infrastructure	3.75%	7.54%	6.60%	14.65%
Commodities	1.88%	5.43%	3.84%	18.95%
Assumed Inflation - Mean			2.50%	1.85%

\*Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Fund, revised as of June 7, 2017.

#### Discount Rate

The discount rate used to measure the total PERS OPEB RHIA liability (asset) was 7.20% for the RHIA Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those contributing employers are made at contractually required rates, actuarially determined. Based on this assumption, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability (asset).

#### Depletion Date Projection

GASB 75 generally requires that a blended discount rate be used to measure the total PERS OPEB RHIA liability (asset). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position is projected to cover benefit payments and administrative expenses. GASB 75 does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- PERS has a formal policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period which means that the payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 75 specifies that the projects regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is OPERS’s independent actuary’s opinion that the detailed depletion date projections would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Sensitivity of the District’s Proportionate Share of the Net PERS OPEB RHIA Liability (Asset) to Changes in the Discount Rate

The following presents the District’s proportionate share of the net PERS OBEB RHIA liability (asset) calculated using the discount rate of 7.20%, as well as the District’s proportionate share of the net PERS OPEB RHIA liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate.

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>6.20%</b>	<b>Discount Rate</b>	<b>8.20%</b>
	<u>6.20%</u>	<u>7.20%</u>	<u>8.20%</u>
District's proportionate share of the net pension liability (asset) \$	<u>(196)</u>	<u>(336)</u>	<u>(456)</u>

PERS OPEB RHIA Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued OPERS financial report.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

**Insured Risks - County**

The County periodically assesses the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. The County is not involved in any risk pools with other governmental entities. For dental, workers’ compensation, liability/casualty, and unemployment compensation claims, the County funds such liabilities on a pay-as-you-go basis from its own resources.

As required by an agreement with the third-party administrator of Medicaid funds received from the State, the County has set aside \$7,757 in restricted cash in its non-major governmental funds to cover approximately four months’ worth of operating expenses should the Health Share of Oregon program unexpectedly end and the flow of revenue stop.

Liabilities for the County are recorded when it is both probable that a loss has occurred and that the amount of that loss can be reasonably estimated. Estimates are based on historical trend analyses of similar injuries and claims. The liabilities include an amount for claims that have been incurred but not reported. Estimates are reevaluated periodically to consider current settlements, frequency of claims, past experience, and economic factors. Changes in the balances of the County’s accrued self-insurance liabilities during the current and prior fiscal years were as follows:

<u>Fiscal Year</u>	<u>Beginning of fiscal year liability</u>	<u>Current year claims and changes in estimates</u>	<u>Claims payments</u>	<u>Balance at fiscal year-end</u>
2017	4,032	4,946	(4,691)	4,287
2018	4,287	6,607	(4,678)	6,216
2019	6,216	6,373	(5,582)	7,007

The Authority, URMD, ESPD, NBCSD, and SDL are component units with no employees and as such are not subject to dental, workers’ compensation, or unemployment claims. County employees participate in dental, liability, and casualty coverage, with the exception of the Housing Authority which is insured through the Housing Authority Risk Retention Pool (HARRP).

**Insured Risks and Captive Insurance - District**

The District periodically assesses the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. The District currently utilizes two government entity self-insured risk pools through Special Districts Association of Oregon (SDAO) for its workers’ compensation and liability insurance.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

The District is insured under a retrospective plan for workers’ compensation and for costs in excess of insurance policy retention (deductible) limits on fire loss, property damage, and all risk coverage (theft, vandalism, etc.).

Liabilities for the District are recorded when it is both probable that a loss has occurred and that the amount of that loss can be reasonably estimated. Estimates are based on historical trend analyses of similar injuries and claims and include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience, and economic factors. Changes in the balances of the District’s accrued self-insurance liabilities during the current and prior fiscal years were as follows:

<u>Fiscal Year</u>	<u>Beginning of fiscal year liability</u>	<u>Current year claims and changes in estimates</u>	<u>Claims payments</u>	<u>Balance at fiscal year-end</u>
2017	342	607	(475)	474
2018	474	498	(403)	569
2019	569	958	(494)	1,033

CWIC was formed under the laws of the State of Hawaii as single member Limited Liability Company (LLC) captive insurance company pursuant to Chapter 428 and Article 19 of Chapter 431 of the Hawaii Revised Statutes. CWIC received its Certificate of Authority from the Hawaii Insurance Division on June 30, 2016, and operations commenced on July 1, 2016. The Certificate of Authority enables CWIC to operate as a captive insurance company in the State of Hawaii. The District is the sole member of CWIC. Insurance exposures covered by the Captive include the non-represented employee self-insurance dental and vision plans, general liability self-insured retention of \$50,000, automobile liability self-insured retention of \$50,000, property damage self-insured retention of \$5 million, and uninsured risk within these categories up to policy limits.

The Hawaii Insurance Division established certain minimum capital and surplus requirements for CWIC which are required to be maintained at all times. The minimum was set at \$250 at formation. As of June 30, 2019, CWIC was in compliance with the minimum capital and surplus requirements of the State of Hawaii.

**Solid Waste Landfill Closure**

State and Federal laws and regulations require the County to place a final cover on its landfill once it stops accepting municipal solid waste (MSW) and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

The County operated the Shadybrook Landfill from 1955 to 1971. The County Sheriff's Office operated a pistol range on the edge of the landfill from 1971 to 1988. An erosion control fence was constructed along the perimeter of the site and grass seed was placed over the landfill in 2002. In April 2004, the County met with the Department of Environmental Quality (DEQ) to discuss environmental concerns and enter into a voluntary cleanup program.

On August 15, 2013, the County received a letter from Oregon Department of Environmental Quality stating that they have determined that no further action is required to address environmental contamination at the former Shadybrook Landfill property provided the engineering and institutional controls installed at the site are maintained.

#### **Pollution Remediation**

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* addresses accounting and financial reporting standards for pollution (including contamination) and remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The scope of the Statement excludes pollution prevention or control obligations with respect to current operations and future pollution remediation activities that are required upon retirement of an asset such as landfill closure and post-closure care and nuclear power plant decommissioning. The County and an engineering firm with expertise in this area arrived at the estimates in accordance with the standards. The estimates were calculated using the expected cash flow technique which measures the liability as the sum of probability-weighted amounts in a range of possible estimated amounts. Such estimated obligations are subject to changes resulting from price increases or reductions, technology, or changes in applicable laws and regulations.

The Bridgeport Village Development is the only County property with a pollution remediation obligation where obligating events have occurred and amounts are estimable. This site was a former gravel quarry that has been owned by the County since 1939. Quarry operations were conducted from 1952 through the early 1970's. The quarry excavation was subsequently filled from 1992 through 2002, primarily with inert soil, concrete, and hardened asphalt. In addition, organic land clearing debris, wood debris, and building demolition materials were periodically disposed in the pit.



**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

Land use surrounding the site includes a mixture of residential, commercial, and light industry. A developer entered into a purchase agreement with the County to redevelop the site as an upscale commercial and retail complex. Environmental investigations in 2003 revealed the presence of methane gas in the subsurface fill material throughout the site; the likely source of the methane was the decomposition of the organic materials used as fill. That same year the County entered into a voluntary cleanup program with Department of Environmental Quality (DEQ).

In February 2004, DEQ issued a Record of Decision requiring methane gas mitigation as part of the site development. An engineering firm is currently contracted by the County to perform the ongoing monitoring and meet DEQ reporting requirements. The pollution remediation obligation estimate at June 30, 2019 for the ongoing monitoring, maintenance, and DEQ reporting costs is \$4,400.

**Transfers**

The following schedule reconciles transfers in and out on the Statement of Revenues, Expenditures and Changes in Fund Balance – All Governmental Fund Types:

Transfers in:		
General Fund	\$ 9,190	8%
Human Services Fund	3,462	3%
Road Fund	1,104	1%
Major Streets Transportation Improvement Program III Fund	36,675	32%
Non-major funds	<u>62,783</u>	<u>56%</u>
Total governmental funds	113,214	100%
 Housing Authority of Washington County	 <u>464</u>	 <u>0%</u>
	<u><u>113,678</u></u>	<u><u>100%</u></u>
 Transfers out:		
General Fund	99,717	87%
Human Services Fund	40	0%
Road Fund	2,463	2%
Major Streets Transportation Improvement Program III Fund	581	1%
Non-major funds	<u>10,869</u>	<u>10%</u>
Total governmental funds	113,670	100%
 Service District for Lighting No. 1	 <u>8</u>	 <u>0%</u>
	<u><u>\$ 113,678</u></u>	<u><u>100%</u></u>

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

The following are the major reasons for the above transfers:

Major streets improvement programs and the Cooperative Library Services Fund operated on fixed-rate serial levies until 1998-99. With the passage of Measures 47 and 50, those fixed-rate serial levies were combined with the County's permanent tax rate and now receive a majority of their funding directly from the County's General Fund. These transfers comprise approximately \$36,675 to major streets improvement programs and \$20,574 to Cooperative Library Services Fund. These transfers are responsible for slightly over 50% of all transfers. Transfers between the other operating funds are a result of the normal course of operations.

#### **Tax Abatements**

GASB Statement No. 77, *Tax Abatement Disclosures* establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The County's property tax revenues were materially impacted by six tax abatement programs for the fiscal year ended June 30, 2019.

#### ***Enterprise Zone***

Oregon's enterprise zones offer a unique resource to Oregon communities and an excellent opportunity for businesses growing or locating in Oregon. Primarily, enterprise zones exempt businesses from local property taxes on new investments for a specified amount of time, which varies among the different zone programs. To qualify for an enterprise zone exemption the business agrees to increase full-time employment by 10%, have no concurrent job losses outside the zone boundary, maintain minimum employment levels, enter into a first-source agreement with local job training providers, and satisfy any additional conditions. The County's Enterprise Zone reduction in property tax revenues is estimated at \$1,641.

#### ***Construction in Process in Enterprise Zone***

Oregon's construction in process enterprise zone abatement allows unfinished facility improvements within designated enterprise zones to be exempt from local property taxes for up to two years while under construction. Requirements to qualify for this abatement are similar to the requirements to qualify as an enterprise zone business, with some additional conditions; the facility must qualify as an enterprise zone eligible property upon completion and it shall not be operated as all or a part of a hotel, motel, or destination resort. The County's Construction in Process in Enterprise Zone reduction in property tax revenues is estimated at \$130.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

#### ***Nonprofit Corporation Low Income Housing***

The 1985 Oregon legislature authorized a property tax abatement for low-income housing held by charitable, nonprofit organizations. The tax abatement is intended to benefit low-income renters and is available for qualifying property located in some parts of the County. Nonprofit (IRS 501(c)(3) or (4) organizations are responsible for the day-to-day management of the property. Cities/County may set additional terms and may depend on the existence of development prior to application or not. The County's reduction in revenues is estimated at \$114 for this program.

#### ***Housing for Low Income Rental***

The Housing for Low Income Rental abatement was adopted by the Oregon Legislature in 1989 and is designed to benefit low-income renters by providing full property tax exemption for property that can be owned by either a nonprofit or for-profit entity. The owner of the property must reduce their rents to reflect the full value of the exemption, and the property must be occupied by renters whose incomes are at or below 60 percent of the median. The abatement is effective for 20 years, although it only covers new construction built before January 1, 2010. The County's reduction in revenues is estimated at \$3 for this program.

#### ***Strategic Investment Program***

The Strategic Investment Program (SIP) was adopted by the Oregon Legislature in 1993. It allows businesses and local governments to negotiate alternative property tax agreements if these businesses are willing to invest at least \$100,000 at an urban site or at least \$25,000 at a rural location in Oregon, particularly with capital-intensive, high-technology employers. The County is currently a partner in SIP agreements with both Intel Corporation and Genentech, and its reduction in property tax revenues is estimated at \$28,329.

#### ***Vertical Housing***

The Vertical Housing Program (VIP) first began in 2003 and encourages mixed-use commercial and residential developments in areas designated by communities through a partial property tax abatement. The abatement varies in accordance with the number of residential floors on a project with a maximum exemption of 80 percent over 10 years. An additional exemption on the land is allowed if some or all of the residential housing is for low-income persons (80 percent of the area median income or below). The County's VIP reduction in property tax revenues is estimated at \$269.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

#### **Related Party Transactions – County**

Washington County performs certain fiscal and accounting services, partnering in capital projects, and provides certain facility related services for which the District was charged approximately \$664 during fiscal year 2018-19.

#### **Related Party Transactions – District**

On April 16, 2013, the District entered into a new Operating Agreement with the Clean Water Institute (CWI). Under the Operating Agreement, the District may provide resources to conduct work for CWI. Upon mutual agreement, the District and CWI may enter into agreements which shall describe the particular scope of services to be performed by the District for CWI. The District may also provide staff and resources to provide administrative support to CWI and charge CWI for such support. The District has billed CWI \$6 for such services under the Operating Agreement for fiscal year ended June 30, 2019. CWI also billed the District \$60 for professional services during fiscal year 2019.

On October 26, 2010, the District entered into a loan agreement with CWI. The agreement allows for loans and/or advances from the District to CWI of up to \$400 through fiscal year 2014-15. The agreement was subsequently amended to extend the agreement term and repayment of principal and interest to July 1, 2020. Interest on outstanding loan balances due from CWI to the District are calculated monthly and based on 1.1 times the average monthly Oregon Local Government Investment Pool (LGIP) rates. During fiscal year 2019, CWI was charged \$4 in interest, and made payments totaling \$115, leaving a loan balance of \$97 as of June 30, 2019.

On September 21, 2010, the District entered into an Assignment Agreement with CWI which assigned certain intellectual property rights to CWI. The agreement requires CWI to share future revenues generated from the licensing of these intellectual property rights with the District. Per this agreement all revenues associated with the agreement received by CWI shall first be applied to repay the loan amounts to the District and any revenues in excess of the loan amount will be shared equally between CWI and the District. In accordance with the agreement CWI has remitted proceeds of \$115 to the District in fiscal year 2018-19 which were applied against the loan balance referenced above. The Assignment Agreement was amended on June 19, 2018, changing the allocation of revenues associated with the intellectual property. Revenues received by CWI shall be shared equally (50% District and 50% CWI). The District will credit this 50% share of revenue toward the outstanding CWI loan balance until fully paid.

Clean Water Insurance Company (CWIC) began operations on July 1, 2016. The District paid dental premiums of \$254, vision premiums of \$32, and auto, general liability, and property insurance premiums totaling \$407 during fiscal year 2019. CWIC reimbursed the District for claims filed totaling \$38 during fiscal year 2019.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

#### **Contingency - County**

Amounts received or are due from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, could become a liability of the General Fund or other applicable funds.

Various claims and lawsuits against the County are pending. These claims are either covered by insurance or are the type which is normal in view of the County's operations. County management believes the total amount of liability, if any, which may arise from such claims and lawsuits beyond that which is covered by insurance would not have a material effect on the County's financial condition or its ability to carry on its activities substantially as now conducted.

#### **Commitments - County**

The County has committed over \$119,518 to fund certain specific road construction projects over the next four to five years; \$6,604 for jail inmate health care services over the next year; \$47,702 for Countywide library services over the next two years; \$3,351 for kitchen services at the jail through September 2021; and \$278 for entrance security services for the state courts in County buildings for next three years.

Facilities has committed \$1,387 for seismic retrofit and upgrades to several county buildings; construction services of \$29,733 for the Events Center at the County Fair Grounds; construction services of \$18,400 for the new headquarters for Washington County Consolidated Communication Agency (WCCCA), the County's 911 system; and final improvements to the Public Safety Training Center of \$187.

The Community Corrections Center has contracted for pharmacy and psychiatric nurse practitioner services, batterer treatment for domestic violence offenders, and sex offender treatment services and mentoring to assist in the reintegration of substance abuse offenders in the combined amount of approximately \$2,524. Juvenile detention services at the Donald E. Long facility have been contracted with Multnomah County for approximately \$4,310 over the next year.

The County has contracted for fuel for all County vehicles and equipment of \$4,231 through June 2022 and \$2,200 for janitorial services for all County facilities over through March 2021. The County has also contracted various building lease agreements for approximately \$7,065 over the next ten years.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

**Commitments – District**

The District is committed for approximately \$105,800 for various construction projects and other significant commitments at June 30, 2019. The District plans to finance these projects using existing resources.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**WASHINGTON COUNTY, OREGON**

Budgetary Comparison

General Fund

For the fiscal year ended June 30, 2019

(Dollars in thousands)

	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:				
Taxes	\$ 151,825	151,825	155,374	3,549
Licenses and permits	8,187	8,187	7,805	(382)
Intergovernmental revenues	18,679	18,738	20,322	1,584
Charges for services	10,877	10,877	10,254	(623)
Fines and forfeitures	2,925	2,925	2,229	(696)
Miscellaneous revenues	5,174	5,174	6,138	964
Interfund revenues	7,526	7,526	7,359	(167)
Total revenues	<u>205,193</u>	<u>205,252</u>	<u>209,481</u>	<u>4,229</u>
Expenditures:				
General government:				
Board of County Commissioners	496	526	518	8
County administrative office	2,322	2,322	2,294	28
Community network	592	592	591	1
Community engagement	717	717	626	91
County counsel	2,666	2,666	2,521	145
County auditor	504	504	485	19
County emergency management	950	950	756	194
Elections	2,342	2,342	1,733	609
Assessment and taxation	11,352	11,352	10,322	1,030
County communications	1,488	1,488	1,380	108
Financial management	2,747	2,747	2,635	112
Human resources	3,238	3,238	2,991	247
Information services	18,086	18,086	16,238	1,848
Purchasing	561	566	543	23
Facilities management	11,972	11,972	11,037	935
Subtotal	<u>60,033</u>	<u>60,068</u>	<u>54,670</u>	<u>5,398</u>
Public safety and justice:				
Law enforcement services	23,800	23,800	22,005	1,795
Jail operations	28,434	28,434	26,443	1,991
Sheriff's office administration	5,487	5,487	5,204	283
Jail health care	5,440	5,440	5,297	143
District Attorney	12,966	13,025	12,148	877
Washington County justice court	840	840	823	17
Juvenile	7,234	7,234	6,864	370
Juvenile administration	1,445	1,445	1,429	16
Subtotal	<u>85,646</u>	<u>85,705</u>	<u>80,213</u>	<u>5,492</u>
Land use and transportation				
Planning	3,932	3,932	3,365	567
Water Master	211	211	200	11
Subtotal	<u>4,143</u>	<u>4,143</u>	<u>3,565</u>	<u>578</u>
Housing, health and human services:				
Public health	17,520	17,520	16,558	962
Health and human services administration	1,933	1,933	1,861	72
Animal services	2,764	2,764	2,421	343
Veterans services	1,184	1,184	1,081	103
Subtotal	<u>23,401</u>	<u>23,401</u>	<u>21,921</u>	<u>1,480</u>
Culture, education and recreation:				
Agriculture activities	515	515	492	23
Parks	1,288	1,288	1,253	35
Subtotal	<u>1,803</u>	<u>1,803</u>	<u>1,745</u>	<u>58</u>
Non-operating:				
Miscellaneous	1,052	1,201	1,151	50
Subtotal	<u>1,052</u>	<u>1,201</u>	<u>1,151</u>	<u>50</u>
Operating contingency	23,567	22,765	—	22,765
Total expenditures	<u>199,645</u>	<u>199,086</u>	<u>163,265</u>	<u>35,821</u>
Revenues over expenditures	<u>5,548</u>	<u>6,166</u>	<u>46,216</u>	<u>40,050</u>
Other financing sources (uses):				
Transfers in from other funds	36,266	36,405	36,347	(58)
Transfers out to other funds	(80,226)	(80,983)	(80,372)	611
Total other financing uses	<u>(43,960)</u>	<u>(44,578)</u>	<u>(44,025)</u>	<u>553</u>
Net change in fund balance	<u>(38,412)</u>	<u>(38,412)</u>	<u>2,191</u>	<u>40,603</u>
Fund balance July 1, 2018	<u>38,412</u>	<u>38,412</u>	<u>42,473</u>	<u>4,061</u>
Fund balance June 30, 2019	\$ <u>—</u>	<u>—</u>	<u>44,664</u>	<u>44,664</u>
Advances to other funds are recognized as receivables on a GAAP basis			132	
Certain governmental funds are reported in the General Fund on a GAAP basis:				
Gain Share Fund			5,391	
Indirect Cost Reimbursement Fund			—	
PERS Rate Stabilization Fund			6,927	
Strategic Investment Program Fund			20,421	
Survey Fund			1,371	
Fund balance, GAAP basis, June 30, 2019			\$ <u>78,906</u>	

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison  
 Major Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	HOME Fund				Human Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Intergovernmental revenues	\$ 3,609	3,609	153	(3,456)	41,264	41,264	23,033	(18,231)
Charges for services	—	—	—	—	13	13	6	(7)
Miscellaneous revenues	519	519	576	57	170	170	2,112	1,942
Interfund revenues	—	—	—	—	149	149	145	(4)
Total revenues	<u>4,128</u>	<u>4,128</u>	<u>729</u>	<u>(3,399)</u>	<u>41,596</u>	<u>41,596</u>	<u>25,296</u>	<u>(16,300)</u>
Expenditures:								
Current:								
Housing, health and human services	4,128	4,128	566	3,562	43,199	43,199	22,060	21,139
Operating contingency	—	—	—	—	3,675	3,675	—	3,675
Total current	<u>4,128</u>	<u>4,128</u>	<u>566</u>	<u>3,562</u>	<u>46,874</u>	<u>46,874</u>	<u>22,060</u>	<u>24,814</u>
Revenues over (under) expenditures	—	—	163	163	(5,278)	(5,278)	3,236	8,514
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	1,707	1,707	2,054	347
Transfers out to other funds	—	—	—	—	(400)	(400)	(3,604)	(3,204)
Total other financing sources (uses)	—	—	—	—	1,307	1,307	(1,550)	(2,857)
Net change in fund balances	—	—	163	163	(3,971)	(3,971)	1,686	5,657
Fund balances July 1, 2018	—	—	—	—	3,971	3,971	4,096	125
Fund balances June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>163</u>	<u>163</u>	<u>—</u>	<u>—</u>	<u>5,782</u>	<u>5,782</u>

Certain governmental funds are reported in the Human Services Fund on a GAAP basis:  
 Human Services HB 2145 Fund  
 Mental Health Crisis Services Fund  
 Fund balance, GAAP basis, June 30, 2019

1,356  
 1,969  
\$ 9,107

\* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Major Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	<b>Road Fund</b>			<b>Variance positive (negative)</b>
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	
Revenues:				
Taxes	\$ 925	925	934	9
Licenses and permits	226	226	251	25
Intergovernmental revenues	38,607	38,607	38,609	2
Charges for services	8,760	8,760	9,490	730
Special assessments	26	26	21	(5)
Miscellaneous revenues	635	635	1,785	1,150
Interfund revenues	8,428	8,428	7,856	(572)
Total revenues	<u>57,607</u>	<u>57,607</u>	<u>58,946</u>	<u>1,339</u>
Expenditures:				
Current:				
Land use and transportation:				
LUT administration	3,078	3,078	2,634	444
Road fund administration	1,739	1,739	1,501	238
Engineering services	8,401	8,401	7,164	1,237
Capital projects management	7,074	7,074	6,000	1,074
Operations and maintenance	36,146	36,146	30,631	5,515
Operating contingency	16,567	16,567	—	16,567
Total current	<u>73,005</u>	<u>73,005</u>	<u>47,930</u>	<u>25,075</u>
Capital outlay	<u>1,489</u>	<u>1,489</u>	<u>1,304</u>	<u>185</u>
Total expenditures	<u>74,494</u>	<u>74,494</u>	<u>49,234</u>	<u>25,260</u>
Revenues (under) over expenditures	<u>(16,887)</u>	<u>(16,887)</u>	<u>9,712</u>	<u>26,599</u>
Other financing sources (uses):				
Proceeds from debt	—	—	—	—
Payment to refunded bond escrow agent	—	—	—	—
Transfers in from other funds	1,104	1,104	1,104	—
Transfers out to other funds	(8,316)	(8,316)	(2,463)	5,853
Total other financing uses	<u>(7,212)</u>	<u>(7,212)</u>	<u>(1,359)</u>	<u>5,853</u>
Net change in fund balance	<u>(24,099)</u>	<u>(24,099)</u>	<u>8,353</u>	<u>32,452</u>
Fund balance July 1, 2018	24,099	24,099	23,329	(770)
Fund balance June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>31,682</u>	<u>31,682</u>

**WASHINGTON COUNTY, OREGON**  
 Required Supplementary Information  
 Schedule of Total Liability  
 Other Post Employment Benefits  
 (Dollars in thousands)

**County**

<u>Fiscal Year Ending June 30,</u>	<u>County's Total OPEB Liability (Asset)</u>	<u>County's Covered Payroll</u>	<u>County's Total OPEB Liability as a Percentage of Covered Payroll</u>
2017	\$ 4,534	135,596	3.34%
2018	3,856	143,660	2.68%
2019	3,528	153,696	2.30%

**District**

<u>Fiscal Year Ending June 30,</u>	<u>District's Total OPEB Liability (Asset)</u>	<u>District's Covered Payroll</u>	<u>District's Total OPEB Liability as a Percentage of Covered Payroll</u>
2017	\$ 1,041	25,650	4.06%
2018	1,050	28,354	3.70%
2019	1,046	29,275	3.57%

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been established, information is presented only for the years for which the required supplementary information is available.

**WASHINGTON COUNTY, OREGON**  
 Required Supplementary Information  
 Schedule of Changes in Total Liability  
 Other Post Employment Benefits  
 (Dollars in thousands)

**County**

Fiscal Year Ending June 30,	County's Total OPEB Liability Beginning Balance	County's Service Costs	Interest on the County's Total OPEB Liability	County's Benefit Payments	County's Changes of Assumptions	County's Experience (Gain) or Loss	County's Total OPEB Liability Ending Balance
2018 \$	4,534	133	165	(526)	(623)	173	3,856
2019	3,856	138	137	(603)	—	—	3,528

**District**

Fiscal Year Ending June 30,	District's Total OPEB Liability Beginning Balance	District's Service Costs	Interest on the District's Total OPEB Liability	District's Benefit Payments	District's Changes of Assumptions	District's Experience (Gain) or Loss	District's Total OPEB Liability Ending Balance
2018 \$	1,041	51	38	(80)	—	—	1,050
2019	1,050	51	38	(93)	—	—	1,046

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been established, information is presented only for the years for which the required supplementary information is available.

**WASHINGTON COUNTY, OREGON**  
 Required Supplementary Information  
 Schedule of Proportionate Share of  
 PERS Net OPEB RHIA Liability (Asset)  
 (Dollars in thousands)

**County**

Fiscal Year Ending June 30,	County's Proportion of the PERS Net OPEB RHIA Liability (Asset) <sup>(1)</sup>	County's Proportionate Share of the PERS Net OPEB RHIA Liability (Asset) <sup>(1)</sup>	County's Covered Payroll	County's Proportionate Share of the PERS Net OPEB RHIA Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total PERS Net OPEB RHIA Liability
2017	1.30%	\$ 353	127,667	0.28%	94.15%
2018	1.27%	(530)	135,596	(0.39%)	108.88%
2019	1.31%	(1,464)	143,660	(1.02%)	123.99%

**District**

Fiscal Year Ending June 30,	District's Proportion of the PERS Net OPEB RHIA Liability (Asset) <sup>(1)</sup>	District's Proportionate Share of the PERS Net OPEB RHIA Liability (Asset) <sup>(1)</sup>	District's Covered Payroll	District's Proportionate Share of the PERS Net OPEB RHIA Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total PERS Net OPEB RHIA Liability
2017	0.28%	\$ 77	27,124	0.28%	94.15%
2018	0.28%	(118)	29,042	(0.41%)	108.88%
2019	0.30%	(336)	30,583	(1.10%)	123.99%

<sup>(1)</sup> The amounts presented for each fiscal year were provided by the actuary for OPERS.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been established, information is presented only for the years for which the required supplementary information is available.

**WASHINGTON COUNTY, OREGON**  
 Required Supplementary Information  
 Schedule of Other Post Employment Benefit Plan Contributions  
 PERS Net OPEB RHIA Plan  
 (Dollars in thousands)

**County**

Fiscal Year Ending June 30,	Statutorily Required Contribution <sup>(1)</sup>	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percent of Covered Payroll
2017	\$ 632	632	—	135,596	0.47%
2018	635	635	—	143,660	0.44%
2019	682	682	—	153,696	0.44%

**District**

Fiscal Year Ending June 30,	Statutorily Required Contribution <sup>(1)</sup>	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percent of Covered Payroll
2017	\$ 141	141	—	29,042	0.49%
2018	146	146	—	30,583	0.48%
2019	169	169	—	30,958	0.55%

<sup>(1)</sup> The amounts presented for each fiscal year were provided by the actuary for OPERS.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been established, information is presented only for the years for which the required supplementary information is available.

**WASHINGTON COUNTY, OREGON**  
 Required Supplementary Information  
 Schedule of Proportionate Share of  
 PERS Net Pension Liability (Asset)  
 (Dollars in thousands)

**County**

Fiscal Year Ending June 30,	County's Proportion of the Net Pension Liability (Asset) <sup>(1)</sup>	County's Proportionate Share of the Net Pension Liability (Asset) <sup>(1)</sup>	County's Covered Payroll	County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2014	1.80%	\$ 91,736	114,537	80.09%	91.97%
2015	1.80%	(40,747)	117,971	(34.54%)	103.59%
2016	1.80%	103,558	122,731	84.38%	91.88%
2017	1.67%	250,282	127,667	196.04%	80.53%
2018	1.55%	208,340	135,596	153.65%	83.12%
2019	1.51%	228,819	143,660	159.28%	82.07%

**District**

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset) <sup>(1)</sup>	District's Proportionate Share of the Net Pension Liability (Asset) <sup>(1)</sup>	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.26%	\$ 13,094	24,142	54.24%	91.97%
2015	0.26%	(5,816)	24,174	(24.06%)	103.59%
2016	0.26%	15,004	25,570	58.68%	91.88%
2017	0.26%	38,730	27,124	142.79%	80.53%
2018	0.27%	36,467	29,042	125.57%	83.12%
2019	0.28%	42,448	30,583	138.80%	82.07%

<sup>(1)</sup> The amounts presented for each fiscal year were provided by the actuary for OPERS.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been established, information is presented only for the years for which the required supplementary information is available.



**WASHINGTON COUNTY, OREGON**  
Required Supplementary Information  
Schedule of Pension Plan Contributions  
Oregon Public Employee Retirement Pension Plan (OPERS)  
(Dollars in thousands)

**County**

Fiscal Year Ending June 30,	Statutorily Required Contribution <sup>(1)</sup>	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percent of Covered Payroll
2014	\$ 15,396	15,396	—	117,971	13.05%
2015	15,907	15,907	—	122,731	12.96%
2016	18,095	18,095	—	127,667	14.17%
2017	18,755	18,755	—	135,596	13.83%
2018	24,523	24,523	—	143,660	17.07%
2019	26,356	26,356	—	153,696	17.15%

**District**

Fiscal Year Ending June 30,	Statutorily Required Contribution <sup>(1)</sup>	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percent of Covered Payroll
2014	\$ 1,701	1,701	—	24,174	7.04%
2015	1,793	1,701	92	25,570	6.65%
2016	2,373	2,373	—	27,124	8.75%
2017	2,544	2,544	—	29,042	8.76%
2018	3,699	3,699	—	30,583	12.09%
2019	5,402	5,402	—	30,958	17.45%

<sup>(1)</sup> The amounts presented for each fiscal year were provided by the actuary for OPERS.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been established, information is presented only for the years for which the required supplementary information is available.

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## WASHINGTON COUNTY, OREGON

### Notes to Required Supplementary Information

June 30, 2019

(Dollars in thousands)

#### 1. Stewardship, compliance, and accountability

The appropriated budget is prepared by functional area, fund, organization unit and program. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the organization unit level. The Board approved several appropriation adjustments during the year, increasing the budget by \$30,984.

##### **Appropriations and Budgetary Controls Description**

In accordance with Oregon Revised Statutes, the County budgets all funds except fiduciary funds. All governmental and proprietary fund types are generally budgeted under the modified accrual basis of accounting, which for all governmental funds represents the GAAP basis as well. Expenditure budgets are appropriated by major function or organizational unit for each fund. These appropriations establish the legal level of control for each fund. Expenditure appropriations may not be legally overexpended except in the case of reimbursable grant expenditures and trust monies that could not be reasonably estimated at the time the budget was adopted.

After budget approval, the Board of County Commissioners may approve supplemental appropriations and appropriation transfers between organizational units or major programs if an occurrence, condition, or need exists which was not known at the time the budget was adopted. The County had two supplemental budgets and three contingency transfers during the year ended June 30, 2019. Both the original adopted budget and the revised budget comparisons are presented in the accompanying budgetary schedules. Appropriations lapse at the end of the fiscal year.

#### 2. Changes in Assumptions – County OPEB Plan

Key changes in assumptions implemented with the June 30, 2018 County actuarial valuation since the prior actuarial valuation of June 30, 2016 include:

- The interest rate for discounting future liabilities was increased from 3.00% to 3.87% to match municipal bond rates, as required by GASB Statement No. 75.
- The rate at which eligible employees elect to participate decreased from 20% to 15% based on recent experience. This assumption change led to a decrease in liabilities of approximately 25% for active employees.

## WASHINGTON COUNTY, OREGON

Notes to Required Supplementary Information (continued)

June 30, 2019

(Dollars in thousands)

### Changes in Assumptions – District OPEB Plan

Key changes in assumptions implemented with the July 1, 2017 District actuarial valuation since the prior actuarial valuation of July 1, 2015 include:

- The actuarial cost method was changed from Projected Unit Credit to Entry Age Normal, as required by GASB Statement No. 75.
- The interest rate for discounting future liabilities was lowered to match municipal bond rates, as outlined in GASB Statement No. 75.
- Premium increase rates were modified slightly to reflect anticipated experience.
- Aging factors were revised to better align with prevalent actuarial practice.
- The percentage of future retirees covering a spouse on the plan was decreased to reflect anticipated experience.
- Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for OPERS.

### Changes in Assumptions – Oregon Public Employee Retirement OPEB Plan (PERS RHIA)

A summary of key changes implemented with the December 31, 2016 actuarial valuation which was used in the pension calculations and amounts reported for the fiscal year ended June 30, 2019, along with additional detail and a comprehensive list of changes in methods and assumptions from the December 31, 2015 actuarial valuation can be found at:

<https://www.oregon.gov/pers/emp/pages/GASB.aspx>

### Changes in Assumptions - Pensions

A summary of key changes implemented with the December 31, 2016 actuarial valuation which was used in the pension calculations and amounts reported for the fiscal year ended June 30, 2019, along with additional detail and a comprehensive list of changes in methods and assumptions from the December 31, 2015 actuarial valuation can be found at:

<https://www.oregon.gov/pers/emp/pages/GASB.aspx>

**OTHER SUPPLEMENTARY INFORMATION**

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**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison  
 Major Capital Projects Fund  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	<b>Major Streets Transportation Improvement Program III Fund</b>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:				
Intergovernmental revenues	\$ 10,540	10,540	9,831	(709)
Miscellaneous revenues	2,194	2,194	5,008	2,814
Total revenues	<u>12,734</u>	<u>12,734</u>	<u>14,839</u>	<u>2,105</u>
Expenditures:				
Current:				
Land use and transportation	142,093	142,093	49,524	92,569
Capital outlay	<u>18,262</u>	<u>18,262</u>	<u>4,939</u>	<u>13,323</u>
Total expenditures	<u>160,355</u>	<u>160,355</u>	<u>54,463</u>	<u>105,892</u>
Revenues under expenditures	<u>(147,621)</u>	<u>(147,621)</u>	<u>(39,624)</u>	<u>107,997</u>
Other financing sources (uses):				
Transfers in from other funds	36,600	36,600	36,675	75
Transfers out to other funds	<u>(688)</u>	<u>(688)</u>	<u>(581)</u>	<u>107</u>
Total other financing sources	<u>35,912</u>	<u>35,912</u>	<u>36,094</u>	<u>182</u>
Net change in fund balances	<u>(111,709)</u>	<u>(111,709)</u>	<u>(3,530)</u>	<u>108,179</u>
Fund balance July 1, 2018	<u>111,709</u>	<u>111,709</u>	<u>106,413</u>	<u>(5,296)</u>
Fund balance June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>102,883</u>	<u>102,883</u>

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**BUDGETARY FUND FINANCIAL STATEMENTS**

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## WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2019

### SPECIAL REVENUE FUNDS

The Special Revenue Funds account for revenue derived from specific tax or other revenue sources, including federal and state grant awards, which are restricted or committed to finance particular functions or activities. Funds included in this category are:

- Aging, Disability, & Veteran Services Fund – This fund accounts for various services provided for elderly and disabled persons in the County in conjunction with the State, as well as services to veterans.
- Air Quality Fund – This fund accounts for various air quality improvement projects throughout the County.
- Animal Services Gifts and Donations Fund – This fund accounts for financial contributions from private donors for the animal services program.
- Building Services Fund – This fund provides inspection and plan review services related to conformance with the state building, mechanical, electrical, planning, and mobile home codes and ordinances.
- Children and Youth Services Commission Fund – This fund accounts for the development, administration, and evaluation of the annual comprehensive juvenile services of the County.
- Community Corrections Fund – This fund accounts for the custodial and supervisory services for offenders adjudicated through the criminal justice system of the County.
- Cooperative Library Services Fund – This fund accounts for the coordination and contracting to provide a full range of library services to all residents of the County.
- Court Security Fund – This fund accounts for the receipt and expenditure of County fine assessments earmarked for court security programs.
- Department of Housing Services Fund – This fund accounts for the activities of the County and support services to the Housing Authority of Washington County housing programs.

## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Budgetary Funds

June 30, 2019

- Development Services Fund – This fund accounts for activities pertaining to land development in the unincorporated areas of the County, and provides for development compliance/code enforcement activities as they relate to enforcement of the County's community development code and related ordinances.
- District Patrol Fund – This fund accounts for the contracted responsibility of providing enhanced patrol and related services to the Enhanced Sheriff's Patrol District.
- Emergency Medical Services Fund – This fund accounts for the coordination of ambulance services in the County.
- Enhanced Sheriff's Patrol District Fund (Component Unit) – The District provides an enhanced level of sheriff patrol in the urban unincorporated areas of the County funded by a permanent tax rate and voter approved five-year operating levies. The District contracts with Washington County to provide the required police patrols.
- Health Share of Oregon Fund – This fund accounts for monies received from the State to manage the physical, mental, dental, and addictions benefits for Oregon Health Plan members that reside within the County.
- Human Services OHP Fund – This fund accounts for monies received from the Oregon Health Plan (OHP) to provide mental health services to County residents enrolled in the plan. OHP Mental Health provides overall management of the program; including administration, reporting, quality assurance, and oversight of the contracted service providers and third-party claims administrators.
- ITS Systems Replacement Fund – This fund provides for the systematic replacement of key information technology assets.
- Jail Commissary Fund – This fund accounts for the goods, services and monies associated with the jail commissary.
- Juvenile Conciliation Services Fund – This fund accounts for custody service fees collected and dedicated to conciliation services by state law. The monies provide custody studies to circuit court, counseling services concerning marriage and divorce, and mediation services in dissolution proceedings involving child custody issues.

## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Budgetary Funds

June 30, 2019

- Juvenile Grants Fund – This fund accounts for grant awards provided to enhance evaluative and diagnostic services to those youth that would be most susceptible to being committed to State training schools.
- Juvenile High Risk Prevention Fund – This fund accounts for grant monies received from the State and contracted to prevention service providers in schools and private non-profit organizations. The funding is used for drug and alcohol evaluation and treatment services to high-risk youth identified by the Juvenile Crime Prevention Plan.
- Law Library Fund – This fund was established in accordance with state statutes to provide legal research and reference materials.
- Local Option Levy Fund – This fund accounts for funds from a local option property tax levy for public safety and justice programs approved by voters. Funds collected are dedicated to improving/restoring service levels in existing County public safety and justice programs.
- Lottery Fund – This fund accounts for the County’s pro-rata share of video lottery revenues received from the State that are to be used to support projects, services, organizations and staff furthering economic development.
- Maintenance Improvement District Fund – This fund accounts for the construction of road maintenance improvement activities undertaken through the maintenance improvement district.
- Metro Affordable Housing Bond Fund – This fund accounts for revenues and expenditures for the Metro Affordable Housing Bond Program, which was approved by Metro area voters in November 2018. This program will create affordable homes for seniors, veterans, people with disabilities, and working families.
- Metzger Park LID Fund – This fund accounts for the maintenance and administration of programs at Metzger Park.
- North Bethany County Service District for Roads Fund (Component Unit) – The District provides a portion of resources for transportation projects in the recently established North Bethany subarea. Voters approved funding for the District in May of 2011, in the form of additional property taxes levied on properties within the North Bethany subarea.

## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Budgetary Funds

June 30, 2019

- Office of Community Development Block Grant Fund – This fund accounts for the management, on behalf of the County and eleven participating city consortium members of the Urban County Entitlement Grant.
- Sheriff's Office Contract Services Fund – This fund accounts for the contracted responsibility of providing service to Tri-Met Transit Police Division, the Forest Grove School District high school and middle schools, and the County's Elder Abuse Programs. This fund also provides for uniformed law enforcement security and other support services to the Multnomah County Drug and Alcohol Rehabilitation Program housed in space leased from Washington County in the old jail facility.
- Sheriff's Office Forfeitures Fund – This fund accounts for resources from asset forfeitures that typically come from the sale of real and/or personal property seized from offenders involved in drug-related criminal activity. Specific and strict guidelines govern the use of all forfeiture proceeds. These laws change periodically so funds accumulated at different times are subject to varying legal requirements for their use and are accounted for in different programs within this fund.
- Sheriff's Office Grants and Donations Fund – This fund accounts for donations specifically identified for support of the Drug Abuse Resistance Education (DARE) programs and the Local Law Enforcement Block Grant (LLEBG) federal grant awards that require identification and control of related revenues and expenditures.
- Statewide Transportation Improvement Fund – This fund accounts for House Bill (HB) 2017 funding, which provides a dedicated source of funding to improve or expand public transportation service. The funds are eligible for use in transit planning, capital improvement, and operations to improve service in underserved areas and reduce service fragmentation.
- Surveyor – Public Land Corner Fund – This fund accounts for activities related to the remonumentation of government survey corners funded through the public land corner preservation fee.
- Tourism Dedicated Lodging Tax Fund – This fund accounts for revenues generated by the three-ninths portion of the Washington County lodging tax that is tourism-dedicated.

## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Budgetary Funds

June 30, 2019

- Urban Road Maintenance District Fund (Component Unit) – The District provides an enhanced level of maintenance services to local, minor collector, and public roads in the urban unincorporated areas of Washington County and is funded by an established permanent rate. The District contracts with private firms and with Washington County to provide the required road maintenance services.
- Washington County Fair Fund – This fund accounts for the operation and management of the fairground facilities which provide various services to the public, including the annual County fair.
- West Slope Library Fund – This fund accounts for the provision of public library services for County residents in the unincorporated West Slope/Raleigh Hills area, including circulation of library materials, basic reference service, and children’s programs.

The following funds are presented individually for budgetary purposes. For reporting purposes these funds are combined with the General Fund in accordance with GASB Statement No. 54. See combining schedules on pages 143 and 158.

- Gain Share Fund – This fund accounts for payments from the State’s Gain Share program.
- Indirect Cost Reimbursement Fund – This fund accounts for the indirect costs that are allocated to and recovered from operating departments in connection with the County-wide cost allocation plan. Monies received in this fund are in turn expended as reimbursements to the fund or cost center that provided the service.
- PERS Rate Stabilization Fund – This fund is used to account for monies set aside to fund future rate increases. The funds may be used for employer PERS costs, costs of managing and maintaining the fund and costs related to PERS litigation.
- Strategic Investment Program Fund – This fund accounts for payments and other contributions/payments from companies receiving property tax abatements under the State's Strategic Investment Plan (SIP).
- Survey Fund – This fund encompasses the duties and responsibilities of the County Surveyor, which include documenting, checking and recording subdivisions and plats, performing court-ordered surveys, right-of-way acquisitions, road and easement vacations, road alignment surveying, construction taking, and public assistance.

## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Budgetary Funds

June 30, 2019

The following funds are presented individually for budgetary purposes. For reporting purposes these funds are combined with the Human Services Fund in accordance with GASB Statement No. 54. See combining schedules on pages 144 and 159.

- Human Services HB-2145 Fund – This fund accounts for beer and wine tax revenues designated for alcoholism treatment and rehabilitation services.
- Mental Health Crises Services Fund – This fund accounts for the operations of the Mental Health Urgent Care Center (MHUCC), which provides rapid assessment, triage, and connection to mental health and addictions treatment.

The following fund is presented individually for budgetary purposes. For reporting purposes this fund is combined with the Health Share of Oregon Fund in accordance with GASB Statement No. 54. See combining schedules on pages 153 and 168.

- Tri-County Risk Reserve Fund – This fund holds funds reserved for potential repayment to the Health Share of Oregon (HSO), a Coordinated Care Organization of which Washington County is a member. The fund balance is comprised of funds received from HSO in excess of claims paid by the County on behalf of HSO mental health clients.

### DEBT SERVICE FUNDS

The Debt Service Funds account for the payment of principal and interest on general obligation bonds, notes, and contracts payable. Revenue is derived primarily from property taxes and interest earned on special assessments and transfers in from other funds. The funds included in this category are:

- General Obligation Debt Service Fund – This fund is used to pay the principal and interest on the County's general obligation bonds.
- Miscellaneous Debt Service Fund – This fund is an accounting unit for the payment of all other debt owed by the County.
- Series 2016 B FFCO Debt Service Fund – This fund is used to pay the debt service on the County's Series 2016 B Full Faith and Credit Obligation.



## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Budgetary Funds

June 30, 2019

### CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for expenditures on major construction projects. Funds included in this category are:

- Bonny Slope West Transportation SDC Fund – This fund accounts for system development charges that will help fund needed capacity improvements in Bonny Slope.
- Building Equipment Replacement Fund – This fund accounts for resources to be used to replace various building and equipment components of the County's buildings.
- Countywide Traffic Impact Fee Fund – This fund accounts for traffic impact fees used to finance extra capacity street facilities required by new development.
- Emergency Communications System Fund – This fund accounts for the proceeds from the general obligation bonds, approved by voters in the May 2016 election, for the Emergency Communications System project.
- Event Center Fund – This fund accounts for the build out of the new Event Center at the Fair Complex.
- Facilities General Capital Projects Fund – This fund accounts for miscellaneous capital improvement projects.
- Facilities Park (THPRD) SDC Fund – This fund is used to account for system development charges in the northeastern part of the County's urban unincorporated area. Charges are to be used for park capital improvements in the area.
- ITS Capital Projects Fund – This fund accounts for the purchase of IT-related capital assets (software and hardware).
- Major Streets Capital Projects Fund – This fund accounts for the activities necessary for installing, constructing, and extending extra capacity street facilities.
- North Bethany SDC Fund – This fund accounts for the system development charges that will help fund needed infrastructure capacity improvements in the North Bethany subarea.
- Parks and Open Spaces Opportunity Projects Fund – This fund is used to account for resources set aside for greenspace acquisitions.

## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Budgetary Funds

June 30, 2019

- Transportation Development Tax Fund – This fund is used to account for resources provided by the County’s transportation tax on development that was approved by voters in November 2008.

The following fund is presented individually for budgetary purposes. For reporting purposes this fund is combined with the Facilities General Capital Projects Fund in accordance with GASB Statement No. 54. See combining schedules on pages 157 and 172.

- 2016 FF&C Facilities Capital Projects Fund – This fund accounts for bond proceeds from the full faith and credit borrowing for various facilities capital projects.

#### INTERNAL SERVICE FUNDS

The Internal Service Funds account for activities and services performed for other organizational units within the County. Charges to other County agencies are made to support these activities. The County accounts for certain expenses of the Internal Service Funds for budgetary purposes on the modified accrual basis of accounting. For financial reporting purposes, the accrual basis of accounting is used. The differences relate primarily to the methods of accounting for depreciation, capital outlay, OPEB, and PERS net pension liability. Funds included in this category are:

- Fleet Services Fund – This fund accounts for maintenance and repair services provided to County users of the fleet. Costs are billed to the user's department based upon a specified hourly rate.
- Fleet Replacement Fund – This fund provides for the purchase and disposition of fleet vehicles and equipment. Replacement costs are billed to other departments at an amount estimated to cover depreciation on the fleet.
- Internal Support Services Fund – This fund accounts for all departmental costs for postage, office supplies, printing, training, and other support services costs. Actual costs are billed to user departments as services are used.
- Liability/Casualty Insurance Fund – This fund is a self-insurance fund that provides the funds necessary to cover liability and casualty claims. Costs are billed to user departments at an amount estimated to cover actual and incurred but not reported claims.
- Life Insurance Fund – This fund accounts for collection and payment of life and long-term disability insurance premiums for the various departments of the County.

## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Budgetary Funds

June 30, 2019

- Medical Insurance Fund – This fund accounts for all administrative and claims costs associated with the County’s medical and dental plans. Costs are billed to the departments based on number of employees.
- Unemployment Insurance Fund – This fund accounts for all unemployment claims of departments and centralizes accounting of charges. Costs are billed to the departments based on historical claims.
- Workers' Compensation Insurance Fund – This fund accounts for the payment of workers' compensation costs. Costs are billed to the user department based on actual expenses.

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WASHINGTON COUNTY, OREGON

Combining Balance Sheet

General Fund

June 30, 2019

(Dollars in thousands)

	General Fund	Gain Share Fund	PERS Rate Stabilization Fund	Strategic Investment Program Fund	Survey Fund	Total General Fund
<b>Assets</b>						
Cash and investments	\$ 43,810	5,391	6,927	20,421	2,435	78,984
Property taxes receivable	2,337	—	—	—	—	2,337
Accounts receivable	5,737	—	—	—	99	5,836
Investment interest receivable	3,801	—	—	—	—	3,801
Due from other funds	1,827	—	—	—	—	1,827
Advances to other funds	132	—	—	—	—	132
Inventory	103	—	—	—	—	103
Other assets	1,090	—	—	—	—	1,090
Total assets	<u>58,837</u>	<u>5,391</u>	<u>6,927</u>	<u>20,421</u>	<u>2,534</u>	<u>94,110</u>
<b>Liabilities</b>						
Accounts payable	4,679	—	—	—	41	4,720
Accrued payroll liabilities	6,045	—	—	—	18	6,063
Deposits payable	57	—	—	—	1,103	1,160
Amounts held in trust	537	—	—	—	1	538
Unearned revenue	135	—	—	—	—	135
Total liabilities	<u>11,453</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,163</u>	<u>12,616</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	<u>2,588</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,588</u>
<b>Fund Balances</b>						
Nonspendable	103	—	—	—	—	103
Assigned	—	—	6,927	—	1,371	8,298
Unassigned	44,693	5,391	—	20,421	—	70,505
Total fund balances	<u>44,796</u>	<u>5,391</u>	<u>6,927</u>	<u>20,421</u>	<u>1,371</u>	<u>78,906</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 58,837</u>	<u>5,391</u>	<u>6,927</u>	<u>20,421</u>	<u>2,534</u>	<u>94,110</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Human Services Fund

June 30, 2019

(Dollars in thousands)

	Human Services Fund	Human Services HB-2145 Fund	Mental Health Crisis Services Fund	Total Human Services Fund
<b>Assets</b>				
Cash and investments	\$ 40,644	1,356	3,088	45,088
Accounts receivable	575	—	—	575
Other assets	23	—	16	39
Total assets	<u>41,242</u>	<u>1,356</u>	<u>3,104</u>	<u>45,702</u>
<b>Liabilities</b>				
Accounts payable	1,976	—	1,135	3,111
Accrued payroll liabilities	347	—	—	347
Unearned revenue	33,099	—	—	33,099
Total liabilities	<u>35,422</u>	<u>—</u>	<u>1,135</u>	<u>36,557</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	38	—	—	38
<b>Fund Balances</b>				
Restricted	5,782	1,356	1,969	9,107
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 41,242</u>	<u>1,356</u>	<u>3,104</u>	<u>45,702</u>

**WASHINGTON COUNTY, OREGON**

Combining Balance Sheet

Non-major Governmental Funds - Summary

June 30, 2019

(Dollars in thousands)

	<b>Total Special Revenue Funds</b>	<b>Total Debt Service Funds</b>	<b>Total Capital Projects Funds</b>	<b>Total Non-major Funds</b>
<b>Assets</b>				
Cash and investments	\$ 119,175	2,243	164,364	285,782
Restricted cash	7,757	—	—	7,757
Property taxes receivable	1,179	65	—	1,244
Assessments receivable	2	—	425	427
Accounts receivable	7,481	112	281	7,874
Investment interest receivable	255	—	—	255
Contracts receivable	4,376	—	—	4,376
Other assets	180	—	—	180
Total assets	<u>140,405</u>	<u>2,420</u>	<u>165,070</u>	<u>307,895</u>
<b>Liabilities</b>				
Accounts payable	4,804	—	7,844	12,648
Accrued payroll liabilities	2,587	—	—	2,587
Deposits payable	812	—	53	865
Amounts held in trust	48	—	—	48
Due to other funds	1,826	—	—	1,826
Advances from other funds	132	—	—	132
Unearned revenue	2,004	—	—	2,004
Total liabilities	<u>12,213</u>	<u>—</u>	<u>7,897</u>	<u>20,110</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	5,955	54	571	6,580
Total deferred inflows of resources	<u>5,955</u>	<u>54</u>	<u>571</u>	<u>6,580</u>
<b>Fund Balances (Deficit)</b>				
Restricted	108,256	2,366	114,824	225,446
Committed	14,314	—	38,149	52,463
Assigned	—	—	3,629	3,629
Unassigned	(333)	—	—	(333)
Total fund balances	<u>122,237</u>	<u>2,366</u>	<u>156,602</u>	<u>281,205</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 140,405</u>	<u>2,420</u>	<u>165,070</u>	<u>307,895</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Non-major Governmental Funds - Special Revenue Funds

June 30, 2019

(Dollars in thousands)

<b>Assets</b>	<b>Aging, Disability &amp; Veteran Services Fund</b>	<b>Air Quality Fund</b>	<b>Animal Services Gifts and Donations Fund</b>	<b>Building Services Fund</b>	<b>Children and Youth Services Commission Fund</b>	<b>Community Corrections Fund</b>
Cash and investments	20	611	878	15,966	1,042	4,032
Accounts receivable	1,185	—	—	302	1,465	5
Other assets	8	—	—	5	—	4
Total assets	<u>1,213</u>	<u>611</u>	<u>878</u>	<u>16,273</u>	<u>2,507</u>	<u>4,041</u>
<b>Liabilities</b>						
Accounts payable	260	15	1	45	1,225	277
Accrued payroll liabilities	54	4	—	242	23	348
Deposits payable	—	—	—	467	—	—
Amounts held in trust	31	—	—	4	—	12
Due to other funds	6	—	—	—	—	—
Unearned revenue	314	—	451	—	569	250
Total liabilities	<u>665</u>	<u>19</u>	<u>452</u>	<u>758</u>	<u>1,817</u>	<u>887</u>
<b>Fund Balances</b>						
Restricted	548	—	426	15,515	690	3,154
Committed	—	592	—	—	—	—
Total fund balances	<u>548</u>	<u>592</u>	<u>426</u>	<u>15,515</u>	<u>690</u>	<u>3,154</u>
Total liabilities and fund balances	<u>\$ 1,213</u>	<u>611</u>	<u>878</u>	<u>16,273</u>	<u>2,507</u>	<u>4,041</u>



**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet, Continued  
Non-major Governmental Funds - Special Revenue Funds  
June 30, 2019  
(Dollars in thousands)

	<b>Cooperative Library Services Fund</b>	<b>Court Security Fund</b>	<b>Department of Housing Services Fund</b>	<b>Development Services Fund</b>	<b>District Patrol Fund</b>	<b>Emergency Medical Services Fund</b>
<b>Assets</b>						
Cash and investments	\$ 11,821	956	361	3,145	663	1,121
Property taxes receivable	220	—	—	—	—	—
Accounts receivable	22	80	365	8	19	7
Other assets	124	—	8	1	1	1
Total assets	<u>12,187</u>	<u>1,036</u>	<u>734</u>	<u>3,154</u>	<u>683</u>	<u>1,129</u>
<b>Liabilities</b>						
Accounts payable	87	49	136	8	47	7
Accrued payroll liabilities	118	—	125	73	636	14
Deposits payable	—	—	—	343	—	—
Unearned revenue	4	—	—	—	—	—
Total liabilities	<u>209</u>	<u>49</u>	<u>261</u>	<u>424</u>	<u>683</u>	<u>21</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	182	—	—	—	—	2
<b>Fund Balances</b>						
Restricted	—	987	473	2,730	—	1,106
Committed	11,796	—	—	—	—	—
Total fund balances	<u>11,796</u>	<u>987</u>	<u>473</u>	<u>2,730</u>	<u>—</u>	<u>1,106</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,187</u>	<u>1,036</u>	<u>734</u>	<u>3,154</u>	<u>683</u>	<u>1,129</u>

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet, Continued  
Non-major Governmental Funds - Special Revenue Funds  
June 30, 2019  
(Dollars in thousands)

	<b>Enhanced Sheriff's Patrol District Fund (Component Unit)</b>	<b>Health Share of Oregon Fund</b>	<b>Human Services OHP Fund</b>	<b>ITS Systems Replacement Fund</b>	<b>Jail Commissary Fund</b>	<b>Juvenile Conciliation Services Fund</b>
<b>Assets</b>						
Cash and investments	\$ 17,607	10,500	5,370	1,370	884	149
Restricted cash	—	7,757	—	—	—	—
Property taxes receivable	439	—	—	—	—	—
Accounts receivable	—	1	—	—	33	—
Other assets	—	1	1	—	—	—
Total assets	<u>18,046</u>	<u>18,259</u>	<u>5,371</u>	<u>1,370</u>	<u>917</u>	<u>149</u>
<b>Liabilities</b>						
Accounts payable	1	895	—	1	—	—
Accrued payroll liabilities	—	122	—	—	4	18
Due to other funds	—	195	—	—	—	—
Total liabilities	<u>1</u>	<u>1,212</u>	<u>—</u>	<u>1</u>	<u>4</u>	<u>18</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	362	—	—	—	—	—
<b>Fund Balances</b>						
Restricted	17,683	17,047	5,371	—	913	131
Committed	—	—	—	1,369	—	—
Total fund balances	<u>17,683</u>	<u>17,047</u>	<u>5,371</u>	<u>1,369</u>	<u>913</u>	<u>131</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,046</u>	<u>18,259</u>	<u>5,371</u>	<u>1,370</u>	<u>917</u>	<u>149</u>

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet, Continued  
Non-major Governmental Funds - Special Revenue Funds  
June 30, 2019  
(Dollars in thousands)

<b>Assets</b>	<b>Juvenile Grants Fund</b>	<b>Juvenile High Risk Prevention Fund</b>	<b>Law Library Fund</b>	<b>Local Option Levy Fund</b>	<b>Lottery Fund</b>	<b>Maintenance Improvement District Fund</b>
Cash and investments	\$ —	672	887	19,005	—	317
Property taxes receivable	—	—	—	430	—	—
Accounts receivable	343	772	—	117	656	—
Other assets	1	—	2	4	—	—
Total assets	<u>344</u>	<u>1,444</u>	<u>889</u>	<u>19,556</u>	<u>656</u>	<u>317</u>
<b>Liabilities</b>						
Accounts payable	20	161	3	132	7	—
Accrued payroll liabilities	18	42	9	620	—	—
Due to other funds	219	—	—	—	539	—
Unearned revenue	—	28	—	—	—	—
Total liabilities	<u>257</u>	<u>231</u>	<u>12</u>	<u>752</u>	<u>546</u>	<u>—</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	—	95	—	356	—	—
<b>Fund Balances</b>						
Restricted	<u>87</u>	<u>1,118</u>	<u>877</u>	<u>18,448</u>	<u>110</u>	<u>317</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 344</u>	<u>1,444</u>	<u>889</u>	<u>19,556</u>	<u>656</u>	<u>317</u>

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet, Continued  
Non-major Governmental Funds - Special Revenue Funds  
June 30, 2019  
(Dollars in thousands)

	<b>Metro Affordable Housing Bond Fund</b>	<b>Metzger Park LID Fund</b>	<b>North Bethany County Service District for Roads Fund (Component Unit)</b>	<b>Office of Community Development Block Grant Fund</b>	<b>Sheriff's Office Contract Services Fund</b>	<b>Sheriff's Office Forfeitures Fund</b>
<b>Assets</b>						
Cash and investments	\$ —	110	1,243	—	—	616
Property taxes receivable	—	—	8	—	—	—
Assessments receivable	—	2	—	—	—	—
Accounts receivable	146	—	—	903	265	—
Investment interest receivable	—	—	—	255	—	—
Contracts receivable	—	—	—	4,376	—	—
Total assets	<u>146</u>	<u>112</u>	<u>1,251</u>	<u>5,534</u>	<u>265</u>	<u>616</u>
<b>Liabilities</b>						
Accounts payable	—	4	64	229	3	1
Accrued payroll liabilities	—	1	—	22	25	—
Deposits payable	—	2	—	—	—	—
Due to other funds	147	—	—	281	238	—
Unearned revenue	—	6	—	—	—	295
Total liabilities	<u>147</u>	<u>13</u>	<u>64</u>	<u>532</u>	<u>266</u>	<u>296</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	—	1	7	4,661	87	—
<b>Fund Balances (Deficits)</b>						
Restricted	—	98	1,180	341	—	320
Unassigned	(1)	—	—	—	(88)	—
Total fund balances (deficits)	<u>(1)</u>	<u>98</u>	<u>1,180</u>	<u>341</u>	<u>(88)</u>	<u>320</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 146</u>	<u>112</u>	<u>1,251</u>	<u>5,534</u>	<u>265</u>	<u>616</u>

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet, Continued  
Non-major Governmental Funds - Special Revenue Funds  
June 30, 2019  
(Dollars in thousands)

	Sheriff's Office Grants & Donations Fund	Statewide Transportation Improvement Fund	Surveyor - Public Land Corner Fund	Tourism Dedicated Lodging Tax Fund	Urban Road Maintenance District Fund (Component Unit)	Washington County Fair Fund
<b>Assets</b>						
Cash and investments	\$ —	133	2,226	1,768	13,589	1,527
Property taxes receivable	—	—	—	—	82	—
Accounts receivable	217	—	4	390	—	176
Other assets	—	—	—	—	—	19
Total assets	<u>217</u>	<u>133</u>	<u>2,230</u>	<u>2,158</u>	<u>13,671</u>	<u>1,722</u>
<b>Liabilities</b>						
Accounts payable	15	109	—	730	132	132
Accrued payroll liabilities	3	—	16	—	—	29
Amounts held in trust	—	—	—	—	—	1
Due to other funds	201	—	—	—	—	—
Advances from other funds	—	132	—	—	—	—
Unearned revenue	—	—	—	—	—	87
Total liabilities	<u>219</u>	<u>241</u>	<u>16</u>	<u>730</u>	<u>132</u>	<u>249</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	<u>134</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>68</u>	<u>—</u>
<b>Fund Balances (Deficits)</b>						
Restricted	—	—	2,214	1,428	13,471	1,473
Unassigned	(136)	(108)	—	—	—	—
Total fund balances (deficits)	<u>(136)</u>	<u>(108)</u>	<u>2,214</u>	<u>1,428</u>	<u>13,471</u>	<u>1,473</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 217</u>	<u>133</u>	<u>2,230</u>	<u>2,158</u>	<u>13,671</u>	<u>1,722</u>

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet, Continued  
Non-major Governmental Funds - Special Revenue Funds  
June 30, 2019  
(Dollars in thousands)

	<b>West Slope Library Fund</b>	<b>Total Special Revenue Funds</b>
<b>Assets</b>		
Cash and investments	\$ 586	119,175
Restricted cash	—	7,757
Property taxes receivable	—	1,179
Assessments receivable	—	2
Accounts receivable	—	7,481
Investment interest receivable	—	255
Contracts receivable	—	4,376
Other assets	—	180
Total assets	586	140,405
<b>Liabilities</b>		
Accounts payable	8	4,804
Accrued payroll liabilities	21	2,587
Deposits payable	—	812
Amounts held in trust	—	48
Due to other funds	—	1,826
Advances from other funds	—	132
Unearned revenue	—	2,004
Total liabilities	29	12,213
<b>Deferred Inflows of Resources</b>		
Unavailable revenue	—	5,955
<b>Fund Balances (Deficit)</b>		
Restricted	—	108,256
Committed	557	14,314
Unassigned	—	(333)
Total fund balances	557	122,237
Total liabilities, deferred inflows of resources, and fund balances	\$ 586	140,405

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet  
Non-major Governmental Funds - Health Share of Oregon Fund  
June 30, 2019  
(Dollars in thousands)

	<b>Health Share of Oregon Fund</b>	<b>Tri-County Risk Reserve Fund</b>	<b>Total Health Share of Oregon Fund</b>
<b>Assets</b>			
Cash and investments	\$ —	10,500	10,500
Restricted cash	7,757	—	7,757
Accounts receivable	1	—	1
Other assets	1	—	1
Total assets	<u>7,759</u>	<u>10,500</u>	<u>18,259</u>
<b>Liabilities</b>			
Accounts payable	895	—	895
Accrued payroll liabilities	122	—	122
Due to other funds	195	—	195
Total liabilities	<u>1,212</u>	<u>—</u>	<u>1,212</u>
<b>Fund Balances</b>			
Restricted	<u>6,547</u>	<u>10,500</u>	<u>17,047</u>
Total fund balances	<u>6,547</u>	<u>10,500</u>	<u>17,047</u>
Total liabilities and fund balances	<u>\$ 7,759</u>	<u>10,500</u>	<u>18,259</u>

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet  
Non-major Governmental Funds - Debt Service Funds  
June 30, 2019  
(Dollars in thousands)

	<b>General Obligation Debt Service Fund</b>	<b>Miscellaneous Debt Service Fund</b>	<b>Series 2016 B FFCO Debt Service Fund</b>	<b>Total Debt Service Funds</b>
<b>Assets</b>				
Cash and investments	\$ 72	36	2,135	2,243
Property taxes receivable	65	—	—	65
Accounts receivable	—	—	112	112
Total assets	<u>137</u>	<u>36</u>	<u>2,247</u>	<u>2,420</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	54	—	—	54
<b>Fund Balance</b>				
Restricted	<u>83</u>	<u>36</u>	<u>2,247</u>	<u>2,366</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 137</u>	<u>36</u>	<u>2,247</u>	<u>2,420</u>



**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet  
Non-major Governmental Funds - Capital Projects Funds  
June 30, 2019  
(Dollars in thousands)

	<b>Bonny Slope West Transportation SDC Fund</b>	<b>Building Equipment Replacement Fund</b>	<b>Countywide Traffic Impact Fee Fund</b>	<b>Emergency Communications System Fund</b>	<b>Event Center Fund</b>	<b>Facilities General Capital Projects Fund</b>	<b>Facilities Park (THPRD) SDC Fund</b>
<b>Assets</b>							
Cash and investments	\$ 927	1,427	1,687	44,932	35,046	8,240	68
Assessments receivable	—	—	9	—	—	—	—
Accounts receivable	—	—	—	—	—	235	—
Total assets	<u>927</u>	<u>1,427</u>	<u>1,696</u>	<u>44,932</u>	<u>35,046</u>	<u>8,475</u>	<u>68</u>
<b>Liabilities</b>							
Accounts payable	—	459	126	430	3,318	2,823	—
Deposits payable	—	—	—	—	—	53	—
Total liabilities	<u>—</u>	<u>459</u>	<u>126</u>	<u>430</u>	<u>3,318</u>	<u>2,876</u>	<u>—</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	—	—	9	—	—	146	—
<b>Fund Balances</b>							
Restricted	927	—	1,561	44,502	—	—	68
Committed	—	968	—	—	31,728	5,453	—
Total fund balances	<u>927</u>	<u>968</u>	<u>1,561</u>	<u>44,502</u>	<u>31,728</u>	<u>5,453</u>	<u>68</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 927</u>	<u>1,427</u>	<u>1,696</u>	<u>44,932</u>	<u>35,046</u>	<u>8,475</u>	<u>68</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Non-major Governmental Funds - Capital Projects Funds, Continued

June 30, 2019

(Dollars in thousands)

	ITS Capital Projects Fund	Major Streets Capital Projects Fund	North Bethany SDC Fund	Parks and Open Spaces Opportunity Projects Fund	Transportation Development Tax Fund	Total Capital Projects Funds
<b>Assets</b>						
Cash and investments	\$ 3,499	14,061	5,855	249	48,373	164,364
Assessments receivable	—	—	—	—	416	425
Accounts receivable	—	22	—	—	24	281
Total assets	<u>3,499</u>	<u>14,083</u>	<u>5,855</u>	<u>249</u>	<u>48,813</u>	<u>165,070</u>
<b>Liabilities</b>						
Accounts payable	117	377	1	2	191	7,844
Deposits payable	—	—	—	—	—	53
Total liabilities	<u>117</u>	<u>377</u>	<u>1</u>	<u>2</u>	<u>191</u>	<u>7,897</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	—	—	—	—	416	571
<b>Fund Balances</b>						
Restricted	—	13,706	5,854	—	48,206	114,824
Committed	—	—	—	—	—	38,149
Assigned	3,382	—	—	247	—	3,629
Total fund balances	<u>3,382</u>	<u>13,706</u>	<u>5,854</u>	<u>247</u>	<u>48,206</u>	<u>156,602</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>3,499</u>	<u>14,083</u>	<u>5,855</u>	<u>249</u>	<u>48,813</u>	<u>165,070</u>

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet  
Non-major Governmental Funds - Facilities General Capital Projects Fund  
June 30, 2019  
(Dollars in thousands)

	<b>2016 FF&amp;C Facilities Capital Projects Fund</b>	<b>Facilities General Capital Projects Fund</b>	<b>Total Facilities General Capital Projects Fund</b>
<b>Assets</b>			
Cash and investments	\$ 4,230	4,010	8,240
Accounts receivable	—	235	235
Total assets	<u>4,230</u>	<u>4,245</u>	<u>8,475</u>
<b>Liabilities</b>			
Accounts payable	1,341	1,482	2,823
Deposits payable	—	53	53
Total liabilities	<u>1,341</u>	<u>1,535</u>	<u>2,876</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	—	146	146
<b>Fund Balances</b>			
Committed	<u>2,889</u>	<u>2,564</u>	<u>5,453</u>
Total fund balances	<u>2,889</u>	<u>2,564</u>	<u>5,453</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,230</u>	<u>4,245</u>	<u>8,475</u>

**WASHINGTON COUNTY, OREGON**  
Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances

General Fund

For the fiscal year ended June 30, 2019

(Dollars in thousands)

	General Fund	Gain Share Fund	Indirect Cost Reimburse- ment Fund	PERS Rate Stabilization Fund	Strategic Investment Program Fund	Survey Fund	Net Consolidation Adjustments	Total General Fund
<b>Revenues:</b>								
Taxes	\$ 155,374	—	—	—	—	—	—	155,374
Licenses and permits	7,805	—	—	—	—	—	—	7,805
Intergovernmental revenues	20,322	9,734	79	—	—	—	—	30,135
Charges for services	10,253	—	—	—	27,166	890	—	38,309
Fines and forfeitures	2,230	—	—	—	—	—	—	2,230
Miscellaneous revenues	6,138	287	—	273	936	100	—	7,734
Interfund revenues	7,359	—	22,668	—	—	23	(85)	29,965
<b>Total revenues</b>	<b>209,481</b>	<b>10,021</b>	<b>22,747</b>	<b>273</b>	<b>28,102</b>	<b>1,013</b>	<b>(85)</b>	<b>271,552</b>
<b>Expenditures:</b>								
<b>Current:</b>								
General government	55,723	—	—	—	—	—	—	55,723
Public safety and justice	79,963	—	—	—	—	—	—	79,963
Land use and transportation	3,565	—	—	—	—	744	(85)	4,224
Housing, health and human services	21,799	—	—	—	—	—	—	21,799
Culture, education and recreation	1,705	—	—	—	—	—	—	1,705
Nonoperating	—	—	4,243	—	—	—	—	4,243
<b>Total current</b>	<b>162,755</b>	<b>—</b>	<b>4,243</b>	<b>—</b>	<b>—</b>	<b>744</b>	<b>(85)</b>	<b>167,657</b>
Capital outlay	479	—	—	—	—	—	—	479
<b>Debt service:</b>								
Principal	22	—	—	—	—	—	—	22
Interest	9	—	—	—	—	—	—	9
<b>Total debt service</b>	<b>31</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>31</b>
<b>Total expenditures</b>	<b>163,265</b>	<b>—</b>	<b>4,243</b>	<b>—</b>	<b>—</b>	<b>744</b>	<b>(85)</b>	<b>168,167</b>
<b>Revenues over expenditures</b>	<b>46,216</b>	<b>10,021</b>	<b>18,504</b>	<b>273</b>	<b>28,102</b>	<b>269</b>	<b>—</b>	<b>103,385</b>
<b>Other financing sources (uses):</b>								
Transfers in	36,347	—	—	—	3,671	73	(30,901)	9,190
Transfers out	(80,240)	(11,844)	(18,504)	—	(20,000)	(30)	30,901	(99,717)
<b>Total other financing sources (uses)</b>	<b>(43,893)</b>	<b>(11,844)</b>	<b>(18,504)</b>	<b>—</b>	<b>(16,329)</b>	<b>43</b>	<b>—</b>	<b>(90,527)</b>
<b>Net change in fund balances</b>	<b>2,323</b>	<b>(1,823)</b>	<b>—</b>	<b>273</b>	<b>11,773</b>	<b>312</b>	<b>—</b>	<b>12,858</b>
Fund balances July 1, 2018	42,473	7,214	—	6,654	8,648	1,059	—	66,048
Fund balances June 30, 2019	\$ 44,796	5,391	—	6,927	20,421	1,371	—	78,906

**WASHINGTON COUNTY, OREGON**  
 Combining Schedule of Revenues, Expenditures  
 and Changes in Fund Balances

Human Services Fund

For the fiscal year ended June 30, 2019

(Dollars in thousands)

	Human Services Fund	Human Services HB-2145 Fund	Mental Health Crisis Services Fund	Net Consolidation Adjustments	Total Human Services Fund
<b>Revenues:</b>					
Intergovernmental revenues	\$ 23,033	—	—	—	23,033
Charges for services	6	—	—	—	6
Miscellaneous revenues	2,112	—	78	—	2,190
Interfund revenues	145	—	—	—	145
<b>Total revenues</b>	<b>25,296</b>	<b>—</b>	<b>78</b>	<b>—</b>	<b>25,374</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Housing, health and human services	22,060	—	5,149	—	27,209
<b>Revenues over (under) expenditures</b>	<b>3,236</b>	<b>—</b>	<b>(5,071)</b>	<b>—</b>	<b>(1,835)</b>
<b>Other financing sources (uses):</b>					
Transfers in	2,054	—	5,201	(3,793)	3,462
Transfers out	(3,604)	(229)	—	3,793	(40)
<b>Total other financing sources (uses)</b>	<b>(1,550)</b>	<b>(229)</b>	<b>5,201</b>	<b>—</b>	<b>3,422</b>
<b>Net change in fund balances</b>	<b>1,686</b>	<b>(229)</b>	<b>130</b>	<b>—</b>	<b>1,587</b>
Fund balances July 1, 2018	4,096	1,585	1,839	—	7,520
Fund balances June 30, 2019	\$ 5,782	1,356	1,969	—	9,107

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

Non-major Governmental Funds - Summary

For the fiscal year ended June 30, 2019

(Dollars in thousands)

	<b>Total Special Revenue Funds</b>	<b>Total Debt Service Funds</b>	<b>Total Capital Projects Funds</b>	<b>Total Non-major Funds</b>
<b>Revenues:</b>				
Taxes	\$ 79,148	5,494	—	84,642
Licenses and permits	4,684	—	—	4,684
Intergovernmental revenues	40,262	—	5,886	46,148
Charges for services	17,855	—	6,031	23,886
Fines and forfeitures	483	—	—	483
Special assessments	125	—	9	134
Miscellaneous revenues	37,244	35	7,409	44,688
Interfund revenues	1,130	—	632	1,762
<b>Total revenues</b>	<b>180,931</b>	<b>5,529</b>	<b>19,967</b>	<b>206,427</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety and justice	102,781	—	—	102,781
Land use and transportation	17,473	—	8,369	25,842
Housing, health and human services	32,684	—	—	32,684
Culture, education and recreation	39,643	—	2,534	42,177
Nonoperating	261	3	17,908	18,172
<b>Total current</b>	<b>192,842</b>	<b>3</b>	<b>28,811</b>	<b>221,656</b>
Capital outlay	1,161	—	38,955	40,116
<b>Debt service:</b>				
Principal	270	14,088	—	14,358
Interest	5	9,545	—	9,550
<b>Total debt service</b>	<b>275</b>	<b>23,633</b>	<b>—</b>	<b>23,908</b>
<b>Total expenditures</b>	<b>194,278</b>	<b>23,636</b>	<b>67,766</b>	<b>285,680</b>
Revenues under expenditures	(13,347)	(18,107)	(47,799)	(79,253)
<b>Other financing sources (uses):</b>				
Transfers in	27,918	20,131	14,734	62,783
Transfers out	(8,478)	—	(2,391)	(10,869)
<b>Total other financing sources</b>	<b>19,440</b>	<b>20,131</b>	<b>12,343</b>	<b>51,914</b>
<b>Net change in fund balances</b>	<b>6,093</b>	<b>2,024</b>	<b>(35,456)</b>	<b>(27,339)</b>
Fund balances July 1, 2018	116,144	342	192,058	308,544
Fund balances June 30, 2019	\$ <u>122,237</u>	<u>2,366</u>	<u>156,602</u>	<u>281,205</u>

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Non-major Governmental Funds - Special Revenue Funds  
For the fiscal year ended June 30, 2019  
(Dollars in thousands)

	<b>Aging, Disability &amp; Veteran Services Fund</b>	<b>Air Quality Fund</b>	<b>Animal Services Gifts and Donations Fund</b>	<b>Building Services Fund</b>	<b>Children and Youth Services Commission Fund</b>	<b>Community Corrections Fund</b>
<b>Revenues:</b>						
Licenses and permits	\$ —	—	—	4,118	—	—
Intergovernmental revenues	4,004	76	9	102	5,771	16,569
Charges for services	—	—	—	3,065	118	1,011
Fines and forfeitures	—	—	—	1	—	—
Miscellaneous revenues	33	278	40	760	41	234
Interfund revenues	58	—	—	215	326	87
<b>Total revenues</b>	<b>4,095</b>	<b>354</b>	<b>49</b>	<b>8,261</b>	<b>6,256</b>	<b>17,901</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Public safety and justice	—	—	—	—	—	19,781
Land use and transportation	—	—	—	9,415	—	—
Housing, health and human services	4,414	577	—	—	6,322	—
<b>Total current</b>	<b>4,414</b>	<b>577</b>	<b>—</b>	<b>9,415</b>	<b>6,322</b>	<b>19,781</b>
Capital outlay	—	—	9	11	—	135
<b>Total expenditures</b>	<b>4,414</b>	<b>577</b>	<b>9</b>	<b>9,426</b>	<b>6,322</b>	<b>19,916</b>
<b>Revenues over (under) expenditures</b>	<b>(319)</b>	<b>(223)</b>	<b>40</b>	<b>(1,165)</b>	<b>(66)</b>	<b>(2,015)</b>
<b>Other financing sources (uses):</b>						
Transfers in	336	304	—	—	186	2,606
Transfers out	(89)	—	—	(853)	—	(32)
<b>Total other financing sources (uses)</b>	<b>247</b>	<b>304</b>	<b>—</b>	<b>(853)</b>	<b>186</b>	<b>2,574</b>
<b>Net change in fund balances</b>	<b>(72)</b>	<b>81</b>	<b>40</b>	<b>(2,018)</b>	<b>120</b>	<b>559</b>
Fund balances July 1, 2018	620	511	386	17,533	570	2,595
Fund balances June 30, 2019	\$ <u>548</u>	<u>592</u>	<u>426</u>	<u>15,515</u>	<u>690</u>	<u>3,154</u>

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (Deficit), Continued  
Non-major Governmental Funds - Special Revenue Funds  
For the fiscal year ended June 30, 2019  
(Dollars in thousands)

	Cooperative Library Services Fund	Court Security Fund	Department of Housing Services Fund	Development Services Fund	District Patrol Fund	Emergency Medical Services Fund
Revenues:						
Taxes	\$ 13,941	—	—	—	—	—
Licenses and permits	—	—	—	—	—	535
Intergovernmental revenues	147	—	3,973	100	—	—
Charges for services	—	—	—	1,685	69	5
Fines and forfeitures	—	480	—	2	—	—
Miscellaneous revenues	557	39	4,361	179	26,283	87
Interfund revenues	—	—	—	20	—	12
<b>Total revenues</b>	<b>14,645</b>	<b>519</b>	<b>8,334</b>	<b>1,986</b>	<b>26,352</b>	<b>639</b>
Expenditures:						
Current:						
Public safety and justice	—	505	—	—	25,648	—
Land use and transportation	—	—	—	2,833	—	—
Housing, health and human services	—	—	9,004	—	—	648
Culture, education and recreation	31,963	—	—	—	—	—
<b>Total current</b>	<b>31,963</b>	<b>505</b>	<b>9,004</b>	<b>2,833</b>	<b>25,648</b>	<b>648</b>
Capital outlay	—	—	—	—	698	—
<b>Total expenditures</b>	<b>31,963</b>	<b>505</b>	<b>9,004</b>	<b>2,833</b>	<b>26,346</b>	<b>648</b>
Revenues over (under) expenditures	(17,318)	14	(670)	(847)	6	(9)
Other financing sources (uses):						
Transfers in	20,574	—	1,266	407	—	—
Transfers out	(856)	—	(499)	(402)	(5)	—
<b>Total other financing sources (uses)</b>	<b>19,718</b>	<b>—</b>	<b>767</b>	<b>5</b>	<b>(5)</b>	<b>—</b>
<b>Net change in fund balances (deficit)</b>	<b>2,400</b>	<b>14</b>	<b>97</b>	<b>(842)</b>	<b>1</b>	<b>(9)</b>
Fund balances (deficit) July 1, 2018	9,396	973	376	3,572	(1)	1,115
<b>Fund balances June 30, 2019</b>	<b>\$ 11,796</b>	<b>987</b>	<b>473</b>	<b>2,730</b>	<b>—</b>	<b>1,106</b>



**WASHINGTON COUNTY, OREGON**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances, Continued  
Non-major Governmental Funds - Special Revenue Funds  
For the fiscal year ended June 30, 2019  
(Dollars in thousands)

	Enhanced Sheriff's Patrol District Fund (Component Unit)	Health Share of Oregon Fund	Human Services OHP Fund	ITS Systems Replacement Fund	Jail Commissary Fund	Juvenile Conciliation Services Fund
<b>Revenues:</b>						
Taxes	\$ 27,352	—	—	—	—	—
Licenses and permits	—	—	—	—	—	31
Intergovernmental revenues	64	—	—	—	—	536
Charges for services	16	9,569	—	—	—	6
Miscellaneous revenues	765	56	212	37	397	17
Total revenues	<u>28,197</u>	<u>9,625</u>	<u>212</u>	<u>37</u>	<u>397</u>	<u>590</u>
<b>Expenditures:</b>						
Current:						
Public safety and justice	26,181	—	—	—	122	634
Housing, health and human services	—	8,323	—	—	—	—
Total current	<u>26,181</u>	<u>8,323</u>	<u>—</u>	<u>—</u>	<u>122</u>	<u>634</u>
Revenues over (under) expenditures	<u>2,016</u>	<u>1,302</u>	<u>212</u>	<u>37</u>	<u>275</u>	<u>(44)</u>
<b>Other financing sources (uses):</b>						
Transfers in	—	—	—	920	—	—
Transfers out	(136)	(1,237)	—	(131)	—	—
Total other financing sources (uses)	<u>(136)</u>	<u>(1,237)</u>	<u>—</u>	<u>789</u>	<u>—</u>	<u>—</u>
Net change in fund balances	1,880	65	212	826	275	(44)
Fund balances July 1, 2018	<u>15,803</u>	<u>16,982</u>	<u>5,159</u>	<u>543</u>	<u>638</u>	<u>175</u>
Fund balances June 30, 2019	<u>\$ 17,683</u>	<u>17,047</u>	<u>5,371</u>	<u>1,369</u>	<u>913</u>	<u>131</u>

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances, Continued  
Non-major Governmental Funds - Special Revenue Funds  
For the fiscal year ended June 30, 2019  
(Dollars in thousands)

	Juvenile Grants Fund	Juvenile High Risk Prevention Fund	Law Library Fund	Local Option Levy Fund	Lottery Fund	Maintenance Improvement District Fund
Revenues:						
Taxes	\$ —	—	—	26,723	—	—
Intergovernmental revenues	783	1,983	—	571	2,244	—
Charges for services	—	—	358	27	—	—
Special assessments	—	—	—	—	—	35
Miscellaneous revenues	—	39	38	856	1	12
<b>Total revenues</b>	<b>783</b>	<b>2,022</b>	<b>396</b>	<b>28,177</b>	<b>2,245</b>	<b>47</b>
Expenditures:						
Current:						
Public safety and justice	784	2,024	413	25,023	—	—
Land use and transportation	—	—	—	—	—	6
Nonoperating	—	—	—	—	261	—
<b>Total current</b>	<b>784</b>	<b>2,024</b>	<b>413</b>	<b>25,023</b>	<b>261</b>	<b>6</b>
Capital outlay	—	—	—	141	—	—
<b>Total expenditures</b>	<b>784</b>	<b>2,024</b>	<b>413</b>	<b>25,164</b>	<b>261</b>	<b>6</b>
Revenues over (under) expenditures	(1)	(2)	(17)	3,013	1,984	41
Other financing uses:						
Transfers out	—	—	(17)	(2,147)	(2,013)	—
<b>Net change in fund balances</b>	<b>(1)</b>	<b>(2)</b>	<b>(34)</b>	<b>866</b>	<b>(29)</b>	<b>41</b>
Fund balances July 1, 2018	88	1,120	911	17,582	139	276
Fund balances June 30, 2019	\$ 87	1,118	877	18,448	110	317

**WASHINGTON COUNTY, OREGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (Deficits), Continued

Non-major Governmental Funds - Special Revenue Funds

For the fiscal year ended June 30, 2019

(Dollars in thousands)

	<b>Metro Affordable Housing Bond Fund</b>	<b>Metzger Park LID Fund</b>	<b>North Bethany County Service District for Roads Fund (Component Unit)</b>	<b>Office of Community Development Block Grant Fund</b>	<b>Sheriff's Office Contract Services Fund</b>	<b>Sheriff's Office Forfeitures Fund</b>
<b>Revenues:</b>						
Taxes	\$ —	—	603	—	—	—
Intergovernmental revenues	146	—	—	2,912	—	—
Charges for services	—	—	—	—	754	—
Special assessments	—	90	—	—	—	—
Miscellaneous revenues	—	22	37	163	255	—
Interfund revenues	—	—	—	—	51	—
<b>Total revenues</b>	<b>146</b>	<b>112</b>	<b>640</b>	<b>3,075</b>	<b>1,060</b>	<b>—</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Public safety and justice	—	—	—	—	1,069	213
Land use and transportation	—	—	317	—	—	—
Housing, health and human services	147	—	—	3,249	—	—
Culture, education and recreation	—	68	—	—	—	—
<b>Total current</b>	<b>147</b>	<b>68</b>	<b>317</b>	<b>3,249</b>	<b>1,069</b>	<b>213</b>
Revenues over (under) expenditures	(1)	44	323	(174)	(9)	(213)
<b>Other financing sources:</b>						
Transfers in	—	—	314	150	—	—
<b>Net change in fund balances (deficit)</b>	<b>(1)</b>	<b>44</b>	<b>637</b>	<b>(24)</b>	<b>(9)</b>	<b>(213)</b>
Fund balances (deficit) July 1, 2018	—	54	543	365	(79)	533
Fund balances (deficits) June 30, 2019	\$ <u>(1)</u>	<u>98</u>	<u>1,180</u>	<u>341</u>	<u>(88)</u>	<u>320</u>

**WASHINGTON COUNTY, OREGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances, Continued

Non-major Governmental Funds - Special Revenue Funds

For the fiscal year ended June 30, 2019

(Dollars in thousands)

	<b>Sheriff's Office Grants &amp; Donations Fund</b>	<b>Statewide Transportation Improvement Fund</b>	<b>Surveyor - Public Land Corner Fund</b>	<b>Tourism Dedicated Lodging Tax Fund</b>	<b>Urban Road Maintenance District Fund (Component Unit)</b>	<b>Washington County Fair Fund</b>
<b>Revenues:</b>						
Taxes	\$ —	—	—	3,795	5,105	1,629
Intergovernmental revenues	209	—	—	—	6	53
Charges for services	—	—	392	—	17	763
Miscellaneous revenues	313	2	93	62	537	394
Interfund revenues	—	—	361	—	—	—
<b>Total revenues</b>	<b>522</b>	<b>2</b>	<b>846</b>	<b>3,857</b>	<b>5,665</b>	<b>2,839</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Public safety and justice	384	—	—	—	—	—
Land use and transportation	—	110	622	—	4,170	—
Culture, education and recreation	—	—	—	3,795	—	2,912
<b>Total current</b>	<b>384</b>	<b>110</b>	<b>622</b>	<b>3,795</b>	<b>4,170</b>	<b>2,912</b>
Capital outlay	—	—	12	—	56	99
<b>Debt service:</b>						
Principal	270	—	—	—	—	—
Interest	5	—	—	—	—	—
<b>Total debt service</b>	<b>275</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total expenditures</b>	<b>659</b>	<b>110</b>	<b>634</b>	<b>3,795</b>	<b>4,226</b>	<b>3,011</b>
Revenues over (under) expenditures	(137)	(108)	212	62	1,439	(172)
<b>Other financing uses:</b>						
Transfers out	—	—	(32)	—	(29)	—
<b>Net change in fund balances</b>	<b>(137)</b>	<b>(108)</b>	<b>180</b>	<b>62</b>	<b>1,410</b>	<b>(172)</b>
Fund balances July 1, 2018	1	—	2,034	1,366	12,061	1,645
Fund balances (deficits) June 30, 2019	\$ (136)	(108)	2,214	1,428	13,471	1,473

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances, Continued  
Non-major Governmental Funds - Special Revenue Funds  
For the fiscal year ended June 30, 2019  
(Dollars in thousands)

	<b>West Slope Library Fund</b>	<b>Total Special Revenue Funds</b>
<b>Revenues:</b>		
Taxes	\$ —	79,148
Licenses and permits	—	4,684
Intergovernmental revenues	4	40,262
Charges for services	—	17,855
Fines and forfeitures	—	483
Special assessments	—	125
Miscellaneous revenues	44	37,244
Interfund revenues	—	1,130
	<b>48</b>	<b>180,931</b>
<b>Expenditures:</b>		
<b>Current:</b>		
Public safety and justice	—	102,781
Land use and transportation	—	17,473
Housing, health and human services	—	32,684
Culture, education and recreation	905	39,643
Nonoperating	—	261
	<b>905</b>	<b>192,842</b>
Capital outlay	—	1,161
<b>Debt service:</b>		
Principal	—	270
Interest	—	5
	<b>—</b>	<b>275</b>
	<b>905</b>	<b>194,278</b>
Revenues under expenditures	<b>(857)</b>	<b>(13,347)</b>
<b>Other financing sources (uses):</b>		
Transfers in	855	27,918
Transfers out	—	(8,478)
	<b>855</b>	<b>19,440</b>
Net change in fund balances	<b>(2)</b>	<b>6,093</b>
Fund balances July 1, 2018	<b>559</b>	<b>116,144</b>
Fund balances June 30, 2019	<b>\$ 557</b>	<b>122,237</b>

**WASHINGTON COUNTY, OREGON**

Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances

Non-major Governmental Funds - Health Share of Oregon Fund

For the fiscal year ended June 30, 2019

(Dollars in thousands)

	<b>Health Share of Oregon Fund</b>	<b>Tri-County Risk Reserve Fund</b>	<b>Total Health Share of Oregon Fund</b>
Revenues:			
Charges for services	\$ 9,569	—	9,569
Miscellaneous revenues	56	—	56
Total revenues	<u>9,625</u>	<u>—</u>	<u>9,625</u>
Expenditures:			
Current:			
Housing, health and human services	<u>8,323</u>	<u>—</u>	<u>8,323</u>
Revenues over expenditures	<u>1,302</u>	<u>—</u>	<u>1,302</u>
Other financing uses:			
Transfers out	<u>(1,237)</u>	<u>—</u>	<u>(1,237)</u>
Total other financing uses	<u>(1,237)</u>	<u>—</u>	<u>(1,237)</u>
Net change in fund balances	65	—	65
Fund balances July 1, 2018	<u>6,482</u>	<u>10,500</u>	<u>16,982</u>
Fund balances June 30, 2019	<u>\$ 6,547</u>	<u>10,500</u>	<u>17,047</u>

**WASHINGTON COUNTY, OREGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

Non-major Governmental Funds - Debt Service Funds

For the fiscal year ended June 30, 2019

(Dollars in thousands)

	<b>General Obligation Debt Service Fund</b>	<b>Miscellaneous Debt Service Fund</b>	<b>Series 2016 B FFCO Debt Service Fund</b>	<b>Total Debt Service Funds</b>
<b>Revenues:</b>				
Taxes	\$ 4,403	—	1,091	5,494
Miscellaneous revenues	35	—	—	35
<b>Total revenues</b>	<b>4,438</b>	<b>—</b>	<b>1,091</b>	<b>5,529</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Nonoperating	—	3	—	3
<b>Debt service:</b>				
Principal	1,585	5,263	7,240	14,088
Interest	2,773	1,929	4,843	9,545
<b>Total debt service</b>	<b>4,358</b>	<b>7,192</b>	<b>12,083</b>	<b>23,633</b>
<b>Total expenditures</b>	<b>4,358</b>	<b>7,195</b>	<b>12,083</b>	<b>23,636</b>
Revenues over (under) expenditures	80	(7,195)	(10,992)	(18,107)
<b>Other financing sources:</b>				
Transfers in	—	7,195	12,936	20,131
<b>Net change in fund balances</b>	<b>80</b>	<b>—</b>	<b>1,944</b>	<b>2,024</b>
Fund balances July 1, 2018	3	36	303	342
Fund balances June 30, 2019	\$ 83	36	2,247	2,366

**WASHINGTON COUNTY, OREGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

Non-major Governmental Funds - Capital Projects Funds

For the fiscal year ended June 30, 2019

(Dollars in thousands)

	<b>Bonny Slope West Transportation SDC Fund</b>	<b>Building Equipment Replacement Fund</b>	<b>Countywide Traffic Impact Fee Fund</b>	<b>Emergency Communications System Fund</b>	<b>Event Center Fund</b>	<b>Facilities General Capital Projects Fund</b>	<b>Facilities Park (THPRD) SDC Fund</b>
<b>Revenues:</b>							
Intergovernmental revenues	\$ —	—	—	—	3,670	122	—
Charges for services	387	—	—	—	—	—	—
Special assessments	—	—	9	—	—	—	—
Miscellaneous revenues	27	128	78	2,131	1,492	637	3
Interfund revenues	—	—	—	—	—	34	—
<b>Total revenues</b>	<b>414</b>	<b>128</b>	<b>87</b>	<b>2,131</b>	<b>5,162</b>	<b>793</b>	<b>3</b>
<b>Expenditures:</b>							
<b>Current:</b>							
Land use and transportation	5	—	551	—	—	—	—
Culture, education and recreation	—	—	—	—	2,534	—	—
Nonoperating	—	—	—	14,152	—	1,647	—
<b>Total current</b>	<b>5</b>	<b>—</b>	<b>551</b>	<b>14,152</b>	<b>2,534</b>	<b>1,647</b>	<b>—</b>
<b>Capital outlay</b>	<b>—</b>	<b>5,602</b>	<b>—</b>	<b>5,186</b>	<b>8,826</b>	<b>17,827</b>	<b>—</b>
<b>Total expenditures</b>	<b>5</b>	<b>5,602</b>	<b>551</b>	<b>19,338</b>	<b>11,360</b>	<b>19,474</b>	<b>—</b>
<b>Revenues over (under) expenditures</b>	<b>409</b>	<b>(5,474)</b>	<b>(464)</b>	<b>(17,207)</b>	<b>(6,198)</b>	<b>(18,681)</b>	<b>3</b>
<b>Other financing sources (uses):</b>							
Transfers in	—	2,160	—	—	—	5,795	—
Transfers out	—	—	(3)	—	—	—	—
<b>Total other financing sources (uses)</b>	<b>—</b>	<b>2,160</b>	<b>(3)</b>	<b>—</b>	<b>—</b>	<b>5,795</b>	<b>—</b>
<b>Net change in fund balances</b>	<b>409</b>	<b>(3,314)</b>	<b>(467)</b>	<b>(17,207)</b>	<b>(6,198)</b>	<b>(12,886)</b>	<b>3</b>
<b>Fund balances July 1, 2018</b>	<b>518</b>	<b>4,282</b>	<b>2,028</b>	<b>61,709</b>	<b>37,926</b>	<b>18,339</b>	<b>65</b>
<b>Fund balances June 30, 2019</b>	<b>\$ 927</b>	<b>968</b>	<b>1,561</b>	<b>44,502</b>	<b>31,728</b>	<b>5,453</b>	<b>68</b>



**WASHINGTON COUNTY, OREGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

Non-major Governmental Funds - Capital Projects Funds, Continued

For the fiscal year ended June 30, 2019

(Dollars in thousands)

	<b>ITS Capital Projects Fund</b>	<b>Major Streets Capital Projects Fund</b>	<b>North Bethany SDC Fund</b>	<b>Parks and Open Spaces Opportunity Projects Fund</b>	<b>Transportation Development Tax Fund</b>	<b>Total Capital Projects Funds</b>
<b>Revenues:</b>						
Intergovernmental revenues	\$ —	633	—	—	1,461	5,886
Charges for services	—	—	1,328	—	4,316	6,031
Special assessments	—	—	—	—	—	9
Miscellaneous revenues	137	646	211	10	1,909	7,409
Interfund revenues	598	—	—	—	—	632
<b>Total revenues</b>	<b>735</b>	<b>1,279</b>	<b>1,539</b>	<b>10</b>	<b>7,686</b>	<b>19,967</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Land use and transportation	—	4,990	36	—	2,787	8,369
Culture, education and recreation	—	—	—	—	—	2,534
Nonoperating	2,109	—	—	—	—	17,908
<b>Total current</b>	<b>2,109</b>	<b>4,990</b>	<b>36</b>	<b>—</b>	<b>2,787</b>	<b>28,811</b>
<b>Capital outlay</b>	<b>1,349</b>	<b>138</b>	<b>—</b>	<b>24</b>	<b>3</b>	<b>38,955</b>
<b>Total expenditures</b>	<b>3,458</b>	<b>5,128</b>	<b>36</b>	<b>24</b>	<b>2,790</b>	<b>67,766</b>
<b>Revenues over (under) expenditures</b>	<b>(2,723)</b>	<b>(3,849)</b>	<b>1,503</b>	<b>(14)</b>	<b>4,896</b>	<b>(47,799)</b>
<b>Other financing sources (uses):</b>						
Transfers in	2,050	4,729	—	—	—	14,734
Transfers out	—	(29)	(314)	—	(2,045)	(2,391)
<b>Total other financing sources (uses)</b>	<b>2,050</b>	<b>4,700</b>	<b>(314)</b>	<b>—</b>	<b>(2,045)</b>	<b>12,343</b>
<b>Net change in fund balances</b>	<b>(673)</b>	<b>851</b>	<b>1,189</b>	<b>(14)</b>	<b>2,851</b>	<b>(35,456)</b>
Fund balances July 1, 2018	4,055	12,855	4,665	261	45,355	192,058
Fund balances June 30, 2019	\$ <u>3,382</u>	<u>13,706</u>	<u>5,854</u>	<u>247</u>	<u>48,206</u>	<u>156,602</u>

**WASHINGTON COUNTY, OREGON**

Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances

Non-major Governmental Funds - Facilities General Capital Projects Fund

For the fiscal year ended June 30, 2019

(Dollars in thousands)

	<b>2016 FF&amp;C Facilities Capital Projects Fund</b>	<b>Facilities General Capital Projects Fund</b>	<b>Total Facilities General Capital Projects Fund</b>
Revenues:			
Intergovernmental revenues	\$ —	122	122
Miscellaneous revenues	356	281	637
Interfund revenues	—	34	34
Total revenues	<u>356</u>	<u>437</u>	<u>793</u>
Expenditures:			
Current:			
Nonoperating	<u>258</u>	<u>1,389</u>	<u>1,647</u>
Capital outlay	<u>7,591</u>	<u>10,236</u>	<u>17,827</u>
Total expenditures	<u>7,849</u>	<u>11,625</u>	<u>19,474</u>
Revenues under expenditures	<u>(7,493)</u>	<u>(11,188)</u>	<u>(18,681)</u>
Other financing sources:			
Transfers in	<u>—</u>	<u>5,795</u>	<u>5,795</u>
Net change in fund balances	<u>(7,493)</u>	<u>(5,393)</u>	<u>(12,886)</u>
Fund balances July 1, 2018	<u>10,382</u>	<u>7,957</u>	<u>18,339</u>
Fund balances June 30, 2019	<u>\$ 2,889</u>	<u>2,564</u>	<u>5,453</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	Aging, Disability & Veteran Services Fund				Air Quality Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 4,442	4,442	4,004	(438)	75	75	76	1
Miscellaneous revenues	31	31	33	2	500	500	278	(222)
Interfund revenues	—	—	58	58	—	—	—	—
Total revenues	<u>4,473</u>	<u>4,473</u>	<u>4,095</u>	<u>(378)</u>	<u>575</u>	<u>575</u>	<u>354</u>	<u>(221)</u>
Expenditures:								
Current:								
Housing, health and human services	4,801	4,801	4,414	387	1,313	1,313	577	736
Operating contingency	559	559	—	559	—	—	—	—
Total current	<u>5,360</u>	<u>5,360</u>	<u>4,414</u>	<u>946</u>	<u>1,313</u>	<u>1,313</u>	<u>577</u>	<u>736</u>
Revenues under expenditures	<u>(887)</u>	<u>(887)</u>	<u>(319)</u>	<u>568</u>	<u>(738)</u>	<u>(738)</u>	<u>(223)</u>	<u>515</u>
Other financing sources (uses):								
Transfers in from other funds	336	336	336	—	260	260	304	44
Transfers out to other funds	<u>(100)</u>	<u>(100)</u>	<u>(89)</u>	<u>11</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing sources	<u>236</u>	<u>236</u>	<u>247</u>	<u>11</u>	<u>260</u>	<u>260</u>	<u>304</u>	<u>44</u>
Net change in fund balances	<u>(651)</u>	<u>(651)</u>	<u>(72)</u>	<u>579</u>	<u>(478)</u>	<u>(478)</u>	<u>81</u>	<u>559</u>
Fund balances July 1, 2018	<u>651</u>	<u>651</u>	<u>620</u>	<u>(31)</u>	<u>478</u>	<u>478</u>	<u>511</u>	<u>33</u>
Fund balances June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>548</u>	<u>548</u>	<u>—</u>	<u>—</u>	<u>592</u>	<u>592</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	<b>Animal Services Gifts and Donations Fund</b>				<b>Building Services Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)*</b>	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
Revenues:								
Licenses and permits	\$ —	—	—	—	4,950	4,950	4,118	(832)
Intergovernmental revenues	459	459	9	(450)	112	112	102	(10)
Charges for services	—	—	—	—	3,434	3,434	3,065	(369)
Fines and forfeitures	—	—	—	—	—	—	1	1
Miscellaneous revenues	14	14	40	26	257	257	760	503
Interfund revenues	—	—	—	—	230	230	215	(15)
Total revenues	<u>473</u>	<u>473</u>	<u>49</u>	<u>(424)</u>	<u>8,983</u>	<u>8,983</u>	<u>8,261</u>	<u>(722)</u>
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	12,139	12,139	9,415	2,724
Housing, health and human services	559	559	—	559	—	—	—	—
Operating contingency	331	331	—	331	13,566	13,566	—	13,566
Total current	<u>890</u>	<u>890</u>	<u>—</u>	<u>890</u>	<u>25,705</u>	<u>25,705</u>	<u>9,415</u>	<u>16,290</u>
Capital outlay	—	—	9	(9)	17	17	11	6
Total expenditures	<u>890</u>	<u>890</u>	<u>9</u>	<u>881</u>	<u>25,722</u>	<u>25,722</u>	<u>9,426</u>	<u>16,296</u>
Revenues over (under) expenditures	<u>(417)</u>	<u>(417)</u>	<u>40</u>	<u>457</u>	<u>(16,739)</u>	<u>(16,739)</u>	<u>(1,165)</u>	<u>15,574</u>
Other financing uses:								
Transfers out to other funds	—	—	—	—	(575)	(575)	(853)	(278)
Net change in fund balances	<u>(417)</u>	<u>(417)</u>	<u>40</u>	<u>457</u>	<u>(17,314)</u>	<u>(17,314)</u>	<u>(2,018)</u>	<u>15,296</u>
Fund balances July 1, 2018	<u>417</u>	<u>417</u>	<u>386</u>	<u>(31)</u>	<u>17,314</u>	<u>17,314</u>	<u>17,533</u>	<u>219</u>
Fund balances June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>426</u>	<u>426</u>	<u>—</u>	<u>—</u>	<u>15,515</u>	<u>15,515</u>

\* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	Children and Youth Services Commission Fund				Community Corrections Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
<b>Revenues:</b>								
Intergovernmental revenues	\$ 6,310	6,310	5,771	(539)	17,091	17,091	16,569	(522)
Charges for services	120	120	118	(2)	871	871	1,011	140
Miscellaneous revenues	3	3	41	38	42	42	234	192
Interfund revenues	572	572	326	(246)	100	100	87	(13)
<b>Total revenues</b>	<b>7,005</b>	<b>7,005</b>	<b>6,256</b>	<b>(749)</b>	<b>18,104</b>	<b>18,104</b>	<b>17,901</b>	<b>(203)</b>
<b>Expenditures:</b>								
<b>Current:</b>								
Public safety and justice	—	—	—	—	22,220	22,220	19,781	2,439
Housing, health and human services	7,184	7,184	6,322	862	—	—	—	—
Operating contingency	479	479	—	479	472	472	—	472
<b>Total current</b>	<b>7,663</b>	<b>7,663</b>	<b>6,322</b>	<b>1,341</b>	<b>22,692</b>	<b>22,692</b>	<b>19,781</b>	<b>2,911</b>
Capital outlay	—	—	—	—	—	—	135	(135)
<b>Total expenditures</b>	<b>7,663</b>	<b>7,663</b>	<b>6,322</b>	<b>1,341</b>	<b>22,692</b>	<b>22,692</b>	<b>19,916</b>	<b>2,776</b>
<b>Revenues under expenditures</b>	<b>(658)</b>	<b>(658)</b>	<b>(66)</b>	<b>592</b>	<b>(4,588)</b>	<b>(4,588)</b>	<b>(2,015)</b>	<b>2,573</b>
<b>Other financing sources (uses):</b>								
Transfers in from other funds	186	186	186	—	2,606	2,606	2,606	—
Transfers out to other funds	—	—	—	—	(80)	(80)	(32)	48
<b>Total other financing sources</b>	<b>186</b>	<b>186</b>	<b>186</b>	<b>—</b>	<b>2,526</b>	<b>2,526</b>	<b>2,574</b>	<b>48</b>
<b>Net change in fund balances</b>	<b>(472)</b>	<b>(472)</b>	<b>120</b>	<b>592</b>	<b>(2,062)</b>	<b>(2,062)</b>	<b>559</b>	<b>2,621</b>
Fund balances July 1, 2018	472	472	570	98	2,062	2,062	2,595	533
Fund balances June 30, 2019	\$ —	—	690	690	—	—	3,154	3,154

\* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	Cooperative Library Services Fund				Court Security Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 13,698	13,698	13,941	243	—	—	—	—
Intergovernmental revenues	125	125	147	22	—	—	—	—
Charges for services	5	5	—	(5)	—	—	—	—
Fines and forfeitures	—	—	—	—	500	500	480	(20)
Miscellaneous revenues	236	236	557	321	—	—	39	39
<b>Total revenues</b>	<b>14,064</b>	<b>14,064</b>	<b>14,645</b>	<b>581</b>	<b>500</b>	<b>500</b>	<b>519</b>	<b>19</b>
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	622	622	505	117
Culture, education and recreation	33,750	33,750	31,963	1,787	—	—	—	—
Operating contingency	8,845	8,845	—	8,845	834	834	—	834
<b>Total current</b>	<b>42,595</b>	<b>42,595</b>	<b>31,963</b>	<b>10,632</b>	<b>1,456</b>	<b>1,456</b>	<b>505</b>	<b>951</b>
Capital outlay	200	200	—	200	65	65	—	65
<b>Total expenditures</b>	<b>42,795</b>	<b>42,795</b>	<b>31,963</b>	<b>10,832</b>	<b>1,521</b>	<b>1,521</b>	<b>505</b>	<b>1,016</b>
Revenues over (under) expenditures	(28,731)	(28,731)	(17,318)	11,413	(1,021)	(1,021)	14	1,035
Other financing sources (uses):								
Transfers in from other funds	20,623	20,623	20,574	(49)	—	—	—	—
Transfers out to other funds	(866)	(866)	(856)	10	(20)	(20)	—	20
<b>Total other financing sources (uses)</b>	<b>19,757</b>	<b>19,757</b>	<b>19,718</b>	<b>(39)</b>	<b>(20)</b>	<b>(20)</b>	<b>—</b>	<b>20</b>
<b>Net change in fund balances</b>	<b>(8,974)</b>	<b>(8,974)</b>	<b>2,400</b>	<b>11,374</b>	<b>(1,041)</b>	<b>(1,041)</b>	<b>14</b>	<b>1,055</b>
Fund balances July 1, 2018	8,974	8,974	9,396	422	1,041	1,041	973	(68)
Fund balances June 30, 2019	\$ —	—	11,796	11,796	—	—	987	987

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	Department of Housing Services Fund				Development Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 3,876	3,876	3,973	97	100	100	100	—
Charges for services	—	—	—	—	2,054	2,054	1,685	(369)
Fines and forfeitures	—	—	—	—	—	—	2	2
Miscellaneous revenues	4,785	4,785	4,361	(424)	52	52	179	127
Interfund revenues	—	—	—	—	18	18	20	2
<b>Total revenues</b>	<b>8,661</b>	<b>8,661</b>	<b>8,334</b>	<b>(327)</b>	<b>2,224</b>	<b>2,224</b>	<b>1,986</b>	<b>(238)</b>
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	3,423	3,423	2,833	590
Housing, health and human services	10,395	10,395	9,004	1,391	—	—	—	—
Operating contingency	352	352	—	352	2,389	2,389	—	2,389
<b>Total current</b>	<b>10,747</b>	<b>10,747</b>	<b>9,004</b>	<b>1,743</b>	<b>5,812</b>	<b>5,812</b>	<b>2,833</b>	<b>2,979</b>
Revenues under expenditures	(2,086)	(2,086)	(670)	1,416	(3,588)	(3,588)	(847)	2,741
Other financing sources (uses):								
Transfers in from other funds	2,365	2,365	1,266	(1,099)	374	374	407	33
Transfers out to other funds	(574)	(574)	(499)	75	(238)	(238)	(402)	164
<b>Total other financing sources</b>	<b>1,791</b>	<b>1,791</b>	<b>767</b>	<b>(1,024)</b>	<b>136</b>	<b>136</b>	<b>5</b>	<b>197</b>
<b>Net change in fund balances</b>	<b>(295)</b>	<b>(295)</b>	<b>97</b>	<b>392</b>	<b>(3,452)</b>	<b>(3,452)</b>	<b>(842)</b>	<b>2,610</b>
Fund balances July 1, 2018	295	295	376	81	3,452	3,452	3,572	120
Fund balances June 30, 2019	\$ —	—	473	473	—	—	2,730	2,730

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	<u>District Patrol Fund</u>				<u>Emergency Medical Services Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Licenses and permits	\$ —	—	—	—	541	541	535	(6)
Charges for services	45	45	69	24	6	6	5	(1)
Miscellaneous revenues	28,393	28,393	26,283	(2,110)	43	43	87	44
Interfund revenues	—	—	—	—	10	10	12	2
Total revenues	<u>28,438</u>	<u>28,438</u>	<u>26,352</u>	<u>(2,086)</u>	<u>600</u>	<u>600</u>	<u>639</u>	<u>39</u>
Expenditures:								
Current:								
Public safety and justice	27,508	27,508	25,648	1,860	—	—	—	—
Housing, health and human services	—	—	—	—	1,081	1,081	648	433
Operating contingency	—	—	—	—	514	514	—	514
Total current	<u>27,508</u>	<u>27,508</u>	<u>25,648</u>	<u>1,860</u>	<u>1,595</u>	<u>1,595</u>	<u>648</u>	<u>947</u>
Capital outlay	<u>900</u>	<u>900</u>	<u>698</u>	<u>202</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>28,408</u>	<u>28,408</u>	<u>26,346</u>	<u>2,062</u>	<u>1,595</u>	<u>1,595</u>	<u>648</u>	<u>947</u>
Revenues over (under) expenditures	30	30	6	(24)	(995)	(995)	(9)	986
Other financing uses:								
Transfers out to other funds	<u>(30)</u>	<u>(30)</u>	<u>(5)</u>	<u>25</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	—	—	1	1	(995)	(995)	(9)	986
Fund balance (deficit) July 1, 2018	<u>—</u>	<u>—</u>	<u>(1)</u>	<u>(1)</u>	<u>995</u>	<u>995</u>	<u>1,115</u>	<u>120</u>
Fund balances June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,106</u>	<u>1,106</u>



**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	<b>Enhanced Sheriff's Patrol District Fund (Component Unit)</b>				<b>Gain Share Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
Revenues:								
Taxes	\$ 26,481	26,481	27,352	871	—	—	—	—
Intergovernmental revenues	67	67	64	(3)	9,736	9,736	9,734	(2)
Charges for services	57	57	16	(41)	—	—	—	—
Miscellaneous revenues	162	162	765	603	40	40	287	247
<b>Total revenues</b>	<b>26,767</b>	<b>26,767</b>	<b>28,197</b>	<b>1,430</b>	<b>9,776</b>	<b>9,776</b>	<b>10,021</b>	<b>245</b>
Expenditures:								
Current:								
Public safety and justice	28,373	28,373	26,181	2,192	—	—	—	—
Operating contingency	11,187	11,051	—	11,051	—	—	—	—
<b>Total current</b>	<b>39,560</b>	<b>39,424</b>	<b>26,181</b>	<b>13,243</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Capital outlay	—	—	—	—	2,279	2,279	—	2,279
<b>Total expenditures</b>	<b>39,560</b>	<b>39,424</b>	<b>26,181</b>	<b>13,243</b>	<b>2,279</b>	<b>2,279</b>	<b>—</b>	<b>2,279</b>
Revenues over (under) expenditures	(12,793)	(12,657)	2,016	14,673	7,497	7,497	10,021	2,524
Other financing uses:								
Transfers out to other funds	—	(136)	(136)	—	(9,672)	(9,672)	(11,844)	(2,172)
<b>Net change in fund balances</b>	<b>(12,793)</b>	<b>(12,793)</b>	<b>1,880</b>	<b>14,673</b>	<b>(2,175)</b>	<b>(2,175)</b>	<b>(1,823)</b>	<b>352</b>
Fund balances July 1, 2018	12,793	12,793	15,803	3,010	2,175	2,175	7,214	5,039
Fund balances June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>17,683</u>	<u>17,683</u>	<u>—</u>	<u>—</u>	<u>5,391</u>	<u>5,391</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	Health Share of Oregon Fund				Human Services HB-2145 Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
<b>Revenues:</b>								
Charges for services	\$ 12,265	12,265	9,569	(2,696)	—	—	—	—
Miscellaneous revenues	44	44	56	12	—	—	—	—
<b>Total revenues</b>	<b>12,309</b>	<b>12,309</b>	<b>9,625</b>	<b>(2,684)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Expenditures:</b>								
<b>Current:</b>								
Housing, health and human services	13,694	13,694	8,323	5,371	—	—	—	—
Operating contingency	1,755	1,755	—	1,755	1,206	1,206	—	1,206
<b>Total current</b>	<b>15,449</b>	<b>15,449</b>	<b>8,323</b>	<b>7,126</b>	<b>1,206</b>	<b>1,206</b>	<b>—</b>	<b>1,206</b>
Revenues over (under) expenditures	(3,140)	(3,140)	1,302	4,442	(1,206)	(1,206)	—	1,206
<b>Other financing uses:</b>								
Transfers out to other funds	(1,237)	(1,237)	(1,237)	—	(368)	(368)	(229)	139
<b>Net change in fund balances</b>	<b>(4,377)</b>	<b>(4,377)</b>	<b>65</b>	<b>4,442</b>	<b>(1,574)</b>	<b>(1,574)</b>	<b>(229)</b>	<b>1,345</b>
Fund balances July 1, 2018	4,377	4,377	6,482	2,105	1,574	1,574	1,585	11
Fund balances June 30, 2019	\$ —	—	6,547	6,547	—	—	1,356	1,356

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	Human Services OHP Fund				Indirect Cost Reimbursement Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	79	79	79	—
Miscellaneous revenues	51	51	212	161	—	—	—	—
Interfund revenues	—	—	—	—	22,720	22,720	22,668	(52)
Total revenues	<u>51</u>	<u>51</u>	<u>212</u>	<u>161</u>	<u>22,799</u>	<u>22,799</u>	<u>22,747</u>	<u>(52)</u>
Expenditures:								
Current:								
Nonoperating	—	—	—	—	4,243	4,243	4,243	—
Operating contingency	5,273	5,273	—	5,273	—	—	—	—
Total current	<u>5,273</u>	<u>5,273</u>	<u>—</u>	<u>5,273</u>	<u>4,243</u>	<u>4,243</u>	<u>4,243</u>	<u>—</u>
Revenues over (under) expenditures	<u>(5,222)</u>	<u>(5,222)</u>	<u>212</u>	<u>5,434</u>	<u>18,556</u>	<u>18,556</u>	<u>18,504</u>	<u>(52)</u>
Other financing uses:								
Transfers out to other funds	—	—	—	—	(18,555)	(18,555)	(18,504)	51
Net change in fund balances	<u>(5,222)</u>	<u>(5,222)</u>	<u>212</u>	<u>5,434</u>	<u>1</u>	<u>1</u>	<u>—</u>	<u>(1)</u>
Fund balances July 1, 2018	<u>5,222</u>	<u>5,222</u>	<u>5,159</u>	<u>(63)</u>	<u>(1)</u>	<u>(1)</u>	<u>—</u>	<u>1</u>
Fund balances June 30, 2019	<u><u>\$ —</u></u>	<u><u>—</u></u>	<u><u>5,371</u></u>	<u><u>5,371</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	ITS Systems Replacement Fund				Jail Commissary Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Miscellaneous revenues	\$ 18	18	37	19	208	208	397	189
Total revenues	18	18	37	19	208	208	397	189
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	171	171	122	49
Operating contingency	1,332	1,332	—	1,332	678	678	—	678
Total current	1,332	1,332	—	1,332	849	849	122	727
Revenues over (under) expenditures	(1,314)	(1,314)	37	1,351	(641)	(641)	275	916
Other financing sources (uses):								
Transfers in from other funds	920	920	920	—	—	—	—	—
Transfers out to other funds	(131)	(131)	(131)	—	—	—	—	—
Total other financing sources	789	789	789	—	—	—	—	—
Net change in fund balances	(525)	(525)	826	1,351	(641)	(641)	275	916
Fund balances July 1, 2018	525	525	543	18	641	641	638	(3)
Fund balances June 30, 2019	\$ —	—	1,369	1,369	—	—	913	913

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	<u>Juvenile Conciliation Services Fund</u>				<u>Juvenile Grants Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Licenses and permits	\$ 36	36	31	(5)	—	—	—	—
Intergovernmental revenues	487	487	536	49	785	785	783	(2)
Charges for services	5	5	6	1	—	—	—	—
Miscellaneous revenues	11	11	17	6	8	8	—	(8)
Total revenues	<u>539</u>	<u>539</u>	<u>590</u>	<u>51</u>	<u>793</u>	<u>793</u>	<u>783</u>	<u>(10)</u>
Expenditures:								
Current:								
Public safety and justice	709	709	634	75	886	886	784	102
Revenues under expenditures	(170)	(170)	(44)	126	(93)	(93)	(1)	92
Fund balances July 1, 2018	170	170	175	5	93	93	88	(5)
Fund balances June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>131</u>	<u>131</u>	<u>—</u>	<u>—</u>	<u>87</u>	<u>87</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	Juvenile High Risk Prevention Fund				Law Library Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 1,836	1,836	1,983	147	—	—	—	—
Charges for services	—	—	—	—	359	359	358	(1)
Miscellaneous revenues	13	13	39	26	14	14	38	24
Total revenues	<u>1,849</u>	<u>1,849</u>	<u>2,022</u>	<u>173</u>	<u>373</u>	<u>373</u>	<u>396</u>	<u>23</u>
Expenditures:								
Current:								
Public safety and justice	2,889	2,889	2,024	865	474	474	413	61
Operating contingency	—	—	—	—	781	781	—	781
Total current	<u>2,889</u>	<u>2,889</u>	<u>2,024</u>	<u>865</u>	<u>1,255</u>	<u>1,255</u>	<u>413</u>	<u>842</u>
Revenues under expenditures	(1,040)	(1,040)	(2)	1,038	(882)	(882)	(17)	865
Other financing uses:								
Transfers out to other funds	—	—	—	—	(17)	(17)	(17)	—
Net change in fund balance	<u>(1,040)</u>	<u>(1,040)</u>	<u>(2)</u>	<u>1,038</u>	<u>(899)</u>	<u>(899)</u>	<u>(34)</u>	<u>865</u>
Fund balances July 1, 2018	<u>1,040</u>	<u>1,040</u>	<u>1,120</u>	<u>80</u>	<u>899</u>	<u>899</u>	<u>911</u>	<u>12</u>
Fund balances June 30, 2019	<u><u>\$ —</u></u>	<u><u>—</u></u>	<u><u>1,118</u></u>	<u><u>1,118</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>877</u></u>	<u><u>877</u></u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	Local Option Levy Fund				Lottery Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
<b>Revenues:</b>								
Taxes	\$ 26,268	26,268	26,723	455	—	—	—	—
Intergovernmental revenues	472	472	571	99	2,104	2,134	2,244	110
Charges for services	34	34	27	(7)	—	—	—	—
Miscellaneous revenues	182	182	856	674	—	—	1	1
<b>Total revenues</b>	<b>26,956</b>	<b>26,956</b>	<b>28,177</b>	<b>1,221</b>	<b>2,104</b>	<b>2,134</b>	<b>2,245</b>	<b>111</b>
<b>Expenditures:</b>								
<b>Current:</b>								
Public safety and justice					—	—	—	—
County administration	1,268	1,385	1,385	—	—	—	—	—
Sheriff's office administration	1,377	1,377	1,259	118	—	—	—	—
Law enforcement services	12,010	12,010	11,284	726	—	—	—	—
Sheriff's Office - jail	2,965	2,965	2,314	651	—	—	—	—
District Attorney	3,239	3,239	2,882	357	—	—	—	—
Community corrections	1,638	1,638	1,565	73	—	—	—	—
Juvenile services	4,573	4,573	4,334	239	—	—	—	—
Nonoperating	—	—	—	—	323	323	261	62
Operating contingency	17,118	16,865	—	16,865	—	—	—	—
<b>Total current</b>	<b>44,188</b>	<b>44,052</b>	<b>25,023</b>	<b>19,029</b>	<b>323</b>	<b>323</b>	<b>261</b>	<b>62</b>
Capital outlay	146	146	141	5	—	—	—	—
<b>Total expenditures</b>	<b>44,334</b>	<b>44,198</b>	<b>25,164</b>	<b>19,034</b>	<b>323</b>	<b>323</b>	<b>261</b>	<b>62</b>
Revenues over (under) expenditures	(17,378)	(17,242)	3,013	20,255	1,781	1,811	1,984	173
<b>Other financing uses:</b>								
Transfers out to other funds	(2,014)	(2,150)	(2,147)	3	(1,780)	(1,950)	(2,013)	(63)
<b>Net change in fund balances</b>	<b>(19,392)</b>	<b>(19,392)</b>	<b>866</b>	<b>20,258</b>	<b>1</b>	<b>(139)</b>	<b>(29)</b>	<b>110</b>
Fund balances July 1, 2018	19,392	19,392	17,582	(1,810)	(1)	139	139	—
Fund balances June 30, 2019	\$ —	—	18,448	18,448	—	—	110	110

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	<u>Maintenance Improvement District Fund</u>				<u>Mental Health Crisis Services Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Special assessments	\$ 36	36	35	(1)	—	—	—	—
Miscellaneous revenues	4	4	12	8	23	23	78	55
Total revenues	<u>40</u>	<u>40</u>	<u>47</u>	<u>7</u>	<u>23</u>	<u>23</u>	<u>78</u>	<u>55</u>
Expenditures:								
Current:								
Land use and transportation	102	102	6	96	—	—	—	—
Housing, health and human services	—	—	—	—	7,558	7,558	5,149	2,409
Operating contingency	217	217	—	217	—	—	—	—
Total current	<u>319</u>	<u>319</u>	<u>6</u>	<u>313</u>	<u>7,558</u>	<u>7,558</u>	<u>5,149</u>	<u>2,409</u>
Revenues over (under) expenditures	<u>(279)</u>	<u>(279)</u>	<u>41</u>	<u>320</u>	<u>(7,535)</u>	<u>(7,535)</u>	<u>(5,071)</u>	<u>2,464</u>
Other financing sources:								
Transfers in from other funds	—	—	—	—	5,201	5,201	5,201	—
Net change in fund balances	<u>(279)</u>	<u>(279)</u>	<u>41</u>	<u>320</u>	<u>(2,334)</u>	<u>(2,334)</u>	<u>130</u>	<u>2,464</u>
Fund balances July 1, 2018	<u>279</u>	<u>279</u>	<u>276</u>	<u>(3)</u>	<u>2,334</u>	<u>2,334</u>	<u>1,839</u>	<u>(495)</u>
Fund balances June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>317</u>	<u>317</u>	<u>—</u>	<u>—</u>	<u>1,969</u>	<u>1,969</u>



**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	<b>Metro Affordable Housing Bond Fund</b>				<b>Metzger Park LID Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
Revenues:								
Intergovernmental revenues	\$ —	149	146	(3)	—	—	—	—
Special assessments	—	—	—	—	88	88	90	2
Miscellaneous revenues	—	—	—	—	19	19	22	3
Total revenues	<u>—</u>	<u>149</u>	<u>146</u>	<u>(3)</u>	<u>107</u>	<u>107</u>	<u>112</u>	<u>5</u>
Expenditures:								
Current:								
Housing, health and human services	—	149	147	2	—	—	—	—
Culture, education and recreation	—	—	—	—	94	94	68	26
Operating contingency	—	—	—	—	53	53	—	53
Total current	<u>—</u>	<u>149</u>	<u>147</u>	<u>2</u>	<u>147</u>	<u>147</u>	<u>68</u>	<u>79</u>
Revenues over (under) expenditures	—	—	(1)	(1)	(40)	(40)	44	84
Fund balances July 1, 2018	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>40</u>	<u>40</u>	<u>54</u>	<u>14</u>
Fund balance (deficit) June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>(1)</u>	<u>(1)</u>	<u>—</u>	<u>—</u>	<u>98</u>	<u>98</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	North Bethany County Service District for Roads Fund (Component Unit)				Office of Community Development Block Grant Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 600	600	603	3	—	—	—	—
Intergovernmental revenues	—	—	—	—	4,284	4,284	2,912	(1,372)
Miscellaneous revenues	6	6	37	31	181	181	163	(18)
Total revenues	<u>606</u>	<u>606</u>	<u>640</u>	<u>34</u>	<u>4,465</u>	<u>4,465</u>	<u>3,075</u>	<u>(1,390)</u>
Expenditures:								
Current:								
Land use and transportation	6,862	6,862	317	6,545	—	—	—	—
Housing, health and human services	—	—	—	—	4,656	4,656	3,249	1,407
Total current	<u>6,862</u>	<u>6,862</u>	<u>317</u>	<u>6,545</u>	<u>4,656</u>	<u>4,656</u>	<u>3,249</u>	<u>1,407</u>
Capital outlay	210	210	—	210	—	—	—	—
Total expenditures	<u>7,072</u>	<u>7,072</u>	<u>317</u>	<u>6,755</u>	<u>4,656</u>	<u>4,656</u>	<u>3,249</u>	<u>1,407</u>
Revenues over (under) expenditures	<u>(6,466)</u>	<u>(6,466)</u>	<u>323</u>	<u>6,789</u>	<u>(191)</u>	<u>(191)</u>	<u>(174)</u>	<u>17</u>
Other financing sources:								
Transfers in from other funds	6,000	6,000	314	(5,686)	150	150	150	—
Net change in fund balances	<u>(466)</u>	<u>(466)</u>	<u>637</u>	<u>1,103</u>	<u>(41)</u>	<u>(41)</u>	<u>(24)</u>	<u>17</u>
Fund balances July 1, 2018	466	466	543	77	41	41	365	324
Fund balances June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>1,180</u>	<u>1,180</u>	<u>—</u>	<u>—</u>	<u>341</u>	<u>341</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	<b>PERS Rate Stabilization Fund</b>				<b>Sheriff's Office Contract Services Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
Revenues:								
Charges for services	\$ —	—	—	—	693	693	754	61
Miscellaneous revenues	100	100	273	173	500	500	255	(245)
Interfund revenues	—	—	—	—	60	60	51	(9)
<b>Total revenues</b>	<b>100</b>	<b>100</b>	<b>273</b>	<b>173</b>	<b>1,253</b>	<b>1,253</b>	<b>1,060</b>	<b>(193)</b>
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	1,253	1,253	1,069	184
Nonoperating	6,827	6,827	—	6,827	—	—	—	—
<b>Total current</b>	<b>6,827</b>	<b>6,827</b>	<b>—</b>	<b>6,827</b>	<b>1,253</b>	<b>1,253</b>	<b>1,069</b>	<b>184</b>
Revenues over (under) expenditures	(6,727)	(6,727)	273	7,000	—	—	(9)	(9)
Fund balance (deficit) July 1, 2018	6,727	6,727	6,654	(73)	—	—	(79)	(79)
Fund balance (deficit) June 30, 2019	\$ —	—	6,927	6,927	—	—	(88)	(88)

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	Sheriff's Office Forfeitures Fund				Sheriff's Office Grants & Donations Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	2,003	2,003	209	(1,794)
Miscellaneous revenues	6	6	—	(6)	376	376	313	(63)
Total revenues	<u>6</u>	<u>6</u>	<u>—</u>	<u>(6)</u>	<u>2,379</u>	<u>2,379</u>	<u>522</u>	<u>(1,857)</u>
Expenditures:								
Current:								
Public safety and justice	231	231	213	18	2,103	2,103	384	1,719
Operating contingency	92	92	—	92	—	—	—	—
Total current	<u>323</u>	<u>323</u>	<u>213</u>	<u>110</u>	<u>2,103</u>	<u>2,103</u>	<u>384</u>	<u>1,719</u>
Debt service:								
Principal	—	—	—	—	245	245	270	(25)
Interest	—	—	—	—	31	31	5	26
Total debt service	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>276</u>	<u>276</u>	<u>275</u>	<u>1</u>
Total expenditures	<u>323</u>	<u>323</u>	<u>213</u>	<u>110</u>	<u>2,379</u>	<u>2,379</u>	<u>659</u>	<u>1,721</u>
Revenues under expenditures	(317)	(317)	(213)	104	—	—	(137)	(137)
Fund balances July 1, 2018	<u>317</u>	<u>317</u>	<u>533</u>	<u>216</u>	<u>—</u>	<u>—</u>	<u>1</u>	<u>1</u>
Fund balance (deficit) June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>320</u>	<u>320</u>	<u>—</u>	<u>—</u>	<u>(136)</u>	<u>(136)</u>

\* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	<u>Statewide Transportation Improvement Fund</u>				<u>Strategic Investment Program Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Charges for services	\$ —	—	—	—	31,091	31,091	27,166	(3,925)
Miscellaneous revenues	—	—	2	2	473	473	936	463
Total revenues	<u>—</u>	<u>—</u>	<u>2</u>	<u>2</u>	<u>31,564</u>	<u>31,564</u>	<u>28,102</u>	<u>(3,462)</u>
Expenditures:								
Current:								
Land use and transportation	—	132	110	22	—	—	—	—
Capital outlay	—	—	—	—	23,116	23,116	—	23,116
Total expenditures	<u>—</u>	<u>132</u>	<u>110</u>	<u>22</u>	<u>23,116</u>	<u>23,116</u>	<u>—</u>	<u>23,116</u>
Revenues over (under) expenditures	<u>—</u>	<u>(132)</u>	<u>(108)</u>	<u>24</u>	<u>8,448</u>	<u>8,448</u>	<u>28,102</u>	<u>19,654</u>
Other financing sources (uses):								
Transfers in from other funds	—	132	132	—	—	—	3,671	3,671
Transfers out to other funds	—	—	—	—	(21,000)	(21,000)	(20,000)	1,000
Total other financing sources (uses)	<u>—</u>	<u>132</u>	<u>132</u>	<u>—</u>	<u>(21,000)</u>	<u>(21,000)</u>	<u>(16,329)</u>	<u>4,671</u>
Net change in fund balance (deficit)	<u>—</u>	<u>—</u>	<u>24</u>	<u>24</u>	<u>(12,552)</u>	<u>(12,552)</u>	<u>11,773</u>	<u>24,325</u>
Fund balances July 1, 2018	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>12,552</u>	<u>12,552</u>	<u>8,648</u>	<u>(3,904)</u>
Fund balances June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>24</u>	<u>24</u>	<u>—</u>	<u>—</u>	<u>20,421</u>	<u>20,421</u>
Advances from other funds are recognized as liabilities on a GAAP basis			<u>(132)</u>					
Fund deficit, GAAP basis, June 30, 2019			<u>\$ (108)</u>					

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	Survey Fund				Surveyor-Public Land Corner Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
<b>Revenues:</b>								
Charges for services	\$ 566	566	890	324	520	520	392	(128)
Miscellaneous revenues	23	23	100	77	30	30	93	63
Interfund revenues	15	15	23	8	300	300	361	61
<b>Total revenues</b>	<b>604</b>	<b>604</b>	<b>1,013</b>	<b>409</b>	<b>850</b>	<b>850</b>	<b>846</b>	<b>(4)</b>
<b>Expenditures:</b>								
<b>Current:</b>								
Land use and transportation	741	741	744	(3)	807	807	622	185
Operating contingency	830	830	—	830	1,999	1,999	—	1,999
<b>Total current</b>	<b>1,571</b>	<b>1,571</b>	<b>744</b>	<b>827</b>	<b>2,806</b>	<b>2,806</b>	<b>622</b>	<b>2,184</b>
Capital outlay	—	—	—	—	12	12	12	—
<b>Total expenditures</b>	<b>1,571</b>	<b>1,571</b>	<b>744</b>	<b>827</b>	<b>2,818</b>	<b>2,818</b>	<b>634</b>	<b>2,184</b>
Revenues over (under) expenditures	(967)	(967)	269	1,236	(1,968)	(1,968)	212	2,180
<b>Other financing sources (uses):</b>								
Transfers in from other funds	73	73	73	—	—	—	—	—
Transfers out to other funds	(80)	(80)	(30)	(50)	(32)	(32)	(32)	—
<b>Total other financing sources (uses)</b>	<b>(7)</b>	<b>(7)</b>	<b>43</b>	<b>(50)</b>	<b>(32)</b>	<b>(32)</b>	<b>(32)</b>	<b>—</b>
<b>Net change in fund balances</b>	<b>(974)</b>	<b>(974)</b>	<b>312</b>	<b>1,286</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>180</b>	<b>2,180</b>
Fund balances July 1, 2018	974	974	1,059	85	2,000	2,000	2,034	34
Fund balances June 30, 2019	\$ —	—	1,371	1,371	—	—	2,214	2,214

\* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	<b>Tourism Dedicated Lodging Tax Fund</b>				<b>Tri-County Risk Reserve Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
Revenues:								
Taxes	\$ 3,798	3,798	3,795	(3)	—	—	—	—
Miscellaneous revenues	14	14	62	48	—	—	—	—
Total revenues	<u>3,812</u>	<u>3,812</u>	<u>3,857</u>	45	—	—	—	—
Expenditures:								
Current:								
Housing, health and human services	—	—	—	—	5,500	5,500	—	5,500
Culture, education and recreation	5,194	5,194	3,795	1,399	—	—	—	—
Operating contingency	—	—	—	—	5,000	5,000	—	5,000
Total current	<u>5,194</u>	<u>5,194</u>	<u>3,795</u>	1,399	<u>10,500</u>	<u>10,500</u>	—	10,500
Revenues over (under) expenditures	(1,382)	(1,382)	62	1,444	(10,500)	(10,500)	—	10,500
Fund balances July 1, 2018	<u>1,382</u>	<u>1,382</u>	<u>1,366</u>	(16)	<u>10,500</u>	<u>10,500</u>	<u>10,500</u>	—
Fund balances June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>1,428</u>	1,428	<u>—</u>	<u>—</u>	<u>10,500</u>	<u>10,500</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	Urban Road Maintenance District Fund (Component Unit)				Washington County Fair Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Taxes	\$ 4,884	4,884	5,105	221	1,590	1,590	1,629	39
Intergovernmental revenues	—	—	6	6	53	53	53	—
Charges for services	18	18	17	(1)	887	887	763	(124)
Miscellaneous revenues	168	168	537	369	411	411	394	(17)
Total revenues	<u>5,070</u>	<u>5,070</u>	<u>5,665</u>	<u>595</u>	<u>2,941</u>	<u>2,941</u>	<u>2,839</u>	<u>(102)</u>
Expenditures:								
Current:								
Land use and transportation	6,944	6,944	4,170	2,774	—	—	—	—
Culture, education and recreation	—	—	—	—	2,679	2,679	2,912	(233)
Operating contingency	8,285	8,285	—	8,285	1,052	1,052	—	1,052
Total current	<u>15,229</u>	<u>15,229</u>	<u>4,170</u>	<u>11,059</u>	<u>3,731</u>	<u>3,731</u>	<u>2,912</u>	<u>819</u>
Capital outlay	—	—	56	(56)	1,030	1,030	99	931
Total expenditures	<u>15,229</u>	<u>15,229</u>	<u>4,226</u>	<u>11,003</u>	<u>4,761</u>	<u>4,761</u>	<u>3,011</u>	<u>1,750</u>
Revenues over (under) expenditures	(10,159)	(10,159)	1,439	11,598	(1,820)	(1,820)	(172)	1,648
Other financing uses:								
Transfers out to other funds	(29)	(29)	(29)	—	—	—	—	—
Net change in fund balances	<u>(10,188)</u>	<u>(10,188)</u>	<u>1,410</u>	<u>11,598</u>	<u>(1,820)</u>	<u>(1,820)</u>	<u>(172)</u>	<u>1,648</u>
Fund balances July 1, 2018	<u>10,188</u>	<u>10,188</u>	<u>12,061</u>	<u>1,873</u>	<u>1,820</u>	<u>1,820</u>	<u>1,645</u>	<u>(175)</u>
Fund balances June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>13,471</u>	<u>13,471</u>	<u>—</u>	<u>—</u>	<u>1,473</u>	<u>1,473</u>

\* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.



**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	<b>West Slope Library Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
Revenues:				
Intergovernmental revenues	\$ 3	3	4	1
Miscellaneous revenues	27	27	44	17
Total revenues	<u>30</u>	<u>30</u>	<u>48</u>	<u>18</u>
Expenditures:				
Current:				
Culture, education and recreation	1,014	1,014	905	109
Operating contingency	369	369	—	369
Total current	<u>1,383</u>	<u>1,383</u>	<u>905</u>	<u>478</u>
Revenues under expenditures	<u>(1,353)</u>	<u>(1,353)</u>	<u>(857)</u>	<u>496</u>
Other financing sources:				
Transfers in from other funds	866	866	855	(11)
Total other financing sources	<u>866</u>	<u>866</u>	<u>855</u>	<u>(11)</u>
Net change in fund balances	(487)	(487)	(2)	485
Fund balance July 1, 2018	<u>487</u>	<u>487</u>	<u>559</u>	<u>72</u>
Fund balance June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>557</u>	<u>557</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Debt Service Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	General Obligation Debt Service Fund				Miscellaneous Debt Service Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Taxes	\$ 4,375	4,375	4,403	28	—	—	—	—
Miscellaneous revenues	3	3	35	32	—	—	—	—
Total revenues	<u>4,378</u>	<u>4,378</u>	<u>4,438</u>	<u>60</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Expenditures:								
Current:								
Nonoperating	—	—	—	—	2	2	3	(1)
Operating contingency	25	25	—	25	34	34	—	34
Total current	<u>25</u>	<u>25</u>	<u>—</u>	<u>25</u>	<u>36</u>	<u>36</u>	<u>3</u>	<u>33</u>
Debt service:								
Principal	1,585	1,585	1,585	—	5,264	5,264	5,263	1
Interest	2,773	2,773	2,773	—	1,929	1,929	1,929	—
Total debt service	<u>4,358</u>	<u>4,358</u>	<u>4,358</u>	<u>—</u>	<u>7,193</u>	<u>7,193</u>	<u>7,192</u>	<u>1</u>
Total expenditures	<u>4,383</u>	<u>4,383</u>	<u>4,358</u>	<u>25</u>	<u>7,229</u>	<u>7,229</u>	<u>7,195</u>	<u>34</u>
Revenues over (under) expenditures	<u>(5)</u>	<u>(5)</u>	<u>80</u>	<u>85</u>	<u>(7,229)</u>	<u>(7,229)</u>	<u>(7,195)</u>	<u>34</u>
Other financing sources:								
Transfers in from other funds	—	—	—	—	7,195	7,195	7,195	—
Net change in fund balance	<u>(5)</u>	<u>(5)</u>	<u>80</u>	<u>85</u>	<u>(34)</u>	<u>(34)</u>	<u>—</u>	<u>34</u>
Fund balances July 1, 2018	<u>5</u>	<u>5</u>	<u>3</u>	<u>(2)</u>	<u>34</u>	<u>34</u>	<u>36</u>	<u>2</u>
Fund balances June 30, 2019	\$ <u>—</u>	<u>—</u>	<u>83</u>	<u>83</u>	<u>—</u>	<u>—</u>	<u>36</u>	<u>36</u>

\* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Debt Service Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	<u>Series 2016 B FFCO Debt Service Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:				
Taxes	\$ 983	983	1,091	108
Expenditures:				
Current:				
Operating contingency	2,608	2,608	—	2,608
Debt service:				
Principal	7,240	7,240	7,240	—
Interest	4,843	4,843	4,843	—
Total debt service	12,083	12,083	12,083	—
Total expenditures	14,691	14,691	12,083	2,608
Revenues under expenditures	(13,708)	(13,708)	(10,992)	2,716
Other financing sources:				
Transfers in from other funds	13,546	13,546	12,936	(610)
Net change in fund balance	(162)	(162)	1,944	2,106
Fund balance July 1, 2018	162	162	303	141
Fund balance June 30, 2019	\$ —	—	2,247	2,247

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Capital Projects Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	<u>2016 FF&amp;C Facilities Capital Projects Fund</u>				<u>Bonny Slope West Transportation SDC Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)*</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Charges for services	\$ —	—	—	—	773	773	387	(386)
Miscellaneous revenues	<u>148</u>	<u>148</u>	<u>356</u>	<u>208</u>	<u>6</u>	<u>6</u>	<u>27</u>	<u>21</u>
Total revenues	<u>148</u>	<u>148</u>	<u>356</u>	<u>208</u>	<u>779</u>	<u>779</u>	<u>414</u>	<u>(365)</u>
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	1,175	1,175	5	1,170
Nonoperating	—	—	258	(258)	—	—	—	—
Operating contingency	<u>5,626</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total current	5,626	—	258	(258)	1,175	1,175	5	1,170
Capital outlay	<u>4,371</u>	<u>10,530</u>	<u>7,591</u>	<u>2,939</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>9,997</u>	<u>10,530</u>	<u>7,849</u>	<u>2,681</u>	<u>1,175</u>	<u>1,175</u>	<u>5</u>	<u>1,170</u>
Revenues over (under) expenditures	(9,849)	(10,382)	(7,493)	2,889	(396)	(396)	409	805
Fund balances July 1, 2018	<u>9,849</u>	<u>10,382</u>	<u>10,382</u>	<u>—</u>	<u>396</u>	<u>396</u>	<u>518</u>	<u>122</u>
Fund balances June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>2,889</u>	<u>2,889</u>	<u>—</u>	<u>—</u>	<u>927</u>	<u>927</u>

\* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Capital Projects Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	<u>Building Equipment Replacement Fund</u>				<u>Countywide Traffic Impact Fee Fund</u>			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Special assessments	\$ —	—	—	—	8	8	9	1
Miscellaneous revenues	53	53	128	75	24	24	78	54
Total revenues	<u>53</u>	<u>53</u>	<u>128</u>	<u>75</u>	<u>32</u>	<u>32</u>	<u>87</u>	<u>55</u>
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	1,615	1,615	551	1,064
Capital outlay	5,723	6,493	5,602	891	—	—	—	—
Total expenditures	<u>5,723</u>	<u>6,493</u>	<u>5,602</u>	<u>891</u>	<u>1,615</u>	<u>1,615</u>	<u>551</u>	<u>1,064</u>
Revenues over (under) expenditures	(5,670)	(6,440)	(5,474)	966	(1,583)	(1,583)	(464)	1,119
Other financing sources (uses):								
Transfers in from other funds	2,158	2,158	2,160	2	—	—	—	—
Transfers out to other funds	—	—	—	—	(3)	(3)	(3)	—
Total other financing sources (uses)	<u>2,158</u>	<u>2,158</u>	<u>2,160</u>	<u>2</u>	<u>(3)</u>	<u>(3)</u>	<u>(3)</u>	<u>—</u>
Net change in fund balances	(3,512)	(4,282)	(3,314)	968	(1,586)	(1,586)	(467)	1,119
Fund balances July 1, 2018	<u>3,512</u>	<u>4,282</u>	<u>4,282</u>	<u>—</u>	<u>1,586</u>	<u>1,586</u>	<u>2,028</u>	<u>442</u>
Fund balances June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>968</u>	<u>968</u>	<u>—</u>	<u>—</u>	<u>1,561</u>	<u>1,561</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Capital Projects Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	Emergency Communications System Fund				Event Center Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	3,670	3,670	3,670	—
Miscellaneous revenues	581	625	2,131	1,506	574	574	1,492	918
Total revenues	581	625	2,131	1,506	4,244	4,244	5,162	918
Expenditures:								
Current:								
Culture, education and recreation	—	—	—	—	3,935	3,935	2,534	1,401
Nonoperating	16,805	20,031	14,152	5,879	—	—	—	—
Operating contingency	5,207	7,318	—	7,318	1,500	1,500	—	1,500
Total current	22,012	27,349	14,152	13,197	5,435	5,435	2,534	2,901
Capital outlay	16,300	35,800	5,186	30,614	37,068	37,068	8,826	28,242
Total expenditures	38,312	63,149	19,338	43,811	42,503	42,503	11,360	31,143
Revenues under expenditures	(37,731)	(62,524)	(17,207)	45,317	(38,259)	(38,259)	(6,198)	32,061
Fund balances July 1, 2018	37,731	62,524	61,709	(815)	38,259	38,259	37,926	(333)
Fund balances June 30, 2019	\$ —	—	44,502	44,502	—	—	31,728	31,728

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Capital Projects Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	Facilities General Capital Projects Fund				Facilities Park (THPRD) SDC Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 50	200	122	(78)	—	—	—	—
Charges for services	—	—	—	—	12	12	—	(12)
Miscellaneous revenues	156	180	281	101	1	1	3	2
Interfund revenues	—	—	34	34	—	—	—	—
Total revenues	<u>206</u>	<u>380</u>	<u>437</u>	<u>57</u>	<u>13</u>	<u>13</u>	<u>3</u>	<u>(10)</u>
Expenditures:								
Current:								
Nonoperating	—	—	1,389	(1,389)	89	89	—	89
Operating contingency	1,656	1,656	—	1,656	—	—	—	—
Total current	<u>1,656</u>	<u>1,656</u>	<u>1,389</u>	<u>267</u>	<u>89</u>	<u>89</u>	<u>—</u>	<u>89</u>
Capital outlay	<u>13,249</u>	<u>14,761</u>	<u>10,236</u>	<u>4,525</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>14,905</u>	<u>16,417</u>	<u>11,625</u>	<u>4,792</u>	<u>89</u>	<u>89</u>	<u>—</u>	<u>89</u>
Revenues over (under) expenditures	(14,699)	(16,037)	(11,188)	4,849	(76)	(76)	3	79
Other financing sources:								
Transfers in from other funds	<u>6,263</u>	<u>7,602</u>	<u>5,795</u>	<u>(1,807)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(8,436)</u>	<u>(8,435)</u>	<u>(5,393)</u>	<u>3,042</u>	<u>(76)</u>	<u>(76)</u>	<u>3</u>	<u>79</u>
Fund balances July 1, 2018	<u>8,436</u>	<u>8,435</u>	<u>7,957</u>	<u>(478)</u>	<u>76</u>	<u>76</u>	<u>65</u>	<u>(11)</u>
Fund balances June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>2,564</u>	<u>2,564</u>	<u>—</u>	<u>—</u>	<u>68</u>	<u>68</u>

\* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Capital Projects Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	ITS Capital Projects Fund				Major Streets Capital Projects Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)*
<b>Revenues:</b>								
Intergovernmental revenues	\$ —	—	—	—	791	791	633	(158)
Miscellaneous revenues	—	—	137	137	173	173	646	473
Interfund revenues	2,428	2,428	598	(1,830)	—	—	—	—
<b>Total revenues</b>	<b>2,428</b>	<b>2,428</b>	<b>735</b>	<b>(1,693)</b>	<b>964</b>	<b>964</b>	<b>1,279</b>	<b>315</b>
<b>Expenditures:</b>								
<b>Current:</b>								
Land use and transportation	—	—	—	—	23,903	23,903	4,990	18,913
Nonoperating	—	—	2,109	(2,109)	—	—	—	—
Operating contingency	338	338	—	338	—	—	—	—
<b>Total current</b>	<b>338</b>	<b>338</b>	<b>2,109</b>	<b>(1,771)</b>	<b>23,903</b>	<b>23,903</b>	<b>4,990</b>	<b>18,913</b>
Capital outlay	5,629	7,047	1,349	5,698	78	78	138	(60)
<b>Total expenditures</b>	<b>5,967</b>	<b>7,385</b>	<b>3,458</b>	<b>3,927</b>	<b>23,981</b>	<b>23,981</b>	<b>5,128</b>	<b>18,853</b>
<b>Revenues under expenditures</b>	<b>(3,539)</b>	<b>(4,957)</b>	<b>(2,723)</b>	<b>2,234</b>	<b>(23,017)</b>	<b>(23,017)</b>	<b>(3,849)</b>	<b>19,168</b>
<b>Other financing sources (uses):</b>								
Transfers in from other funds	2,050	2,050	2,050	—	10,519	10,519	4,729	(5,790)
Transfers out to other funds	—	—	—	—	(29)	(29)	(29)	—
<b>Total other financing sources</b>	<b>2,050</b>	<b>2,050</b>	<b>2,050</b>	<b>—</b>	<b>10,490</b>	<b>10,490</b>	<b>4,700</b>	<b>(5,790)</b>
<b>Net change in fund balances</b>	<b>(1,489)</b>	<b>(2,907)</b>	<b>(673)</b>	<b>2,234</b>	<b>(12,527)</b>	<b>(12,527)</b>	<b>851</b>	<b>13,378</b>
Fund balances July 1, 2018	1,489	2,907	4,055	1,148	12,527	12,527	12,855	328
Fund balances June 30, 2019	\$ —	—	3,382	3,382	—	—	13,706	13,706

\* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.



**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Capital Projects Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	North Bethany SDC Fund				Parks and Open Spaces Opportunity Projects Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 1,900	1,900	1,328	(572)	—	—	—	—
Miscellaneous revenues	45	45	211	166	104	104	10	(94)
Total revenues	1,945	1,945	1,539	(406)	104	104	10	(94)
Expenditures:								
Current:								
Land use and transportation	388	388	36	352	—	—	—	—
Nonoperating	—	—	—	—	30	30	—	30
Total current	388	388	36	352	30	30	—	30
Capital outlay	—	—	—	—	334	334	24	310
Total expenditures	388	388	36	352	364	364	24	340
Revenues over (under) expenditures	1,557	1,557	1,503	(54)	(260)	(260)	(14)	246
Other financing uses:								
Transfers out to other funds	(6,000)	(6,000)	(314)	5,686	—	—	—	—
Net change in fund balances	(4,443)	(4,443)	1,189	5,632	(260)	(260)	(14)	246
Fund balances July 1, 2018	4,443	4,443	4,665	222	260	260	261	1
Fund balances June 30, 2019	\$ —	—	5,854	5,854	—	—	247	247

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Capital Projects Funds  
 For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	<b>Transportation Development Tax Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)*</b>
Revenues:				
Intergovernmental revenues	\$ —	—	1,461	1,461
Charges for services	6,700	6,700	4,316	(2,384)
Miscellaneous revenues	694	694	1,909	1,215
Total revenues	<u>7,394</u>	<u>7,394</u>	<u>7,686</u>	<u>292</u>
Expenditures:				
Current:				
Land use and transportation	51,670	51,670	2,787	48,883
Capital outlay	—	—	3	(3)
Total expenditures	<u>51,670</u>	<u>51,670</u>	<u>2,790</u>	<u>48,880</u>
Revenues over (under) expenditures	(44,276)	(44,276)	4,896	49,172
Other financing uses:				
Transfers out to other funds	(2,001)	(2,001)	(2,045)	(44)
Net change in fund balance	(46,277)	(46,277)	2,851	49,128
Fund balance July 1, 2018	<u>46,277</u>	<u>46,277</u>	<u>45,355</u>	<u>(922)</u>
Fund balance June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>48,206</u>	<u>48,206</u>

\* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2019  
(Dollars in thousands)

<b>Assets</b>	<b>Fleet Services Fund</b>	<b>Fleet Replacement Fund</b>	<b>Internal Support Services Fund</b>	<b>Liability/ Casualty Insurance Fund</b>	<b>Life Insurance Fund</b>
<b>Current assets:</b>					
Cash and investments	\$ 558	12,472	267	6,664	115
Accounts receivable	3	—	—	3	—
Supply inventory	278	—	25	—	—
Total current assets	<u>839</u>	<u>12,472</u>	<u>292</u>	<u>6,667</u>	<u>115</u>
<b>Noncurrent assets:</b>					
Capital assets, net of accumulated depreciation	—	13,901	359	—	—
PERS net OPEB RHIA asset	13	—	5	—	—
Total noncurrent assets	<u>13</u>	<u>13,901</u>	<u>364</u>	<u>—</u>	<u>—</u>
Total assets	<u>852</u>	<u>26,373</u>	<u>656</u>	<u>6,667</u>	<u>115</u>
<b>Deferred Outflows of Resources</b>					
County OPEB related	2	—	—	—	—
PERS OPEB RHIA related	6	—	2	—	—
Pension related	804	—	313	—	—
Total deferred outflows of resources	<u>812</u>	<u>—</u>	<u>315</u>	<u>—</u>	<u>—</u>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	185	11	41	105	—
Accrued payroll liabilities	181	—	25	—	—
Accrued self-insurance	—	—	—	5,024	—
Total current liabilities	<u>366</u>	<u>11</u>	<u>66</u>	<u>5,129</u>	<u>—</u>
<b>Noncurrent liabilities:</b>					
County OPEB obligation	30	—	12	—	—
PERS net pension liability	1,977	—	769	—	—
Total noncurrent liabilities	<u>2,007</u>	<u>—</u>	<u>781</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>2,373</u>	<u>11</u>	<u>847</u>	<u>5,129</u>	<u>—</u>
<b>Deferred Inflows of Resources</b>					
County OPEB related	4	—	2	—	—
PERS OPEB RHIA related	4	—	1	—	—
Pension related	212	—	82	—	—
Total deferred inflows of resources	<u>220</u>	<u>—</u>	<u>85</u>	<u>—</u>	<u>—</u>
<b>Net Position (Deficit)</b>					
Net investment in capital assets	—	13,901	359	—	—
Unrestricted (deficit)	(929)	12,461	(320)	1,538	115
Total net position (deficit)	<u>\$ (929)</u>	<u>26,362</u>	<u>39</u>	<u>1,538</u>	<u>115</u>

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Net Position, Continued  
Internal Service Funds  
June 30, 2019  
(Dollars in thousands)

<b>Assets</b>	<b>Medical Insurance Fund</b>	<b>Unemployment Insurance Fund</b>	<b>Workers' Compensation Insurance Fund</b>	<b>Total Internal Service Funds</b>
<b>Current assets:</b>				
Cash and investments	\$ 964	755	3,909	25,704
Restricted cash	—	—	60	60
Accounts receivable	—	—	—	6
Other assets	2	—	—	2
Supply inventory	—	—	—	303
Total current assets	<u>966</u>	<u>755</u>	<u>3,969</u>	<u>26,075</u>
<b>Noncurrent assets:</b>				
Capital assets, net of accumulated depreciation	—	—	—	14,260
PERS net OPEB RHIA asset	—	—	—	18
Total noncurrent assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>14,278</u>
Total assets	<u>966</u>	<u>755</u>	<u>3,969</u>	<u>40,353</u>
<b>Deferred Outflows of Resources</b>				
County OPEB related	—	—	—	2
PERS OPEB RHIA related	—	—	—	8
Pension related	—	—	—	1,117
Total deferred outflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,127</u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable	42	49	53	486
Accrued payroll liabilities	—	—	—	206
Accrued self-insurance	125	—	1,858	7,007
Total current liabilities	<u>167</u>	<u>49</u>	<u>1,911</u>	<u>7,699</u>
<b>Noncurrent liabilities:</b>				
County net OPEB obligation	—	—	—	42
PERS net pension liability	—	—	—	2,746
Total noncurrent liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,788</u>
Total liabilities	<u>167</u>	<u>49</u>	<u>1,911</u>	<u>10,487</u>
<b>Deferred Inflows of Resources</b>				
County OPEB related	—	—	—	6
PERS OPEB RHIA related	—	—	—	5
Pension related	—	—	—	294
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>305</u>
<b>Net Position</b>				
Net investment in capital assets	—	—	—	14,260
Restricted for payment of claims	—	—	60	60
Unrestricted	799	706	1,998	16,368
Total net position	<u>\$ 799</u>	<u>706</u>	<u>2,058</u>	<u>30,688</u>

**WASHINGTON COUNTY, OREGON**

Combining Statement of Revenues, Expenses  
and Changes in Net Position

Internal Service Funds

For the fiscal year ended June 30, 2019

(Dollars in thousands)

	<b>Fleet Services Fund</b>	<b>Fleet Replacement Fund</b>	<b>Internal Support Services Fund</b>	<b>Liability/ Casualty Insurance Fund</b>	<b>Life Insurance Fund</b>
Operating revenues:					
Charges for services	\$ 4,322	4,952	1,669	4,341	—
Other	5	313	158	397	414
<b>Total operating revenues</b>	<b>4,327</b>	<b>5,265</b>	<b>1,827</b>	<b>4,738</b>	<b>414</b>
Operating expenses:					
Labor and fringe benefits	1,856	—	547	—	—
Utilities	28	—	—	—	—
Professional services	14	7	—	52	—
Supplies	1,813	—	777	—	—
Administrative costs	347	171	252	1,302	5
Depreciation and amortization	—	1,969	104	—	—
Insurance claims and premiums	—	—	—	4,226	447
Repairs and maintenance	381	11	70	168	—
<b>Total operating expenses</b>	<b>4,439</b>	<b>2,158</b>	<b>1,750</b>	<b>5,748</b>	<b>452</b>
<b>Operating income (loss)</b>	<b>(112)</b>	<b>3,107</b>	<b>77</b>	<b>(1,010)</b>	<b>(38)</b>
Nonoperating income:					
Interest income	17	446	9	282	6
Gain (loss) on sale of capital assets	—	184	(8)	—	—
<b>Total nonoperating income</b>	<b>17</b>	<b>630</b>	<b>1</b>	<b>282</b>	<b>6</b>
<b>Change in net position (deficits)</b>	<b>(95)</b>	<b>3,737</b>	<b>78</b>	<b>(728)</b>	<b>(32)</b>
Net position (deficits) July 1, 2018	(834)	22,625	(39)	2,266	147
<b>Net position (deficit) June 30, 2019</b>	<b>\$ (929)</b>	<b>26,362</b>	<b>39</b>	<b>1,538</b>	<b>115</b>

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Revenues, Expenses  
and Changes in Net Position, Continued  
Internal Service Funds  
For the fiscal year ended June 30, 2019  
(Dollars in thousands)

	<b>Medical Insurance Fund</b>	<b>Unemployment Insurance Fund</b>	<b>Workers' Compensation Insurance Fund</b>	<b>Total Internal Service Funds</b>
Operating revenues:				
Charges for services	\$ 31,219	61	1,541	48,105
Other	425	—	154	1,866
Total operating revenues	<u>31,644</u>	<u>61</u>	<u>1,695</u>	<u>49,971</u>
Operating expenses:				
Labor and fringe benefits	—	—	—	2,403
Utilities	—	—	—	28
Professional services	220	4	14	311
Supplies	—	—	—	2,590
Administrative costs	137	5	328	2,547
Depreciation and amortization	—	—	—	2,073
Insurance claims and premiums	32,448	157	1,322	38,600
Repairs and maintenance	—	—	—	630
Total operating expenses	<u>32,805</u>	<u>166</u>	<u>1,664</u>	<u>49,182</u>
Operating income (loss)	<u>(1,161)</u>	<u>(105)</u>	<u>31</u>	<u>789</u>
Nonoperating income:				
Interest income	79	31	154	1,024
Gain on sale of capital assets	—	—	—	176
Total nonoperating income	<u>79</u>	<u>31</u>	<u>154</u>	<u>1,200</u>
Change in net position	<u>(1,082)</u>	<u>(74)</u>	<u>185</u>	<u>1,989</u>
Net position July 1, 2018	<u>1,881</u>	<u>780</u>	<u>1,873</u>	<u>28,699</u>
Net position June 30, 2019	<u>\$ 799</u>	<u>706</u>	<u>2,058</u>	<u>30,688</u>

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the fiscal year ended June 30, 2019  
(Dollars in thousands)

	Fleet Services Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/ Casualty Insurance Fund	Life Insurance Fund
Cash provided by (used in) operating activities:					
Cash received for services provided	\$ 3,489	5,390	1,684	4,346	414
Cash payments for labor and fringe benefits	(1,840)	—	(523)	—	—
Cash payments for goods and services	(2,568)	(613)	(1,090)	(5,069)	(489)
Other operating revenue	833	—	158	396	—
Other receipts	4	—	—	—	—
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net cash provided by operating activities	(82)	4,777	229	(327)	(75)
Cash flows provided by (used in) capital and related financing activities:					
Acquisition of capital assets	—	(4,002)	(237)	—	—
Proceeds from sale of capital assets	—	289	—	—	—
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net cash used in capital and related financing activities	—	(3,713)	(237)	—	—
Cash flows from investing activities:					
Interest earnings on investments	17	446	9	282	6
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net increase (decrease) in cash and investments	(65)	1,510	1	(45)	(69)
Cash and investments, July 1, 2018	623	10,962	266	6,709	184
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Cash and investments, June 30, 2019	<u>558</u>	<u>12,472</u>	<u>267</u>	<u>6,664</u>	<u>115</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	(112)	3,107	77	(1,010)	(38)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	—	1,969	104	—	—
Changes in assets and liabilities:					
Increase (decrease) in accounts payable	19	(424)	12	(124)	(37)
Increase in accrued liabilities	79	—	62	802	—
Decrease (increase) in accounts receivable	(2)	125	15	5	—
Increase in inventory	(1)	—	(2)	—	—
Increase in other assets	(65)	—	(39)	—	—
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net cash provided by (used in) operating activities	\$ (82)	4,777	229	(327)	(75)

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Cash Flows, Continued  
Internal Service Funds  
For the fiscal year ended June 30, 2019  
(Dollars in thousands)

	Medical Insurance Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total Internal Service Funds
Cash provided by (used in) operating activities:				
Cash received for services provided	\$ 31,220	61	1,548	48,152
Cash payments for labor and fringe benefits	—	—	—	(2,363)
Cash payments for goods and services	(32,839)	(144)	(1,691)	(44,503)
Other operating revenue	424	—	155	1,966
Other receipts	—	—	—	4
	<u>(1,195)</u>	<u>(83)</u>	<u>12</u>	<u>3,256</u>
Cash flows provided by (used in) capital and related financing activities:				
Acquisition of capital assets	—	—	—	(4,239)
Proceeds from sale of capital assets	—	—	—	289
	<u>—</u>	<u>—</u>	<u>—</u>	<u>(3,950)</u>
Cash flows from investing activities:				
Interest on investments	79	31	154	1,024
	<u>(1,116)</u>	<u>(52)</u>	<u>166</u>	<u>330</u>
Net increase (decrease) in cash and investments				
Cash and investments, July 1, 2018	2,080	807	3,803	25,434
Cash and investments, June 30, 2019 <sup>(1)</sup>	<u>964</u>	<u>755</u>	<u>3,969</u>	<u>25,764</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	(1,161)	(105)	31	789
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	—	—	—	2,073
Changes in assets and liabilities:				
Increase (decrease) in accounts payable	(74)	22	18	(588)
Increase (decrease) in accrued liabilities	33	—	(44)	932
Decrease (increase) in accounts receivable	—	—	7	150
Increase in inventory	—	—	—	(3)
Decrease (increase) in other assets	7	—	—	(97)
	<u>(1,195)</u>	<u>(83)</u>	<u>12</u>	<u>3,256</u>

<sup>(1)</sup> Cash and investments are reflected on the Combining Statement of Net Position - Internal Service Funds as follows:

Current assets - Cash and investments	964	755	3,909	25,704
Current assets - Restricted cash	—	—	60	60
	<u>\$ 964</u>	<u>755</u>	<u>3,969</u>	<u>25,764</u>



**WASHINGTON COUNTY, OREGON**  
Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Internal Service Funds  
For the fiscal year ended June 30, 2019  
(Dollars in thousands)

	<b>Fleet Services Fund</b>				<b>Fleet Replacement Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
<b>Revenues:</b>								
Charges for services	\$ 4,651	4,651	4,322	(329)	5,469	5,469	5,342	(127)
Miscellaneous revenues	5	5	20	15	490	490	759	269
Interfund revenues	29	29	4	(25)	—	—	—	—
Total revenues	<u>4,685</u>	<u>4,685</u>	<u>4,346</u>	<u>(339)</u>	<u>5,959</u>	<u>5,959</u>	<u>6,101</u>	<u>142</u>
<b>Expenditures:</b>								
<b>Current:</b>								
General government	4,631	4,631	4,452	179	—	—	—	—
Nonoperating	—	—	—	—	1,047	1,047	942	105
Operating contingency	492	492	—	492	10,948	10,948	—	10,948
Total current	<u>5,123</u>	<u>5,123</u>	<u>4,452</u>	<u>671</u>	<u>11,995</u>	<u>11,995</u>	<u>942</u>	<u>11,053</u>
Capital outlay	—	—	—	—	5,387	5,387	3,350	2,037
Total expenditures	<u>5,123</u>	<u>5,123</u>	<u>4,452</u>	<u>671</u>	<u>17,382</u>	<u>17,382</u>	<u>4,292</u>	<u>13,090</u>
Revenues over (under) expenditures	(438)	(438)	(106)	332	(11,423)	(11,423)	1,809	13,232
Fund balances July 1, 2018	<u>438</u>	<u>438</u>	<u>579</u>	<u>141</u>	<u>11,423</u>	<u>11,423</u>	<u>10,652</u>	<u>(771)</u>
Fund balances June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>473</u>	<u>473</u>	<u>—</u>	<u>—</u>	<u>12,461</u>	<u>12,461</u>

**WASHINGTON COUNTY, OREGON**  
Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)

Internal Service Funds

For the fiscal year ended June 30, 2019

(Dollars in thousands)

	Internal Support Services Fund				Liability/Casualty Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 1,658	1,658	1,669	11	4,283	4,283	4,341	58
Miscellaneous revenues	160	160	169	9	120	470	678	208
Total revenues	<u>1,818</u>	<u>1,818</u>	<u>1,838</u>	<u>20</u>	<u>4,403</u>	<u>4,753</u>	<u>5,019</u>	<u>266</u>
Expenditures:								
Current:								
General government	1,652	1,652	1,611	41	—	—	—	—
Nonoperating	—	—	—	—	5,850	7,114	5,747	1,367
Operating contingency	127	127	—	127	—	—	—	—
Total current	<u>1,779</u>	<u>1,779</u>	<u>1,611</u>	<u>168</u>	<u>5,850</u>	<u>7,114</u>	<u>5,747</u>	<u>1,367</u>
Capital outlay	250	250	249	1	—	—	—	—
Total expenditures	<u>2,029</u>	<u>2,029</u>	<u>1,860</u>	<u>169</u>	<u>5,850</u>	<u>7,114</u>	<u>5,747</u>	<u>1,367</u>
Revenues under expenditures	(211)	(211)	(22)	189	(1,447)	(2,361)	(728)	1,633
Fund balances July 1, 2018	<u>211</u>	<u>211</u>	<u>248</u>	<u>37</u>	<u>1,447</u>	<u>2,361</u>	<u>2,266</u>	<u>(95)</u>
Fund balances June 30, 2019	<u>\$ —</u>	<u>—</u>	<u>226</u>	<u>226</u>	<u>—</u>	<u>—</u>	<u>1,538</u>	<u>1,538</u>

**WASHINGTON COUNTY, OREGON**  
 Schedule of Revenues and Expenditures -  
 Budget and Actual (Budgetary Basis)

Internal Service Funds

For the fiscal year ended June 30, 2019  
 (Dollars in thousands)

	Life Insurance Fund				Medical Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ —	—	—	—	34,858	34,858	31,219	(3,639)
Miscellaneous revenues	477	477	420	(57)	420	420	504	84
Total revenues	<u>477</u>	<u>477</u>	<u>420</u>	<u>(57)</u>	<u>35,278</u>	<u>35,278</u>	<u>31,723</u>	<u>(3,555)</u>
Expenditures:								
Current:								
Nonoperating	480	480	452	28	36,874	36,874	32,804	4,070
Operating contingency	147	147	—	147	—	—	—	—
Total current	<u>627</u>	<u>627</u>	<u>452</u>	<u>175</u>	<u>36,874</u>	<u>36,874</u>	<u>32,804</u>	<u>4,070</u>
Revenues under expenditures	(150)	(150)	(32)	118	(1,596)	(1,596)	(1,081)	515
Fund balances July 1, 2018	<u>150</u>	<u>150</u>	<u>147</u>	<u>(3)</u>	<u>1,596</u>	<u>1,596</u>	<u>1,880</u>	<u>284</u>
Fund balances June 30, 2019	<u><u>\$ —</u></u>	<u><u>—</u></u>	<u><u>115</u></u>	<u><u>115</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>799</u></u>	<u><u>799</u></u>

**WASHINGTON COUNTY, OREGON**  
Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Internal Service Funds  
For the fiscal year ended June 30, 2019  
(Dollars in thousands)

	Unemployment Insurance Fund				Workers' Compensation Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 64	64	61	(3)	1,612	1,612	1,541	(71)
Miscellaneous revenues	7	7	33	26	88	88	307	219
Total revenues	71	71	94	23	1,700	1,700	1,848	148
Expenditures:								
Current:								
Nonoperating	259	259	167	92	2,268	2,268	1,663	605
Operating contingency	546	546	—	546	1,336	1,336	—	1,336
Total current	805	805	167	638	3,604	3,604	1,663	1,941
Revenues over (under) expenditures	(734)	(734)	(73)	661	(1,904)	(1,904)	185	2,089
Fund balances July 1, 2018	734	734	779	45	1,904	1,904	1,873	(31)
Fund balances June 30, 2019	\$ —	—	706	706	—	—	2,058	2,058

WASHINGTON COUNTY, OREGON

Reconciliation of Fund Balance to Net Position

Internal Service Funds

June 30, 2019

(Dollars in thousands)

	<b>Fleet Services Fund</b>	<b>Fleet Replacement Fund</b>	<b>Internal Support Services Fund</b>
Fund balance	\$ 473	12,461	226
Add capital assets reported on combining statement of net position	—	13,901	359
Less County OPEB obligation	(30)	—	(12)
Add PERS net OPEB RHIA asset	13	—	5
Less PERS net pension liability	(1,977)	—	(769)
Add deferred outflows of resources - County OPEB related	2	—	—
Add deferred outflows of resources - PERS OPEB RHIA related	6	—	2
Add deferred outflows of resources - pension related	804	—	313
Less deferred inflows of resources - County OPEB related	(4)	—	(2)
Less deferred inflows of resources - PERS OPEB RHIA related	(4)	—	(1)
Less deferred inflows of resources - pension related	(212)	—	(82)
Total net position (deficit)	<u>\$ (929)</u>	<u>26,362</u>	<u>39</u>

**WASHINGTON COUNTY, OREGON**  
**Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**For the fiscal year ended June 30, 2019**  
(Dollars in thousands)

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>Assets:</b>				
Cash and investments	\$ 12,719	12,448,889	12,452,098	9,510
Accounts receivable	2,211	64,250	61,235	5,226
Property taxes receivable	37,824	14,378	37,824	14,378
Total assets	<u>52,754</u>	<u>12,527,517</u>	<u>12,551,157</u>	<u>29,114</u>
<b>Liabilities:</b>				
Accounts payable	1,786	2,337,317	2,337,182	1,921
Amounts due to other jurisdictions	13,144	1,312,158	1,312,487	12,815
Uncollected taxes	37,824	14,378	37,824	14,378
Total liabilities	<u>\$ 52,754</u>	<u>3,663,853</u>	<u>3,687,493</u>	<u>29,114</u>

**OTHER FINANCIAL SCHEDULE**

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**WASHINGTON COUNTY, OREGON**

Schedule of Accountability of Independently Elected Officials

For the fiscal year ended June 30, 2019

Oregon Revised Statutes (ORS) Section 297 requires a statement of accountability for each independently elected official collecting or receiving money in the municipal corporation. In compliance with ORS 297, there are no independently elected officials that collect or receive money on behalf of Washington County.

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**WASHINGTON COUNTY,  
OREGON**

**STATISTICAL  
SECTION**

**SECTION III**

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## WASHINGTON COUNTY, OREGON

### Statistical Information Section Narrative

June 30, 2019

(Unaudited)

This part of Washington County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health. This section contains the following tables and information:

- **Financial Trends** – These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.
- **Revenue Capacity** – These schedules contain information to help the reader assess the County's most significant local revenue source.
- **Debt Capacity** – These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.
- **Economic and Demographic Information** – These schedules offer economic and demographic indicators to help the reader understand the environment wherein the County's financial activities take place.
- **Operating Information** – These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

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## **FINANCIAL TRENDS**

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WASHINGTON COUNTY, OREGON

Net Position by Component

Last Ten Fiscal Years

(Dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Net investment in capital assets	\$ 2,108,850	2,098,666	2,079,264	2,054,249	2,022,435	2,001,443	2,028,976	1,971,357	1,961,458	1,968,329
Restricted	6,530	93,002	95,942	96,945	112,861	152,101	176,076	274,884	263,487	263,487
Unrestricted	219,822	140,655	144,559	156,368	177,482	180,047	96,452	28,994	36,240	35,731
<b>Total governmental activities net position</b>	<b>2,335,202</b>	<b>2,332,323</b>	<b>2,319,765</b>	<b>2,307,562</b>	<b>2,312,778</b>	<b>2,333,591</b>	<b>2,301,504</b>	<b>2,275,235</b>	<b>2,261,185</b>	<b>2,267,547</b>
<b>Business-type activities<sup>(1)</sup></b>										
Net investment in capital assets	395,461	384,397	2,206	1,652	1,131	(18)	(798)	(1,713)	(2,047)	(2,746)
Restricted	57,052	69,936	6,156	4,532	3,070	3,978	2,894	3,089	3,006	3,556
Unrestricted	48,554	54,673	801	929	912	995	3,665	6,124	8,676	12,407
<b>Total business-type activities net position</b>	<b>501,067</b>	<b>509,006</b>	<b>9,163</b>	<b>7,113</b>	<b>5,113</b>	<b>4,955</b>	<b>5,761</b>	<b>7,500</b>	<b>9,635</b>	<b>13,217</b>
<b>Primary government<sup>(1)</sup></b>										
Net investment in capital assets	2,504,311	2,477,889	2,076,818	2,055,901	2,023,566	2,001,425	2,028,178	1,969,644	1,959,411	1,965,583
Restricted	63,582	162,938	102,098	101,477	115,931	156,079	178,970	277,973	266,493	267,043
Unrestricted	268,376	200,502	150,012	157,297	178,394	181,042	100,117	35,118	44,916	48,138
<b>Total primary government net position</b>	<b>2,836,269</b>	<b>2,841,329</b>	<b>2,328,928</b>	<b>2,314,675</b>	<b>2,317,891</b>	<b>2,338,546</b>	<b>2,307,265</b>	<b>2,282,735</b>	<b>2,270,820</b>	<b>2,280,764</b>
<b>Component unit<sup>(1)</sup></b>										
Net investment in capital assets	—	—	388,941	391,886	383,718	406,700	436,636	477,185	512,558	580,499
Restricted	—	—	68,909	96,441	119,140	127,787	131,179	127,024	120,428	118,105
Unrestricted	—	—	64,777	79,630	100,907	103,503	119,347	144,231	171,038	182,167
<b>Total component unit net position</b>	<b>\$ —</b>	<b>—</b>	<b>522,627</b>	<b>567,957</b>	<b>603,765</b>	<b>637,990</b>	<b>687,162</b>	<b>748,440</b>	<b>804,024</b>	<b>880,771</b>

<sup>(1)</sup> Years prior to 2012 not restated for reporting of component units under GASB #61

Source: Current and prior years financial statements.

WASHINGTON COUNTY, OREGON

Changes in Net Position by Component

Last Ten Fiscal Years

(Dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Primary Government										
Governmental activities:										
General government	\$ 42,869	39,318	38,677	46,517	51,051	35,191	66,480	51,157	58,201	58,881
Public safety and justice	98,562	104,664	109,222	111,808	115,730	92,801	160,300	139,761	147,036	146,798
Land use and transportation	108,616	115,096	119,714	110,622	123,464	103,196	128,019	139,231	133,995	146,144
Housing, health and human services	58,467	59,013	58,443	59,979	61,068	52,051	90,559	71,283	72,862	81,241
Culture, education and recreation	26,261	26,882	28,476	29,435	30,172	30,009	36,422	37,597	41,704	52,575
Non-operating expense	10,653	9,225	9,234	14,273	5,542	8,465	7,842	20,928	28,906	16,204
Interest	5,013	4,599	4,202	3,430	3,235	2,932	2,071	5,855	8,337	7,444
<b>Total governmental activities</b>	<b>350,441</b>	<b>358,797</b>	<b>367,968</b>	<b>376,064</b>	<b>390,262</b>	<b>324,645</b>	<b>491,693</b>	<b>465,812</b>	<b>491,041</b>	<b>509,287</b>
Business-type activities:										
Housing authority	28,132	28,400	28,496	28,581	29,198	31,287	31,537	34,683	37,381	38,694
Sanitation and surface water	97,252	100,941	—	—	—	—	—	—	—	—
Street lighting	1,842	1,803	1,839	1,838	1,918	1,917	1,945	1,953	2,031	2,170
<b>Total business-type activities expenses</b>	<b>127,226</b>	<b>131,144</b>	<b>30,335</b>	<b>30,419</b>	<b>31,116</b>	<b>33,204</b>	<b>33,482</b>	<b>36,636</b>	<b>39,412</b>	<b>40,864</b>
<b>Total primary government expenses</b>	<b>477,667</b>	<b>489,941</b>	<b>398,303</b>	<b>406,483</b>	<b>421,378</b>	<b>357,849</b>	<b>525,175</b>	<b>502,448</b>	<b>530,453</b>	<b>550,151</b>
Component unit:										
Sanitation and surface water	—	—	97,604	102,309	108,897	99,272	117,728	114,698	120,853	122,155
<b>Total component unit expenses</b>	<b>—</b>	<b>—</b>	<b>97,604</b>	<b>102,309</b>	<b>108,897</b>	<b>99,272</b>	<b>117,728</b>	<b>114,698</b>	<b>120,853</b>	<b>122,155</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	5,371	4,797	5,334	5,833	4,728	1,603	2,095	2,402	2,857	2,167
Public safety and justice	5,719	7,140	8,048	7,410	8,031	9,867	10,362	9,542	9,909	9,504
Land use and transportation	10,568	11,974	13,636	16,934	23,187	27,097	43,858	15,706	22,799	26,501
Housing, health and human services	21,800	26,420	23,308	24,727	28,179	36,395	37,156	21,033	21,571	23,124
Culture, education and recreation	1,241	1,309	1,497	1,471	1,384	1,519	1,265	1,655	1,622	1,780
Non-operating revenue	16,604	20,013	17,777	18,051	19,015	24,099	25,412	31,833	35,774	34,795
Operating grants and contributions	92,531	97,640	100,922	97,116	101,600	112,651	111,190	121,618	129,187	136,983
Capital grants and contributions	686	1,462	1,608	12,130	12,278	18,625	9,862	11,051	10,451	13,614
<b>Total governmental activities program revenue</b>	<b>154,520</b>	<b>170,755</b>	<b>172,130</b>	<b>183,672</b>	<b>198,402</b>	<b>231,856</b>	<b>241,200</b>	<b>214,840</b>	<b>234,170</b>	<b>248,468</b>
Business-type activities:										
Charges for services:										
Housing authority	5,779	5,790	5,994	6,130	6,384	6,863	7,718	8,997	10,616	10,516
Sanitation and surface water	96,329	103,374	—	—	—	—	—	—	—	—
Street lighting	1,725	1,746	1,929	1,787	1,709	2,237	2,125	1,619	1,913	2,076
Operating grants and contributions	20,855	21,574	19,885	19,906	20,918	23,788	23,473	26,818	28,048	30,137
Capital grants and contributions	6,803	5,053	165	509	111	34	340	319	443	647
<b>Total business-type activities program revenue</b>	<b>131,491</b>	<b>137,537</b>	<b>27,973</b>	<b>28,332</b>	<b>29,122</b>	<b>32,922</b>	<b>33,656</b>	<b>37,753</b>	<b>41,020</b>	<b>43,376</b>
<b>Total primary government program revenue</b>	<b>286,011</b>	<b>308,292</b>	<b>200,103</b>	<b>212,004</b>	<b>227,524</b>	<b>264,778</b>	<b>274,856</b>	<b>252,593</b>	<b>275,190</b>	<b>291,844</b>
Component unit:										
Charges for services:										
Sanitation and surface water	—	—	107,029	117,098	121,680	125,449	130,052	137,186	144,329	151,483
Capital grants and contributions	—	—	14,296	33,875	23,194	29,004	34,606	37,499	31,808	34,910
<b>Total component unit program revenue</b>	<b>—</b>	<b>—</b>	<b>121,325</b>	<b>150,973</b>	<b>144,874</b>	<b>154,453</b>	<b>164,658</b>	<b>174,685</b>	<b>176,137</b>	<b>186,393</b>
<b>Net Revenue (Expense)</b>										
Governmental activities	(195,921)	(188,042)	(195,838)	(192,392)	(191,860)	(92,789)	(250,493)	(250,972)	(256,871)	(260,819)
Business-type activities	4,265	6,393	(2,362)	(2,087)	(1,994)	(282)	174	1,117	1,608	2,512
<b>Total primary government net revenues (expenses)</b>	<b>(191,656)</b>	<b>(181,649)</b>	<b>(198,200)</b>	<b>(194,479)</b>	<b>(193,854)</b>	<b>(93,071)</b>	<b>(250,319)</b>	<b>(249,855)</b>	<b>(255,263)</b>	<b>(258,307)</b>
Component unit	\$ —	—	23,721	48,664	35,977	55,181	46,930	59,987	55,284	64,238

Source: Current and prior years financial statements

(Continued)

WASHINGTON COUNTY, OREGON

Changes in Net Position by Component, Continued

Last Ten Fiscal Years

(Dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total primary government net revenues (expenses) (brought forward)	\$ (191,656)	(181,649)	(198,200)	(194,479)	(193,854)	(93,071)	(250,319)	(249,855)	(255,263)	(258,307)
Total component unit net revenues (brought forward)	—	—	23,721	48,664	35,977	55,181	46,930	59,987	55,284	64,238
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	147,250	152,065	157,586	158,919	167,160	174,441	185,477	195,772	204,264	211,420
Property taxes, levied for debt service	6,335	6,407	6,389	6,260	6,398	—	—	4,077	4,198	4,359
Other taxes	7,497	8,450	9,094	10,323	11,390	13,708	15,902	17,926	17,634	18,594
Interest income	3,197	1,984	2,575	1,264	2,833	3,330	4,147	4,069	3,461	25,055
Gain (loss) on sale of capital assets	—	—	—	—	—	—	—	—	—	—
Miscellaneous revenue	419	16,257	7,636	3,416	9,703	7,583	13,016	3,022	12,546	8,209
Capital contributions	—	—	—	—	—	—	—	—	—	—
Transfers in from proprietary funds	—	—	—	7	31	(91)	(136)	(163)	(292)	(456)
Total governmental activities revenue	164,698	185,163	183,280	180,189	197,515	198,971	218,406	224,703	241,811	267,181
Business-type activities:										
Taxes										
Interest income	1,514	1,568	52	19	25	33	55	88	21	421
Gain on sale of capital assets	418	54	—	25	—	—	13	—	3	—
Gain (loss) on equity in limited partnership	(70)	(76)	—	—	—	—	428	371	211	193
Transfers in (out) to governmental funds	—	—	—	(7)	(31)	91	136	163	292	456
Total business-type activities revenue	1,862	1,546	52	37	(6)	124	632	622	527	1,070
Total primary government	166,560	186,709	183,332	180,226	197,509	199,095	219,038	225,325	242,338	268,251
Component unit: <sup>(1)</sup>										
Interest income	—	—	1,562	517	1,653	1,888	2,319	1,364	786	12,585
Gain on sale of capital assets	—	—	(116)	(3,774)	—	—	—	—	—	—
Loss on equity in joint venture	—	—	(73)	(77)	(78)	(75)	(77)	(73)	(78)	(76)
Total component unit	—	—	1,373	(3,334)	1,575	1,813	2,242	1,291	708	12,509
<b>Change in Net Position</b>										
Governmental activities	(31,223)	(2,879)	(12,558)	(12,203)	5,655	106,182	(32,087)	(26,269)	(15,060)	6,362
Restatement	—	—	—	—	(439)	(85,369)	—	—	1,010	—
Total Governmental activities	(31,223)	(2,879)	(12,558)	(12,203)	5,216	20,813	(32,087)	(26,269)	(14,050)	6,362
Business-type activities	6,127	7,939	(2,310)	(2,050)	(2,000)	(158)	806	1,739	2,135	3,582
Restatement	—	—	(497,533)	—	—	—	—	—	—	—
Total Business-type activities	6,127	7,939	(499,843)	(2,050)	(2,000)	(158)	806	1,739	2,135	3,582
Total primary government	(25,096)	5,060	(512,401)	(14,253)	3,216	20,655	(31,281)	(24,530)	(11,915)	9,944
Component unit	—	—	25,094	45,330	37,552	56,994	49,172	61,278	55,992	76,747
Restatement	—	—	497,533	—	(1,744)	(22,769)	—	—	(408)	—
Total component unit	\$ —	—	522,627	45,330	35,808	34,225	49,172	61,278	55,584	76,747

<sup>(1)</sup> Years prior to 2012 not restated for reporting of component units under GASB #61

<sup>(2)</sup> Years prior to restatements have not been restated

Source: Current and prior years financial statements

WASHINGTON COUNTY, OREGON

Fund Balances of Governmental Funds<sup>(1)</sup>

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 177	—	—	—	—	—	—	—	—	—
Nonspendable	—	155	134	122	116	109	106	93	103	103
Assigned	—	527	530	646	809	791	7,612	7,718	7,713	8,298
Unreserved/unassigned	33,874	32,513	29,642	33,321	39,828	54,397	59,595	68,072	58,232	70,505
Total General Fund	34,051	33,195	30,306	34,089	40,753	55,297	67,313	75,883	66,048	78,906
All other governmental funds										
Reserved	295	—	—	—	—	—	—	—	—	—
Nonspendable	—	127	135	2,416	2,414	1,886	128	121	114	124
Restricted	—	93,002	95,942	96,945	112,861	152,101	176,076	274,884	263,487	266,274
Committed	—	55,278	62,637	67,972	81,821	97,063	81,334	192,228	177,969	155,346
Assigned	—	773	149	2,992	841	2,133	2,014	4,183	4,316	3,629
Unreserved/unassigned	142,105	(203)	(32)	(225)	(2,317)	(1,684)	(529)	(13)	(80)	(333)
Total all other governmental funds	142,400	148,977	158,831	170,100	195,620	251,499	259,023	471,403	445,806	425,040
Total governmental funds	\$ 176,451	182,172	189,137	204,189	236,373	306,796	326,336	547,286	511,854	503,946

<sup>(1)</sup> Years prior to 2011 not restated for reporting of fund balances under GASB #54

Source: Current and prior years financial statements.

WASHINGTON COUNTY, OREGON

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues:</b>										
Taxes	\$ 160,234	166,766	170,704	175,520	183,966	188,103	199,949	216,464	225,638	240,950
Licenses and permits	8,200	8,482	9,167	10,895	11,350	12,438	13,445	14,240	13,025	12,740
Intergovernmental revenues	90,197	96,237	100,540	106,863	111,339	120,523	118,912	130,036	134,879	147,909
Charges for services	41,180	48,865	46,053	49,400	55,618	74,043	84,006	58,395	66,777	71,691
Fines and forfeitures	3,058	3,431	3,658	3,044	3,077	3,330	3,243	2,959	2,719	2,713
Special assessments	190	188	134	232	181	175	173	154	167	155
Miscellaneous revenues	28,256	30,784	30,466	30,178	34,214	43,849	36,295	41,506	42,387	61,981
Interfund revenues	29,160	29,619	27,924	28,494	29,764	29,906	32,551	35,938	36,607	39,728
Total revenues	360,475	384,372	388,646	404,626	429,509	472,367	488,574	499,692	522,199	577,867
<b>Expenditures:</b>										
Current:										
General government	34,265	35,019	36,912	36,874	39,030	40,953	43,039	47,026	51,237	55,723
Public safety and justice	121,021	129,651	134,389	137,305	144,170	149,900	155,493	163,423	175,802	182,744
Land use and transportation	92,495	97,662	95,019	94,605	94,749	90,023	123,864	123,335	127,820	127,520
Housing, health and human services	60,313	60,975	59,989	61,495	63,072	61,804	79,232	71,677	73,024	82,258
Culture, education and recreation	26,353	27,193	29,526	29,305	30,356	31,702	34,114	36,765	41,194	43,882
Nonoperating	5,673	6,153	5,736	10,773	2,717	3,790	3,843	4,220	31,204	22,415
Capital outlay	9,288	8,097	10,066	6,923	9,146	15,895	28,000	29,942	31,463	46,838
Debt service:										
Principal	8,908	9,340	10,181	10,552	10,807	4,967	42,204	6,745	12,451	14,380
Interest	5,098	4,683	4,267	6,164	3,309	2,969	3,840	4,715	11,144	9,559
Issuance costs	—	—	—	199	—	—	142	871	—	—
Total expenditures	363,414	378,773	386,085	394,195	397,356	402,003	513,771	488,719	555,339	585,319
Excess (deficiency) of revenues over (under) expenditures	(2,939)	5,599	2,561	10,431	32,153	70,364	(25,197)	10,973	(33,140)	(7,452)
<b>Other financing sources (uses):</b>										
Proceeds from issuance of debt	—	—	2,284	18,860	—	150	31,960	210,140	—	—
Premiums	—	—	—	2,355	—	—	6,369	—	—	—
Payment to refunded bond escrow agent	—	—	—	(18,530)	—	—	—	—	—	—
Transfers in from other funds	79,801	61,538	69,330	80,020	75,945	82,826	90,071	99,550	119,044	113,214
Transfers out to other funds	(81,795)	(61,416)	(67,210)	(78,084)	(75,914)	(82,917)	(90,207)	(99,713)	(121,336)	(113,670)
Total other financing sources (uses)	(1,994)	122	4,404	4,621	31	59	38,193	209,977	(2,292)	(456)
Net change in fund balances	\$ (4,933)	5,721	6,965	15,052	32,184	70,423	12,996	220,950	(35,432)	(7,908)
Debt service as a percentage of noncapital expenditures	4.20%	4.26%	4.24%	4.69%	3.84%	2.25%	11.11%	2.76%	5.15%	4.94%

Source: Current and prior years financial statements.

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## **REVENUE CAPACITY**

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**WASHINGTON COUNTY, OREGON**  
Valuation of Taxable Property  
Last Ten Fiscal Years  
(Dollars in thousands, except direct tax rate)

Fiscal year ended June 30	Assessed Value				Total direct tax rate <sup>(1)</sup>	True cash valuation	Ratio of assessed valuation to true cash valuation
	Real property	Personal property	Public utility property	Total			
2010	\$ 41,974,973	1,833,195	1,591,315	45,399,483	2.99	75,512,292	60.12 %
2011	43,397,583	1,781,436	1,622,849	46,801,868	2.98	71,983,750	65.02
2012	44,863,711	1,818,743	1,554,328	48,236,782	2.98	69,045,256	69.86
2013	45,951,024	1,873,616	1,531,019	49,355,659	2.97	67,614,912	73.00
2014	47,642,930	1,961,029	1,576,282	51,180,241	2.97	75,755,731	67.56
2015	49,735,366	2,083,823	1,696,673	53,515,862	2.84	84,758,607	63.14
2016	52,937,496	2,258,296	1,715,100	56,910,892	2.84	90,947,469	62.58
2017	55,196,795	2,387,834	1,862,069	59,446,698	2.96	101,500,233	58.57
2018	57,613,733	2,758,863	1,968,052	62,340,648	2.96	112,236,654	55.54
2019	60,694,348	2,444,782	1,835,183	64,974,313	2.96	116,500,833	55.77

<sup>(1)</sup> The total direct tax rate is comprised of the following:

Fiscal year ended June 30	General	Special revenue	Debt service	Total direct tax rate
2010	\$ 2.25	0.59	0.15	2.99
2011	2.25	0.59	0.14	2.98
2012	2.25	0.59	0.14	2.98
2013	2.25	0.59	0.13	2.97
2014	2.25	0.59	0.13	2.97
2015	2.25	0.59	—	2.84
2016	2.25	0.59	—	2.84
2017	2.25	0.64	0.07	2.96
2018	2.25	0.64	0.07	2.96
2019	2.25	0.64	0.07	2.96

Source: Washington County Department of Assessment and Taxation

**WASHINGTON COUNTY, OREGON**

Certified Property Tax Levies -  
Direct and Overlapping Governments

Last Ten Fiscal Years

(Dollars in thousands)

<b>Fiscal year ended June 30</b>	<b>Total Tax Levies</b>	<b>Washington County</b>	<b>Component Units of Washington County</b>	<b>School Districts</b>	<b>Fire Districts</b>
2010	\$ 766,167	135,477	24,234	334,352	65,439
2011	783,036	140,212	24,614	341,593	67,422
2012	800,942	144,382	25,198	350,927	70,828
2013	817,382	147,070	25,505	353,922	72,173
2014	876,877	152,306	27,748	386,896	74,193
2015	915,947	152,359	29,213	411,644	76,789
2016	962,850	161,901	30,699	432,959	89,169
2017	1,020,652	175,783	31,736	453,494	92,505
2018	1,081,329	184,257	33,648	485,140	96,746
2019	1,136,109	191,693	35,561	503,455	101,451

(Continued)

<sup>(1)</sup> Includes General Fund, Metzger Park, Road Maintenance LID, Local Option Levy, and County bonds and interest

<sup>(2)</sup> Includes ESPD (Enhanced Sheriff's Patrol District), NBCSDR (North Bethany County Service District for Roads), URMD (Urban Road Maintenance District), and SDL (Street Lighting District)

Source: Washington County Department of Assessment and Taxation

<u>Cities</u>	<u>Parks and Recreation</u>	<u>Development and Urban Renewal Agencies</u>	<u>Port of Portland</u>	<u>Portland Community College</u>	<u>Metropolitan Service District</u>	<u>Other</u>
112,334	31,528	7,180	3,145	28,367	21,948	2,163
120,524	33,394	913	3,269	29,567	21,528	—
125,758	34,105	1,022	3,371	28,649	16,702	—
124,802	34,955	4,429	3,446	32,538	18,542	—
131,051	36,124	5,554	3,570	37,265	22,170	—
137,563	37,286	6,173	3,732	38,397	22,791	—
148,174	36,981	5,344	3,970	33,097	20,556	—
153,330	38,730	8,965	4,132	40,025	21,952	—
159,911	45,190	10,917	4,334	37,434	23,752	—
166,788	47,063	12,701	4,503	44,310	28,584	—

**WASHINGTON COUNTY, OREGON**

Property Tax Levies and Collections<sup>(1)</sup>

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal year ended June 30	Certified tax levies			Collected within the fiscal year of the levy		Collections in subsequent years	Total collections to date	
	General Fund	Special levies	Total	Amount	Percentage of levy		Amount	Percentage of levy
2010	\$ 102,210	57,501	159,711	150,799	94.42 %	\$ 4,760	155,559	97.40 %
2011	106,055	58,771	164,826	156,041	94.67	3,461	159,502	96.77
2012	109,453	60,127	169,580	161,338	95.14	3,053	164,391	96.94
2013	111,611	60,964	172,575	164,775	95.48	3,658	168,433	97.60
2014	115,908	64,145	180,053	171,302	95.14	3,656	174,958	97.17
2015	121,112	60,460	181,572	173,583	95.60	2,978	176,561	97.24
2016	128,654	63,947	192,601	184,069	95.57	2,407	186,476	96.82
2017	133,800	73,720	207,520	198,099	95.46	2,179	200,278	96.51
2018	140,304	77,602	217,906	208,057	95.48	1,786	209,843	96.30
2019	145,964 <sup>(1)</sup>	81,290	227,254	218,141	95.99	—	218,141	95.99

<sup>(1)</sup> Includes small levies paid off early to other jurisdictions by the General Fund totaling \$487 in FY 2018-19.

Source: Washington County Finance Division

**WASHINGTON COUNTY, OREGON**

Principal Taxpayers Within the County  
Current Year and Nine Years Ago

(Dollars in Thousands)

	2019				2010			
	Rank	Assessed valuation	Percent of total		Rank	Assessed valuation	Percent of total	
Private enterprises:								
Intel Corporation	1	\$ 2,078,052	3.20	%	1	\$ 1,053,478	2.32	%
Nike, Inc.	2	1,093,542	1.68		3	429,873	0.95	
Pacific Realty Associates	4	393,579	0.61		6	294,193	0.65	
Comcast Corporation	6	256,677	0.40		7	212,605	0.47	
Verizon Communications	7	235,898	0.36		2	436,478	0.96	
Genentech, Inc.	8	212,360	0.33					
LAM Research Corporation	9	169,942	0.26					
PPR Washington Square LLC	10	149,777	0.23					
Maxim Integrated Products, Inc.					8	155,112	0.34	
Tektronix, Inc.					9	132,746	0.29	
PS Business Parks					10	104,442	0.23	
Public utilities:								
Portland General Electric	3	562,421	0.87		4	355,704	0.78	
Northwest Natural Gas	5	363,828	0.56		5	300,944	0.66	
All other taxpayers		<u>59,458,237</u>	<u>91.50</u>			<u>41,923,908</u>	<u>92.35</u>	
Total		<u>\$ 64,974,313</u>	<u>100.00</u>			<u>\$ 45,399,483</u>	<u>100.00</u>	

Source: Washington County Department of Assessment and Taxation

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## **DEBT CAPACITY**

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**WASHINGTON COUNTY, OREGON**

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

**County**

<u>Fiscal Year</u>	<u>Governmental Activities GO Bonds Payable</u>	<u>Business-Type Activities GO Bonds Payable</u>	<u>Premiums, Discounts, &amp; Adjustments</u>	<u>Net GO Bonds Payable</u>	<u>Total Taxable Assessed Value</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Debt Outstanding Per Capita</u>
2010	\$ 23,325	—	155	23,480	45,399,483	0.05 %	\$ 45
2011	17,845	—	109	17,954	46,801,868	0.04	34
2012	12,140	—	62	12,202	48,236,782	0.03	23
2013	6,195	—	16	6,211	49,355,659	0.01	11
2014	—	—	—	—	51,180,241	—	—
2015	—	—	—	—	53,515,862	—	—
2016	—	—	—	—	56,910,892	—	—
2017	75,400	—	11,074	86,474	59,446,698	0.15	148
2018	73,995	—	10,453	84,448	62,340,648	0.14	142
2019	72,410	—	9,832	82,242	64,974,313	0.13	136

<sup>(1)</sup> District amounts are reported in County table for years prior to 2012.

Source: Washington County Finance Division and Department of Assessment and Taxation

WASHINGTON COUNTY, OREGON

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

County

Fiscal Year	Governmental Activities				
	General Obligation Bonds Payable	FFC & Notes Payable	Premiums, Discounts, & Adjustments	Contracts Payable	Capital Lease Obligations
2010	\$ 23,325	81,510	79	454	1,160
2011	17,845	77,897	45	402	964
2012	12,140	74,149	3	380	2,586
2013	6,195	70,352	(308)	357	2,092
2014	—	66,133	3,551	334	1,715
2015	—	61,719	3,222	312	1,334
2016	—	51,890	7,918	290	941
2017	75,400	155,098	31,274	268	535
2018	73,995	144,340	28,953	245	270
2019	72,410	131,837	26,633	223	—

District<sup>(1)</sup>

Fiscal Year	Component Unit			Percentage of Personal Income	Outstanding Debt Per Capita
	Other Bonds & Notes Payable	Premiums, Discounts, & Adjustments	Total Component Unit		
2010	\$ —	—	—	— %	\$ —
2011	—	—	—	—	—
2012	287,865	9,631	297,496	1.29	555
2013	265,260	8,179	273,439	1.14	504
2014	251,990	7,827	259,817	1.05	472
2015	238,175	6,557	244,732	0.93	436
2016	223,690	5,448	229,138	0.77	401
2017	202,995	11,340	214,335	0.68	367
2018	191,025	9,394	200,419	0.58	336
2019	178,485	7,579	186,064	N/A	307

(Continued)

N/A: Data was not available for this fiscal year

<sup>(1)</sup> District amounts are reported in County table for years prior to 2012.

Source: Washington County Finance Division

**Business-Type Activities**

<b>FFC &amp; Notes Payable</b>	<b>Premiums, Discounts, &amp; Adjustments</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>		<b>Outstanding Debt Per Capita</b>
316,078	(83)	422,523	2.00	% \$	802
295,506	(340)	392,319	1.80		736
31,124	(2,524)	117,858	0.51		220
30,577	(2,376)	106,889	0.45		197
30,043	(236)	101,540	0.41		184
31,572	(220)	97,939	0.37		175
31,023	(204)	91,858	0.31		161
30,569	(188)	292,956	0.93		502
30,291	(173)	277,921	0.80		466
27,560	2,170	260,833	N/A		430

**WASHINGTON COUNTY, OREGON**

Legal Debt Margin Information

Last Ten Fiscal Years

(Dollars in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Washington County:					
-ORS 287A.100 provides a debt limit on general obligation bonds of 2% of the real market value of all taxable property within the County's legal boundaries.					
Real market value	\$ 116,500,833	112,236,654	101,500,233	90,947,469	84,758,607
Debt limit rate	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>
Debt limit	2,330,017	2,244,733	2,030,005	1,818,949	1,695,172
Less general obligation debt at June 30 <sup>(1)</sup>	<u>82,242</u>	<u>84,448</u>	<u>86,474</u>	<u>—</u>	<u>—</u>
Legal debt margin	<u>2,247,774</u>	<u>2,160,285</u>	<u>1,943,531</u>	<u>1,818,949</u>	<u>1,695,172</u>
Total net debt applicable to the limit as a percentage of debt limit	3.53%	3.76%	4.26%	—	—

-ORS 287A.105 provides a debt limit on full faith and credit obligations of 1% of the real market value of all taxable property within the County's legal boundaries.

Real market value	<u>116,500,833</u>	<u>112,236,654</u>	<u>101,500,233</u>	<u>90,947,469</u>	<u>84,758,607</u>
Debt limit rate	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
Debt limit	1,165,008	1,122,367	1,015,002	909,475	847,586
Less full faith and credit obligations at June 30 <sup>(1)</sup>	<u>148,331</u>	<u>162,395</u>	<u>174,720</u>	<u>59,053</u>	<u>63,992</u>
Legal debt margin	<u>1,016,678</u>	<u>959,972</u>	<u>840,282</u>	<u>850,422</u>	<u>783,594</u>
Total net debt applicable to the limit as a percentage of debt limit	12.73%	14.47%	17.21%	6.49%	7.55%

Housing Authority of Washington County:

-ORS 451.545 provides a debt limit on general obligation bonds of 13% of the real market value of all taxable property within the Authority's legal boundaries.

Real market value	<u>116,500,833</u>	<u>112,236,654</u>	<u>101,500,233</u>	<u>90,947,469</u>	<u>84,758,607</u>
Debt limit rate	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>
Debt limit	15,145,108	14,590,765	13,195,030	11,823,171	11,018,619
Less general obligation debt at June 30 <sup>(1)</sup>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Legal debt margin	<u>15,145,108</u>	<u>14,590,765</u>	<u>13,195,030</u>	<u>11,823,171</u>	<u>11,018,619</u>
Total net debt applicable to the limit as a percentage of debt limit	—	—	—	—	—

Clean Water Services:

-ORS 451.545 provides a debt limit on general obligation bonds of 13% of the real market value of all taxable property within the District's legal boundaries

Real market value	<u>107,044,937</u>	<u>93,028,765</u>	<u>77,171,791</u>	<u>77,171,791</u>	<u>68,905,327</u>
Debt limit rate	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>
Debt limit	13,915,842	12,093,739	10,032,333	10,032,333	8,957,693
Less general obligation debt at June 30 <sup>(1)</sup>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Legal debt margin	\$ <u>13,915,842</u>	<u>12,093,739</u>	<u>10,032,333</u>	<u>10,032,333</u>	<u>8,957,693</u>
Total net debt applicable to the limit as a percentage of debt limit	—	—	—	—	—

(Continued)

<sup>(1)</sup> Amounts expressed net of premiums, discounts, and adjustments

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>75,755,731</u>	<u>67,614,912</u>	<u>69,045,256</u>	<u>71,983,750</u>	<u>75,512,292</u>
2.00%	2.00%	2.00%	2.00%	2.00%
1,515,115	1,352,298	1,380,905	1,439,675	1,510,246
—	6,211	12,202	17,954	23,480
<u>1,515,115</u>	<u>1,346,087</u>	<u>1,368,703</u>	<u>1,421,721</u>	<u>1,486,766</u>
	0.46%	0.88%	1.25%	1.55%
<u>75,755,731</u>	<u>67,614,912</u>	<u>69,045,256</u>	<u>71,983,750</u>	<u>75,512,292</u>
1.00%	1.00%	1.00%	1.00%	1.00%
757,557	676,149	690,453	719,838	755,123
<u>68,646</u>	<u>68,806</u>	<u>72,686</u>	<u>76,236</u>	<u>79,639</u>
<u>688,911</u>	<u>607,343</u>	<u>617,767</u>	<u>643,602</u>	<u>675,484</u>
9.06%	10.18%	10.53%	10.59%	10.55%
<u>75,755,731</u>	<u>67,614,912</u>	<u>69,045,256</u>	<u>71,983,750</u>	<u>75,512,292</u>
13.00%	13.00%	13.00%	13.00%	13.00%
9,848,245	8,789,939	8,975,883	9,357,888	9,816,598
—	—	—	—	—
<u>9,848,245</u>	<u>8,789,939</u>	<u>8,975,883</u>	<u>9,357,888</u>	<u>9,816,598</u>
—	—	—	—	—
<u>60,917,987</u>	<u>61,998,156</u>	<u>64,712,780</u>	<u>67,333,674</u>	<u>67,466,438</u>
13.00%	13.00%	13.00%	13.00%	13.00%
7,919,338	8,059,760	8,412,661	8,753,378	8,770,637
—	—	—	—	—
<u>7,919,338</u>	<u>8,059,760</u>	<u>8,412,661</u>	<u>8,753,378</u>	<u>8,770,637</u>
—	—	—	—	—

WASHINGTON COUNTY, OREGON

Direct and Overlapping Governmental Activities Debt

June 30, 2019

(Dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to County
Debt repaid with property taxes:			
Overlapping debt outstanding:			
Banks Fire District 13	\$ 3,880	100.00 %	\$ 3,880
City of Banks	1,161	100.00	1,161
City of Beaverton	34,134	100.00	34,134
City of Cornelius	806	100.00	806
City of Durham	—	100.00	—
City of Forest Grove	—	100.00	—
City of Hillsboro	39,605	100.00	39,605
City of Lake Oswego	78	0.14	—
City of North Plains	200	100.00	200
City of Portland	527	0.18	1
City of Sherwood	17,669	100.00	17,669
City of Tigard	17,661	100.00	17,661
City of Tualatin	19,852	86.60	17,192
City of Wilsonville	—	10.12	—
Clackamas County Education Service District	103	0.49	1
Clackamas County School District 3J (West Linn - Wilsonville)	3,763	1.79	67
Clackamas County School District 7J (Lake Oswego)	2,214	0.89	20
Columbia County School District 1J (Scappoose)	105	0.42	—
Columbia County School District 47J (Vernonia)	367	1.87	7
Metro	243,686	29.75	72,497
Multnomah County School District 1J (Portland)	4,077	0.47	19
Multnomah Education Service District	—	0.35	—
Northwest Regional Education Service District	—	80.48	—
Port of Portland	—	29.27	—
Portland Community College	239,939	39.84	95,592
Rivergrove Water District 14J	7	1.32	—
Tualatin Hills Parks & Recreation District	76,494	99.99	76,486
Tualatin Valley Fire & Rescue District	20,747	79.63	16,521
Washington County School District 13 (Banks)	11,371	100.00	11,371
Washington County School District 15 (Forest Grove)	82,404	100.00	82,404
Washington County School District 1J (Hillsboro 7 Bd)	1,682	100.00	1,682
Washington County School District 1J (Hillsboro)	461,305	99.98	461,213
Washington County School District 23J (Tigard - Tualatin)	327,752	95.88	314,249
Washington County School District 48J (Beaverton)	992,497	99.63	988,825
Washington County School District 511J (Gaston)	12,126	81.84	9,924
Washington County School District 88J (Sherwood)	307,006	93.60	287,358
Willamette Education Service District	28	0.33	—
Yamhill County School District 29J (Newberg)	994	3.40	34
Total overlapping debt outstanding	2,924,240		2,550,579
Direct debt outstanding:			
Washington County <sup>(1)</sup>	231,103	100.00	231,103
Total direct and overlapping debt outstanding	\$ 3,155,343		\$ 2,781,682

<sup>(1)</sup> Washington County governmental activities direct debt outstanding is comprised of the following:

Contracts, notes, and bonds outstanding	204,470
Unamortized bond premiums and discounts	26,633
Capital lease obligations	—
Total direct debt outstanding	231,103

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Oregon State Treasury, Debt Management Division

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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**WASHINGTON COUNTY, OREGON**

Demographic Statistics

Last Ten Fiscal Years

(Amounts in thousands, except Personal Income)

<u>Fiscal Year</u>	<u>Population (estimated)</u>		<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2010	527	\$	21,205	40	10.20 %
2011	533		21,587	41	8.40
2012	536		23,043	43	7.60
2013	543		24,314	45	6.80
2014	551		24,840	45	6.30
2015	561		26,299	47	5.70
2016	571		29,813	52	4.60
2017	584		31,588	54	4.10
2018	596		34,162	57	3.30
2019	606		N/A	N/A	3.30

N/A: Information not available as of printing.

Source: Portland State University Population Research Center, Bureau of Economic Analysis, and Oregon Employment Department.

WASHINGTON COUNTY, OREGON

Major Employment Industries

Current Year and Nine Years Ago

	2019*		2010	
	Annual Average Positions	% of Total	Annual Average Positions	% of Total
Construction	16,644	6%	10,149	4%
Manufacturing:				
Wood products	1,092		1,025	
Fabricated metal products	3,786		2,597	
Food	2,208		1,634	
Plastics and rubber products	2,724		1,470	
Computer and electronic products	28,180		24,774	
Machinery	5,428		3,147	
Other	7,595		6,144	
Total Manufacturing	51,013	17%	40,791	17%
Trade, Transportation, and Utilities:				
Wholesale	13,162		15,813	
Retail	32,104		27,056	
Transportation, Warehousing, and Utilities	5,333		3,069	
Total Trade, Transportation, and Utilities	50,599	17%	45,938	20%
Information:				
Publishing	3,274		3,189	
Telecommunications	1,815		2,057	
Other (broadcasting, ISP's, etc.)	2,467		2,512	
Total Information	7,556	3%	7,758	3%
Financial Activities:				
Finance and Insurance	10,622		10,386	
Real Estate	4,258		3,253	
Total Financial Activities	14,880	5%	13,639	6%
Professional and Business Services	54,611	18%	33,355	14%
Educational Services	5,741	2%	4,671	2%
Healthcare and Social Assistance	30,918	10%	23,927	10%
Leisure and Hospitality	27,414	9%	19,401	8%
Other Services (agriculture, repairs, private homes, misc.)	13,645	5%	10,576	6%
Government (federal, state, and local)	22,442	8%	24,152	10%
Total Employment	<u>295,463</u>	<u>100%</u>	<u>234,357</u>	<u>100%</u>

\*Fiscal year 2019 information includes data through December 31, 2018.

Source: Oregon Labor Market Information System (OLMIS)

## **OPERATING INFORMATION**

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**WASHINGTON COUNTY, OREGON**

Full-time Equivalent Employees by Function

Last Ten Fiscal Years

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government	297	297	297	298	299	304	318	331	337	342
Public safety and justice	837	833	823	825	824	941	945	950	959	973
Land use and transportation	392	357	349	337	336	324	286	297	300	305
Housing, health and human services	239	250	254	255	252	260	322	322	359	382
Culture, education and recreation	45	44	47	47	48	50	53	53	52	53
Total	<u>1,810</u>	<u>1,781</u>	<u>1,770</u>	<u>1,762</u>	<u>1,759</u>	<u>1,879</u>	<u>1,924</u>	<u>1,953</u>	<u>2,007</u>	<u>2,055</u>

Source: Washington County Support Services Department

WASHINGTON COUNTY, OREGON

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013
<b>General Government:</b>				
Assessment & Taxation:				
Real property accounts	177,924	178,440	178,971	179,843
Personal property accounts	24,591	24,077	23,893	24,210
Mobile home accounts	5,239	5,205	5,188	5,142
Utility property accounts	1,026	1,167	1,278	1,443
County Counsel:				
Hours booked for General Fund programs	8,376	6,102	6,945	5,851
Hours booked for Special Revenue funds and miscellaneous	5,639	6,223	6,200	7,915
Hours booked for internal work	2,187	2,066	2,269	2,710
Support Services:				
Number of budgeted permanent FTE positions within the County	1,810	1,782	1,770	1,762
Number of collective bargaining units	5	5	5	5
<b>Public Safety &amp; Justice:</b>				
Sheriff (measured in calendar years):				
Citizen generated calls for service	48,343	47,050	49,109	48,058
Officer-initiated calls for service (including traffic responses)	96,182	94,258	94,258	89,252
Bookings per year at jail	17,967	17,761	17,761	18,020
Average length of stay in jail (in days)	18	48	48	18
Average daily jail population	579	568	568	565
Case numbers issued (all documented law enforcement actions taken)	20,386	19,249	19,249	19,344
Juvenile (measured in calendar years):				
Total referrals to juvenile department	4,106	3,738	3,539	3,309
Percent of youth with no new offenses	74%	75%	74%	72%
Total admissions to secure detention	727	715	597	650
Total admissions to shelter care evaluation	160	134	121	127
Community Corrections:				
Number of offenders residing at the Community Corrections Center	2,040	2,044	1,953	1,765
Average daily Community Corrections Center population	198	195	181	170
Average length of stay in Community Corrections Center (in days)	36	36	34	35
Number of offenders on supervision	4,123	4,035	3,694	3,540
Law Library:				
Total in-library users	9,630	5,569	4,833	8,529
Items checked out	865	867	796	1,405
<b>Land Use &amp; Transportation:</b>				
Land Use & Transportation:				
Total land use case files	380	357	394	432
Total land use actions	456	431	476	529
New subdivisions	8	5	7	22
Building permits issued (single family residential & remodels/additions)	1,110	1,053	1,254	1,183
<b>Housing, Health &amp; Human Services:</b>				
Housing Services:				
Rent subsidies (units)	2,810	2,810	2,823	2,823
Affordable housing (units)	2,005	2,086	1,135	1,138
Public housing (units)	255	255	255	255
Homeownership (units)	4	4	4	5
Homeless services (beds)	604	594	739	796
Community Development:				
Number of people served by all CDBG programs	14,509	16,763	21,184	14,727
Number of households served by all CDBG programs	523	491	435	283
Health & Human Services:				
Swimming pool inspections, reviews, investigations	1,264	1,196	1,130	1,145
Solid waste and recycling phone calls received	3,502	3,600	4,200	3,672
Health clinic - communicable disease client visits	11,169	13,257	8,943	9,866
Emergency Medical Services:				
CPR/AED people trained (measured in calendar years)	556	468	N/A	505
Ambulance licenses issued	99	97	111	149
Total ambulances inspected	10	—	4	4
Wheelchair car licenses issued	135	144	174	192
Total wheelchair cars inspected	N/A	N/A	1	2
<b>Culture, Education, &amp; Recreation:</b>				
Cooperative Library Services:				
Total library materials circulated	11,143,345	12,711,299	13,047,677	13,070,159
New users registered	38,108	40,374	35,770	32,951
Attendance at summer reading programs and events	48,136	46,846	51,009	50,157
Items delivered to member libraries via WCCLS couriers	3,721,876	4,138,471	4,108,984	3,978,705

N/A: Information not available

(Continued)

Source: Washington County Support Services Department

2014	2015	2016	2017	2018	2019
180,705	181,985	183,721	186,353	187,913	189,977
23,614	23,672	22,673	22,728	22,422	22,766
5,118	5,101	5,096	5,068	5,080	5,068
1,492	1,458	1,477	1,321	1,298	1,253
6,536	7,127	7,087	7,003	6,820	8,013
7,204	6,417	6,456	6,650	8,204	7,688
2,489	2,902	2,757	2,900	2,570	2,839
1,759	1,818	1,872	1,951	2,001	2,073
5	5	5	5	5	5
52,041	56,186	57,446	59,806	60,733	N/A
88,551	96,321	90,139	90,757	75,025	N/A
17,944	17,173	17,111	17,133	18,410	N/A
17	19	19	17	16	N/A
547	538	534	506	545	N/A
20,374	20,802	21,035	22,179	22,273	N/A
2,975	2,822	2,165	2,249	2,198	2,198
75%	72%	71%	71%	71%	N/A
644	574	498	501	466	490
108	111	105	105	102	98
2,060	2,169	2,044	1,976	1,786	1,787
182	179	181	186	136	150
32	32	32	34	33	33
3,725	3,797	3,286	3,357	3,367	3,500
9,115	9,892	8,140	6,028	5,716	5,151
1,437	1,502	1,909	1,211	1,091	1,031
495	456	519	521	475	438
584	568	652	634	594	505
29	31	27	33	19	24
1,511	1,735	2,081	1,960	1,472	1,586
2,882	2,981	2,981	2,669	2,828	2,918
1,138	1,138	1,139	1,818	1,821	1,829
255	255	255	243	244	244
5	4	4	4	4	4
940	905	881	863	847	969
20,051	27,121	73,550	11,275	43,735	29,868
306	314	280	273	343	249
1,083	1,190	1,183	1,018	1,127	1,112
4,100	3,900	3,470	3,707	3,800	3,890
7,857	7,672	2,917	2,861	2,407	3,325
346	637	420	755	667	475
121	140	158	146	151	147
28	39	13	8	—	17
190	196	226	247	247	239
9	16	9	2	30	33
12,742,087	12,240,066	11,872,665	11,149,410	11,104,635	11,204,193
32,788	31,981	31,659	33,313	33,052	35,339
58,233	59,506	63,358	76,782	76,899	51,312
3,649,568	3,704,098	3,616,203	3,444,670	3,445,849	3,360,094

WASHINGTON COUNTY, OREGON

Capital Assets

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Government:</b>										
Facilities:										
Number of buildings - owned	23	23	23	24	24	25	25	27	27	33
Number of buildings - leased	9	8	7	9	9	10	12	15	16	16
Square feet - owned space	1,304,265	1,304,265	1,304,265	1,304,265	1,304,265	1,378,190	1,378,190	1,403,944	1,403,944	1,536,060
Square feet - leased space	24,722	24,079	19,867	21,659	18,652	27,252	37,207	78,833	90,325	110,051
Fleet:										
Number of units maintained	561	562	557	562	572	605	626	654	676	704
Gallons of fuel dispensed	426,712	445,207	436,180	422,455	416,709	415,547	407,414	414,582	407,411	396,676
Miles driven	4,565,634	4,613,964	4,485,547	4,510,196	4,434,719	4,593,052	4,467,139	4,585,838	4,541,628	4,506,351
Number of work orders	3,837	4,145	4,059	3,930	4,024	4,034	3,975	4,127	3,473	3,698
Information Technology Services:										
Computers supported	2,116	2,116	2,385	2,173	2,149	2,372	2,425	2,496	2,652	2,693
Applications supported	698	709	783	844	851	1,028	1,320	1,299	965	1,024
<b>Land Use and Transportation:</b>										
County road system:										
Total miles maintained	1,280	1,300	1,279	1,279	1,286	1,286	1,290	1,297	1,295	1,306
Paved miles	1,055	1,075	1,062	1,062	1,068	1,073	1,073	1,079	1,078	1,087
Gravel miles	225	225	217	217	218	218	217	218	217	219
Urban miles	639	639	650	650	657	657	661	668	669	675
Rural miles	641	661	629	629	629	629	629	629	626	631
Bridges	189	189	188	188	186	186	186	183	186	185
Traffic signals	404	445	470	470	472	505	515	518	518	532

Source: Washington County Support Services Department



**WASHINGTON COUNTY,  
OREGON**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH OREGON STATE REGULATIONS**

**SECTION IV**

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**Talbot, Korvola  
& Warwick, LLP**

4800 Meadows Road, Suite 200  
Lake Oswego, OR 97035

P 503.274.2849  
F 503.274.2853

[www.tkw.com](http://www.tkw.com)

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
OREGON STATE REGULATIONS**

Board of County Commissioners  
Washington County, Oregon  
Hillsboro, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Oregon (the County), as of and for the year ended June 30, 2019, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 28, 2020. We conducted our audit 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. Our report includes a reference to other auditors. We did not audit the financial statements of Clean Water Services (CWS), the discretely presented component unit of the County. The financial statements of CWS were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditors.

**COMPLIANCE**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
OREGON STATE REGULATIONS (Continued)**

**COMPLIANCE (Continued)**

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

- The Metro Affordable Housing Bond Fund reported a deficit fund balance of \$1,000.
- The Sheriff's Office Contract Services Fund reported a deficit fund balance of \$88,000.
- The Sheriff's Office Grants & Donations Fund reported a deficit fund balance of \$136,000.
- The Statewide Transportation Improvement Fund reported a deficit fund balance of \$108,000.
- The Fleet Services Fund reported a deficit net position of \$929,000 on a GAAP basis.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting to determine the 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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, as described in the Washington County, Oregon's Federal Grant Programs reporting of the Schedule of Findings and Questioned Costs as Findings 2019-001 and 2019-002, that we consider to be significant deficiencies.

**PURPOSE OF THIS REPORT**

This report is intended solely for the information and use of the Audit Committee, Board of County Commissioners, Oregon Secretary of State Audits Division, and management and is not intended to be and should not be used by anyone other than these specified parties.

*Talbot, Kivola & Warwick, LLP*

Lake Oswego, Oregon  
January 28, 2020

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155 N. First Ave., Hillsboro, OR 97124-3072

503-846-8811

[www.co.washington.or.us](http://www.co.washington.or.us)