



# Comprehensive Annual Financial Report



Year Ended June 30, 2015

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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, 2015

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, 2015

<u>Name</u>	<u>Term Expires</u>
Andy Duyck, Chair Commissioner-At-Large	December 31, 2018
Dick Schouten District 1	December 31, 2016
Greg Malinowski District 2	December 31, 2018
Roy Rogers, Vice Chair District 3	December 31, 2016
Bob Terry District 4	December 31, 2018

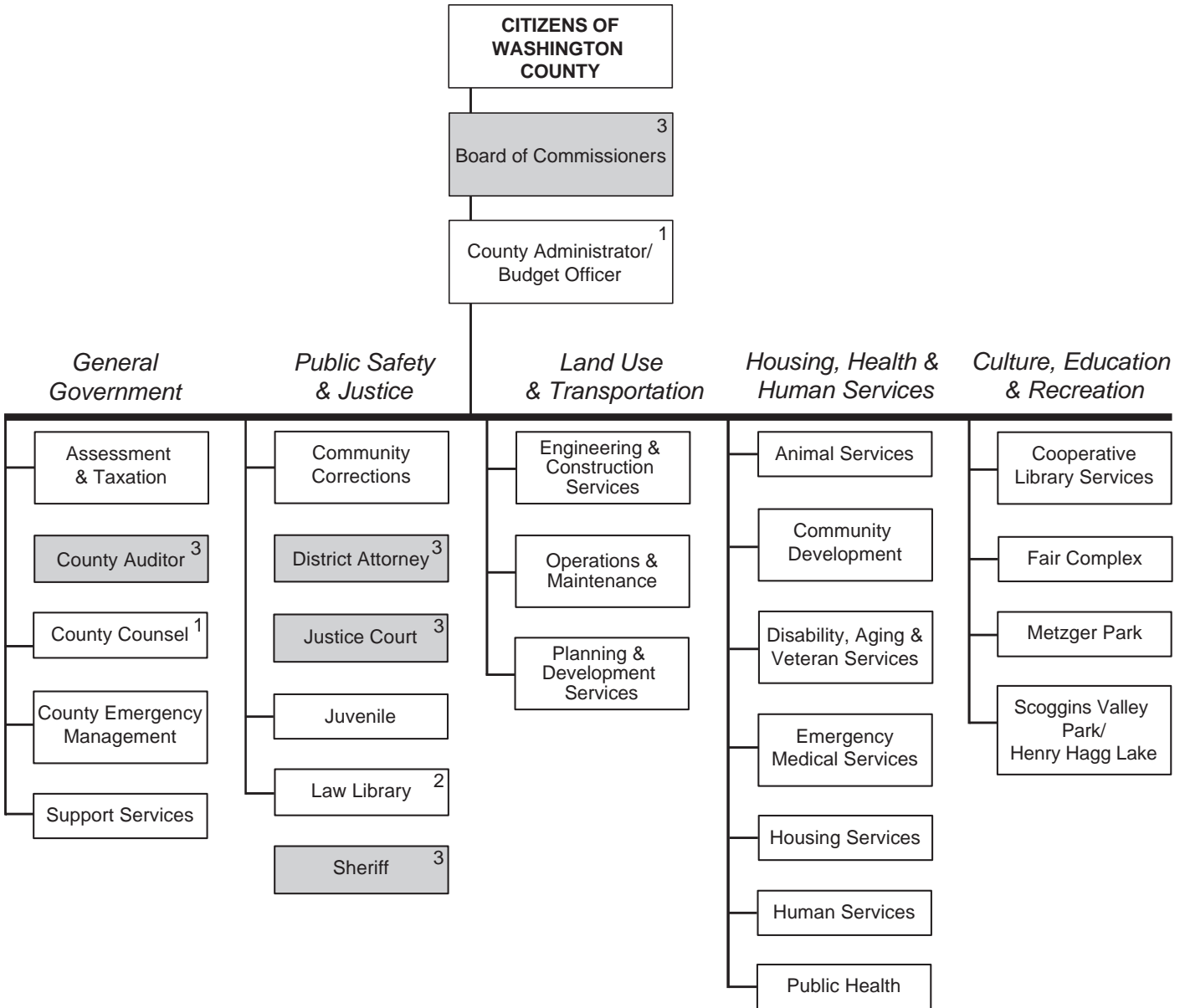
Administrative Staff

Robert Davis, County Administrator  
Don Bohn, Assistant County Administrator  
Rob Massar, Assistant County Administrator  
Mary Gruss, 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.



December 21, 2015

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, 2015.

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, 2015. 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, OMB Circular A-133, 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 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 in the state, encompasses 727 square miles, and serves a population of approximately 563,000. There are 16 incorporated cities in the County. The three largest cities, Hillsboro, Beaverton and Tigard account for 43% of the overall population; the unincorporated area has 41% of the County's population. This unincorporated area 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, 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 cultural, educational and recreational 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 include the Housing Authority of Washington County, Service District for Lighting No. 1, Enhanced Sheriff Patrol District, Urban Road Maintenance Service 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 accounts for 18%, government jobs 8%, professional and business services 19%, education and health services 12%, and leisure and hospitality 8%.

Major employers in the County are shown in the following table:

<b>Company</b>	<b>Products/Services</b>	<b>Location</b>	<b>Number of Employees</b>
Intel Corporation	Semiconductor integrated circuits	Hillsboro	18,600
Nike, Inc.	Athletic footwear and apparel	Beaverton	9,200
Providence St. Vincent Hospital	Health Care	various	5,618
Beaverton School District	Education	Beaverton	4,691
Hillsboro School District	Education	Hillsboro	2,512
Kasier Permanente	Health Care	various	2,500
Fred Meyer	Retail	various	2,200
Washington County	Government	Hillsboro	1,879
Tigard-Tualatin School District	Education	Tigard	1,500
Wells Fargo Bank	Financial	various	1,500
Comcast Corporation	Cable/Phone/Internet	various	1,400

Source: Westside Economic Alliance, 2015 Data

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.

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

<u>Agreements</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
1994/96 Intel	\$ 1,103	-	-	-	-
1999 Intel	9,066	8,715	8,482	8,266	8,319
2005 Intel	2,115	2,316	2,692	10,593	12,092
2006 Genentech	500	500	547	896	920
<b>Totals</b>	<b><u>12,784</u></b>	<b><u>11,531</u></b>	<b><u>11,721</u></b>	<b><u>19,755</u></b>	<b><u>21,331</u></b>
<b>Distributed to:</b>					
Washington County	7,752	7,644	7,790	12,905	13,862
Other agencies	5,032	3,887	3,931	6,850	7,469
<b>Totals</b>	<b><u>\$ 12,784</u></b>	<b><u>11,531</u></b>	<b><u>11,721</u></b>	<b><u>19,755</u></b>	<b><u>21,331</u></b>

*Source: Washington County Finance Division*

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.

## 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):

<b>Agreements</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
2005 Intel	\$ 10,932	23,127	36,774
2006 Genentech	639	759	1,031
<b>Totals</b>	<b>11,571</b>	<b>23,886</b>	<b>37,805</b>
<b>Distributed to:</b>			
Washington County	7,036	11,481	18,274
Schools	-	5,000	8,000
Other agencies	4,535	7,405	11,531
<b>Totals</b>	<b>\$ 11,571</b>	<b>23,886</b>	<b>37,805</b>

*Source: Washington County Finance Division*

## ***Long term financial planning***

The 2015-16 adopted budget includes General Fund reserves of \$24 million or 23% of the adopted General Fund 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 2015-16 budget includes over \$40 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, 2015.

### **Risk Management**

The County is self-insured for liability, workers' compensation and unemployment. Excess insurance is purchased whenever feasible and reserves are maintained 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 to result from 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 county-wide mobility.

The County will issue bonds to fund two-thirds of the project costs. Incremental growth in revenue from the County-wide 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 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.

#### County Levies

In November 2012 voters approved a \$0.68 fixed rate levy for the Enhanced Sheriff's Patrol District; the levy covers the period July 1, 2013 – June 30, 2018 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 County-wide 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 for the fiscal year ended June 30, 2014. This was the twenty-ninth 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,

Mary E. Gruss  
Chief Finance Officer

Roger Dawes  
Controller



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, 2014**

Executive Director/CEO

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**WASHINGTON COUNTY,  
OREGON**

**FINANCIAL  
SECTION**

**SECTION II**

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Talbot, Korvola  
& Warwick, LLP

Certified Public Accountants  
& Consultants

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## 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, each major fund, and the aggregate remaining fund information of Washington County, Oregon (the County), as of and for the year ended June 30, 2015, 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, a discretely presented component unit 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 Clean Water Services, 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.

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 County'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 County'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 financial statement 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.

## 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, 2015, 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.

### EMPHASIS OF MATTERS

As discussed in Note 4 in the Notes to Basic Financial Statements, the County adopted the accounting requirements of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, which resulted in the restatement of previously reported amounts for the year ended June 30, 2014. Our opinions are not modified with respect to this matter.

As discussed in Note 4 in the Notes to Basic Financial Statements, changes in benefit terms of the Oregon Public Employees Retirement System resulting from the April 30, 2015 Oregon Supreme Court decision are not reflected in the December 31, 2012 actuarial valuation used to measure pension amounts as of and for the fiscal year ended June 30, 2015.

### OTHER MATTERS

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Schedule of Funding Progress – Other Post-Employment Benefits, Schedule of Proportionate Share of PERS Net Pension Liability (Asset), Schedule of Contributions – PERS Net Pension Liability (Asset), 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



## INDEPENDENT AUDITOR'S REPORT (Continued)

Board of County Commissioners  
Washington County, Oregon

### **OTHER MATTERS (Continued)**

#### ***Required Supplementary Information (Continued)***

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 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 and Other Financial Schedules***

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 and Other Financial Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Other Supplementary Information and Other Financial Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information and Other Financial Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections, 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 December 21, 2015, 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 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.

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

Board of County Commissioners  
Washington County, Oregon

**REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS (Continued)**

**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 December 21, 2015, 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  
December 21, 2015

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

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

**June 30, 2015**

**(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, 2015. 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 8 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 Patrol District, Urban Road Maintenance Service 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 of Washington County exceeded its liabilities at June 30, 2015 by \$2,338,546. Net investment in capital assets was \$1,994,321 and account for 85% of total net position. Of the remaining net position, \$188,146 may be used to meet the County's ongoing obligations to citizens and creditors.
- As of June 30, 2015, Washington County's governmental funds reported combined unassigned ending fund balances of \$52,713.
- Unassigned fund balance for the General Fund was \$54,397 at June 30, 2015, amounting to 41% of total General Fund expenditures for 2015.
- Committed fund balance for the Major Streets Transportation Improvement Program III Fund (MSTIP III) was \$86,181 at June 30, 2015, amounting to 308% of total MSTIP III expenditures. Restricted fund balance for the Road Fund was \$23,506 at June 30, 2015, amounting to 69% of total Road Fund expenditures. Restricted fund balance for the Human Services Fund was \$5,104 or 30% of fund expenditures.
- Washington County's governmental activities did not have any general obligation debt at June 30, 2015, allowing for the potential to have voter-approved general obligation debt up to \$1,695,172. Total non-voter approved full faith and credit debt at June 30, 2015 was \$63,922, net of premiums and adjustments, with remaining capacity for this type of debt at \$783,594.

**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 similar to a private-sector business.

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

**June 30, 2015**

**(Dollars in thousands)**

The *statement of net position* presents information on all of 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 of the 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, housing, and transportation; 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 and 27 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 of 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, 2015**

**(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 50 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, Major Streets Transportation Improvement Program III Fund, and Road Fund, all of which are considered to be 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 28 and 30 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 Lighting District. *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 32 through 34 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 35 and 36 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 37 through 104 of this report.

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

**June 30, 2015**

**(Dollars in thousands)**

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Washington County's major governmental funds, a schedule of funding progress related to other postemployment benefits, and a schedule of proportionate share and contributions related to the Oregon Public Employees Retirement System (OPERS) net pension liability/(asset). Required supplementary information can be found beginning on page 105 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 122 through 181 of this report.

The County adopted Government Accounting Standard 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB 27* (GASB 68) during fiscal year 2015. GASB Statement 68 established accounting and financial reporting standards for employers, including reporting of the new pension asset or liability on the Statement of Net Position, and deferred inflows and outflows associated with investments, economic and demographic gains and losses associated with the plan. GASB Statement 68 also provides guidance related to the calculation of pension expense. Fiscal year 2013-14 information reported on page 18 and 20 has been restated to conform to the new reporting and accounting standards.



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

**June 30, 2015**

**(Dollars in thousands)**

**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 by \$2,338,546 at the close of the most recent fiscal year.

		Washington County - Primary Government						Discretely Presented Component Unit	
		Government activities		Business-type activities		County Total		District	
		2015	2014 (restated)	2015	2014	2015	2014 (restated)	2015	2014 (restated)
Current assets	\$	143,135	118,429	8,132	6,928	151,267	125,357	254,328	234,490
Noncurrent assets		330,523	237,091	(1,556)	169	328,967	237,260	13,454	8,024
Capital assets (net of depreciation)		<u>2,064,142</u>	<u>2,089,857</u>	<u>27,179</u>	<u>28,460</u>	<u>2,091,321</u>	<u>2,118,317</u>	<u>643,931</u>	<u>630,676</u>
Total assets		<u>2,537,800</u>	<u>2,445,377</u>	<u>33,755</u>	<u>35,557</u>	<u>2,571,555</u>	<u>2,480,934</u>	<u>911,713</u>	<u>873,190</u>
Deferred outflows of resources		<u>19,459</u>	<u>19,274</u>	<u>2,313</u>	<u>2,478</u>	<u>21,772</u>	<u>21,752</u>	<u>2,410</u>	<u>2,581</u>
Current liabilities		<u>76,546</u>	<u>73,684</u>	<u>2,181</u>	<u>3,858</u>	<u>78,727</u>	<u>77,542</u>	<u>34,424</u>	<u>36,145</u>
Noncurrent liabilities		<u>67,629</u>	<u>163,558</u>	<u>28,932</u>	<u>29,064</u>	<u>96,561</u>	<u>192,622</u>	<u>229,938</u>	<u>258,630</u>
Total liabilities		<u>144,175</u>	<u>237,242</u>	<u>31,113</u>	<u>32,922</u>	<u>175,288</u>	<u>270,164</u>	<u>264,362</u>	<u>294,775</u>
Deferred inflows of resources		<u>79,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,493</u>	<u>-</u>	<u>11,771</u>	<u>-</u>
Net position:									
Net investment in capital assets		<u>1,994,339</u>	<u>2,014,679</u>	<u>(18)</u>	<u>1,131</u>	<u>1,994,321</u>	<u>2,015,810</u>	<u>406,700</u>	<u>383,718</u>
Restricted		<u>152,101</u>	<u>112,861</u>	<u>3,978</u>	<u>3,070</u>	<u>156,079</u>	<u>115,931</u>	<u>127,787</u>	<u>119,140</u>
Unrestricted		<u>187,151</u>	<u>99,869</u>	<u>995</u>	<u>912</u>	<u>188,146</u>	<u>100,781</u>	<u>103,503</u>	<u>78,138</u>
Total net position	\$	<u>2,333,591</u>	<u>2,227,409</u>	<u>4,955</u>	<u>5,113</u>	<u>2,338,546</u>	<u>2,232,522</u>	<u>637,990</u>	<u>580,996</u>

By far the largest portion of the County's net position (85%) 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 (7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$188,146) 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 as a whole 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 \$18 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 as a whole and for its separate governmental and business-type activities.

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

**June 30, 2015**

**(Dollars in thousands)**

The County's net position increased by \$20,655 during the current fiscal year net of restatement; the result of a \$158 decrease in business-type activity net position and a \$20,813 increase in governmental activity net position, inclusive of the effects of a restatement of beginning net position in governmental activities.

Business Type – The Authority's restricted net position increased by \$908, which is attributable to reserve requirements on the Authority's outstanding debt service agreements and the cash restrictions imposed on the Authority by the Department of Housing and Urban Development (HUD) through various contracts and agreements.

Component Unit – The District's restricted net position increased by \$8,647 net of restatement, which is primarily the result of additional funds being restricted for debt service reserve requirements as well as for capital asset construction.

**Governmental activities.** Governmental activities increased the County's net position by \$20,813 net of restatement. Key elements of this increase are as follows:

- Overall program expenses decreased \$65,617 during the fiscal year due primarily to a decrease in expenses of \$22,929 in the Public, Safety & Justice functional area, a \$20,268 decrease in expenses in the Land Use and Transportation functional area, a \$15,860 decrease in expenses in the General Government functional area, due primarily to the GASB 68 recognition of the proportionate share of the current year's activity in the OPERS pension plan and less spending on non-capitalized items compared to prior year.
- Program revenue increased overall by \$34,910. This would include Land Use & Transportation increases of \$3,910 in charges for services and \$11,051 in operating grants and contributions. Housing, Health & Human Services also had increases of \$8,216 in charges for services. General revenues increased \$1,456 compared to the prior year and are attributable to an \$883 increase in property taxes along with an additional \$2,318 in other taxes including transient lodging and real property transfer taxes. Miscellaneous revenues decreased however by \$2,120 because of fewer donated infrastructure assets compared to prior year.

WASHINGTON COUNTY, OREGON

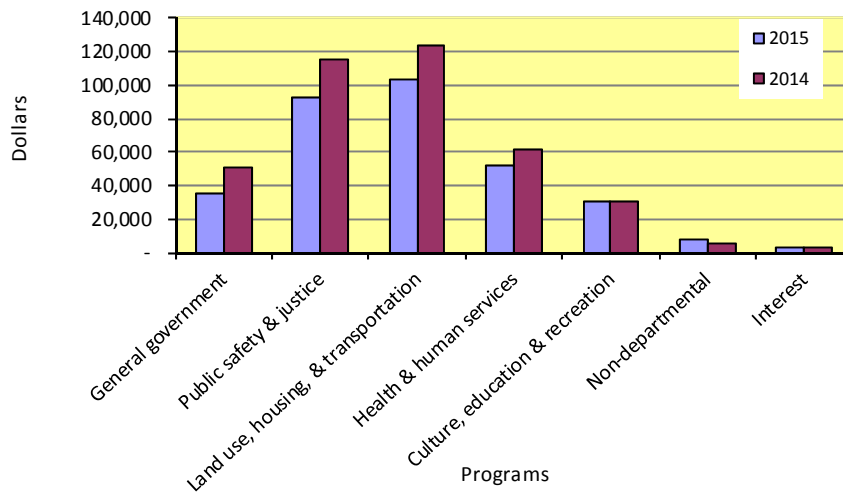
Management's Discussion and Analysis

June 30, 2015

(Dollars in thousands)

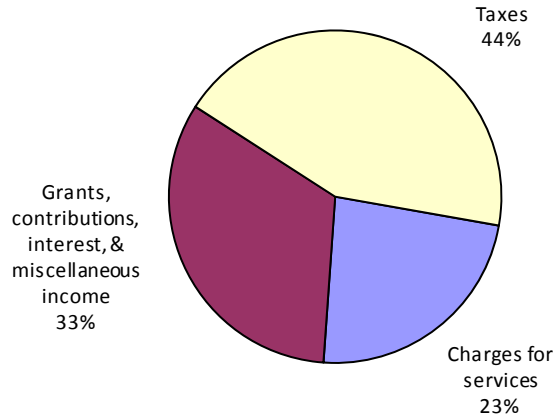
	Washington County - Primary Government						Discretely Presented Component Unit	
	Government activities		Business-type activities		County Total		District	
	2015	2014	2015	2014	2015	2014	2015	2014
		(restated)				(restated)		(restated)
<b>Changes in Net Position</b>								
<b>Revenues</b>								
<b>Program Revenues</b>								
Charges for services	\$ 100,580	84,524	9,100	8,093	109,680	92,617	125,449	121,680
Operating grants and contributions	112,651	101,600	23,788	20,918	136,439	122,518	-	-
Capital grants and contributions	18,625	12,278	34	111	18,659	12,389	29,004	23,194
<b>General Revenues</b>								
Taxes	188,149	184,948	-	-	188,149	184,948	-	-
Interest income	3,330	2,833	33	25	3,363	2,858	1,888	1,653
Miscellaneous revenue	7,583	9,703	-	-	7,583	9,703	-	-
Transfer in (out)	(91)	31	91	(31)	-	-	-	-
Loss on equity in joint venture	-	-	-	-	-	-	(75)	(78)
<b>Total revenues</b>	<b>430,827</b>	<b>395,917</b>	<b>33,046</b>	<b>29,116</b>	<b>463,873</b>	<b>425,033</b>	<b>156,266</b>	<b>146,449</b>
<b>Program Expenses</b>								
General government	35,191	51,051	-	-	35,191	51,051	-	-
Public safety and justice	92,801	115,730	-	-	92,801	115,730	-	-
Land use, housing and transportation	103,196	123,464	31,287	29,198	134,483	152,662	-	-
Health and human services	52,051	61,068	-	-	52,051	61,068	-	-
Culture, education and recreation	30,009	30,172	-	-	30,009	30,172	-	-
Sanitation and surface water	-	-	-	-	-	-	99,272	108,897
Street lighting	-	-	1,917	1,918	1,917	1,918	-	-
Non-operating	8,465	5,542	-	-	8,465	5,542	-	-
Interest expense	2,932	3,235	-	-	2,932	3,235	-	-
<b>Total expenses</b>	<b>324,645</b>	<b>390,262</b>	<b>33,204</b>	<b>31,116</b>	<b>357,849</b>	<b>421,378</b>	<b>99,272</b>	<b>108,897</b>
<b>Change in net position</b>	<b>106,182</b>	<b>5,655</b>	<b>(158)</b>	<b>(2,000)</b>	<b>106,024</b>	<b>3,655</b>	<b>56,994</b>	<b>37,552</b>
Net position beginning of year	2,227,409	2,307,123	5,113	7,113	2,232,522	2,314,675	580,996	566,213
Restatement (See Note 4)	-	(85,369)	-	-	-	(85,369)	-	(22,769)
Net position beginning of year, as restated	2,227,409	2,221,754	5,113	7,113	2,232,522	2,228,867	580,996	543,444
Net position end of year	\$ 2,333,591	2,227,409	4,955	5,113	2,338,546	2,232,961	637,990	580,996

Expenses - Governmental Activities



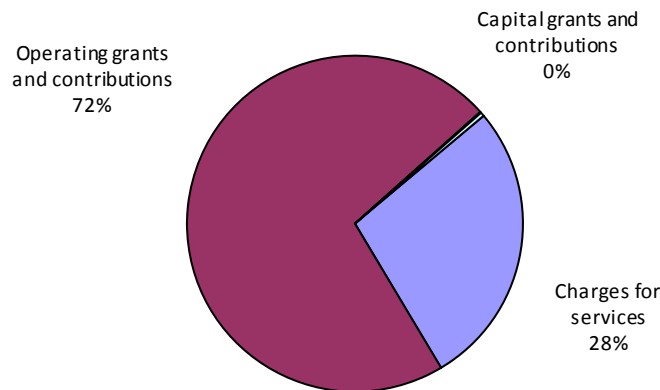
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**Revenues by Source - Governmental Activities**



**Business-type activities** – Business-type activities net position decreased by \$158. The Authority's total net position decreased by \$482, due to total operating revenues exceeding total operating expenses by \$1,018, nonoperating expenses exceeding nonoperating revenues \$1,633, and capital contributions plus transfers in from governmental funds of \$133. The Service District for Lighting No. 1's net position increased \$324, with operating revenues exceeding operating expenses by \$320, nonoperating interest income of \$12, and transfers to other funds of \$8.

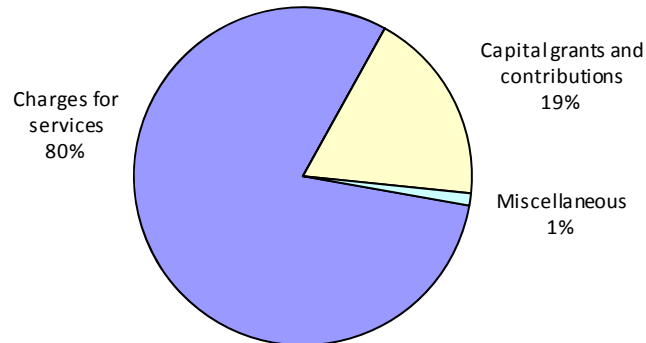
**Revenues by Source - Business-type Activities**



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**Component unit – District** - Total net position increased by \$56,994 during fiscal year 2015, due to total revenues exceeding total expenses by \$27,990 and capital contributions from developers of \$29,004.

**Revenues by Source - Component Unit - District**



**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. In particular, *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 \$306,796; an increase of \$70,423 in comparison with the prior year. Of this amount, \$52,713 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 \$54,397. 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. Both unassigned and total fund balance represents approximately 41% of total General Fund expenditures.

The fund balance of the County's General Fund increased by \$14,544 during the current fiscal year primarily due to an increase in revenues of \$17,787 in the taxes, intergovernmental revenue, and charges for services areas.

The Major Streets Transportation Improvement Program III fund has a total committed fund balance of \$86,181; all of which has been committed to road improvements within the County. The fund balance

**WASHINGTON COUNTY, OREGON**  
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increased \$15,309 from the prior year due to the timing in completion of road projects and additional transfers in from other funds due to an increase in property tax collections.

**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 \$1,272 and the Housing Authority deficit was \$277. The total change in net position for these two funds was an increase of \$324 for the Service District for Lighting No. 1 and a decrease of \$482 for the Housing Authority.

**General Fund Budgetary Highlights**

During the year there was a net \$759 increase in appropriations between the adopted and revised budget. The increases and decreases were due to additional property taxes and charges for services along with increases and decreases in several expenditures within the general government area. The main components of the changes are as follows:

- \$759 increase in revenues related to \$659 in additional property taxes and \$100 in additional charges for services in the 2014 Strategic Investment Program.
- \$133 appropriation decrease in the Assessment & Taxation due to the transfer of 1.0 FTE to the Information Services area.
- \$530 appropriation increase in the General Government functional area due to higher utility costs of \$350 for Facilities management, unexpected increase in personal cost due to retirement cash-out of \$20 in Purchasing, and additional staffing needs in the County Administration office of \$60 and \$133 for Information Services.
- These changes also had an effect on transfers out to other funds increasing \$659 due to the additional property taxes collected.

Total expenditures in the General Fund were \$129,040 or 20% under the final revised budget for the year. Key factors in this savings include:

- \$23,973 in operating contingency that was not utilized during the fiscal year
- \$3,467 in total cost savings across all programs in the General Government functional area; of which \$1,034 is attributable to savings in the Assessment and Taxation program area and \$854 in the Information Services program area
- \$3,099 in savings recognized in the Public Safety and Justice functional area
- \$1,675 in savings recognized in the Health and Human Services functional area during the fiscal year; of which \$1,373 is due to expenditures being lower than anticipated in the Public Health program area
- The remaining \$632 reduction is from savings recognized in other functional areas of the General Fund, including \$592 from Land Use, Housing, and Transportation, \$27 from Culture, Education & Recreation, and \$13 in miscellaneous expenditures from Non-operating.

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

**June 30, 2015**

**(Dollars in thousands)**

**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, 2015, amounts to \$2,091,321 (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 1.3% 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	
	2015	2014	2015	2014	2015	2014	2015	2014
Land and artwork	\$ 959,258	949,801	8,169	8,169	967,427	957,970	20,500	17,731
Land improvements	1,074	1,243	-	-	1,074	1,243	-	-
Buildings and improvements	93,210	95,513	18,955	20,219	112,165	115,732	106,028	105,843
Sewer lines	-	-	-	-	-	-	151,263	148,283
Treatment plants	-	-	-	-	-	-	250,632	270,876
Machinery and equipment	15,161	15,102	20	27	15,181	15,129	35,458	36,139
Infrastructure	958,230	967,612	-	-	958,230	967,612	-	-
Construction in progress	37,209	60,586	35	45	37,244	60,631	80,050	51,804
	<u>\$ 2,064,142</u>	<u>2,089,857</u>	<u>27,179</u>	<u>28,460</u>	<u>2,091,321</u>	<u>2,118,317</u>	<u>643,931</u>	<u>630,676</u>

Additional information on the County's capital assets can be found in the Capital Assets note on pages 57 through 59 of this report.

**Long-term debt.** The County has the following outstanding obligations – contracts, notes, and various types of bonds. The County's current limited tax bond indebtedness (backed by the full faith and credit of the County) rating from Moody's is Aa2. 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 \$60,770, all of which is debt backed by the full faith and credit of the County.

Component unit – District - At the end of the current fiscal year, the District had \$238,175 in revenue bonds secured solely by specified revenue sources by the District.

	Washington County - Primary Government						Discretely Presented Component Unit	
	Governmental activities		Business-type Activities		County Total		District	
	2015	2014	2015	2014	2015	2014	2015	2014
Full Faith & Credit bonds	\$ 60,770	65,095	27,145	27,540	87,915	92,635	-	-
Revenue bonds	-	-	-	-	-	-	238,175	251,990
	<u>\$ 60,770</u>	<u>65,095</u>	<u>27,145</u>	<u>27,540</u>	<u>87,915</u>	<u>92,635</u>	<u>238,175</u>	<u>251,990</u>

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 \$1,695,172.

Additional information on the County's long-term debt can be found on pages 60 through 71 of this report.

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

**June 30, 2015**

**(Dollars in thousands)**

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

The unemployment rate for the County is currently 4.6%, which is a decrease from a rate of 5.7% a year ago. This compares favorably to the State's average unemployment rate of 5.5% and to the national average rate of 5.3%.

The County government is funded through a variety of revenue sources including property taxes, state and federal funding, user fees and other revenues. The recessionary economy of the past several years has affected those programs dependent on State funding due to the decreases in income tax revenues to the State of Oregon. State funded programs include public safety, mental health, aging and disability services and other public health programs.

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 Patrol District levy. Property tax revenues continue to increase over prior years due to increases in property values and new construction.

All of these factors were considered in preparing the County's budget for the 2015-16 fiscal year.

During the current fiscal year, the unassigned fund balance in the General Fund increased to \$54,397.

**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, 2015

(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	\$ 103,322	3,120	106,442	101,139
Restricted cash	8,193	4,617	12,810	131,231
Property taxes receivable	7,734	—	7,734	—
Assessments receivable, short-term portion	52	87	139	—
Accounts receivable	18,176	371	18,547	17,101
Accrued interest receivable	4,094	—	4,094	—
Housing Authority loan receivable, short term portion-internal balance	98	(98)	—	—
Contract receivable, short-term portion	578	4	582	—
Connection charges receivable	—	—	—	2,529
Supply inventory	539	—	539	953
Other current assets	349	31	380	1,375
<b>Total current assets</b>	<b>143,135</b>	<b>8,132</b>	<b>151,267</b>	<b>254,328</b>
<b>Noncurrent assets:</b>				
Long-term investments	261,832	—	261,832	—
Long-term assessments receivable	255	334	589	4,603
Contracts receivable, net - long-term portion	27,555	(1,756)	25,799	—
Housing Authority loan receivable, net - internal balance long-term portion	134	(134)	—	—
Investments in Joint Venture	—	—	—	2,568
Other noncurrent assets	—	—	—	467
PERS net pension asset	40,747	—	40,747	5,816
	<b>330,523</b>	<b>(1,556)</b>	<b>328,967</b>	<b>13,454</b>
<b>Capital assets:</b>				
Land, CIP and other assets not being depreciated	996,467	8,204	1,004,671	100,550
Buildings and equipment, infrastructure and other assets net of depreciation	1,067,675	18,975	1,086,650	543,381
<b>Capital assets, net</b>	<b>2,064,142</b>	<b>27,179</b>	<b>2,091,321</b>	<b>643,931</b>
<b>Total noncurrent assets</b>	<b>2,394,665</b>	<b>25,623</b>	<b>2,420,288</b>	<b>657,385</b>
<b>Total assets</b>	<b>2,537,800</b>	<b>33,755</b>	<b>2,571,555</b>	<b>911,713</b>
<b>Deferred outflows of resources:</b>				
Deferred charge on refunding	3,552	2,313	5,865	617
Pension related	15,907	—	15,907	1,793
<b>Total deferred outflows of resources:</b>	<b>19,459</b>	<b>2,313</b>	<b>21,772</b>	<b>2,410</b>
<b>Current liabilities:</b>				
Accounts payable	17,597	416	18,013	11,524
Accrued payroll liabilities	5,708	—	5,708	4,421
Accrued self insurance, current portion	3,695	—	3,695	60
Amounts held in trust	419	—	419	—
Unearned revenue	21,979	41	22,020	—
Tenant and other deposits	12,056	639	12,695	—
Accrued interest payable	304	653	957	2,824
Pollution remediation obligation, current portion	39	—	39	—
Capital lease obligations, current portion	393	—	393	—
Other long-term obligations, current portion, net of discount	14,356	432	14,788	15,595
<b>Total current liabilities</b>	<b>76,546</b>	<b>2,181</b>	<b>78,727</b>	<b>34,424</b>
<b>Noncurrent liabilities:</b>				
Accrued self insurance	—	—	—	250
Pollution remediation obligation	903	—	903	—
Capital lease obligations	941	—	941	—
Bond and bond anticipation notes payable, net of discount	—	—	—	229,137
Noncurrent portion of other long term obligations, net of discount	60,082	28,932	89,014	—
Other postemployment benefits obligation	5,703	—	5,703	551
<b>Total noncurrent portion of long-term obligations</b>	<b>67,629</b>	<b>28,932</b>	<b>96,561</b>	<b>229,938</b>
<b>Total liabilities</b>	<b>144,175</b>	<b>31,113</b>	<b>175,288</b>	<b>264,362</b>
<b>Deferred inflows of resources:</b>				
Pension related	79,493	—	79,493	11,771
<b>Total deferred inflows of resources:</b>	<b>79,493</b>	<b>—</b>	<b>79,493</b>	<b>11,771</b>
<b>Net position:</b>				
Net investment in capital assets	1,994,339	(18)	1,994,321	406,700
Restricted for:				
Law enforcement	32,167	—	32,167	—
Community support programs	1,483	—	1,483	—
Road maintenance, repair and improvement	34,530	—	34,530	—
Building inspection	12,179	—	12,179	—
Land development	3,864	—	3,864	—
Community health programs	30,576	—	30,576	—
County fair, parks and tourism	2,161	—	2,161	—
Debt service	23	3,978	4,001	21,328
Capital projects	35,118	—	35,118	106,459
<b>Total restricted</b>	<b>152,101</b>	<b>3,978</b>	<b>156,079</b>	<b>127,787</b>
Unrestricted	187,151	995	188,146	103,503
<b>Total net position</b>	<b>\$ 2,333,591</b>	<b>4,955</b>	<b>2,338,546</b>	<b>637,990</b>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Activities

For the fiscal year ended June 30, 2015

(Dollars in thousands)

	Net Revenue (Expense) and Changes in Net Position							Component Unit Clean Water Services of Washington County (District)
	Expenses	Program Revenue			Primary Government		Total	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities		
Functions/Programs:								
Primary Government:								
Governmental activities:								
General government	\$ 35,191	1,603	2,345	—	(31,243)	—	(31,243)	—
Public safety and justice	92,801	9,867	18,424	253	(64,257)	—	(64,257)	—
Land use, housing and transportation	103,196	27,097	56,293	59	(19,747)	—	(19,747)	—
Health and human services	52,051	36,395	27,784	39	12,167	—	12,167	—
Culture, education and recreation	30,009	1,519	515	—	(27,975)	—	(27,975)	—
Non-operating functional area	8,465	24,099	7,290	18,274	41,198	—	41,198	—
Interest	2,932	—	—	—	(2,932)	—	(2,932)	—
Total governmental activities	<u>324,645</u>	<u>100,580</u>	<u>112,651</u>	<u>18,625</u>	<u>(92,789)</u>	<u>—</u>	<u>(92,789)</u>	<u>—</u>
Business-type activities:								
Housing authority	31,287	6,863	23,788	34	—	(602)	(602)	—
Street lighting	1,917	2,237	—	—	—	320	320	—
Total business-type activities	<u>33,204</u>	<u>9,100</u>	<u>23,788</u>	<u>34</u>	<u>—</u>	<u>(282)</u>	<u>(282)</u>	<u>—</u>
Total primary government	<u>357,849</u>	<u>109,680</u>	<u>136,439</u>	<u>18,659</u>	<u>(92,789)</u>	<u>(282)</u>	<u>(93,071)</u>	<u>—</u>
Component Unit:								
Sanitation and surface water	\$ 99,272	125,449	—	29,004	—	—	—	55,181
General revenues:								
Taxes:								
Property taxes, levied for general purposes					174,441	—	174,441	—
Other taxes:								
Transient lodging tax					7,385	—	7,385	—
Real property transfer tax					5,417	—	5,417	—
County fuel tax					846	—	846	—
Other tax					60	—	60	—
Total taxes					<u>188,149</u>	<u>—</u>	<u>188,149</u>	<u>—</u>
Interest income					3,330	33	3,363	1,888
Miscellaneous revenues					7,583	—	7,583	—
Transfers in (out)					(91)	91	—	—
Loss on equity in joint venture					—	—	—	(75)
Total general revenues					<u>198,971</u>	<u>124</u>	<u>199,095</u>	<u>1,813</u>
Change in net position					<u>106,182</u>	<u>(158)</u>	<u>106,024</u>	<u>56,994</u>
Net position July 1, 2014					<u>2,312,778</u>	<u>5,113</u>	<u>2,317,891</u>	<u>603,765</u>
Restatement (See Note 4)					<u>(85,369)</u>	<u>—</u>	<u>(85,369)</u>	<u>(22,769)</u>
Net position July 1, 2014, as restated					<u>2,227,409</u>	<u>5,113</u>	<u>2,232,522</u>	<u>580,996</u>
Net position June 30, 2015	\$				<u>2,333,591</u>	<u>4,955</u>	<u>2,338,546</u>	<u>637,990</u>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Balance Sheet  
 Governmental Funds  
 June 30, 2015  
 (Dollars in thousands)

Assets	General Fund	HOME Fund	Human Services Fund	Major Streets	Road Fund	Other Governmental Funds	Total
				Transportation Improvement Program III Fund			
Cash and investments	\$ 57,098	—	27,169	89,582	29,997	134,896	338,742
Restricted cash	—	—	—	—	—	8,130	8,130
Property taxes receivable	5,293	—	—	—	—	2,441	7,734
Assessments receivable	—	—	—	—	188	119	307
Accounts receivable	5,077	128	572	1,237	3,556	7,589	18,159
Accrued interest receivable	1,184	2,666	—	—	—	244	4,094
Contracts receivable	—	23,392	—	—	—	4,741	28,133
Due from other funds	1,081	—	—	—	—	—	1,081
Advances to other funds	—	—	—	1,770	—	—	1,770
Inventory	109	—	—	—	115	1	225
Other assets	222	—	3	—	—	121	346
<b>Total assets</b>	<b>70,064</b>	<b>26,186</b>	<b>27,744</b>	<b>92,589</b>	<b>33,856</b>	<b>158,282</b>	<b>408,721</b>
<b>Liabilities</b>							
Accounts payable	2,756	120	2,263	3,530	765	7,272	16,706
Accrued payroll liabilities	3,652	2	120	—	437	1,448	5,659
Deposits payable	2,894	—	—	—	8,353	809	12,056
Amounts held in trust	391	—	—	—	11	17	419
Due to other funds	—	6	—	—	—	1,075	1,081
Advances from other funds	—	—	—	—	—	1,770	1,770
Unearned revenue	64	—	20,257	—	380	1,278	21,979
<b>Total liabilities</b>	<b>9,757</b>	<b>128</b>	<b>22,640</b>	<b>3,530</b>	<b>9,946</b>	<b>13,669</b>	<b>59,670</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	5,010	26,058	—	1,108	289	9,790	42,255
<b>Total deferred inflows of resources</b>	<b>5,010</b>	<b>26,058</b>	<b>—</b>	<b>1,108</b>	<b>289</b>	<b>9,790</b>	<b>42,255</b>
<b>Fund Balances (Deficit)</b>							
Nonspendable	109	—	—	1,770	115	1	1,995
Restricted	—	—	5,104	—	23,506	123,491	152,101
Committed	—	—	—	86,181	—	10,882	97,063
Assigned	791	—	—	—	—	2,133	2,924
Unassigned	54,397	—	—	—	—	(1,684)	52,713
<b>Total fund balances</b>	<b>55,297</b>	<b>—</b>	<b>5,104</b>	<b>87,951</b>	<b>23,621</b>	<b>134,823</b>	<b>306,796</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 70,064</b>	<b>26,186</b>	<b>27,744</b>	<b>92,589</b>	<b>33,856</b>	<b>158,282</b>	<b>408,721</b>

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, 2015

(Dollars in thousands)

Fund balances - total governmental funds	\$	306,796
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.		2,056,633
The PERS net pension asset is not a financial resource in the governmental funds, but is reported in the Statement of Net Position		40,205
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.		(62,741)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		232
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		42,255
Long-term liabilities, including bonds payable, are not due and payable in the current period, and; therefore, are not reported in the governmental funds.		(79,014)
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>29,225</u>
Net Position of governmental activities	\$	<u><u>2,333,591</u></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, 2015

(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	\$ 126,079	—	—	846	—	61,178	188,103
Licenses and permits	7,069	—	—	308	—	5,061	12,438
Intergovernmental revenues	36,319	2,846	15,504	29,071	810	35,973	120,523
Charges for services	22,218	—	12	647	—	51,166	74,043
Fines and forfeitures	2,790	—	—	—	—	540	3,330
Special assessments	—	—	—	46	—	129	175
Miscellaneous revenues	4,961	427	244	442	9,149	28,626	43,849
Interfund revenues	20,964	—	197	7,269	—	1,476	29,906
<b>Total revenues</b>	<b>220,400</b>	<b>3,273</b>	<b>15,957</b>	<b>38,629</b>	<b>9,959</b>	<b>184,149</b>	<b>472,367</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	40,953	—	—	—	—	—	40,953
Public safety and justice	64,506	—	—	—	—	85,394	149,900
Land use, housing and transportation	4,194	3,273	—	33,863	22,574	26,119	90,023
Health and human services	17,892	—	17,005	—	—	26,907	61,804
Culture, education and recreation	1,212	—	—	—	—	30,490	31,702
Nonoperating	3,172	—	—	—	—	618	3,790
<b>Total current</b>	<b>131,929</b>	<b>3,273</b>	<b>17,005</b>	<b>33,863</b>	<b>22,574</b>	<b>169,528</b>	<b>378,172</b>
Capital outlay	486	—	—	308	5,428	9,673	15,895
Debt service:							
Principal	278	—	—	—	—	4,689	4,967
Interest	38	—	—	—	—	2,931	2,969
<b>Total debt service</b>	<b>316</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>7,620</b>	<b>7,936</b>
<b>Total expenditures</b>	<b>132,731</b>	<b>3,273</b>	<b>17,005</b>	<b>34,171</b>	<b>28,002</b>	<b>186,821</b>	<b>402,003</b>
Revenues over (under) expenditures	87,669	—	(1,048)	4,458	(18,043)	(2,672)	70,364
<b>Other financing sources (uses):</b>							
Proceeds from debt	150	—	—	—	—	—	150
Transfers in from other funds	2,923	—	1,559	683	34,600	43,061	82,826
Transfers out to other funds	(76,198)	—	—	(512)	(1,248)	(4,959)	(82,917)
<b>Total other financing sources (uses)</b>	<b>(73,125)</b>	<b>—</b>	<b>1,559</b>	<b>171</b>	<b>33,352</b>	<b>38,102</b>	<b>59</b>
<b>Net changes in fund balances</b>	<b>14,544</b>	<b>—</b>	<b>511</b>	<b>4,629</b>	<b>15,309</b>	<b>35,430</b>	<b>70,423</b>
Fund balances July 1, 2014	40,753	—	4,593	18,992	72,642	99,393	236,373
Fund balances June 30, 2015	\$ 55,297	—	5,104	23,621	87,951	134,823	306,796

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, 2015

(Dollars in thousands)

Net change in fund balances - Governmental Funds	\$	70,423
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.		
Expenditures for capital assets	\$	49,805
Current year depreciation expense		<u>(75,632)</u>
		(25,827)
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.		
Issuance of long-term debt		(150)
Repayment of long-term debt		4,967
Amortization of premiums, discounts and related deferrals		<u>3</u>
		4,820
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.		
		693
Change in PERS net pension asset and deferred items		52,789
Change in net OPEB obligation		32
Change in net pollution remediation obligation		40
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.		
		<u>3,212</u>
Change in net position	\$	<u><u>106,182</u></u>

See accompanying notes to basic financial statements.



WASHINGTON COUNTY, OREGON

Statement of Net Position - Proprietary Funds

June 30, 2015

(Dollars in thousands)

	Enterprise Funds			Internal Service Funds
	Housing Authority of Washington County	Washington County Service District for Lighting No. 1	Total	
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 1,792	1,328	3,120	26,412
Restricted cash	4,617	—	4,617	63
Assessments receivable	—	87	87	—
Accounts receivable - net of allowance for uncollectibles	371	—	371	17
Short-term portion of contracts receivable	4	—	4	—
Supply inventory	—	—	—	314
Other current assets	31	—	31	3
Total current assets	6,815	1,415	8,230	26,809
Noncurrent assets:				
Long-term assessments and contracts receivable	334	—	334	—
Capital assets:				
Land, artwork, CIP, and other assets not being depreciated	8,204	—	8,204	—
Buildings and equipment and infrastructure, net of depreciation	18,975	—	18,975	7,509
PERS net pension asset	—	—	—	542
Total noncurrent assets	27,513	—	27,513	8,051
Total assets	34,328	1,415	35,743	34,860
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	2,313	—	2,313	—
Pension related	—	—	—	212
Total deferred outflows of resources	2,313	—	2,313	212
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	273	143	416	891
Accrued payroll liabilities	—	—	—	128
Accrued self-insurance	—	—	—	3,695
Deposits	639	—	639	—
Unearned revenue	41	—	41	—
Accrued interest payable	653	—	653	—
Long term obligations, current portion, net of discount	530	—	530	—
Total current liabilities	2,136	143	2,279	4,714
Noncurrent liabilities:				
Other long term obligations	30,822	—	30,822	—
Net other postemployment benefits obligation	—	—	—	76
Total noncurrent liabilities	30,822	—	30,822	76
Total liabilities	32,958	143	33,101	4,790
<b>Deferred Inflows of Resources</b>				
Pension related	—	—	—	1,057
Total deferred inflows of resources	—	—	—	1,057
<b>Net Position</b>				
Net position:				
Net investment in capital assets	(18)	—	(18)	7,509
Restricted for:				
Debt service	3,978	—	3,978	—
Payment of claims	—	—	—	63
Unrestricted (deficit)	(277)	1,272	995	21,653
Total net position	\$ 3,683	1,272	4,955	29,225

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, 2015

(Dollars in thousands)

	Enterprise Funds			Internal Service Funds
	Housing Authority of Washington County	Washington County Service District for Lighting No. 1	Total	
Operating revenues:				
Charges for services	\$ —	—	—	38,553
Intergovernmental revenue	23,788	—	23,788	—
Rental income	5,600	—	5,600	—
Street lighting assessments	—	2,100	2,100	—
Other	1,263	137	1,400	1,708
<b>Total operating revenues</b>	<b>30,651</b>	<b>2,237</b>	<b>32,888</b>	<b>40,261</b>
Operating expenses:				
Labor and fringe benefits	—	—	—	1,236
Housing assistance payments	20,713	—	20,713	—
Utilities	615	1,708	2,323	28
Professional services	—	—	—	373
Supplies	—	1	1	2,540
Administrative costs	3,788	208	3,996	1,652
Depreciation and amortization	1,747	—	1,747	1,700
Insurance claims and premiums	—	—	—	29,266
Repairs and maintenance	2,398	—	2,398	458
Other	372	—	372	—
<b>Total operating expenses</b>	<b>29,633</b>	<b>1,917</b>	<b>31,550</b>	<b>37,253</b>
<b>Operating income</b>	<b>1,018</b>	<b>320</b>	<b>1,338</b>	<b>3,008</b>
Nonoperating income (expense):				
Interest income	21	12	33	199
Gain on sale of capital assets	—	—	—	5
Interest expense	(1,654)	—	(1,654)	—
<b>Total nonoperating income (expense)</b>	<b>(1,633)</b>	<b>12</b>	<b>(1,621)</b>	<b>204</b>
<b>Change in net position before contributions and transfers</b>	<b>(615)</b>	<b>332</b>	<b>(3,275)</b>	<b>3,212</b>
Contributions and transfers:				
Capital contributions	34	—	34	—
Transfers in from Governmental Funds	99	—	99	—
Transfers out to Governmental Funds	—	(8)	(8)	—
<b>Total contributions and transfers</b>	<b>133</b>	<b>(8)</b>	<b>125</b>	<b>—</b>
<b>Change in net position</b>	<b>(482)</b>	<b>324</b>	<b>(158)</b>	<b>3,212</b>
Net position July 1, 2014	4,165	948	5,113	27,028
Restatement (See Note 4)	—	—	—	(1,015)
Net position July 1, 2014, as restated	4,165	948	5,113	26,013
Net position June 30, 2015	\$ <u>3,683</u>	<u>1,272</u>	<u>4,955</u>	<u>29,225</u>

See accompanying notes to basic financial statements.

**WASHINGTON COUNTY, OREGON**  
Statement of Cash Flows - Proprietary Funds  
For the fiscal year ended June 30, 2015  
(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	\$ 30,863	2,237	33,100	38,239
Cash payments for labor and fringe benefits	(3,545)	—	(3,545)	(1,925)
Cash payments for goods and services	(24,179)	(1,928)	(26,107)	(33,699)
Other operating revenue	—	—	—	2,125
Net cash provided by (used in) operating activities	<u>3,139</u>	<u>309</u>	<u>3,448</u>	<u>4,740</u>
Cash flows provided by noncapital financing activities:				
Payment from Department of Housing Services	99	—	99	—
Net cash provided by noncapital financing activities	<u>99</u>	<u>—</u>	<u>99</u>	<u>—</u>
Cash flows provided by (used in) capital and related financing activities:				
Proceeds of borrowings	2,107	—	2,107	—
Acquisition and construction of capital assets	(466)	—	(466)	(1,913)
Proceeds from sale of capital assets	—	—	—	106
Decrease in contracts receivable	68	—	68	—
Principal paid on notes payable	(577)	—	(577)	—
Interest paid on bonds and notes payable	(1,489)	—	(1,489)	—
Capital grants	34	—	34	—
Principal payments on capital lease obligations	—	—	—	1
Net cash used in capital and related financing activities	<u>(323)</u>	<u>—</u>	<u>(323)</u>	<u>(1,806)</u>
Cash flows provided by investing activities:				
Interest on investments	21	12	33	199
Net increase in cash and investments	2,936	321	3,257	3,133
Cash and investments, July 1, 2014	<u>3,473</u>	<u>1,007</u>	<u>4,480</u>	<u>23,342</u>
Cash and investments, June 30, 2015 <sup>(1)</sup>	<u><u>6,409</u></u>	<u><u>1,328</u></u>	<u><u>7,737</u></u>	<u><u>26,475</u></u>
Reconciliation of operating income to net cash from operating activities:				
Operating income	1,018	320	1,338	3,008
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	1,747	—	1,747	1,700
Changes in assets and liabilities:				
Decrease in accounts receivable	182	—	182	100
Increase in supply inventory	—	—	—	57
Decrease (increase) in other assets	1	—	1	(756)
Increase (decrease) in accounts payable	101	(3)	98	469
Increase in deposits	59	—	59	—
Increase in unearned revenue	31	—	31	—
Decrease in accrued liabilities	—	—	—	162
Net cash provided by operating activities	<u><u>3,139</u></u>	<u><u>309</u></u>	<u><u>3,448</u></u>	<u><u>4,740</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	1,792	1,328	3,120	26,412
Current assets - Restricted cash	<u>4,617</u>	<u>—</u>	<u>4,617</u>	<u>63</u>
	<u>\$ 6,409</u>	<u>1,328</u>	<u>7,737</u>	<u>26,475</u>

See accompanying notes to basic financial statements.

**WASHINGTON COUNTY, OREGON**  
Statement of Fiduciary Net Position

June 30, 2015

(Dollars in thousands)

	<b>Private- Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>Assets:</b>		
Cash and investments	\$ 850	4,213
Accounts receivable	—	3,621
Property taxes receivable	—	30,417
Total assets	850	38,251
<b>Liabilities:</b>		
Accounts payable	—	703
Amounts held in trust	—	7,131
Undistributed taxes	—	30,417
Total liabilities	—	38,251
<b>Net position</b>		
Amounts held in trust and other purposes	\$ 850	

See accompanying notes to basic financial statements.

**WASHINGTON COUNTY, OREGON**  
Statement of Changes in Fiduciary Net Position  
For the fiscal year ended June 30, 2015  
(Dollars in thousands)

	<b>Private- Purpose Trust Funds</b>
Additions:	
Intergovernmental revenues	\$ 2,324
Contributions	106
Interest earnings	5
Total additions	2,435
Deductions:	
Distributions	2,260
Change in net position	175
Net position July 1, 2014	675
Net position June 30, 2015	\$ 850

See accompanying notes to basic financial statements.

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**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2015

(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 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 (continued)

June 30, 2015

(Dollars in thousands)

### **Urban Road Maintenance Service 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 - Reporting Entity**

On March 2, 2010, the Clean Water Services Board of Directors instructed the District to form Clean Water Institute (CWI). The General Manager of the District currently serves as the Executive Director for 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, 2015, 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.

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.



## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

#### **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 of the 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 fiduciary fund financial statements. 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 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.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

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

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

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), revenue bonds, and rental income.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

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 particular 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 to other County operating departments are made 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 and capital outlay. Effects of these transactions are substantially eliminated in the government-wide statements because the net operating income is proportionately distributed back to each of the funds' customers.

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 *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 particular 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 of the 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*.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

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 and of the County's internal service funds 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 equity**

##### ***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 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.

##### ***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."

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

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 uncollectibles.

#### ***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.

#### ***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 the estimated fair value as of the date of its donation.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

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 or more; 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 estimated fair market 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) 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 one year 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 the 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 asset

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(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.

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.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(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.

*Pension related.* For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*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.

#### ***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.



## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

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.

#### ***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 bonds. 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.

The County amortizes premiums and discounts on bonds payable over the life of the respective debt instruments. Bonds payable are reported net of the applicable bond premium or discount.

#### ***Self-insurance - County***

The County is exposed to various risks of loss up to various policy deductible amounts related to theft of, damage to, and destruction of assets and natural disasters for which the County carries commercial insurance. General liability claims are limited by state statute to \$1,000 per occurrence.

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 \$600. 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.

## WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

### ***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.

### ***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 and advances and notes receivable.
- 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 may commit fund balance by resolution. The Board 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 nonspendable, 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.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

When both restricted and unrestricted fund balance is 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.

Fund balances by classification for the year ended June 30, 2015 were as follows:

	General Fund	Human Services Fund	Major Streets Transportation Improvement Program III Fund	Road Fund	Other Governmental Funds	Total
Fund balances (deficit):						
Nonspendable:						
Inventory	\$ 109	—	—	115	1	225
Advances and notes receivable	—	—	1,770	—	—	1,770
Total nonspendable fund balances	<u>109</u>	<u>—</u>	<u>1,770</u>	<u>115</u>	<u>1</u>	<u>1,995</u>
Restricted for:						
Law enforcement	—	—	—	—	32,167	32,167
Community support programs	—	—	—	—	1,483	1,483
Road maintenance, repair and improvement	—	—	—	23,506	11,024	34,530
Building inspection	—	—	—	—	12,179	12,179
Land development	—	—	—	—	3,864	3,864
Community health programs	—	5,104	—	—	25,472	30,576
County fair, parks and tourism	—	—	—	—	2,161	2,161
Debt service	—	—	—	—	23	23
Capital projects	—	—	—	—	35,118	35,118
Total restricted fund balances	<u>—</u>	<u>5,104</u>	<u>—</u>	<u>23,506</u>	<u>123,491</u>	<u>152,101</u>
Committed to:						
Library operations	—	—	—	—	6,691	6,691
Capital projects	—	—	86,181	—	4,191	90,372
Total committed fund balances	<u>—</u>	<u>—</u>	<u>86,181</u>	<u>—</u>	<u>10,882</u>	<u>97,063</u>
Assigned to:						
Land development	791	—	—	—	—	791
Capital projects	—	—	—	—	2,133	2,133
Total assigned fund balances	<u>791</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,133</u>	<u>2,924</u>
Unassigned	54,397	—	—	—	(1,684)	52,713
Total fund balances	<u>55,297</u>	<u>5,104</u>	<u>87,951</u>	<u>23,621</u>	<u>134,823</u>	<u>306,796</u>
Fund balances (deficit) summary:						
Nonspendable	109	—	1,770	115	1	1,995
Restricted	—	5,104	—	23,506	123,491	152,101
Committed	—	—	86,181	—	10,882	97,063
Assigned	791	—	—	—	2,133	2,924
Unassigned	54,397	—	—	—	(1,684)	52,713
Total fund balances	\$ <u>55,297</u>	<u>5,104</u>	<u>87,951</u>	<u>23,621</u>	<u>134,823</u>	<u>306,796</u>

The County Board of Commissioners has established a General Fund balance at a goal of 20% of annual net General Fund revenues with a minimum level not to drop below 15% to preserve a sound financial system and to provide a stable financial base.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(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 funds**

**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, 2015:

Petty cash	\$	38
Deposits		5,027
Investments		381,082
		<u>386,147</u>

Cash and investments are reported as follows:

Unrestricted:		
Cash and investments		368,274
Restricted for:		
Contractor working capital, construction, and payment of bond debt service		<u>12,810</u>
Primary government cash and investments		381,084
Fiduciary Funds		5,063
	\$	<u>386,147</u>

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

**District – Discretely Presented Component Unit**

Cash and investments are comprised of the following at June 30, 2015:

Petty cash	\$	4
Deposits		544
Investments		<u>231,822</u>
		<u><u>232,370</u></u>

Cash and investments are reported as follows:

Unrestricted:		
Cash and investments		101,139
Restricted for:		
Contractor working capital, construction, and payment of bond debt service		<u>131,231</u>
	\$	<u><u>232,370</u></u>

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

Governmental Funds	\$	346,872
Internal Service Funds		26,475
Enterprise Funds		7,737
District		232,370
Fiduciary Funds		<u>5,063</u>
	\$	<u><u>618,517</u></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, 2015, the carrying amount of the County and its blended component units' deposits was \$5,027 and the bank balance was \$15,858. \$485 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 to be fully collateralized.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(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, 2015, the carrying amount of the District’s deposits was \$544 and the bank balance was \$1,715. \$52 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 District’s remaining deposits in excess of FDIC insurance are considered to be fully 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 30 days	10%	18%
Less than 1 year	25%	29%
5 years or less	100%	100%
Weighted Average Maturity	2.5 years	1.3 years

***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.

***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 Funds investments of \$5,063. The actual rating at year-end for each investment type is as follows:

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

<u>Rating by Standard &amp; Poor's Investment Service</u>	<u>AA</u>	<u>Not Rated</u>	<u>Total Invested Value</u>	<u>Percent Allocation</u>
Federal agency coupon securities	\$ 212,410	-	212,410	56%
Corporate notes	6,187	-	6,187	2%
Treasury coupon securities	96,853	-	96,853	25%
State of Oregon Local Government Investment Pool (LGIP)	-	65,632	65,632	17%
Total Investments	\$ <u>315,450</u>	<u>65,632</u>	<u>381,082</u>	<u>100%</u>

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, 2015.

<u>LGIP Maturity</u>	<u>per Policy</u>	<u>Actual</u>
Up to 93 days	Minimum of 50%	74%
94 days to 1 year	Maximum of 25%	6%
1 to 3 years	Maximum of 25%	20%

***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:

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

<u>Rating by Standard &amp; Poor's Investment Service</u>	<u>AA</u>	<u>Not Rated</u>	<u>Total Invested Value</u>	<u>Percent Allocation</u>
Federal agency coupon securities	\$ 129,231	-	129,231	56%
Corporate notes	3,763	-	3,763	2%
Treasury coupon securities	58,909	-	58,909	25%
State of Oregon Local Government Investment Pool (LGIP)	-	39,919	39,919	17%
Total Investments	\$ <u>191,903</u>	<u>39,919</u>	<u>231,822</u>	<u>100%</u>

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**

The Board of County Commissioners approved an intergovernmental agreement between the County and Washington County Consolidated Communications Agency (WCCCA) in September 2011 for \$2,284. The Zone Controller Tower purchase is financed as a capital lease which will provide for the lease-purchase, installation and maintenance for 911 center equipment. The County is responsible for the lease-purchasing of the Zone Controller. The County will receive full reimbursement from WCCCA for all lease payments.



**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

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, 2015:

	<u>Accounts Receivable</u>	<u>Intergovernmental Revenues Receivable</u>	<u>Total</u>
General Fund	\$ 2,545	2,532	5,077
HOME Fund	128	-	128
Human Services Fund	153	419	572
MSTIP III Fund	665	572	1,237
Road Fund	502	3,054	3,556
Other Governmental Funds	<u>5,482</u>	<u>2,107</u>	<u>7,589</u>
<b>Total governmental funds</b>	<b>9,475</b>	<b>8,684</b>	<b>18,159</b>
Internal Service Funds	17	-	17
Fiduciary Funds	<u>737</u>	<u>2,884</u>	<u>3,621</u>
<b>Total accounts receivable</b>	<b>\$ <u>10,229</u></b>	<b><u>11,568</u></b>	<b><u>21,797</u></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, 2015, the allowance was \$310.

**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.

*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, 2015, the total deferred charge on refunding for the County was \$5,865.

*Pension related.* For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS), and additions to/deductions from OPERS’s fiduciary net position have been determined on the same basis as they are reported by OPERS. For

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. At June 30, 2015, the County reported pension related deferred outflows of resources of \$15,907 and pension related deferred inflows of resources of \$79,493.

*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, 2015, were as follows:

	<u>Property Taxes</u>	<u>Assessments</u>	<u>Contracts Receivable</u>	<u>Accounts Receivable</u>	<u>Total</u>
General Fund	\$ 4,814	-	-	196	5,010
HOME Fund	-	-	26,058	-	26,058
MSTIP III	-	-	-	1,108	1,108
Road Fund	-	187	-	102	289
Other Governmental Funds	2,219	116	5,015	2,440	9,790
Total unavailable revenue	\$ <u>7,033</u>	<u>303</u>	<u>31,073</u>	<u>3,846</u>	<u>42,255</u>

**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/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.

*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, 2015, the total deferred charge on refunding for the District was \$617.

*Pension related.* For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS’s fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

are reported at fair value. At June 30, 2015, the District reported pension related deferred outflows of resources of \$1,793 and pension related deferred inflows of resources of \$11,771.

**Capital assets**

Capital asset activity for governmental activities for the year ended June 30, 2015 was as follows:

	<b>Governmental Activities</b>				<b>Balance June 30, 2015</b>
	<b>Balance July 1, 2014</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	
Capital assets not being depreciated:					
Land	\$ 949,450	9,462	(5)	-	958,907
Artwork	351	-	-	-	351
Construction in progress	60,586	29,215	(854)	(51,738)	37,209
Total capital assets not being depreciated	<u>1,010,387</u>	<u>38,677</u>	<u>(859)</u>	<u>(51,738)</u>	<u>996,467</u>
Capital assets being depreciated:					
Land improvements	5,027	8	-	-	5,035
Buildings and improvements	154,929	1,561	-	-	156,490
Machinery and equipment	48,302	3,975	(1,188)	-	51,089
Road network	1,795,887	8,388	(605)	49,002	1,852,672
Bridge network	105,284	-	(107)	942	106,119
Culverts	15,477	-	-	-	15,477
Signals	62,341	664	(402)	1,794	64,397
Total capital assets being depreciated	<u>2,187,247</u>	<u>14,596</u>	<u>(2,302)</u>	<u>51,738</u>	<u>2,251,279</u>
Less accumulated depreciation for:					
Land improvements	(3,784)	(177)	-	-	(3,961)
Building and improvements	(59,416)	(3,864)	-	-	(63,280)
Machinery and equipment	(33,200)	(3,633)	905	-	(35,928)
Road network	(924,259)	(64,989)	91	-	(989,157)
Bridge network	(33,535)	(2,031)	108	-	(35,458)
Culverts	(5,837)	(312)	-	-	(6,149)
Signals	(47,746)	(2,328)	403	-	(49,671)
Total accumulated depreciation	<u>(1,107,777)</u>	<u>(77,334)</u>	<u>1,507</u>	<u>-</u>	<u>(1,183,604)</u>
Total capital assets being depreciated, net	<u>1,079,470</u>	<u>(62,738)</u>	<u>(795)</u>	<u>51,738</u>	<u>1,067,675</u>
Governmental activities capital assets, net	\$ <u>2,089,857</u>	<u>(24,061)</u>	<u>(1,654)</u>	<u>-</u>	<u>2,064,142</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 2,199
Public safety and justice	3,624
Land use, housing, and transportation	70,910
Health and human services	176
Culture, education, and recreation	425
Total depreciation expense	\$ <u>77,334</u>

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

Capital asset activity for business-type activities for the year ended June 30, 2015 was as follows:

	<b>Business-type Activities</b>				
	<b>Balance July 1, 2014</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance June 30, 2015</b>
Capital assets not being depreciated:					
Land	\$ 8,169	-	-	-	8,169
Construction in progress	45	35	(45)	-	35
Total capital assets not being depreciated	<u>8,214</u>	<u>35</u>	<u>(45)</u>	<u>-</u>	<u>8,204</u>
Capital assets being depreciated:					
Buildings and improvements	47,129	476	-	-	47,605
Automotive equipment	282	-	-	-	282
Office equipment	107	1	-	-	108
Total capital assets being depreciated	<u>47,518</u>	<u>477</u>	<u>-</u>	<u>-</u>	<u>47,995</u>
Less accumulated depreciation for:					
Buildings and improvements	(26,910)	(1,741)	-	-	(28,651)
Automotive equipment	(254)	(7)	-	-	(261)
Office equipment	(108)	-	-	-	(108)
Total accumulated depreciation	<u>(27,272)</u>	<u>(1,748)</u>	<u>-</u>	<u>-</u>	<u>(29,020)</u>
Total capital assets being depreciated, net	<u>20,246</u>	<u>(1,271)</u>	<u>-</u>	<u>-</u>	<u>18,975</u>
Business-type activities capital assets, net	\$ <u>28,460</u>	<u>(1,236)</u>	<u>(45)</u>	<u>-</u>	<u>27,179</u>
Depreciation expense was charged to functions as follows:					
Business-type activities:					
Housing		\$ <u>1,748</u>			

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

Capital asset activity for the District for the year ended June 30, 2015 was as follows:

	<u>District activities</u>				
	<u>Balance July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	
Capital assets not being depreciated:					
Land	\$ 17,731	1,498	-	1,271	20,500
Construction in progress	<u>51,804</u>	<u>47,562</u>	<u>(3,737)</u>	<u>(15,579)</u>	<u>80,050</u>
Total capital assets not being depreciated	<u>69,535</u>	<u>49,060</u>	<u>(3,737)</u>	<u>(14,308)</u>	<u>100,550</u>
Capital assets being depreciated:					
Buildings and improvements	231,712	7,231	-	2,255	241,198
Treatment plants	616,632	-	-	639	617,271
Sewer lines	223,603	2,503	-	5,017	231,123
Plant equipment	82,838	-	-	2,634	85,472
Automotive equipment	10,493	-	(271)	847	11,069
Plans and studies	13,126	-	-	2,710	15,836
Office equipment	<u>18,054</u>	<u>-</u>	<u>(1,762)</u>	<u>206</u>	<u>16,498</u>
Total capital assets being depreciated	<u>1,196,458</u>	<u>9,734</u>	<u>(2,033)</u>	<u>14,308</u>	<u>1,218,467</u>
Less accumulated depreciation for:					
Buildings and improvements	(125,869)	(9,301)	-	-	(135,170)
Treatment plants	(345,756)	(20,883)	-	-	(366,639)
Sewer lines	(75,320)	(4,540)	-	-	(79,860)
Plant equipment	(50,098)	(5,567)	-	-	(55,665)
Automotive equipment	(9,172)	(598)	271	-	(9,499)
Plans and studies	(12,180)	(542)	-	-	(12,722)
Office equipment	<u>(16,922)</u>	<u>(371)</u>	<u>1,762</u>	<u>-</u>	<u>(15,531)</u>
Total accumulated depreciation	<u>(635,317)</u>	<u>(41,802)</u>	<u>2,033</u>	<u>-</u>	<u>(675,086)</u>
Total capital assets being depreciated, net	<u>561,141</u>	<u>(32,068)</u>	<u>-</u>	<u>14,308</u>	<u>543,381</u>
Component-type activities capital assets, net	\$ <u><u>630,676</u></u>	<u><u>16,992</u></u>	<u><u>(3,737)</u></u>	<u><u>-</u></u>	<u><u>643,931</u></u>
Depreciation expense was charged to functions as follows:					
Component activities:					
Sanitation	\$ 35,280				
Surface Water Management	<u>6,522</u>				
Total depreciation expense	<u><u>41,802</u></u>				
Decrease in construction in progress is comprised of:					
Capital donations		3,499			
Items ineligible for capitalization		<u>238</u>			
Total decrease in construction in progress		\$ <u><u>3,737</u></u>			

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

**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 \$2,568.

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

**Long-term obligations**

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

	<u>Balance</u> <u>July 1, 2014</u>	<u>Increase</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Due In</u> <u>One Year</u>	<u>Long-term</u> <u>portion</u>
<b>Governmental activities:</b>						
Compensated absences	\$ 8,773	9,185	8,773	9,185	9,185	-
Contracts Payable						
US Dept of Interior	334	-	22	312	22	290
Subtotal Contracts Payable	334	-	22	312	22	290
Notes Payable						
State of Oregon, Dept. of Energy	99	-	75	24	10	14
State of Oregon, Econ. Dev. Dept.	939	-	114	825	120	705
City of Cornelius	-	150	50	100	50	50
Full Faith & Credit Obligations						
Series 2004	1,620	-	300	1,320	310	1,010
Series 2006 - Refunding	41,925	-	2,550	39,375	2,785	36,590
Series 2006 - New Money	2,935	-	1,430	1,505	1,505	-
Series 2013 - Refunding	18,615	-	45	18,570	45	18,525
Subtotal Notes and FFCO	66,133	150	4,564	61,719	4,825	56,894
Total Contracts, Notes, and FFCO	66,467	150	4,586	62,031	4,847	57,184
Total governmental activities	\$ 75,240	9,335	13,359	71,216	14,032	57,184
				3,222	324	2,898
				74,438	14,356	60,082
From the Statement of Net Position:						
Other long-term obligations, current portion, net of discount				14,356		
Noncurrent portion of other long term obligations, net of discount				60,082		
Total governmental activities				74,438		

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(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, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2015</u>	<u>One Year</u>	<u>portion</u>
<b>Business-type activities:</b>						
Notes Payable						
Farmers Home Administration	\$ 327	-	4	323	4	319
State of Oregon	40	-	11	29	11	18
Office of Community Development <sup>(1)</sup>	652	-	-	652	-	652
HOME Contracts <sup>(1)</sup>	1,104	-	-	1,104	-	1,104
Washington County IGA <sup>(1)</sup>	330	-	98	232	98	134
Berkadia Bank Mortgage 2010	20	-	20	-	-	-
Berkadia Bank Mortgage 2014	-	2,107	20	2,087	28	2,059
Community Housing Fund	30	-	30	-	-	-
Subtotal notes payable	<u>2,503</u>	<u>2,107</u>	<u>183</u>	<u>4,427</u>	<u>141</u>	<u>4,286</u>
Housing Authority FFCO						
Series 2009 - Refunding	<u>27,540</u>	-	395	<u>27,145</u>	<u>405</u>	<u>26,740</u>
Total Notes and FFCO	<u>30,043</u>	<u>2,107</u>	<u>578</u>	<u>31,572</u>	<u>546</u>	<u>31,026</u>
Total business-type activities	\$ <u>30,043</u>	<u>2,107</u>	<u>578</u>	31,572	546	31,026
				<u>(220)</u>	<u>(16)</u>	<u>(204)</u>
				<u>31,352</u>	<u>530</u>	<u>30,822</u>
Housing Authority Notes Payable to County, current portion <sup>(1)</sup>				98		
Other long-term obligations, current portion, net of discount				<u>432</u>		
Total long term obligations, current portion, net of discount				<u>530</u>		
Housing Authority Notes Payable to County, noncurrent portion <sup>(1)</sup>				1,890		
Noncurrent portion of other long term obligations, net of discount				<u>28,932</u>		
Total other long term obligations, noncurrent portion				<u>30,822</u>		
Total business-type activities				<u>31,352</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 (continued)

June 30, 2015

(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.

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Due In One Year	Long-term portion
<b>District activities:</b>						
Compensated absences	\$ 2,178	2,047	2,178	2,047	2,047	-
Sewer Revenue Bonds						
2004 Refunding of 1996 Bonds	11,000	-	3,480	7,520	3,660	3,860
Series A 2009	56,220	-	2,625	53,595	2,735	50,860
Series A 2010	6,045	-	2,965	3,080	3,080	-
Series B 2010	90,260	-	-	90,260	-	90,260
Series A 2011	25,235	-	2,640	22,595	2,775	19,820
Series B 2011	48,345	-	1,700	46,645	1,755	44,890
Revenue Pension Bonds						
Series 2004	14,885	-	405	14,480	480	14,000
Total notes and bonds	251,990	-	13,815	238,175	14,485	223,690
Total district activities	\$ 254,168	2,047	15,993	240,222	16,532	223,690
				Unamortized bond premium	6,568	5,447
				Unamortized bond discounts	(11)	-
				<u>246,779</u>	<u>17,642</u>	<u>229,137</u>

District compensated absences (recorded in business-type activities as an accrued payroll liability)	2,047
Other long-term obligations, current portion, net of discount	15,595
Total current	17,642
Noncurrent portion of other long term obligations, net of discount	229,137
Total district activities	<u>246,779</u>

**Governmental Activities**

**Contracts 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:

Fiscal Year	Principal	Interest	Interest Rate
2016	\$ 22	11	3.500%
2017	22	10	3.500%
2018	22	9	3.500%
2019	22	9	3.500%
2020	22	8	3.500%
2021 - 2025	112	27	3.500%
2026 - 2029	90	8	3.500%
	\$ <u>312</u>	<u>82</u>	



**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

**Notes Payable**

**State of Oregon, Department of Energy** - In September 2002, the County issued a note with Oregon Department of Energy for Countywide energy measures in the amount of \$114. The final maturity is in September 2017. Detail obligation and interest rates follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2016	\$	10	1	5.750%
2017		11	1	5.750%
2018		3	-	5.750%
	\$	<u>24</u>	<u>2</u>	

**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>
2016	\$	120	45	5.280%
2017		127	38	5.280%
2018		133	31	5.280%
2019		139	24	5.280%
2020		150	17	5.280%
2021		156	9	5.280%
	\$	<u>825</u>	<u>164</u>	

**City of Cornelius** - In July 2014, the County acquired six patrol cars from the City of Cornelius as a part of an intergovernmental agreement for the Sheriff's Office to provide law enforcement services to the City. In order to purchase the patrol cars, the County issued a note with the City for \$150. The final maturity is in June 2017. Detail obligation and interest rates follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2016	\$	50	-	0.000%
2017		50	-	0.000%
	\$	<u>100</u>	<u>-</u>	

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

**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. The final maturity is in July 2018. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2016	\$ 310	52	4.400%
2017	325	38	4.400%
2018	335	24	4.500%
2019	350	8	4.600%
	\$ <u>1,320</u>	<u>122</u>	

**Series 2006 Refunding** - In February 2006, Full Faith & Credit obligations were issued for \$49,475. These obligations were issued to provide funding for the partial advance refunding of the May 2001 – Series 2001A Full Faith & Credit issue. The final maturity is in June 2026. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2016	\$ 2,785	1,880	5.500%
2017	3,010	1,767	5.000%
2018	3,290	1,617	5.000%
2019	3,595	1,452	5.000%
2020	3,925	1,273	5.000%
2021 - 2025	18,380	3,552	5.000 - 5.125%
2026	4,390	192	5.000%
	\$ <u>39,375</u>	<u>11,733</u>	

**Series 2006 New Money** - In March 2006, Full Faith & Credit obligations were issued for \$30,850. These obligations were issued to provide funding for the purchase of the District's share of the Public Services Building, upgrade data and phone systems in several County buildings, and improve and repair several County-owned parking lots. The original maturity for these obligations is June 2026, however these obligations were partially refunded in 2013 and the final payment will be made in 2016. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2016	\$ <u>1,505</u>	<u>75</u>	5.000%

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

**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>
2016	\$ 45	641	4.000%
2017	1,580	640	1.500%
2018	1,600	616	1.500%
2019	1,620	592	5.000%
2020	1,710	511	5.000%
2021 - 2025	9,850	1,243	2.125 - 5.000%
2026	2,165	51	2.350%
	\$ <u>18,570</u>	<u>4,294</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>
2016	\$ 4	30	9.000 - 9.500%
2017	5	30	9.000 - 9.500%
2018	5	30	9.000 - 9.500%
2019	6	29	9.000 - 9.500%
2020	6	28	9.000 - 9.500%
2021 - 2025	42	132	9.000 - 9.500%
2026 - 2030	67	106	9.000 - 9.500%
2031 - 2035	108	66	9.000 - 9.500%
2036 - 2038	80	11	9.000 - 9.500%
	\$ <u>323</u>	<u>462</u>	

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

**State of Oregon** - In December 1988, the Authority issued State of Oregon Specialty Housing notes to purchase two facilities (five units) of Specialty Housing in Aloha and Beaverton. These notes totaled \$181. The final maturity is in January 2018. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2016	\$ 11	2	0.000 - 8.97%
2017	11	1	0.000 - 8.97%
2018	7	-	0.000 - 8.97%
	<u>\$ 29</u>	<u>3</u>	

**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 \$652 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	\$ 652	-	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 October 2016. 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>
2016	\$ -	33	3.000%
2017	604	20	3.000%
2018	-	15	3.000%
2019	-	15	3.000%
2020	-	15	3.000%
2021 - 2025	-	75	3.000%
2026 - 2029	500	61	3.000%
	<u>\$ 1,104</u>	<u>234</u>	

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

**Washington County IGA** - In June 2003, the Authority and County entered into an intergovernmental agreement for a \$1,300 note to finance improvements to the Bonita Villa affordable housing property. The variable interest rate is based on the annualized return of the County's pooled investments and the final maturity is in June 2018. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2016	\$ 98	2	Variable
2017	99	1	Variable
2018	35	-	Variable
	<u>\$ 232</u>	<u>3</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 remaining balance of \$20, from the original loan, was paid off with the new loan proceeds of \$2,107. The proceeds from the refinancing will primarily be 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>
2016	28	87	4.180%
2017	29	85	4.180%
2018	30	84	4.180%
2019	32	83	4.180%
2020	33	81	4.180%
2021 - 2025	188	385	4.180%
2026 - 2030	231	341	4.180%
2031 - 2035	285	287	4.180%
2036 - 2040	351	221	4.180%
2041 - 2045	433	139	4.180%
2046 - 2050	447	41	4.180%
	<u>\$ 2,087</u>	<u>1,834</u>	

**Community Housing Fund** - In July 2013, the Authority was awarded a \$30 loan from the Community Housing Fund of Washington County, a local nonprofit organization, for the rehabilitation of a duplex acquired from the County as the result of a tax foreclosure. This loan was paid in full during fiscal year 2015.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

**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. 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 and a longer maturity. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2016	\$ 405	1,189	2.750%
2017	-	1,183	2.750%
2018	435	1,176	3.250%
2019	450	1,161	3.500%
2020	515	1,144	3.500%
2021 - 2025	3,230	5,327	4.000 - 5.000%
2026 - 2030	3,465	4,613	4.000%
2031 - 2035	4,885	3,744	4.500%
2036 - 2040	6,120	2,512	4.500%
2041 - 2045	7,640	943	4.625 - 5.000%
	<u>\$ 27,145</u>	<u>22,992</u>	

**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.

**2004 Refunding of 1996 Bonds** - Issued July 2004 for \$26,455 to refund bonds which were issued in 1996. The final maturity is in October 2016. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2016	\$ 3,660	299	5.250%
2017	3,860	101	5.250%
	<u>\$ 7,520</u>	<u>400</u>	

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

**Series A 2009** - Issued March 2009 in the amount of \$58,755. 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>
2016	2,735	2,608	4.000%
2017	2,845	2,496	4.000%
2018	2,975	2,365	5.000%
2019	3,130	2,212	5.000%
2020	3,290	2,052	5.000%
2021 - 2025	19,235	7,466	5.000 - 5.250%
2026 - 2029	19,385	1,971	4.750 - 5.250%
	\$ <u>53,595</u>	<u>21,170</u>	

**Series A 2010** - Issued April 2010 in the amount of \$8,895. The final maturity is in October 2015. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2016	\$ <u>3,080</u>	<u>77</u>	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>
2016	\$ -	4,792	3.970%
2017	3,300	4,726	4.120%
2018	3,385	4,591	4.428%
2019	3,475	4,444	4.528%
2020	3,575	4,287	4.628%
2021 - 2025	19,565	18,757	4.728 - 5.228%
2026 - 2030	23,085	13,174	5.701%
2031 - 2035	27,695	5,925	5.801%
2036	6,180	177	5.801%
	\$ <u>90,260</u>	<u>60,875</u>	

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

**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>
2016	\$	2,775	1,060	5.000%
2017		2,915	918	5.000%
2018		3,060	769	5.000%
2019		3,210	612	5.000%
2020		3,375	447	5.000%
2021 - 2022		7,260	368	5.000%
	\$	<u>22,595</u>	<u>4,174</u>	

**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>
2016	\$	1,755	1,940	3.000%
2017		1,815	1,877	4.000%
2018		1,890	1,803	4.000%
2019		1,965	1,726	4.000%
2020		2,060	1,635	5.000%
2021 - 2025		11,885	6,583	4.000 - 5.000%
2026 - 2030		14,835	3,633	4.000 - 5.000%
2031 - 2033		10,440	640	4.000%
	\$	<u>46,645</u>	<u>19,837</u>	

**Pension Revenue Bonds**

**Series 2004** - In May 2004, the District issued \$16,000 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>
2016	\$	480	875	5.771%
2017		565	847	5.871%
2018		660	814	5.941%
2019		760	775	6.015%
2020		870	729	6.015%
2021 - 2025		6,380	2,703	6.015 - 6.095%
2026 - 2028		4,765	536	6.095%
	\$	<u>14,480</u>	<u>7,279</u>	



## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

#### **Defeased Debt – County**

In prior years, the County defeased certain obligations by placing the proceeds of refunding obligations in an irrevocable trust to provide for all future debt service on the defeased obligations. Accordingly, the trust account assets and the related liability for those defeased obligations are not included in the County's financial statements. As of June 30, 2015, the prior year's refunded Full Faith and Credit obligations defeased totaled \$18,530.

#### **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, 2015, prior years' refunded revenue bonds defeased totaled \$33,710.

#### **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, 2015, there were two series of multi-family Housing Revenue Bonds outstanding, with an aggregate principal amount payable of \$37,115.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

**Capital Lease Obligations - County**

The following is a schedule, by fiscal year, of future minimum lease payments with the present value of the future minimum lease payments as of June 30, 2015:

<u>Fiscal Year</u>	<u>Capital Lease Future Minimum Payments</u>
2016	\$ 429
2017	429
2018	276
2019	276
Future minimum lease payments	<u>1,410</u>
Less amounts representing interest	<u>(76)</u>
Present value of future minimum lease payments	<u><u>1,334</u></u>
Current portion	393
Long-term portion	<u>941</u>
	\$ <u><u>1,334</u></u>

Changes in the capital lease obligations for the year ended June 30, 2015, are as follows:

	<u>Outstanding July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding June 30, 2015</u>
Capital lease obligations \$	<u>1,715</u>	<u>-</u>	<u>(381)</u>	<u>1,334</u>

**Multnomah County - 1997** - In 1997 the County entered into a capital lease obligation with Multnomah County for the purchase of juvenile detention facility space for the amount of \$1,862. This facility space has an estimated useful life of 20 years and this year \$152 was included in depreciation expense, leaving a remaining net book value of \$368. This is a non-cancelable lease agreement. Final maturity is in October 2016. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2016	\$ 138	15	5.330%
2017	146	8	5.330%
	\$ <u>284</u>	<u>23</u>	

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

**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 \$326 was included in depreciation expense, leaving a remaining net book value of \$1,033. This is a non-cancelable lease agreement. Final maturity is in October 2018. Detail obligation and interest rates follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2016	\$	255	21	1.989%
2017		260	16	1.989%
2018		265	11	1.989%
2019		270	5	1.989%
	\$	<u>1,050</u>	<u>53</u>	

**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 \$218 for the year ended June 30, 2015.

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

<u>Fiscal Year</u>		<u>Amount</u>
2016	\$	280
2017		122
2018		84
2019		71
2020		62
2021 - 2025		339
2026		6
	\$	<u>964</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 \$66 for the year ended June 30, 2015.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

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

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 45

**Due To/From and Advances From/To Other funds**

Interfund accounts at June 30, 2015, 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	\$ —	1,081	—	—
HOME Fund	6	—	—	—
Major Streets Transportation Improvement Program III Fund	—	—	—	1,770
Other Governmental Funds	1,075	—	1,770	—
	<u>\$ 1,081</u>	<u>1,081</u>	<u>1,770</u>	<u>1,770</u>

Interfund receivables of the General Fund consist of \$6 in cash loaned to the HOME Fund and \$1,075 in cash loaned to the non-major funds to cover negative cash balances at year end. These loans are one day in duration and will be repaid on July 1, 2015.

Interfund advances of the Major Streets Improvement Program III Fund consist of \$1,770 in cash loaned to a non-major fund via an intergovernmental agreement dated September 18, 2012. Proceeds from the loan are to be used towards the construction of roads. The loan is to be paid off as soon as practicable, with any balance due being paid on or before September 18, 2042. Beginning in FY 2013-14, any outstanding balances under this agreement will bear interest at the Local Government Investment Pool rate, determined once per year on the first day of each fiscal year, and applied to the loan balance as of the first day of the same fiscal year for the remaining duration of the agreement or until the balance is paid in full.

The following interfund loan receivable is included in the Statement of Net Position Internal Balances for Governmental Activities and in the Authority's *Notes and Contracts Payable*:

<u>Description</u>	<u>Interest Rate</u>	<u>Outstanding July 1, 2014</u>	<u>Decrease</u>	<u>Outstanding June 30, 2015</u>
Washington County IGA	variable	\$ 330	(98)	232

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

The Board of County Commissioners approved a second amendment to the original 2003 intergovernmental agreement between the County and the Authority continuing payments of \$100 per year until June 30, 2019 or the debt is paid in full, whichever comes first, with the balance, if any, due June 30, 2020. The variable interest rate is based on the annualized return on the County's pooled investments.

#### 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).

###### 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 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

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

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 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.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

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.

#### 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, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2013. The County's contribution rates for the period were 15.23% of covered employees' salaries for Tier One/Tier Two members, 11.15% for OPSRP general service members, and 13.88% for OPSRP police members. The County's total contributions were \$15,907. Covered employees are required to contribute 6% of their annual covered salary to the Plan.

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

At June 30, 2015, the County reported an asset of \$40,747 for its proportionate share of the OPERS net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The County's proportion of the net pension asset 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

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

employers, actuarially determined. At June 30, 2014, the County's proportion was 1.80%, which is unchanged from its proportion measured as of June 30, 2013.

The Oregon Supreme Court (Court) ruled (Moro decision) on April 30, 2015 that certain provisions of Senate Bill (SB) 861, signed into law in October 2013, were unconstitutional. SB 861 included provisions that limited post-retirement COLA on benefits accrued prior to the signing of the law. The Court ruled that benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and has not been included in the net pension asset/liability proportionate shares calculated by OPERS. This decision will increase the total pension liability and net pension liability. The County's approximate proportionate share of each is shown in the following table:

	<u>Prior to Moro</u>	<u>After Moro (estimated)</u>	<u>Change in Net Pension (Asset)/Liability</u>
Total pension liability	\$ 1,134,929	1,223,286	88,357
Fiduciary net position	1,175,676	1,175,676	-
Net pension (asset)/liability	\$ <u>(40,747)</u>	<u>47,610</u>	<u>88,357</u>

For the year ended June 30, 2015, the County recognized pension income of \$37,593 for the deferred benefit portion of the pension plan as a result of the adoption of GASB Statement No. 68. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on investments	\$ -	78,625
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	868
Contributions subsequent to the measurement date	15,907	
<b>Total</b>	\$ <u>15,907</u>	<u>79,493</u>



**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

Deferred outflows of resources related to pensions of \$15,907 resulting from the County's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2016. 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>
2016	\$	19,845
2017		19,845
2018		19,845
2019		19,845
2020		113
	\$	<u>79,493</u>

Actuarial Methods and Assumptions

The employer contribution rates effective July 1, 2013 through June 30, 2015 were set using the projected unit credit 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.

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.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

The total pension liability in the December 31, 2012 actuarial valuation was determined using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75%
Investment Rate of Return	7.75%
Projected Salary Increases	3.75% overall payroll growth; salaries for individuals are assumed to grow at 3.75% plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries:  RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation  Active members:  Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.  Disabled retirees:  Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct 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 2012 experience study which reviewed experience for the four-year period ending on December 31, 2012.

#### 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 2013 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

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<b>Target Allocation</b>		
	<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%
Private equity	16.00%	24.00%	20.00%
Real estate	9.50%	15.50%	12.50%
Alternative equity	0.00%	10.00%	10.00%
Opportunity portfolio	0.00%	3.00%	0.00%
Total			<u>100.00%</u>

<u>Asset Class</u>	<u>Target</u>	<u>Compound Annual Return (Geometric)</u>
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00%	3.70%
Intermediate-Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equity	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	1.25%	6.07%
Assumed Inflation - Mean		2.75%

### Discount Rate

The discount rate used to measure the total pension liability was 7.75% 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 (continued)

June 30, 2015

(Dollars in thousands)

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 (asset) calculated using the discount rate of 7.75%, as well as what the County'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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>6.75%</b>	<b>Discount Rate</b>	<b>8.75%</b>
	<b>7.75%</b>	<b>7.75%</b>	<b>8.75%</b>
County's proportionate share of the net pension liability (asset)	\$ 86,288	(40,747)	(148,190)

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 as long as they remain in covered employment.

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 County makes this contribution on behalf of its employees. The County contributed approximately \$7,248 for the year ended June 30, 2015.

## WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

### 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).

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#### 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 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.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

*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 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.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

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.

#### 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, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2013. The District's contribution rates for the period were 8.01% for Tier One/Tier Two member and 6.87% for OPSRP General Service members. The District's total contributions were \$1,793. Covered employees are required to contribute 6% of their annual covered salary to the Plan.

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

At June 30, 2015, the District reported an asset of \$5,816 for its proportionate share of the OPERS net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The District's proportion of the net pension asset 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, 2014, the District's proportion was 0.26%, which is unchanged from its proportion measured as of June 30, 2013.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

The Oregon Supreme Court (Court) ruled (Moro decision) on April 30, 2015 that certain provisions of Senate Bill (SB) 861, signed into law in October 2013, were unconstitutional. SB 861 included provisions that limited post-retirement COLA on benefits accrued prior to the signing of the law. The Court ruled that benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and has not been included in the net pension asset/liability proportionate shares calculated by OPERS. This decision will increase the total pension liability and net pension liability. The District's approximate proportionate share of each is shown in the following table:

	<u>Prior to Moro</u>	<u>After Moro (estimated)</u>	<u>Change in Net Pension (Asset)/Liability</u>
Total pension liability	\$ 161,991	174,603	12,612
Fiduciary net position	167,807	167,807	-
Net pension (asset)/liability	\$ <u>(5,816)</u>	<u>6,796</u>	<u>12,612</u>

For the year ended June 30, 2015, the District recognized pension income of \$5,458 for the deferred benefit portion of the pension plan as a result of the adoption of GASB Statement No. 68. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on investments	\$ -	11,222
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	549
Contributions subsequent to the measurement date	1,793	-
<b>Total</b>	\$ <u>1,793</u>	<u>11,771</u>



**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

Deferred outflows of resources related to pensions of \$1,793 resulting from the District's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2016. 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>
2016	\$	2,925
2017		2,925
2018		2,925
2019		2,925
2020		71
	\$	<u>11,771</u>

Actuarial Methods and Assumptions

The employer contribution rates effective July 1, 2013 through June 30, 2015 were set using the projected unit credit 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.

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.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

The total pension liability in the December 31, 2012 actuarial valuation was determined using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75%
Investment Rate of Return	7.75%
Projected Salary Increases	3.75% overall payroll growth; salaries for individuals are assumed to grow at 3.75% plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct 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 2012 experience study which reviewed experience for the four-year period ending on December 31, 2012.

#### 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 2013 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.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

<b>Asset Class</b>	<b>Target Allocation</b>		
	<b>Low Range</b>	<b>High Range</b>	<b>Target</b>
Cash	0.00%	3.00%	0.00%
Debt securities	15.00%	25.00%	20.00%
Public equity	32.50%	42.50%	37.50%
Private equity	16.00%	24.00%	20.00%
Real estate	9.50%	15.50%	12.50%
Alternative equity	0.00%	10.00%	10.00%
Opportunity portfolio	0.00%	3.00%	0.00%
Total			100.00%

<b>Asset Class</b>	<b>Target</b>	<b>Compound Annual Return (Geometric)</b>
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00%	3.70%
Intermediate-Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equity	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	1.25%	6.07%
Assumed Inflation - Mean		2.75%

### Discount Rate

The discount rate used to measure the total pension liability was 7.75% 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 (continued)

June 30, 2015

(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 7.75%, 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>6.75%</b>	<b>7.75%</b>	<b>8.75%</b>
District's proportionate share of the net pension liability (asset)	\$ <u>12,316</u>	<u>(5,816)</u>	<u>(21,151)</u>

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 as long as they remain in covered employment.

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 \$1,534 for the year ended June 30, 2015.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

**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. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, (GASB 45) is applicable to the County due to the resulting implicit rate subsidy. The County’s post-employment 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 2014-15, the County contributed \$550 and retirees made payments of \$1,304. The County has elected to not pre-fund the actuarially determined future cost amount of \$646.

Below are the required monthly contributions of the plan members for the year ending June 30, 2015. The rates are established through negotiation with the County’s insurance carrier each year and approved by the Board of County Commissioners.

(Not in \$1,000's)	Health Insurance		Dental/Vision Insurance		
	Providence	Kaiser	Moda	Moda Vision	Willamette
Employee	\$ 545	525	53	10	37
Employee + 1	1,091	1,050	105	N/A	71
Full Family	1,636	1,575	166	N/A	139
Employee + Children	982	945	109	N/A	104

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

#### **Annual OPEB Cost and Net OPEB Obligation**

The County's annual other post-employment benefit cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over an open 30 year period. The following schedule shows the components of the County's OPEB cost for the year, the amount actually contributed to the plan, and changes in the respective OPEB obligations to the plan:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Annual required contribution (ARC)	\$ 646	646	1,074
Interest on net OPEB obligation	172	169	158
Adjustment to ARC	<u>(291)</u>	<u>(289)</u>	<u>(261)</u>
Annual OPEB cost	527	526	971
Contributions made	<u>(550)</u>	<u>(462)</u>	<u>(573)</u>
Increase in net OPEB obligation	(23)	64	398
Net OPEB obligation, beginning of year	<u>5,726</u>	<u>5,662</u>	<u>5,264</u>
Net OPEB obligation, end of year	<u>\$ 5,703</u>	<u>5,726</u>	<u>5,662</u>
Percent of Annual OPEB cost contributed	104.36%	87.83%	59.01%

#### **Funding Status and Funding Progress**

As of the most recent actuarial valuation date, the plan was funded on a pay-as-you-go basis and therefore had no assets. The County's actuarial accrued liability for benefits was \$6,711, which also equaled the unfunded actuarial accrued liability (UAAL). The annual payroll of active employees covered by the plan (covered payroll) for 2014-15 was \$122,731 the ratio of the UAAL to the covered payroll was 5.47%.

The actuarial valuation of this plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future such as future employment, mortality and healthcare cost trends. Amounts determined about the funding status of the plan and annual required contributions are subject to periodic revision as actual results for each period are compared with past expectations and new estimates are made about the future.

#### **Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan and include the health benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions include techniques that are designed to reduce the effects of short-term volatility in actuarial results consistent with the long term perspective of the calculations.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

In the June 30, 2014 valuation, the entry age normal actuarial cost method was used. Under this method, the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level dollar basis over the service of the active employee. The investment return for the County was assumed to be 3.0% to reflect the rate of return on the county's investment portfolio. Health care cost trends (net of inflation) were assumed to be 6.5% for Providence and 6.0% for Kaiser initially, then declining to 5.0%. It is assumed that the future cost of the retiree health plan will retain its current relationship to the active plan, and that the active plan cost will maintain a reasonable relationship to direct compensation. The UAAL is being amortized over an open period of 30 years.

The most significant change in assumptions from the prior valuation was a decrease in the assumed rate at which eligible employees elect to self-pay for health coverage upon retirement. This rate decreased from 40% to 30% based on recent County experience as well as the recently implemented provisions of the Affordable Care Act. This assumption change led to a decrease in liabilities of approximately 25% for active employees.

#### **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 District'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.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

For fiscal year 2014-15, the District contributed \$116 consisting of retiree payments. The District has elected to not pre-fund the actuarially determined future cost amount of \$551. The required monthly contributions of the plan members were as follows for the year ended June 30, 2015:

(Not in \$1,000's)	Health Insurance	
	Providence	Kaiser
Employee	\$ 469	684
Employee + 1	953	1,395
Full Family	1,338	1,948

**Annual OPEB Cost and Net OPEB Obligation**

The District's annual other post-employment benefit cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a 30 year period. The following schedule shows the components of the District's OPEB cost for the year, the amount actually contributed to the plan, and changes in the respective OPEB obligations to the plan:

	June 30, 2015	June 30, 2014	June 30, 2013
Annual required contribution (ARC)	\$ 138	134	156
Interest on net OPEB obligation	22	23	22
Adjustment to ARC	(47)	(46)	(44)
Annual OPEB cost	113	111	134
Contributions made	(115)	(111)	(117)
Increase in net OPEB obligation	(2)	-	17
Net OPEB obligation, beginning of year	553	553	536
Net OPEB obligation, end of year	\$ 551	553	553
Percent of Annual OPEB cost contributed	101.77%	100.00%	87.31%

**Funding Status and Funding Progress**

As of the most recent actuarial valuation date, the plan was funded on a pay-as-you-go basis and therefore had no assets. The District's actuarial accrued liability for benefits was \$1,369, which also equaled the unfunded actuarial accrued liability (UAAL). The annual payroll of active employees covered by the plan (covered payroll) for 2014-15 was \$23,363 the ratio of the UAAL to the covered payroll was 5.9%.



## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

The actuarial valuation of this plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future such as future employment, mortality and healthcare cost trends. Amounts determined about the funding status of the plan and annual required contributions are subject to periodic revision as actual results for each period are compared with past expectations and new estimates are made about the future.

#### ***Actuarial Methods and Assumptions***

Projections of benefits for financial reporting purposes are based on the substantive plan and include the health benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions include techniques that are designed to reduce the effects of short-term volatility in actuarial results consistent with the long term perspective of the calculations.

In the July 1, 2013 valuation, the projected unit credit actuarial cost method was used, with accrued benefits allocated in equal proportion over the participant's years of service from hire to expected retirement. The actuarial assumptions included (a) a 4% accrued liability discount rate, (b) a 3.5% inflation component, and (c) healthcare cost trend rate of 7.5% for 2014 grading down over nineteen years to 5%. The UAAL is being amortized over an open period of 30 years as a level percentage of payrolls for Non-Represented Retirees and over a closed period of eight years as a flat dollar amount for Represented Retirees.

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

##### ***Plan Description***

As members of 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 after January 1, 2004. 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.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

#### ***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.

Participating municipal corporations are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.59% of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The County's contributions to RHIA for the years ended June 30, 2013, 2014 and 2015 were \$676, \$696 and \$724, respectively, which equaled the required contributions each year.

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

##### ***Plan Description***

As members of Oregon Public Employees Retirement System (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 after January 1, 2004. 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.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

#### ***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.

Participating municipal corporations are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.59% of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2013, 2014 and 2015 were \$142, \$143, and \$126, respectively, which equaled the required contributions each year.

#### **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 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 \$8,130 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.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

Liabilities for the County are recorded when it is both probable that a loss has occurred and 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>
2012-13	\$ 3,766	2,388	(2,354)	3,800
2013-14	3,800	1,421	(1,623)	3,598
2014-15	3,598	1,344	(1,247)	3,695

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

**Insured Risks - 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.

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.). During the past three fiscal years, there were no settlements which exceeded insurance coverage.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

Liabilities for the District are recorded when it is both probable that a loss has occurred and 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>
2012-13	\$ 266	72	(77)	261
2013-14	261	126	(83)	304
2014-15	304	111	(105)	310

#### **Solid Waste Landfill Closure and Postclosure Care Costs**

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.

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 the 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* (GASB 49) 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

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

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.

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 was previously contracted by the County to perform the on-going monitoring and meet DEQ reporting requirements; however County employees took over these responsibilities in 2009-10. The pollution remediation obligation estimate at June 30, 2015 for the ongoing monitoring and DEQ reporting costs is \$942.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

**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	\$ 2,923	4%
Human Services Fund	1,559	2%
Major Streets Transportation Improvement Program III Fund	683	1%
Road Fund	34,600	42%
Non-major funds	43,061	51%
Total governmental funds	<u>82,826</u>	<u>100%</u>
Housing Authority of Washington County	99	0%
	<u>82,925</u>	<u>100%</u>
Transfers out:		
General Fund	76,198	91%
Major Streets Transportation Improvement Program III Fund	512	1%
Road Fund	1,248	2%
Non-major funds	4,959	6%
Total governmental funds	<u>82,917</u>	<u>100%</u>
Service District for Lighting No. 1	8	0%
	<u>\$ 82,925</u>	<u>100%</u>

The following are the major reasons for the above transfers:

Major streets improvement programs and the Cooperative Library Services 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 \$34,600 to major streets improvement programs and \$17,187 to Cooperative Library Services. These transfers are responsible for 62% of all transfers. Transfers between the other operating departments are a result of normal course of operations.

**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 \$892 during fiscal year 2014-15.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

#### **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 \$15 for such services under the Operating Agreement for fiscal year ended June 30, 2015.

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. 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 2015, CWI was charged \$2 in interest and made payments totaling \$48, leaving a loan balance of \$218 as of June 30, 2015.

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 \$48 to the District in fiscal year 2014-15 which were applied against the loan balance referenced above.

CWI billed the District approximately \$33 for professional services during fiscal year 2014-15.

#### **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.



## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

#### **Contingency - District**

The District is involved as a defendant in several claims and disputes which, for the most part, are normal to the District's activities. Management intends to vigorously contest these matters and does not believe their ultimate resolution will have a material effect upon the District's financial position or results of operations.

#### **Commitments - County**

The County has committed over \$73,054 to fund certain specific road construction projects over the next three to four years; \$22,478 for jail inmate health care services over the next five years, \$19,239 for Countywide library services over the next year, \$1,149 for kitchen services at the jail through July, 2016, and \$484 for entrance security services for the state courts in County buildings for next year.

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 \$1,266.

The County has contracted for fuel for all County vehicles and equipment of \$3,814 for the next two years and \$3,962 for janitorial services for all County facilities over the next four years.

Juvenile detention services at the Donald E. Long facility have been contracted with Multnomah County for approximately \$3,965 over the next year.

#### **Commitments – District**

The District is committed for approximately \$43,500 for various construction projects at June 30, 2015.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements (continued)

June 30, 2015

(Dollars in thousands)

#### **Restatement - County**

The County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68)* in the current fiscal year. In implementing GASB Statement No. 68 and Statement No. 71, the County has reduced beginning net position by \$85,369 in order to recognize the County's proportionate share of the Net Pension Liability/(Asset) of the Oregon Public Employees Retirement System (OPERS). The County had previously reported a prepaid pension asset in the Statement of Net Position to fund the County's OPERS unfunded actuarial liability. This prepaid asset has been eliminated as part of the implementation of these standards. The adjustment also recognizes a deferred outflow of resources related to pensions for contributions made after the June 30, 2014 measurement date. The County has not restated prior years because the information was not made available by the Plan.

#### **Restatement - District**

The District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68)* in the current fiscal year. In implementing GASB Statement No. 68 and Statement No. 71, the District has reduced beginning net position by \$22,769 in order to recognize the District's proportionate share of the Net Pension Liability/(Asset) of the Oregon Public Employees Retirement System (OPERS). The District had previously reported a prepaid asset in the Statement of Net Position in connection with debt the District issued in 2004 to fund the District's OPERS unfunded actuarial liability. This prepaid asset has been eliminated as part of the implementation of these standards. The adjustment also recognizes a deferred outflow of resources related to pensions for contributions made after the June 30, 2014 measurement date. The District has not restated prior years because the information was not made available by the Plan.

#### **Subsequent Events - County**

In November 2015 voters renewed the fixed rate County-wide public safety levy of \$0.42<sup>(1)</sup> per \$1,000<sup>(1)</sup> of assessed value and approved an increase of \$0.05<sup>(1)</sup> to the fixed rate county-wide public library levy, bringing it to \$0.22<sup>(1)</sup> per \$1,000<sup>(1)</sup> of assessed value. The public safety levy is expected to generate an estimated \$1,320 over the next five years. Funds are used for enhanced public safety activities and include continued funding for an estimated 132 positions, including patrol, corrections, and the district attorney. The public library levy is expected to generate an estimated 69,000 over the next five years. Both levies begin on July 1, 2016 and expire June 30, 2021.

<sup>(1)</sup> Amounts not expressed in thousands.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**WASHINGTON COUNTY, OREGON**

Budgetary Comparison

General Fund

For the fiscal year ended June 30, 2015

(Dollars in thousands)

	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:				
Taxes	\$ 121,925	122,584	126,078	3,494
Licenses and permits	6,892	6,892	7,069	177
Intergovernmental revenues	17,541	17,541	17,982	441
Charges for services	7,630	7,730	7,874	144
Fines and forfeitures	2,677	2,677	2,791	114
Miscellaneous revenues	4,088	4,088	4,795	707
Interfund revenues	6,357	6,357	5,827	(530)
Total revenues	<u>167,110</u>	<u>167,869</u>	<u>172,416</u>	<u>4,547</u>
Expenditures:				
General government:				
Board of County Commissioners	443	443	437	6
County administrative office	1,928	1,988	2,026	(38)
Community network	542	642	541	101
County counsel	1,937	1,937	1,805	132
County auditor	360	360	327	33
County emergency management	776	776	761	15
Elections	2,138	2,138	1,662	476
Assessment and taxation	9,351	9,218	8,184	1,034
County communications	807	807	806	1
Financial management	2,287	2,287	2,196	91
Human resources	2,218	2,218	1,975	243
Information services	10,895	11,028	10,174	854
Purchasing	444	464	462	2
Facilities management	8,750	9,100	8,583	517
Subtotal	<u>42,876</u>	<u>43,406</u>	<u>39,939</u>	<u>3,467</u>
Public safety and justice:				
Law enforcement services	18,035	18,035	17,383	652
Jail operations	22,485	22,485	21,679	806
Sheriff's office administration	4,387	4,387	4,221	166
Jail health care	4,734	4,734	4,521	213
District Attorney	10,246	10,246	9,807	439
Washington County justice court	785	785	717	68
Juvenile	6,117	6,117	5,504	613
Juvenile administration	1,373	1,373	1,231	142
Subtotal	<u>68,162</u>	<u>68,162</u>	<u>65,063</u>	<u>3,099</u>
Land use, housing and transportation				
Planning	4,090	4,090	3,513	577
Water Master	185	185	170	15
Subtotal	<u>4,275</u>	<u>4,275</u>	<u>3,683</u>	<u>592</u>
Health and human services:				
Public health	15,256	15,256	13,883	1,373
Health and human services administration	1,078	1,078	1,020	58
Animal services	2,429	2,429	2,208	221
Veterans services	804	804	781	23
Subtotal	<u>19,567</u>	<u>19,567</u>	<u>17,892</u>	<u>1,675</u>
Culture, education and recreation:				
Agriculture activities	316	316	316	—
Parks	994	994	967	27
Subtotal	<u>1,310</u>	<u>1,310</u>	<u>1,283</u>	<u>27</u>
Non-operating:				
Miscellaneous	1,193	1,193	1,180	13
Subtotal	<u>1,193</u>	<u>1,193</u>	<u>1,180</u>	<u>13</u>
Operating contingency	24,403	23,973	—	23,973
Total expenditures	<u>161,786</u>	<u>161,886</u>	<u>129,040</u>	<u>32,846</u>
Revenues over expenditures	<u>5,324</u>	<u>5,983</u>	<u>43,376</u>	<u>37,393</u>
Other financing sources (uses):				
Proceeds from debt	—	—	150	150
Transfers in from other funds	30,134	30,134	25,526	(4,608)
Transfers out to other funds	(65,845)	(66,504)	(65,624)	880
Total other financing uses	<u>(35,711)</u>	<u>(36,370)</u>	<u>(39,948)</u>	<u>(3,578)</u>
Net change in fund balance	<u>(30,387)</u>	<u>(30,387)</u>	<u>3,428</u>	<u>33,815</u>
Fund balance July 1, 2014	<u>30,387</u>	<u>30,387</u>	<u>34,294</u>	<u>3,907</u>
Fund balance June 30, 2015	\$ <u>—</u>	<u>—</u>	<u>37,722</u>	<u>37,722</u>
Certain governmental funds are reported in the General Fund on a GAAP basis:				
Strategic Investment Program and Gain Share Fund			16,784	
Survey Fund			791	
Fund balance, GAAP basis, June 30, 2015			\$ <u>55,297</u>	

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison  
 Major Special Revenue Funds  
 For the fiscal year ended June 30, 2015  
 (Dollars in thousands)

	HOME Fund				Human Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
<b>Revenues:</b>								
Intergovernmental revenues	\$ 4,355	4,355	2,846	(1,509)	33,420	33,420	15,504	(17,916)
Charges for services	—	—	—	—	23	23	12	(11)
Miscellaneous revenues	444	444	427	(17)	175	175	244	69
Interfund revenues	—	—	—	—	507	507	197	(310)
Total revenues	<u>4,799</u>	<u>4,799</u>	<u>3,273</u>	<u>(1,526)</u>	<u>34,125</u>	<u>34,125</u>	<u>15,957</u>	<u>(18,168)</u>
<b>Expenditures:</b>								
Current:								
Land use, housing and transportation	4,797	4,797	3,273	1,524	—	—	—	—
Health and human services	—	—	—	—	36,049	36,049	17,382	18,667
Operating contingency	2	2	—	2	3,056	3,056	—	3,056
Total current	<u>4,799</u>	<u>4,799</u>	<u>3,273</u>	<u>1,526</u>	<u>39,105</u>	<u>39,105</u>	<u>17,382</u>	<u>21,723</u>
Total expenditures	<u>4,799</u>	<u>4,799</u>	<u>3,273</u>	<u>1,526</u>	<u>39,105</u>	<u>39,105</u>	<u>17,382</u>	<u>21,723</u>
Revenues under expenditures	—	—	—	—	(4,980)	(4,980)	(1,425)	3,555
<b>Other financing sources:</b>								
Transfers in from other funds	—	—	—	—	1,657	1,657	1,559	(98)
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,657</u>	<u>1,657</u>	<u>1,559</u>	<u>(98)</u>
Net change in fund balances	—	—	—	—	(3,323)	(3,323)	134	3,457
Fund balances July 1, 2014	—	—	—	—	3,323	3,323	3,796	473
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,930</u>	<u>3,930</u>

Certain governmental funds are reported in the Human Services Fund on a GAAP basis:  
 Human Services HB 2145 Fund

Fund balance, GAAP basis, June 30, 2015

1,174  
\$ 5,104

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Major Special Revenue Funds  
 For the fiscal year ended June 30, 2015  
 (Dollars in thousands)

<b>Road Fund</b>				
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
<b>Revenues:</b>				
Taxes	\$ 820	820	846	26
Licenses and permits	280	280	308	28
Intergovernmental revenues	27,294	27,294	29,071	1,777
Charges for services	459	459	647	188
Special assessments	65	65	46	(19)
Miscellaneous revenues	172	172	442	270
Interfund revenues	8,096	8,096	7,269	(827)
Total revenues	<u>37,186</u>	<u>37,186</u>	<u>38,629</u>	<u>1,443</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Land use, housing and transportation:				
Administration	6,716	6,716	5,900	816
Engineering services	3,855	3,855	3,100	755
Capital projects management	5,630	5,630	5,101	529
Operations and maintenance	24,024	24,024	19,762	4,262
Operating contingency	13,542	13,542	—	13,542
Total current	<u>53,767</u>	<u>53,767</u>	<u>33,863</u>	<u>19,904</u>
Capital outlay	483	483	308	175
Total expenditures	<u>54,250</u>	<u>54,250</u>	<u>34,171</u>	<u>20,079</u>
Revenues over (under) expenditures	<u>(17,064)</u>	<u>(17,064)</u>	<u>4,458</u>	<u>21,522</u>
<b>Other financing sources (uses):</b>				
Transfers in from other funds	683	683	683	—
Transfers out to other funds	(784)	(784)	(512)	272
Total other financing sources (uses)	<u>(101)</u>	<u>(101)</u>	<u>171</u>	<u>272</u>
Net change in fund balance	<u>(17,165)</u>	<u>(17,165)</u>	<u>4,629</u>	<u>21,794</u>
Fund balance July 1, 2014	17,165	17,165	18,992	1,827
Fund balance June 30, 2015	<u>—</u>	<u>—</u>	<u>23,621</u>	<u>23,621</u>

**WASHINGTON COUNTY, OREGON**

Required Supplementary Information

Schedule of Funding Progress

Other Post Employment Benefits

(Dollars in thousands)

**County**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
6/30/13	\$ —	10,939	10,939	0%	\$ 114,537	9.55%
6/30/14	—	6,746	6,746	0%	117,971	5.72%
6/30/15	—	6,711	6,711	0%	122,731	5.47%

**District**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
7/1/09	\$ —	1,885	1,885	0%	\$ 20,314	9.28%
7/1/11	—	1,548	1,548	0%	21,609	7.16%
7/1/13	—	1,369	1,369	0%	23,363	5.86%



**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	117,971	77.76%	91.97%
2015	1.80%	(40,747)	122,731	(33.20%)	103.59%

**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	24,174	54.17%	91.97%
2015	0.26%	(5,816)	25,570	(22.75%)	103.59%

<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 Contributions  
 PERS Net Pension Liability (Asset)  
 (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%

**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	1,793	—	25,570	7.01%

<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

### Notes to Required Supplementary Information

June 30, 2015

(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 \$1,213.

#### **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 one supplemental budget, one year end budget adjustment, and one contingency transfer during the year ended June 30, 2015. 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 Benefit Terms – Pensions**

A summary of key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at:

[http://www.oregon.gov/pers/emp/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/emp/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf)

## WASHINGTON COUNTY, OREGON

Notes to Required Supplementary Information (continued)

June 30, 2015

(Dollars in thousands)

### 3. Changes of Assumptions – Pensions

A summary of key changes implemented since the December 31, 2011 valuation are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at:

[http://www.oregon.gov/pers/emp/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/emp/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf)

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2012 Experience Study for the System, which was published on September 18, 2013, and can be found at:

[www.oregon.gov/pers/docs/2012%20exp%20study%20updated.pdf](http://www.oregon.gov/pers/docs/2012%20exp%20study%20updated.pdf)

**OTHER SUPPLEMENTARY INFORMATION**

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WASHINGTON COUNTY, OREGON

Budgetary Comparison

Major Capital Projects Fund

For the fiscal year ended June 30, 2015

(Dollars in thousands)

	<b>Major Streets Transportation Improvement Program III Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
Revenues:				
Intergovernmental revenues	\$ 1,560	1,560	810	(750)
Miscellaneous revenues	762	762	9,149	8,387
Total revenues	<u>2,322</u>	<u>2,322</u>	<u>9,959</u>	<u>7,637</u>
Expenditures:				
Current:				
Land use, housing and transportation:				
Administration	76,796	76,796	22,574	54,222
Total current	<u>76,796</u>	<u>76,796</u>	<u>22,574</u>	<u>54,222</u>
Capital outlay	14,350	14,350	5,428	8,922
Total expenditures	<u>91,146</u>	<u>91,146</u>	<u>28,002</u>	<u>63,144</u>
Revenues under expenditures	<u>(88,824)</u>	<u>(88,824)</u>	<u>(18,043)</u>	<u>70,781</u>
Other financing sources (uses):				
Transfers in from other funds	34,177	34,177	35,130	953
Transfers out to other funds	(2,498)	(2,498)	(1,248)	1,250
Total other financing sources	<u>31,679</u>	<u>31,679</u>	<u>33,882</u>	<u>2,203</u>
Net change in fund balances	<u>(57,145)</u>	<u>(57,145)</u>	<u>15,839</u>	<u>72,984</u>
Fund balance July 1, 2014	57,145	57,145	70,342	13,197
Fund balance June 30, 2015	\$ <u>—</u>	<u>—</u>	86,181	<u>86,181</u>
Advances to other funds are recognized as receivables on a GAAP basis			<u>1,770</u>	
Fund balance, GAAP basis, June 30, 2015			<u>\$ 87,951</u>	

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**NON-MAJOR FUND FINANCIAL STATEMENTS**

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## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Non-major Funds

June 30, 2015

### 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.
- 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.
- 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.

## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Non-major Funds

June 30, 2015

- District Patrol Fund – This fund accounts for the contracted responsibility of providing enhanced patrol and related services to the Enhanced Sheriff Patrol District.
- Emergency Medical Services Fund – This fund accounts for the coordination of ambulance services in the County.
- Enhanced Sheriff 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. A replacement five-year levy was approved by voters in November 2012 that became effective July 1, 2013. 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 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.
- 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.

## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Non-major Funds

June 30, 2015

- 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.
- 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.
- 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.

## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Non-major Funds

June 30, 2015

- 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.
- 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.
- Urban Road Maintenance Service 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.

## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Non-major Funds

June 30, 2015

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 122 and 133.

- 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.
- Strategic Investment Program and Gain Share Fund – This fund accounts for payments and other contributions/payments from companies receiving property tax exemptions under the State's Strategic Investment Plan (SIP) and revenue from the State's Gain Share program.
- Survey Fund – This fund encompasses the duties and responsibilities of the County Surveyor, which include documentation, 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.

The following fund is presented individually for budgetary purposes. For reporting purposes this fund is combined with the Human Services Fund in accordance with GASB Statement No. 54. See combining schedules on pages 123 and 134.

- Human Services HB-2145 Fund – This fund accounts for beer and wine tax revenues designated for alcoholism treatment and rehabilitation services.

### DEBT SERVICE FUNDS

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

- Miscellaneous Debt Service Fund – This fund is an accounting unit for the payment of all other debt owed by the County.

## WASHINGTON COUNTY, OREGON

Fund Descriptions

Non-major Funds

June 30, 2015

### CAPITAL PROJECTS FUNDS

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

- 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.
- 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.
- OTIA Capital Projects Fund – This fund accounts for resources made available to the County under House Bill 2041 for the creation of the Oregon Transportation Investment Act III (OTIA3) State Bridge Delivery Program. OTIA3 was created to maximize ease of traffic movement, while providing expedient project delivery and economic stimulus through the use of Oregon firms and their employees. Funds received are expended to repair or replace selected County bridge facilities.
- 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

#### Non-major Funds

June 30, 2015

- 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.

### 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 expenditures 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 and capital outlay. 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.
- 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.
- 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.

**WASHINGTON COUNTY, OREGON**

Fund Descriptions

Non-major Funds

June 30, 2015

- 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 paying of workers' compensation costs. Costs are billed to the user department based on actual expenses.

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

General Fund

June 30, 2015

(Dollars in thousands)

	General Fund	Indirect Cost Reimbursement Fund	Strategic Investment Program and Gain Share Fund	Survey Fund	Total General Fund
<b>Assets</b>					
Cash and investments	\$ 38,547	—	16,784	1,767	57,098
Property taxes receivable	5,293	—	—	—	5,293
Accounts receivable	5,011	—	—	66	5,077
Investment interest receivable	1,184	—	—	—	1,184
Due from other funds	1,081	—	—	—	1,081
Inventory	109	—	—	—	109
Other assets	222	—	—	—	222
Total assets	<u>51,447</u>	<u>—</u>	<u>16,784</u>	<u>1,833</u>	<u>70,064</u>
<b>Liabilities</b>					
Accounts payable	2,749	—	—	7	2,756
Accrued payroll liabilities	3,644	—	—	8	3,652
Deposits payable	1,867	—	—	1,027	2,894
Amounts held in trust	391	—	—	—	391
Unearned revenue	64	—	—	—	64
Total liabilities	<u>8,715</u>	<u>—</u>	<u>—</u>	<u>1,042</u>	<u>9,757</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	5,010	—	—	—	5,010
Total deferred inflows of resources	<u>5,010</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,010</u>
<b>Fund Balances</b>					
Nonspendable	109	—	—	—	109
Assigned	—	—	—	791	791
Unassigned	37,613	—	16,784	—	54,397
Total fund balances	<u>37,722</u>	<u>—</u>	<u>16,784</u>	<u>791</u>	<u>55,297</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 51,447</u>	<u>—</u>	<u>16,784</u>	<u>1,833</u>	<u>70,064</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Human Services Fund

June 30, 2015

(Dollars in thousands)

	Human Services Fund	Human Services HB-2145 Fund	Total Human Services Fund
<b>Assets</b>			
Cash and investments	\$ 25,996	1,173	27,169
Accounts receivable	572	—	572
Other assets	2	1	3
Total assets	<u>26,570</u>	<u>1,174</u>	<u>27,744</u>
<b>Liabilities</b>			
Accounts payable	2,263	—	2,263
Accrued payroll liabilities	120	—	120
Unearned revenue	<u>20,257</u>	<u>—</u>	<u>20,257</u>
Total liabilities	<u>22,640</u>	<u>—</u>	<u>22,640</u>
<b>Fund Balances</b>			
Restricted	<u>3,930</u>	<u>1,174</u>	<u>5,104</u>
Total fund balances	<u>3,930</u>	<u>1,174</u>	<u>5,104</u>
Total liabilities and fund balances	<u>\$ 26,570</u>	<u>1,174</u>	<u>27,744</u>

**WASHINGTON COUNTY, OREGON**

Combining Balance Sheet

Non-major Governmental Funds - Summary

June 30, 2015

(Dollars in thousands)

	<b>Total Special Revenue Funds</b>	<b>Miscellaneous Debt Service Fund</b>	<b>Total Capital Projects Funds</b>	<b>Total Non-major Funds</b>
<b>Assets</b>				
Cash and investments	\$ 94,076	23	40,797	134,896
Restricted cash	8,130	—	—	8,130
Property taxes receivable	2,441	—	—	2,441
Assessments receivable	4	—	115	119
Accounts receivable	5,147	—	2,442	7,589
Investment interest receivable	244	—	—	244
Contracts receivable	4,741	—	—	4,741
Inventory	1	—	—	1
Other assets	120	—	1	121
Total assets	<u>114,904</u>	<u>23</u>	<u>43,355</u>	<u>158,282</u>
<b>Liabilities</b>				
Accounts payable	4,949	—	2,323	7,272
Accrued payroll liabilities	1,448	—	—	1,448
Deposits payable	809	—	—	809
Amounts held in trust	17	—	—	17
Due to other funds	1,075	—	—	1,075
Advances from other funds	1,770	—	—	1,770
Unearned revenue	1,278	—	—	1,278
Total liabilities	<u>11,346</u>	<u>—</u>	<u>2,323</u>	<u>13,669</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	7,579	—	2,211	9,790
Total deferred inflows of resources	<u>7,579</u>	<u>—</u>	<u>2,211</u>	<u>9,790</u>
<b>Fund Balances (Deficit)</b>				
Nonspendable	1	—	—	1
Restricted	88,350	23	35,118	123,491
Committed	9,312	—	1,570	10,882
Assigned	—	—	2,133	2,133
Unassigned	(1,684)	—	—	(1,684)
Total fund balances	<u>95,979</u>	<u>23</u>	<u>38,821</u>	<u>134,823</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>114,904</u>	<u>23</u>	<u>43,355</u>	<u>158,282</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Non-major Governmental Funds - Special Revenue Funds

June 30, 2015

(Dollars in thousands)

Assets	Aging, Disability & Veteran Services Fund	Animal Services Gifts and Donation Fund	Building Services Fund	Children and Youth Services Commission Fund	Community Corrections Fund	Cooperative Library Services Fund
Cash and investments	\$ 370	734	12,672	—	2,141	6,536
Property taxes receivable	—	—	—	—	—	380
Accounts receivable	523	—	13	994	12	11
Other assets	8	—	8	—	11	34
Total assets	<u>901</u>	<u>734</u>	<u>12,693</u>	<u>994</u>	<u>2,164</u>	<u>6,961</u>
<b>Liabilities</b>						
Accounts payable	175	—	62	474	155	318
Accrued payroll liabilities	30	—	110	5	180	59
Deposits payable	—	—	342	—	—	—
Amounts held in trust	—	—	—	—	15	—
Due to other funds	—	—	—	39	—	—
Unearned revenue	420	352	—	265	123	—
Total liabilities	<u>625</u>	<u>352</u>	<u>514</u>	<u>783</u>	<u>473</u>	<u>377</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	—	—	—	—	—	345
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>345</u>
<b>Fund Balances</b>						
Restricted	276	382	12,179	211	1,691	—
Committed	—	—	—	—	—	6,239
Total fund balances	<u>276</u>	<u>382</u>	<u>12,179</u>	<u>211</u>	<u>1,691</u>	<u>6,239</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 901</u>	<u>734</u>	<u>12,693</u>	<u>994</u>	<u>2,164</u>	<u>6,961</u>

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet, Continued  
Non-major Governmental Funds - Special Revenue Funds  
June 30, 2015  
(Dollars in thousands)

<b>Assets</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>Enhanced Sheriff Patrol District Fund (Component Unit)</b>
Cash and investments	\$ 731	166	3,012	443	1,422	14,564
Property taxes receivable	—	—	—	—	—	943
Accounts receivable	15	218	30	28	22	—
Other assets	—	—	4	6	—	1
Total assets	<u>746</u>	<u>384</u>	<u>3,046</u>	<u>477</u>	<u>1,444</u>	<u>15,508</u>
<b>Liabilities</b>						
Accounts payable	60	159	15	56	7	—
Accrued payroll liabilities	—	74	36	421	7	—
Deposits payable	—	—	467	—	—	—
Total liabilities	<u>60</u>	<u>233</u>	<u>518</u>	<u>477</u>	<u>14</u>	<u>—</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	—	—	—	28	—	856
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>28</u>	<u>—</u>	<u>856</u>
<b>Fund Balances (Deficit)</b>						
Restricted	686	151	2,528	—	1,430	14,652
Unassigned	—	—	—	(28)	—	—
Total fund balances (deficit)	<u>686</u>	<u>151</u>	<u>2,528</u>	<u>(28)</u>	<u>1,430</u>	<u>14,652</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 746</u>	<u>384</u>	<u>3,046</u>	<u>477</u>	<u>1,444</u>	<u>15,508</u>

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet, Continued  
Non-major Governmental Funds - Special Revenue Funds  
June 30, 2015  
(Dollars in thousands)

	<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>Juvenile Grants Fund</b>
<b>Assets</b>						
Cash and investments	\$ 10,358	7,056	2,621	374	96	—
Restricted cash	8,130	—	—	—	—	—
Accounts receivable	1	—	—	23	—	235
Other assets	6	1	—	—	—	—
Total assets	<u>18,495</u>	<u>7,057</u>	<u>2,621</u>	<u>397</u>	<u>96</u>	<u>235</u>
<b>Liabilities</b>						
Accounts payable	1,466	—	—	—	—	2
Accrued payroll liabilities	44	—	—	5	11	12
Amounts held in trust	—	—	—	1	—	—
Due to other funds	—	—	—	—	—	132
Total liabilities	<u>1,510</u>	<u>—</u>	<u>—</u>	<u>6</u>	<u>11</u>	<u>146</u>
<b>Fund Balances</b>						
Restricted	16,985	7,057	—	391	85	89
Committed	—	—	2,621	—	—	—
Total fund balances	<u>16,985</u>	<u>7,057</u>	<u>2,621</u>	<u>391</u>	<u>85</u>	<u>89</u>
Total liabilities and fund balances	<u>\$ 18,495</u>	<u>7,057</u>	<u>2,621</u>	<u>397</u>	<u>96</u>	<u>235</u>



**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet, Continued  
Non-major Governmental Funds - Special Revenue Funds  
June 30, 2015  
(Dollars in thousands)

<b>Assets</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>	<b>Metzger Park LID Fund</b>
Cash and investments	\$ —	1,112	13,343	—	229	53
Property taxes receivable	—	—	938	—	—	—
Assessments receivable	—	—	—	—	—	4
Accounts receivable	621	—	105	494	—	—
Inventory	1	—	—	—	—	—
Other assets	—	1	1	—	—	—
<b>Total assets</b>	<u>622</u>	<u>1,113</u>	<u>14,387</u>	<u>494</u>	<u>229</u>	<u>57</u>
<b>Liabilities</b>						
Accounts payable	90	9	70	39	—	3
Accrued payroll liabilities	19	6	364	—	—	1
Due to other funds	153	—	—	455	—	—
<b>Total liabilities</b>	<u>262</u>	<u>15</u>	<u>434</u>	<u>494</u>	<u>—</u>	<u>4</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	180	—	955	—	—	4
<b>Total deferred inflows of resources</b>	<u>180</u>	<u>—</u>	<u>955</u>	<u>—</u>	<u>—</u>	<u>4</u>
<b>Fund Balances</b>						
Nonspendable	1	—	—	—	—	—
Restricted	179	1,098	12,998	—	229	49
<b>Total fund balances</b>	<u>180</u>	<u>1,098</u>	<u>12,998</u>	<u>—</u>	<u>229</u>	<u>49</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 622</u>	<u>1,113</u>	<u>14,387</u>	<u>494</u>	<u>229</u>	<u>57</u>

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet, Continued  
Non-major Governmental Funds - Special Revenue Funds  
June 30, 2015  
(Dollars in thousands)

	<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>Sheriff's Office Grants &amp; Donations Fund</b>	<b>Surveyor - Public Land Corner Fund</b>
<b>Assets</b>						
Cash and investments	\$ 180	60	—	768	248	1,340
Property taxes receivable	1	—	—	—	—	—
Accounts receivable	—	321	313	4	53	4
Investment interest receivable	—	244	—	—	—	—
Contracts receivable	—	4,741	—	—	—	—
Other assets	—	1	2	9	4	—
Total assets	<u>181</u>	<u>5,367</u>	<u>315</u>	<u>781</u>	<u>305</u>	<u>1,344</u>
<b>Liabilities</b>						
Accounts payable	55	239	5	130	278	—
Accrued payroll liabilities	—	13	13	—	—	8
Due to other funds	—	—	296	—	—	—
Advances from other funds	1,770	—	—	—	—	—
Unearned revenue	—	—	—	—	3	—
Total liabilities	<u>1,825</u>	<u>252</u>	<u>314</u>	<u>130</u>	<u>281</u>	<u>8</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	1	5,015	12	—	14	—
Total deferred inflows of resources	<u>1</u>	<u>5,015</u>	<u>12</u>	<u>—</u>	<u>14</u>	<u>—</u>
<b>Fund Balances (Deficits)</b>						
Restricted	—	100	—	651	10	1,336
Unassigned	(1,645)	—	(11)	—	—	—
Total fund balances (deficits)	<u>(1,645)</u>	<u>100</u>	<u>(11)</u>	<u>651</u>	<u>10</u>	<u>1,336</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 181</u>	<u>5,367</u>	<u>315</u>	<u>781</u>	<u>305</u>	<u>1,344</u>

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet, Continued  
Non-major Governmental Funds - Special Revenue Funds  
June 30, 2015  
(Dollars in thousands)

<b>Assets</b>	<b>Tourism Dedicated Lodging Tax Fund</b>	<b>Urban Road Maintenance Service District Fund (Component Unit)</b>	<b>Washington County Fair Fund</b>	<b>West Slope Library Fund</b>	<b>Total Special Revenue Funds</b>
Cash and investments	\$ 1,457	10,848	668	474	94,076
Restricted cash	—	—	—	—	8,130
Property taxes receivable	—	179	—	—	2,441
Assessments receivable	—	—	—	—	4
Accounts receivable	814	—	293	—	5,147
Investment interest receivable	—	—	—	—	244
Contracts receivable	—	—	—	—	4,741
Inventory	—	—	—	—	1
Other assets	—	—	23	—	120
<b>Total assets</b>	<b>2,271</b>	<b>11,027</b>	<b>984</b>	<b>474</b>	<b>114,904</b>
<b>Liabilities</b>					
Accounts payable	958	69	46	9	4,949
Accrued payroll liabilities	—	—	17	13	1,448
Deposits payable	—	—	—	—	809
Amounts held in trust	—	—	1	—	17
Due to other funds	—	—	—	—	1,075
Advances from other funds	—	—	—	—	1,770
Unearned revenue	—	—	115	—	1,278
<b>Total liabilities</b>	<b>958</b>	<b>69</b>	<b>179</b>	<b>22</b>	<b>11,346</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	—	163	6	—	7,579
<b>Total deferred inflows of resources</b>	<b>—</b>	<b>163</b>	<b>6</b>	<b>—</b>	<b>7,579</b>
<b>Fund Balances (Deficit)</b>					
Nonspendable	—	—	—	—	1
Restricted	1,313	10,795	799	—	88,350
Committed	—	—	—	452	9,312
Unassigned	—	—	—	—	(1,684)
<b>Total fund balances</b>	<b>1,313</b>	<b>10,795</b>	<b>799</b>	<b>452</b>	<b>95,979</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,271</b>	<b>11,027</b>	<b>984</b>	<b>474</b>	<b>114,904</b>

**WASHINGTON COUNTY, OREGON**

Combining Balance Sheet

Non-major Governmental Funds - Capital Projects Funds

June 30, 2015

(Dollars in thousands)

	<b>Building Equipment Replace- ment Fund</b>	<b>County- wide Traffic Impact Fee Fund</b>	<b>Facilities General Capital Projects Fund</b>	<b>Facilities Park (THPRD) SDC Fund</b>	<b>ITS Capital Projects Fund</b>	<b>Major Streets Capital Projects Fund</b>
<b>Assets</b>						
Cash and investments	\$ 1,465	2,699	1,324	37	2,124	13,554
Assessments receivable	—	40	—	—	—	—
Accounts receivable	30	—	40	—	—	2,215
Other assets	—	1	—	—	—	—
Total assets	<u>1,495</u>	<u>2,740</u>	<u>1,364</u>	<u>37</u>	<u>2,124</u>	<u>15,769</u>
<b>Liabilities</b>						
Accounts payable	331	—	958	—	294	719
Total liabilities	<u>331</u>	<u>—</u>	<u>958</u>	<u>—</u>	<u>294</u>	<u>719</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	—	40	—	—	—	2,096
Total deferred inflows of resources	<u>—</u>	<u>40</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,096</u>
<b>Fund Balances</b>						
Restricted	—	2,700	—	37	—	12,954
Committed	1,164	—	406	—	—	—
Assigned	—	—	—	—	1,830	—
Total fund balances	<u>1,164</u>	<u>2,700</u>	<u>406</u>	<u>37</u>	<u>1,830</u>	<u>12,954</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>1,495</u>	<u>2,740</u>	<u>1,364</u>	<u>37</u>	<u>2,124</u>	<u>15,769</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Non-major Governmental Funds - Capital Projects Funds

June 30, 2015

(Dollars in thousands)

	North Bethany SDC Fund	OTIA Capital Projects Fund	Parks and Open Spaces Opportunity Projects Fund	Transportation Development Tax Fund	Total Capital Projects Funds
<b>Assets</b>					
Cash and investments	\$ 370	38	312	18,874	40,797
Assessments receivable	—	—	—	75	115
Accounts receivable	—	—	—	157	2,442
Other assets	—	—	—	—	1
Total assets	<u>370</u>	<u>38</u>	<u>312</u>	<u>19,106</u>	<u>43,355</u>
<b>Liabilities</b>					
Accounts payable	—	—	9	12	2,323
Total liabilities	<u>—</u>	<u>—</u>	<u>9</u>	<u>12</u>	<u>2,323</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	—	—	—	75	2,211
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>75</u>	<u>2,211</u>
<b>Fund Balances</b>					
Restricted	370	38	—	19,019	35,118
Committed	—	—	—	—	1,570
Assigned	—	—	303	—	2,133
Total fund balances	<u>370</u>	<u>38</u>	<u>303</u>	<u>19,019</u>	<u>38,821</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 370</u>	<u>38</u>	<u>312</u>	<u>19,106</u>	<u>43,355</u>

**WASHINGTON COUNTY, OREGON**

Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances

General Fund

For the fiscal year ended June 30, 2015

(Dollars in thousands)

	<b>General Fund</b>	<b>Indirect Cost Reimburse- ment Fund</b>	<b>Strategic Investment Program and Gain Share Fund</b>	<b>Survey Fund</b>	<b>Net Consolidation Adjustments</b>	<b>Total General Fund</b>
<b>Revenues:</b>						
Taxes	\$ 126,079	—	—	—	—	126,079
Licenses and permits	7,069	—	—	—	—	7,069
Intergovernmental revenues	17,982	63	18,274	—	—	36,319
Charges for services	7,873	—	13,862	483	—	22,218
Fines and forfeitures	2,790	—	—	—	—	2,790
Miscellaneous revenues	4,797	—	152	12	—	4,961
Interfund revenues	5,826	15,186	—	2	(50)	20,964
<b>Total revenues</b>	<b>172,416</b>	<b>15,249</b>	<b>32,288</b>	<b>497</b>	<b>(50)</b>	<b>220,400</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	40,953	—	—	—	—	40,953
Public safety and justice	64,506	—	—	—	—	64,506
Land use, housing and transportation	3,683	—	—	561	(50)	4,194
Health and human services	17,892	—	—	—	—	17,892
Culture, education and recreation	1,212	—	—	—	—	1,212
Nonoperating	—	2,522	650	—	—	3,172
<b>Total current</b>	<b>128,246</b>	<b>2,522</b>	<b>650</b>	<b>561</b>	<b>(50)</b>	<b>131,929</b>
Capital outlay	478	—	—	8	—	486
<b>Debt service:</b>						
Principal	278	—	—	—	—	278
Interest	38	—	—	—	—	38
<b>Total debt service</b>	<b>316</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>316</b>
<b>Total expenditures</b>	<b>129,040</b>	<b>2,522</b>	<b>650</b>	<b>569</b>	<b>(50)</b>	<b>132,731</b>
<b>Revenues over expenditures</b>	<b>43,376</b>	<b>12,727</b>	<b>31,638</b>	<b>(72)</b>	<b>—</b>	<b>87,669</b>
<b>Other financing sources (uses):</b>						
Proceeds from debt	150	—	—	—	—	150
Transfers in	25,526	—	1,998	73	(24,674)	2,923
Transfers out	(65,624)	(12,727)	(22,502)	(19)	24,674	(76,198)
<b>Total other financing sources (uses)</b>	<b>(39,948)</b>	<b>(12,727)</b>	<b>(20,504)</b>	<b>54</b>	<b>—</b>	<b>(73,125)</b>
<b>Net change in fund balances</b>	<b>3,428</b>	<b>—</b>	<b>11,134</b>	<b>(18)</b>	<b>—</b>	<b>14,544</b>
Fund balances July 1, 2014	34,294	—	5,650	809	—	40,753
Fund balances June 30, 2015	\$ 37,722	—	16,784	791	—	55,297

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

Human Services Fund

For the fiscal year ended June 30, 2015

(Dollars in thousands)

	Human Services Fund	Human Services HB-2145 Fund	Net Consolidation Adjustments	Total Human Services Fund
Revenues:				
Intergovernmental revenues	\$ 15,504	—	—	15,504
Charges for services	12	—	—	12
Miscellaneous revenues	244	—	—	244
Interfund revenues	197	377	(377)	197
	<u>15,957</u>	<u>377</u>	<u>(377)</u>	<u>15,957</u>
Total revenues				
Expenditures:				
Current:				
Health and human services	17,382	—	(377)	17,005
	<u>17,382</u>	<u>—</u>	<u>(377)</u>	<u>17,005</u>
Total current				
Total expenditures	17,382	—	(377)	17,005
	<u>17,382</u>	<u>—</u>	<u>(377)</u>	<u>17,005</u>
Revenues over (under) expenditures	(1,425)	377	—	(1,048)
	<u>(1,425)</u>	<u>377</u>	<u>—</u>	<u>(1,048)</u>
Other financing sources:				
Transfers in	1,559	—	—	1,559
	<u>1,559</u>	<u>—</u>	<u>—</u>	<u>1,559</u>
Total other financing sources				
Net change in fund balances	134	377	—	511
	<u>134</u>	<u>377</u>	<u>—</u>	<u>511</u>
Fund balances July 1, 2014	3,796	797	—	4,593
	<u>3,796</u>	<u>797</u>	<u>—</u>	<u>4,593</u>
Fund balances June 30, 2015	\$ 3,930	1,174	—	5,104
	<u><u>3,930</u></u>	<u><u>1,174</u></u>	<u><u>—</u></u>	<u><u>5,104</u></u>

**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, 2015

(Dollars in thousands)

	<b>Total Special Revenue Funds</b>	<b>Miscellaneous Debt Service Fund</b>	<b>Total Capital Projects Funds</b>	<b>Total Non-major Funds</b>
<b>Revenues:</b>				
Taxes	\$ 61,178	—	—	61,178
Licenses and permits	5,061	—	—	5,061
Intergovernmental revenues	26,786	—	9,187	35,973
Charges for services	41,807	—	9,359	51,166
Fines and forfeitures	540	—	—	540
Special assessments	123	—	6	129
Miscellaneous revenues	28,374	—	252	28,626
Interfund revenues	711	—	765	1,476
<b>Total revenues</b>	<b>164,580</b>	<b>—</b>	<b>19,569</b>	<b>184,149</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety and justice	85,394	—	—	85,394
Land use, housing and transportation	20,262	—	5,857	26,119
Health and human services	26,907	—	—	26,907
Culture, education and recreation	30,490	—	—	30,490
Nonoperating	617	1	—	618
<b>Total current</b>	<b>163,670</b>	<b>1</b>	<b>5,857</b>	<b>169,528</b>
Capital outlay	1,019	—	8,654	9,673
<b>Debt service:</b>				
Principal	250	4,439	—	4,689
Interest	38	2,893	—	2,931
Refunding obligation issuance costs	—	—	—	—
<b>Total debt service</b>	<b>288</b>	<b>7,332</b>	<b>—</b>	<b>7,620</b>
<b>Total expenditures</b>	<b>164,977</b>	<b>7,333</b>	<b>14,511</b>	<b>186,821</b>
<b>Revenues under expenditures</b>	<b>(397)</b>	<b>(7,333)</b>	<b>5,058</b>	<b>(2,672)</b>
<b>Other financing sources (uses):</b>				
Transfers in	23,255	7,335	12,471	43,061
Transfers out	(2,426)	—	(2,533)	(4,959)
<b>Total other financing sources</b>	<b>20,829</b>	<b>7,335</b>	<b>9,938</b>	<b>38,102</b>
<b>Net change in fund balances</b>	<b>20,432</b>	<b>2</b>	<b>14,996</b>	<b>35,430</b>
Fund balances July 1, 2014	75,547	21	23,825	99,393
Fund balances June 30, 2015	\$ <u>95,979</u>	<u>23</u>	<u>38,821</u>	<u>134,823</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, 2015  
(Dollars in thousands)

	<b>Aging, Disability &amp; Veterans Services Fund</b>	<b>Animal Services Gifts and Donation Fund</b>	<b>Building Services Fund</b>	<b>Children and Youth Services Commission Fund</b>	<b>Community Corrections Fund</b>	<b>Cooperative Library Services Fund</b>
<b>Revenues:</b>						
Taxes	\$ —	—	—	—	—	8,746
Licenses and permits	—	—	4,549	—	—	—
Intergovernmental revenues	3,092	51	94	2,222	10,578	46
Charges for services	—	—	4,044	—	998	6
Fines and forfeitures	—	—	8	—	—	—
Miscellaneous revenues	8	30	95	18	50	91
Interfund revenues	—	—	105	147	132	—
<b>Total revenues</b>	<b>3,100</b>	<b>81</b>	<b>8,895</b>	<b>2,387</b>	<b>11,758</b>	<b>8,889</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Public safety and justice	—	—	—	—	14,225	—
Land use, housing and transportation	—	—	5,671	—	—	—
Health and human services	3,223	103	—	2,260	—	—
Culture, education and recreation	—	—	—	—	—	24,386
<b>Total current</b>	<b>3,223</b>	<b>103</b>	<b>5,671</b>	<b>2,260</b>	<b>14,225</b>	<b>24,386</b>
Capital outlay	—	—	—	—	26	95
<b>Total expenditures</b>	<b>3,223</b>	<b>103</b>	<b>5,671</b>	<b>2,260</b>	<b>14,251</b>	<b>24,481</b>
Revenues over (under) expenditures	(123)	(22)	3,224	127	(2,493)	(15,592)
<b>Other financing sources (uses):</b>						
Transfers in	246	—	25	83	2,541	17,187
Transfers out	—	—	(206)	—	—	(733)
<b>Total other financing sources (uses)</b>	<b>246</b>	<b>—</b>	<b>(181)</b>	<b>83</b>	<b>2,541</b>	<b>16,454</b>
<b>Net change in fund balances</b>	<b>123</b>	<b>(22)</b>	<b>3,043</b>	<b>210</b>	<b>48</b>	<b>862</b>
Fund balances July 1, 2014	153	404	9,136	1	1,643	5,377
Fund balances June 30, 2015	\$ 276	382	12,179	211	1,691	6,239

**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, 2015  
(Dollars in thousands)

	Court Security Fund	Department of Housing Services Fund	Development Services Fund	District Patrol Fund	Emergency Medical Services Fund	Enhanced Sheriff Patrol District Fund (Component Unit)
Revenues:						
Taxes	\$ —	—	—	—	—	22,143
Licenses and permits	—	—	—	—	481	—
Intergovernmental revenues	—	2,406	103	—	—	253
Charges for services	—	—	2,293	27	61	10
Fines and forfeitures	506	—	26	—	—	—
Miscellaneous revenues	4	3,886	23	21,572	36	130
Interfund revenues	11	—	26	—	1	—
<b>Total revenues</b>	<b>521</b>	<b>6,292</b>	<b>2,471</b>	<b>21,599</b>	<b>579</b>	<b>22,536</b>
Expenditures:						
Current:						
Public safety and justice	402	—	—	21,103	—	21,760
Land use, housing and transportation	—	6,602	2,126	—	—	—
Health and human services	—	—	—	—	530	—
<b>Total current</b>	<b>402</b>	<b>6,602</b>	<b>2,126</b>	<b>21,103</b>	<b>530</b>	<b>21,760</b>
Capital outlay	—	—	—	524	—	—
<b>Total expenditures</b>	<b>402</b>	<b>6,602</b>	<b>2,126</b>	<b>21,627</b>	<b>530</b>	<b>21,760</b>
Revenues over (under) expenditures	119	(310)	345	(28)	49	776
Other financing sources (uses):						
Transfers in	—	488	327	—	—	—
Transfers out	—	(132)	(93)	—	—	—
<b>Total other financing sources</b>	<b>—</b>	<b>356</b>	<b>234</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net change in fund balances (deficit)</b>	<b>119</b>	<b>46</b>	<b>579</b>	<b>(28)</b>	<b>49</b>	<b>776</b>
Fund balances July 1, 2014	567	105	1,949	—	1,381	13,876
<b>Fund balances (deficit) June 30, 2015</b>	<b>\$ 686</b>	<b>151</b>	<b>2,528</b>	<b>(28)</b>	<b>1,430</b>	<b>14,652</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, 2015  
(Dollars in thousands)

	Health Share of Oregon Fund	Human Services OHP Fund	ITS Systems Replacement Fund	Jail Commissary Fund	Juvenile Conciliation Services Fund	Juvenile Grants Fund
<b>Revenues:</b>						
Licenses and permits	\$ —	—	—	—	31	—
Intergovernmental revenues	—	—	—	—	519	690
Charges for services	30,363	—	—	—	4	—
Miscellaneous revenues	113	54	17	270	4	5
Total revenues	<u>30,476</u>	<u>54</u>	<u>17</u>	<u>270</u>	<u>558</u>	<u>695</u>
<b>Expenditures:</b>						
Current:						
Public safety and justice	—	—	—	223	525	707
Health and human services	20,791	—	—	—	—	—
Total current	<u>20,791</u>	<u>—</u>	<u>—</u>	<u>223</u>	<u>525</u>	<u>707</u>
Capital outlay	—	—	—	6	—	—
Total expenditures	<u>20,791</u>	<u>—</u>	<u>—</u>	<u>229</u>	<u>525</u>	<u>707</u>
Revenues over (under) expenditures	<u>9,685</u>	<u>54</u>	<u>17</u>	<u>41</u>	<u>33</u>	<u>(12)</u>
<b>Other financing sources (uses):</b>						
Transfers in	—	—	1,125	—	—	—
Transfers out	—	—	(29)	—	—	—
Total other financing sources	<u>—</u>	<u>—</u>	<u>1,096</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>9,685</u>	<u>54</u>	<u>1,113</u>	<u>41</u>	<u>33</u>	<u>(12)</u>
Fund balances July 1, 2014	<u>7,300</u>	<u>7,003</u>	<u>1,508</u>	<u>350</u>	<u>52</u>	<u>101</u>
Fund balances June 30, 2015	<u>\$ 16,985</u>	<u>7,057</u>	<u>2,621</u>	<u>391</u>	<u>85</u>	<u>89</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, 2015  
(Dollars in thousands)

	<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>	<b>Metzger Park LID Fund</b>
<b>Revenues:</b>						
Taxes	\$ —	—	21,608	—	—	—
Intergovernmental revenues	1,961	—	383	1,746	—	—
Charges for services	—	349	53	—	—	—
Special assessments	—	—	—	—	35	88
Miscellaneous revenues	12	9	122	29	2	4
<b>Total revenues</b>	<b>1,973</b>	<b>358</b>	<b>22,166</b>	<b>1,775</b>	<b>37</b>	<b>92</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Public safety and justice	1,644	412	20,462	—	—	—
Land use, housing and transportation	—	—	—	—	96	—
Culture, education and recreation	—	—	—	—	—	85
Nonoperating	—	—	—	617	—	—
<b>Total current</b>	<b>1,644</b>	<b>412</b>	<b>20,462</b>	<b>617</b>	<b>96</b>	<b>85</b>
Capital outlay	—	—	171	—	—	—
<b>Total expenditures</b>	<b>1,644</b>	<b>412</b>	<b>20,633</b>	<b>617</b>	<b>96</b>	<b>85</b>
Revenues over (under) expenditures	329	(54)	1,533	1,158	(59)	7
<b>Other financing uses:</b>						
Transfers out	—	(18)	—	(1,158)	(1)	—
<b>Total other financing uses</b>	<b>—</b>	<b>(18)</b>	<b>—</b>	<b>(1,158)</b>	<b>(1)</b>	<b>—</b>
<b>Net change in fund balances (deficit)</b>	<b>329</b>	<b>(72)</b>	<b>1,533</b>	<b>—</b>	<b>(60)</b>	<b>7</b>
Fund balances (deficit) July 1, 2014	(149)	1,170	11,465	—	289	42
Fund balances June 30, 2015	\$ 180	1,098	12,998	—	229	49

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, 2015

(Dollars in thousands)

	North Bethany County Service District for Roads Fund (Component Unit)	Office of Community Development Block Grant Fund	Sheriff's Office Contract Services Fund	Sheriff's Office Forfeitures Fund	Sheriff's Office Grants & Donations Fund	Surveyor - Public Land Corner Fund
Revenues:						
Taxes	\$ 73	—	—	—	—	—
Intergovernmental revenues	—	2,092	—	—	443	—
Charges for services	—	—	2,668	—	—	451
Miscellaneous revenues	2	257	263	361	277	11
Interfund revenues	—	—	59	—	—	230
Total revenues	75	2,349	2,990	361	720	692
Expenditures:						
Current:						
Public safety and justice	—	—	3,001	617	313	—
Land use, housing and transportation	112	2,288	—	—	—	647
Total current	112	2,288	3,001	617	313	647
Capital outlay	—	—	—	145	40	4
Debt service:						
Principal	—	—	—	—	250	—
Interest	12	—	—	—	26	—
Total debt service	12	—	—	—	276	—
Total expenditures	124	2,288	3,001	762	629	651
Revenues over (under) expenditures	(49)	61	(11)	(401)	91	41
Other financing sources (uses):						
Transfers in	500	—	—	—	—	—
Transfers out	(10)	—	—	—	—	(24)
Total other financing uses	490	—	—	—	—	(24)
Net change in fund balances (deficits)	441	61	(11)	(401)	91	17
Fund balances (deficit) July 1, 2014	(2,086)	39	—	1,052	(81)	1,319
Fund balances (deficit) June 30, 2015	\$ (1,645)	100	(11)	651	10	1,336

**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, 2015  
(Dollars in thousands)

	<b>Tourism Dedicated Lodging Tax Fund</b>	<b>Urban Road Maintenance Service District Fund (Component Unit)</b>	<b>Washington County Fair Fund</b>	<b>West Slope Library Fund</b>	<b>Total Special Revenue Funds</b>
<b>Revenues:</b>					
Taxes	\$ 3,357	4,132	1,119	—	61,178
Licenses and permits	—	—	—	—	5,061
Intergovernmental revenues	—	54	51	2	26,786
Charges for services	—	2	478	—	41,807
Fines and forfeitures	—	—	—	—	540
Special assessments	—	—	—	—	123
Miscellaneous revenues	11	83	489	36	28,374
Interfund revenues	—	—	—	—	711
<b>Total revenues</b>	<b>3,368</b>	<b>4,271</b>	<b>2,137</b>	<b>38</b>	<b>164,580</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Public safety and justice	—	—	—	—	85,394
Land use, housing and transportation	—	2,720	—	—	20,262
Health and human services	—	—	—	—	26,907
Culture, education and recreation	3,356	—	1,897	766	30,490
Nonoperating	—	—	—	—	617
<b>Total current</b>	<b>3,356</b>	<b>2,720</b>	<b>1,897</b>	<b>766</b>	<b>163,670</b>
Capital outlay	—	—	8	—	1,019
<b>Debt service:</b>					
Principal	—	—	—	—	250
Interest	—	—	—	—	38
<b>Total debt service</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>288</b>
<b>Total expenditures</b>	<b>3,356</b>	<b>2,720</b>	<b>1,905</b>	<b>766</b>	<b>164,977</b>
Revenues over (under) expenditures	12	1,551	232	(728)	(397)
<b>Other financing sources (uses):</b>					
Transfers in	—	—	—	733	23,255
Transfers out	—	(22)	—	—	(2,426)
<b>Total other financing sources (uses)</b>	<b>—</b>	<b>(22)</b>	<b>—</b>	<b>733</b>	<b>20,829</b>
<b>Net change in fund balances</b>	<b>12</b>	<b>1,529</b>	<b>232</b>	<b>5</b>	<b>20,432</b>
Fund balances July 1, 2014	1,301	9,266	567	447	75,547
Fund balances June 30, 2015	\$ 1,313	10,795	799	452	95,979

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

Capital Projects Funds

For the fiscal year ended June 30, 2015

(Dollars in thousands)

	Building Equipment Replace- ment Fund	County- wide Traffic Impact Fee Fund	Facilities General Capital Projects Fund	Facilities Park (THPRD) SDC Fund	ITS Capital Projects Fund	Major Streets Capital Projects Fund
Revenues:						
Intergovernmental revenues	\$ —	6	31	—	—	9,150
Charges for services	—	5	—	7	19	—
Special assessments	—	6	—	—	—	—
Miscellaneous revenues	12	25	—	—	16	69
Interfund revenues	—	—	129	—	636	—
Total revenues	<u>12</u>	<u>42</u>	<u>160</u>	<u>7</u>	<u>671</u>	<u>9,219</u>
Expenditures:						
Current:						
Land use, housing and transportation	—	606	—	—	—	4,826
Total current	<u>—</u>	<u>606</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,826</u>
Capital outlay	1,590	4	2,609	—	2,887	1,546
Total expenditures	<u>1,590</u>	<u>610</u>	<u>2,609</u>	<u>—</u>	<u>2,887</u>	<u>6,372</u>
Revenues over (under) expenditures	<u>(1,578)</u>	<u>(568)</u>	<u>(2,449)</u>	<u>7</u>	<u>(2,216)</u>	<u>2,847</u>
Other financing sources (uses):						
Transfers in	1,000	—	2,448	—	3,523	5,500
Transfers out	—	(1)	(1,998)	—	—	(19)
Total other financing sources (uses)	<u>1,000</u>	<u>(1)</u>	<u>450</u>	<u>—</u>	<u>3,523</u>	<u>5,481</u>
Net change in fund balances	(578)	(569)	(1,999)	7	1,307	8,328
Fund balances July 1, 2014	<u>1,742</u>	<u>3,269</u>	<u>2,405</u>	<u>30</u>	<u>523</u>	<u>4,626</u>
Fund balances June 30, 2015	<u>\$ 1,164</u>	<u>2,700</u>	<u>406</u>	<u>37</u>	<u>1,830</u>	<u>12,954</u>

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

Capital Projects Funds

For the fiscal year ended June 30, 2015

(Dollars in thousands)

	North Bethany SDC Fund	OTIA Capital Projects Fund	Parks and Open Spaces Opportunity Projects Fund	Transportation Development Tax Fund	Total Capital Projects Funds
Revenues:					
Intergovernmental revenues	\$ —	—	—	—	9,187
Charges for services	868	—	—	8,460	9,359
Special assessments	—	—	—	—	6
Miscellaneous revenues	2	—	3	125	252
Interfund revenues	—	—	—	—	765
<b>Total revenues</b>	<b>870</b>	<b>—</b>	<b>3</b>	<b>8,585</b>	<b>19,569</b>
Expenditures:					
Current:					
Land use, housing and transportation	—	4	—	421	5,857
<b>Total current</b>	<b>—</b>	<b>4</b>	<b>—</b>	<b>421</b>	<b>5,857</b>
Capital outlay	—	—	18	—	8,654
<b>Total expenditures</b>	<b>—</b>	<b>4</b>	<b>18</b>	<b>421</b>	<b>14,511</b>
Revenues over (under) expenditures	870	(4)	(15)	8,164	5,058
Other financing sources (uses):					
Transfers in	—	—	—	—	12,471
Transfers out	(500)	—	—	(15)	(2,533)
<b>Total other financing sources (uses)</b>	<b>(500)</b>	<b>—</b>	<b>—</b>	<b>(15)</b>	<b>9,938</b>
<b>Net change in fund balances</b>	<b>370</b>	<b>(4)</b>	<b>(15)</b>	<b>8,149</b>	<b>14,996</b>
Fund balances July 1, 2014	—	42	318	10,870	23,825
<b>Fund balances June 30, 2015</b>	<b>\$ 370</b>	<b>38</b>	<b>303</b>	<b>19,019</b>	<b>38,821</b>



**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2015  
 (Dollars in thousands)

	<u>Aging, Disability &amp; Veteran Services Fund</u>				<u>Animal Services Gifts and Donations 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:								
Intergovernmental revenues	\$ 3,137	3,137	3,092	(45)	324	324	51	(273)
Miscellaneous revenues	<u>1</u>	<u>1</u>	<u>8</u>	<u>7</u>	<u>5</u>	<u>5</u>	<u>30</u>	<u>25</u>
Total revenues	<u>3,138</u>	<u>3,138</u>	<u>3,100</u>	<u>(38)</u>	<u>329</u>	<u>329</u>	<u>81</u>	<u>(248)</u>
Expenditures:								
Current:								
Health and human services	3,463	3,463	3,223	240	476	476	103	373
Operating contingency	<u>131</u>	<u>131</u>	<u>—</u>	<u>131</u>	<u>334</u>	<u>334</u>	<u>—</u>	<u>334</u>
Total current	<u>3,594</u>	<u>3,594</u>	<u>3,223</u>	<u>371</u>	<u>810</u>	<u>810</u>	<u>103</u>	<u>707</u>
Total expenditures	<u>3,594</u>	<u>3,594</u>	<u>3,223</u>	<u>371</u>	<u>810</u>	<u>810</u>	<u>103</u>	<u>707</u>
Revenues under expenditures	<u>(456)</u>	<u>(456)</u>	<u>(123)</u>	<u>333</u>	<u>(481)</u>	<u>(481)</u>	<u>(22)</u>	<u>459</u>
Other financing sources:								
Transfers in from other funds	<u>246</u>	<u>246</u>	<u>246</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing sources	<u>246</u>	<u>246</u>	<u>246</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	(210)	(210)	123	333	(481)	(481)	(22)	459
Fund balances July 1, 2014	<u>210</u>	<u>210</u>	<u>153</u>	<u>(57)</u>	<u>481</u>	<u>481</u>	<u>404</u>	<u>(77)</u>
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>276</u>	<u>276</u>	<u>—</u>	<u>—</u>	<u>382</u>	<u>382</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2015  
 (Dollars in thousands)

	<b>Building Services Fund</b>				<b>Children and Youth Services Commission 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>								
Licenses and permits	\$ 3,825	3,825	4,549	724	—	—	—	—
Intergovernmental revenues	72	72	94	22	2,266	2,266	2,222	(44)
Charges for services	2,807	2,807	4,044	1,237	32	32	—	(32)
Fines and forfeitures	—	—	8	8	—	—	—	—
Miscellaneous revenues	41	41	95	54	125	125	18	(107)
Interfund revenues	132	132	105	(27)	10	10	147	137
Total revenues	<u>6,877</u>	<u>6,877</u>	<u>8,895</u>	<u>2,018</u>	<u>2,433</u>	<u>2,433</u>	<u>2,387</u>	<u>(46)</u>
<b>Expenditures:</b>								
<b>Current:</b>								
Land use, housing and transportation	7,825	7,825	5,671	2,154	—	—	—	—
Health and human services	—	—	—	—	2,516	2,516	2,260	256
Operating contingency	6,957	6,957	—	6,957	—	—	—	—
Total current	<u>14,782</u>	<u>14,782</u>	<u>5,671</u>	<u>9,111</u>	<u>2,516</u>	<u>2,516</u>	<u>2,260</u>	<u>256</u>
Total expenditures	<u>14,782</u>	<u>14,782</u>	<u>5,671</u>	<u>9,111</u>	<u>2,516</u>	<u>2,516</u>	<u>2,260</u>	<u>256</u>
Revenues over (under) expenditures	<u>(7,905)</u>	<u>(7,905)</u>	<u>3,224</u>	<u>11,129</u>	<u>(83)</u>	<u>(83)</u>	<u>127</u>	<u>210</u>
<b>Other financing sources (uses):</b>								
Transfers in from other funds	25	25	25	—	83	83	83	—
Transfers out to other funds	(206)	(206)	(206)	—	—	—	—	—
Total other financing sources (uses)	<u>(181)</u>	<u>(181)</u>	<u>(181)</u>	<u>—</u>	<u>83</u>	<u>83</u>	<u>83</u>	<u>—</u>
Net change in fund balances	<u>(8,086)</u>	<u>(8,086)</u>	<u>3,043</u>	<u>11,129</u>	<u>—</u>	<u>—</u>	<u>210</u>	<u>210</u>
Fund balances July 1, 2014	<u>8,086</u>	<u>8,086</u>	<u>9,136</u>	<u>1,050</u>	<u>—</u>	<u>—</u>	<u>1</u>	<u>1</u>
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>12,179</u>	<u>12,179</u>	<u>—</u>	<u>—</u>	<u>211</u>	<u>211</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2015  
 (Dollars in thousands)

	Community Corrections Fund				Cooperative Library Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Taxes	\$ —	—	—	—	8,548	8,669	8,746	77
Intergovernmental revenues	10,800	10,800	10,578	(222)	41	41	46	5
Charges for services	828	828	998	170	7	7	6	(1)
Miscellaneous revenues	49	49	50	1	90	90	91	1
Interfund revenues	120	120	132	12	—	—	—	—
Total revenues	<u>11,797</u>	<u>11,797</u>	<u>11,758</u>	<u>(39)</u>	<u>8,686</u>	<u>8,807</u>	<u>8,889</u>	<u>82</u>
Expenditures:								
Current:								
Public safety and justice	15,316	15,316	14,225	1,091	—	—	—	—
Culture, education and recreation	—	—	—	—	25,180	25,504	24,386	1,118
Operating contingency	—	—	—	—	4,485	4,485	—	4,485
Total current	<u>15,316</u>	<u>15,316</u>	<u>14,225</u>	<u>1,091</u>	<u>29,665</u>	<u>29,989</u>	<u>24,386</u>	<u>5,603</u>
Capital outlay	39	39	26	13	116	116	95	21
Total expenditures	<u>15,355</u>	<u>15,355</u>	<u>14,251</u>	<u>1,104</u>	<u>29,781</u>	<u>30,105</u>	<u>24,481</u>	<u>5,624</u>
Revenues under expenditures	<u>(3,558)</u>	<u>(3,558)</u>	<u>(2,493)</u>	<u>1,065</u>	<u>(21,095)</u>	<u>(21,298)</u>	<u>(15,592)</u>	<u>5,706</u>
Other financing sources (uses):								
Transfers in from other funds	2,541	2,541	2,541	—	16,984	17,187	17,187	—
Transfers out to other funds	—	—	—	—	(725)	(725)	(733)	(8)
Total other financing sources	<u>2,541</u>	<u>2,541</u>	<u>2,541</u>	<u>—</u>	<u>16,259</u>	<u>16,462</u>	<u>16,454</u>	<u>(8)</u>
Net change in fund balances	<u>(1,017)</u>	<u>(1,017)</u>	<u>48</u>	<u>1,065</u>	<u>(4,836)</u>	<u>(4,836)</u>	<u>862</u>	<u>5,698</u>
Fund balances July 1, 2014	<u>1,017</u>	<u>1,017</u>	<u>1,643</u>	<u>626</u>	<u>4,836</u>	<u>4,836</u>	<u>5,377</u>	<u>541</u>
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>1,691</u>	<u>1,691</u>	<u>—</u>	<u>—</u>	<u>6,239</u>	<u>6,239</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, 2015  
 (Dollars in thousands)

	Court Security Fund				Department of Housing Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	2,673	2,673	2,406	(267)
Fines and forfeitures	275	275	506	231	—	—	—	—
Miscellaneous revenues	—	—	4	4	3,882	3,882	3,886	4
Interfund revenues	—	—	11	11	—	—	—	—
Total revenues	<u>275</u>	<u>275</u>	<u>521</u>	<u>246</u>	<u>6,555</u>	<u>6,555</u>	<u>6,292</u>	<u>(263)</u>
Expenditures:								
Current:								
Public safety and justice	441	441	402	39	—	—	—	—
Land use, housing and transportation	—	—	—	—	7,064	7,064	6,602	462
Operating contingency	215	215	—	215	25	25	—	25
Total current	<u>656</u>	<u>656</u>	<u>402</u>	<u>254</u>	<u>7,089</u>	<u>7,089</u>	<u>6,602</u>	<u>487</u>
Total expenditures	<u>656</u>	<u>656</u>	<u>402</u>	<u>254</u>	<u>7,089</u>	<u>7,089</u>	<u>6,602</u>	<u>487</u>
Revenues over (under) expenditures	<u>(381)</u>	<u>(381)</u>	<u>119</u>	<u>500</u>	<u>(534)</u>	<u>(534)</u>	<u>(310)</u>	<u>224</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	509	509	488	(21)
Transfers out to other funds	—	—	—	—	(55)	(55)	(132)	(77)
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>454</u>	<u>454</u>	<u>356</u>	<u>(98)</u>
Net change in fund balances	<u>(381)</u>	<u>(381)</u>	<u>119</u>	<u>500</u>	<u>(80)</u>	<u>(80)</u>	<u>46</u>	<u>126</u>
Fund balances July 1, 2014	<u>381</u>	<u>381</u>	<u>567</u>	<u>186</u>	<u>80</u>	<u>80</u>	<u>105</u>	<u>25</u>
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>686</u>	<u>686</u>	<u>—</u>	<u>—</u>	<u>151</u>	<u>151</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, 2015  
 (Dollars in thousands)

	Development Services Fund				District Patrol Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Intergovernmental revenues	\$ 68	68	103	35	—	—	—	—
Charges for services	2,038	2,038	2,293	255	21	21	27	6
Fines and forfeitures	—	—	26	26	—	—	—	—
Miscellaneous revenues	10	10	23	13	22,708	22,708	21,572	(1,136)
Interfund revenues	50	50	26	(24)	—	—	—	—
<b>Total revenues</b>	<b>2,166</b>	<b>2,166</b>	<b>2,471</b>	<b>305</b>	<b>22,729</b>	<b>22,729</b>	<b>21,599</b>	<b>(1,130)</b>
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	22,215	22,215	21,103	1,112
Land use, housing and transportation	2,854	2,854	2,126	728	—	—	—	—
Operating contingency	1,724	1,724	—	1,724	—	—	—	—
<b>Total current</b>	<b>4,578</b>	<b>4,578</b>	<b>2,126</b>	<b>2,452</b>	<b>22,215</b>	<b>22,215</b>	<b>21,103</b>	<b>1,112</b>
Capital outlay	—	—	—	—	514	514	524	(10)
<b>Total expenditures</b>	<b>4,578</b>	<b>4,578</b>	<b>2,126</b>	<b>2,452</b>	<b>22,729</b>	<b>22,729</b>	<b>21,627</b>	<b>1,102</b>
Revenues over (under) expenditures	(2,412)	(2,412)	345	2,757	—	—	(28)	(28)
Other financing sources (uses):								
Transfers in from other funds	599	599	327	(272)	—	—	—	—
Transfers out to other funds	(93)	(93)	(93)	—	—	—	—	—
<b>Total other financing sources</b>	<b>506</b>	<b>506</b>	<b>234</b>	<b>(272)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net change in fund balance (deficit)</b>	<b>(1,906)</b>	<b>(1,906)</b>	<b>579</b>	<b>2,485</b>	<b>—</b>	<b>—</b>	<b>(28)</b>	<b>(28)</b>
Fund balances July 1, 2014	1,906	1,906	1,949	43	—	—	—	—
<b>Fund balance (deficit) June 30, 2015</b>	<b>\$ —</b>	<b>—</b>	<b>2,528</b>	<b>2,528</b>	<b>—</b>	<b>—</b>	<b>(28)</b>	<b>(28)</b>

\* 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, 2015  
 (Dollars in thousands)

	<b>Emergency Medical Services Fund</b>				<b>Enhanced Sheriff Patrol District Fund (Component Unit)</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	\$ —	—	—	—	21,946	21,946	22,143	197
Licenses and permits	512	512	481	(31)	—	—	—	—
Intergovernmental revenues	—	—	—	—	226	226	253	27
Charges for services	58	58	61	3	9	9	10	1
Miscellaneous revenues	8	8	36	28	125	125	130	5
Interfund revenues	3	3	1	(2)	—	—	—	—
Total revenues	<u>581</u>	<u>581</u>	<u>579</u>	<u>(2)</u>	<u>22,306</u>	<u>22,306</u>	<u>22,536</u>	<u>230</u>
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	22,975	22,975	21,760	1,215
Health and human services	725	725	530	195	—	—	—	—
Operating contingency	1,223	1,223	—	1,223	14,443	14,443	—	14,443
Total current	<u>1,948</u>	<u>1,948</u>	<u>530</u>	<u>1,418</u>	<u>37,418</u>	<u>37,418</u>	<u>21,760</u>	<u>15,658</u>
Total expenditures	<u>1,948</u>	<u>1,948</u>	<u>530</u>	<u>1,418</u>	<u>37,418</u>	<u>37,418</u>	<u>21,760</u>	<u>15,658</u>
Revenues over (under) expenditures	<u>(1,367)</u>	<u>(1,367)</u>	<u>49</u>	<u>1,416</u>	<u>(15,112)</u>	<u>(15,112)</u>	<u>776</u>	<u>15,888</u>
Net change in fund balances	(1,367)	(1,367)	49	1,416	(15,112)	(15,112)	776	15,888
Fund balances July 1, 2014	<u>1,367</u>	<u>1,367</u>	<u>1,381</u>	<u>14</u>	<u>15,112</u>	<u>15,112</u>	<u>13,876</u>	<u>(1,236)</u>
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>1,430</u>	<u>1,430</u>	<u>—</u>	<u>—</u>	<u>14,652</u>	<u>14,652</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2015  
 (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)
Revenues:								
Charges for services	\$ 27,523	27,523	30,363	2,840	—	—	—	—
Miscellaneous revenues	60	60	113	53	—	—	—	—
Interfund revenues	—	—	—	—	—	—	377	377
<b>Total revenues</b>	<b>27,583</b>	<b>27,583</b>	<b>30,476</b>	<b>2,893</b>	<b>—</b>	<b>—</b>	<b>377</b>	<b>377</b>
Expenditures:								
Current:								
Health and human services	27,571	27,571	20,791	6,780	—	—	—	—
Operating contingency	5,067	5,067	—	5,067	469	469	—	469
<b>Total current</b>	<b>32,638</b>	<b>32,638</b>	<b>20,791</b>	<b>11,847</b>	<b>469</b>	<b>469</b>	<b>—</b>	<b>469</b>
<b>Total expenditures</b>	<b>32,638</b>	<b>32,638</b>	<b>20,791</b>	<b>11,847</b>	<b>469</b>	<b>469</b>	<b>—</b>	<b>469</b>
Revenues over (under) expenditures	(5,055)	(5,055)	9,685	14,740	(469)	(469)	377	846
Other financing uses:								
Transfers out to other funds	—	—	—	—	(49)	(49)	—	49
<b>Total other financing uses</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(49)</b>	<b>(49)</b>	<b>—</b>	<b>49</b>
<b>Net change in fund balances</b>	<b>(5,055)</b>	<b>(5,055)</b>	<b>9,685</b>	<b>14,740</b>	<b>(518)</b>	<b>(518)</b>	<b>377</b>	<b>895</b>
Fund balances July 1, 2014	5,055	5,055	7,300	2,245	518	518	797	279
Fund balances June 30, 2015	\$ —	—	16,985	16,985	—	—	1,174	1,174

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2015  
 (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	\$ —	—	—	—	64	64	63	(1)
Miscellaneous revenues	45	45	54	9	—	—	—	—
Interfund revenues	—	—	—	—	15,232	15,232	15,186	(46)
<b>Total revenues</b>	<b>45</b>	<b>45</b>	<b>54</b>	<b>9</b>	<b>15,296</b>	<b>15,296</b>	<b>15,249</b>	<b>(47)</b>
Expenditures:								
Current:								
Health and human services	50	50	—	50	—	—	—	—
Nonoperating	—	—	—	—	2,522	2,522	2,522	—
Operating contingency	6,903	6,903	—	6,903	—	—	—	—
<b>Total current</b>	<b>6,953</b>	<b>6,953</b>	<b>—</b>	<b>6,953</b>	<b>2,522</b>	<b>2,522</b>	<b>2,522</b>	<b>—</b>
<b>Total expenditures</b>	<b>6,953</b>	<b>6,953</b>	<b>—</b>	<b>6,953</b>	<b>2,522</b>	<b>2,522</b>	<b>2,522</b>	<b>—</b>
Revenues over (under) expenditures	(6,908)	(6,908)	54	6,962	12,774	12,774	12,727	(47)
Other financing uses:								
Transfers out to other funds	(50)	(50)	—	50	(12,773)	(12,773)	(12,727)	46
<b>Total other financing uses</b>	<b>(50)</b>	<b>(50)</b>	<b>—</b>	<b>50</b>	<b>(12,773)</b>	<b>(12,773)</b>	<b>(12,727)</b>	<b>46</b>
<b>Net change in fund balances</b>	<b>(6,958)</b>	<b>(6,958)</b>	<b>54</b>	<b>7,012</b>	<b>1</b>	<b>1</b>	<b>—</b>	<b>(1)</b>
Fund balances July 1, 2014	6,958	6,958	7,003	45	(1)	(1)	—	1
<b>Fund balances June 30, 2015</b>	<b>\$ —</b>	<b>—</b>	<b>7,057</b>	<b>7,057</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>



**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2015  
 (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	\$ 8	8	17	9	417	417	270	(147)
Total revenues	8	8	17	9	417	417	270	(147)
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	270	270	223	47
Operating contingency	1,238	1,238	—	1,238	456	456	—	456
Total current	1,238	1,238	—	1,238	726	726	223	503
Capital outlay	—	—	—	—	15	15	6	9
Total expenditures	1,238	1,238	—	1,238	741	741	229	512
Revenues over (under) expenditures	(1,230)	(1,230)	17	1,247	(324)	(324)	41	365
Other financing sources (uses):								
Transfers in from other funds	25	25	1,125	1,100	—	—	—	—
Transfers out to other funds	(300)	(300)	(29)	271	—	—	—	—
Total other financing sources (uses)	(275)	(275)	1,096	1,371	—	—	—	—
Net change in fund balances	(1,505)	(1,505)	1,113	2,618	(324)	(324)	41	365
Fund balances July 1, 2014	1,505	1,505	1,508	3	324	324	350	26
Fund balances June 30, 2015	\$ —	—	2,621	2,621	—	—	391	391

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2015  
 (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	\$ 33	33	31	(2)	—	—	—	—
Intergovernmental revenues	519	519	519	—	708	708	690	(18)
Charges for services	5	5	4	(1)	—	—	—	—
Miscellaneous revenues	5	5	4	(1)	12	12	5	(7)
Total revenues	<u>562</u>	<u>562</u>	<u>558</u>	<u>(4)</u>	<u>720</u>	<u>720</u>	<u>695</u>	<u>(25)</u>
Expenditures:								
Current:								
Public safety and justice	<u>593</u>	<u>593</u>	<u>525</u>	<u>68</u>	<u>822</u>	<u>822</u>	<u>707</u>	<u>115</u>
Total current	<u>593</u>	<u>593</u>	<u>525</u>	<u>68</u>	<u>822</u>	<u>822</u>	<u>707</u>	<u>115</u>
Total expenditures	<u>593</u>	<u>593</u>	<u>525</u>	<u>68</u>	<u>822</u>	<u>822</u>	<u>707</u>	<u>115</u>
Revenues over (under) expenditures	<u>(31)</u>	<u>(31)</u>	<u>33</u>	<u>64</u>	<u>(102)</u>	<u>(102)</u>	<u>(12)</u>	<u>90</u>
Net change in fund balances	<u>(31)</u>	<u>(31)</u>	<u>33</u>	<u>64</u>	<u>(102)</u>	<u>(102)</u>	<u>(12)</u>	<u>90</u>
Fund balances July 1, 2014	<u>31</u>	<u>31</u>	<u>52</u>	<u>21</u>	<u>102</u>	<u>102</u>	<u>101</u>	<u>(1)</u>
Fund balances June 30, 2015	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>85</u></u>	<u><u>85</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>89</u></u>	<u><u>89</u></u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2015  
 (Dollars in thousands)

	<u>Juvenile High Risk Prevention Fund</u>				<u>Law Library 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>
<b>Revenues:</b>								
Intergovernmental revenues	\$ 1,856	1,856	1,961	105	—	—	—	—
Charges for services	—	—	—	—	361	361	349	(12)
Miscellaneous revenues	15	15	12	(3)	6	6	9	3
Total revenues	<u>1,871</u>	<u>1,871</u>	<u>1,973</u>	<u>102</u>	<u>367</u>	<u>367</u>	<u>358</u>	<u>(9)</u>
<b>Expenditures:</b>								
<b>Current:</b>								
Public safety and justice	1,963	1,963	1,644	319	462	462	412	50
Operating contingency	—	—	—	—	1,021	1,021	—	1,021
Total current	<u>1,963</u>	<u>1,963</u>	<u>1,644</u>	<u>319</u>	<u>1,483</u>	<u>1,483</u>	<u>412</u>	<u>1,071</u>
Total expenditures	<u>1,963</u>	<u>1,963</u>	<u>1,644</u>	<u>319</u>	<u>1,483</u>	<u>1,483</u>	<u>412</u>	<u>1,071</u>
Revenues over (under) expenditures	<u>(92)</u>	<u>(92)</u>	<u>329</u>	<u>421</u>	<u>(1,116)</u>	<u>(1,116)</u>	<u>(54)</u>	<u>1,062</u>
<b>Other financing uses:</b>								
Transfers out to other funds	—	—	—	—	(18)	(18)	(18)	—
Total other financing uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(18)</u>	<u>(18)</u>	<u>(18)</u>	<u>—</u>
Net change in fund balance (deficit)	<u>(92)</u>	<u>(92)</u>	<u>329</u>	<u>421</u>	<u>(1,134)</u>	<u>(1,134)</u>	<u>(72)</u>	<u>1,062</u>
Fund balance (deficit) July 1, 2014	<u>92</u>	<u>92</u>	<u>(149)</u>	<u>(241)</u>	<u>1,134</u>	<u>1,134</u>	<u>1,170</u>	<u>36</u>
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>180</u>	<u>180</u>	<u>—</u>	<u>—</u>	<u>1,098</u>	<u>1,098</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2015  
 (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	\$ 21,437	21,437	21,608	171	—	—	—	—
Intergovernmental revenues	403	403	383	(20)	1,825	1,825	1,746	(79)
Charges for services	52	52	53	1	—	—	—	—
Miscellaneous revenues	114	114	122	8	15	15	29	14
<b>Total revenues</b>	<b>22,006</b>	<b>22,006</b>	<b>22,166</b>	<b>160</b>	<b>1,840</b>	<b>1,840</b>	<b>1,775</b>	<b>(65)</b>
<b>Expenditures:</b>								
<b>Current:</b>								
County administration	1,237	1,237	1,210	27	—	—	—	—
Sheriff's office administration	1,029	1,029	1,004	25	—	—	—	—
Law enforcement services	9,687	9,687	9,243	444	—	—	—	—
Sheriff's Office - jail	2,387	2,387	2,145	242	—	—	—	—
District Attorney	2,462	2,462	2,351	111	—	—	—	—
Community corrections	1,129	1,129	981	148	—	—	—	—
Juvenile services	3,727	3,727	3,528	199	—	—	—	—
Nonoperating	—	—	—	—	663	663	617	46
Operating contingency	12,142	12,142	—	12,142	—	—	—	—
<b>Total current</b>	<b>33,800</b>	<b>33,800</b>	<b>20,462</b>	<b>13,338</b>	<b>663</b>	<b>663</b>	<b>617</b>	<b>46</b>
Capital outlay	174	174	171	3	—	—	—	—
<b>Total expenditures</b>	<b>33,974</b>	<b>33,974</b>	<b>20,633</b>	<b>13,341</b>	<b>663</b>	<b>663</b>	<b>617</b>	<b>46</b>
Revenues over (under) expenditures	(11,968)	(11,968)	1,533	13,501	1,177	1,177	1,158	(19)
<b>Other financing uses:</b>								
Transfers out to other funds	—	—	—	—	(1,178)	(1,178)	(1,158)	20
<b>Total other financing uses</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,178)</b>	<b>(1,178)</b>	<b>(1,158)</b>	<b>20</b>
<b>Net change in fund balances</b>	<b>(11,968)</b>	<b>(11,968)</b>	<b>1,533</b>	<b>13,501</b>	<b>(1)</b>	<b>(1)</b>	<b>—</b>	<b>1</b>
Fund balances July 1, 2014	11,968	11,968	11,465	(503)	1	1	—	(1)
Fund balances June 30, 2015	\$ —	—	12,998	12,998	—	—	—	—

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2015  
 (Dollars in thousands)

	<u>Maintenance Improvement District Fund</u>				<u>Metzger Park LID 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	\$ 18	18	35	17	88	88	88	—
Miscellaneous revenues	1	1	2	1	10	10	4	(6)
Total revenues	<u>19</u>	<u>19</u>	<u>37</u>	<u>18</u>	<u>98</u>	<u>98</u>	<u>92</u>	<u>(6)</u>
Expenditures:								
Current:								
Land use, housing and transportation	192	192	96	96	—	—	—	—
Culture, education and recreation	—	—	—	—	90	90	85	5
Operating contingency	74	74	—	74	40	40	—	40
Total current	<u>266</u>	<u>266</u>	<u>96</u>	<u>170</u>	<u>130</u>	<u>130</u>	<u>85</u>	<u>45</u>
Total expenditures	<u>266</u>	<u>266</u>	<u>96</u>	<u>170</u>	<u>130</u>	<u>130</u>	<u>85</u>	<u>45</u>
Revenues over (under) expenditures	<u>(247)</u>	<u>(247)</u>	<u>(59)</u>	<u>188</u>	<u>(32)</u>	<u>(32)</u>	<u>7</u>	<u>39</u>
Other financing uses:								
Transfers out to other funds	(1)	(1)	(1)	—	—	—	—	—
Total other financing uses	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(248)</u>	<u>(248)</u>	<u>(60)</u>	<u>188</u>	<u>(32)</u>	<u>(32)</u>	<u>7</u>	<u>39</u>
Fund balances July 1, 2014	<u>248</u>	<u>248</u>	<u>289</u>	<u>41</u>	<u>32</u>	<u>32</u>	<u>42</u>	<u>10</u>
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>229</u>	<u>229</u>	<u>—</u>	<u>—</u>	<u>49</u>	<u>49</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2015  
 (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	\$ 50	50	73	23	—	—	—	—
Intergovernmental revenues	—	—	—	—	3,569	3,569	2,092	(1,477)
Miscellaneous revenues	1	1	2	1	196	196	257	61
Total revenues	<u>51</u>	<u>51</u>	<u>75</u>	<u>24</u>	<u>3,765</u>	<u>3,765</u>	<u>2,349</u>	<u>(1,416)</u>
Expenditures:								
Current:								
Land use, housing and transportation	99	99	112	(13)	3,764	3,764	2,288	1,476
Total current	<u>99</u>	<u>99</u>	<u>112</u>	<u>(13)</u>	<u>3,764</u>	<u>3,764</u>	<u>2,288</u>	<u>1,476</u>
Debt service:								
Principal	550	550	—	550	—	—	—	—
Interest	12	12	12	—	—	—	—	—
Total debt service	<u>562</u>	<u>562</u>	<u>12</u>	<u>550</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>661</u>	<u>661</u>	<u>124</u>	<u>537</u>	<u>3,764</u>	<u>3,764</u>	<u>2,288</u>	<u>1,476</u>
Revenues over (under) expenditures	<u>(610)</u>	<u>(610)</u>	<u>(49)</u>	<u>561</u>	<u>1</u>	<u>1</u>	<u>61</u>	<u>60</u>
Other financing sources (uses):								
Transfers in from other funds	500	500	500	—	—	—	—	—
Transfers out to other funds	(10)	(10)	(540)	(530)	—	—	—	—
Total other financing sources (uses)	<u>490</u>	<u>490</u>	<u>(40)</u>	<u>(530)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(120)</u>	<u>(120)</u>	<u>(89)</u>	<u>31</u>	<u>1</u>	<u>1</u>	<u>61</u>	<u>60</u>
Fund balances July 1, 2014	<u>120</u>	<u>120</u>	<u>214</u>	<u>94</u>	<u>(1)</u>	<u>(1)</u>	<u>39</u>	<u>40</u>
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>125</u>	<u>125</u>	<u>—</u>	<u>—</u>	<u>100</u>	<u>100</u>
Property taxes are recognized when levied on a GAAP basis.			1					
Advances from other funds are recognized as liabilities on a GAAP basis			<u>(1,770)</u>					
Fund deficit, GAAP basis, June 30, 2015			<u>\$ (1,644)</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, 2015  
 (Dollars in thousands)

	<u>Sheriff's Office Contract Services Fund</u>				<u>Sheriff's Office Forfeitures 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	\$ 2,572	2,703	2,668	(35)	—	—	—	—
Miscellaneous revenues	360	360	263	(97)	641	641	361	(280)
Interfund revenues	50	50	59	9	—	—	—	—
Total revenues	<u>2,982</u>	<u>3,113</u>	<u>2,990</u>	<u>(123)</u>	<u>641</u>	<u>641</u>	<u>361</u>	<u>(280)</u>
Expenditures:								
Current:								
Public safety and justice	<u>2,967</u>	<u>3,098</u>	<u>3,001</u>	<u>97</u>	<u>1,581</u>	<u>1,581</u>	<u>617</u>	<u>964</u>
Total current	<u>2,967</u>	<u>3,098</u>	<u>3,001</u>	<u>97</u>	<u>1,581</u>	<u>1,581</u>	<u>617</u>	<u>964</u>
Capital outlay	<u>15</u>	<u>15</u>	<u>—</u>	<u>15</u>	<u>—</u>	<u>—</u>	<u>145</u>	<u>(145)</u>
Total expenditures	<u>2,982</u>	<u>3,113</u>	<u>3,001</u>	<u>112</u>	<u>1,581</u>	<u>1,581</u>	<u>762</u>	<u>819</u>
Revenues under expenditures	<u>—</u>	<u>—</u>	<u>(11)</u>	<u>(11)</u>	<u>(940)</u>	<u>(940)</u>	<u>(401)</u>	<u>539</u>
Net change in fund balance (deficit)	<u>—</u>	<u>—</u>	<u>(11)</u>	<u>(11)</u>	<u>(940)</u>	<u>(940)</u>	<u>(401)</u>	<u>539</u>
Fund balances July 1, 2014	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>940</u>	<u>940</u>	<u>1,052</u>	<u>112</u>
Fund balance (deficit) June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>(11)</u>	<u>(11)</u>	<u>—</u>	<u>—</u>	<u>651</u>	<u>651</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, 2015  
 (Dollars in thousands)

	Sheriff's Office Grants & Donations Fund				Strategic Investment Program and Gain Share Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Intergovernmental revenues	\$ 2,020	2,020	443	(1,577)	16,384	16,384	18,274	1,890
Charges for services	—	—	—	—	18,381	18,381	13,862	(4,519)
Miscellaneous revenues	286	286	277	(9)	66	66	152	86
Total revenues	<u>2,306</u>	<u>2,306</u>	<u>720</u>	<u>(1,586)</u>	<u>34,831</u>	<u>34,831</u>	<u>32,288</u>	<u>(2,543)</u>
Expenditures:								
Current:								
Public safety and justice	2,030	2,030	313	1,717	—	—	—	—
Nonoperating	—	—	—	—	500	500	650	(150)
Total current	<u>2,030</u>	<u>2,030</u>	<u>313</u>	<u>1,717</u>	<u>500</u>	<u>500</u>	<u>650</u>	<u>(150)</u>
Capital outlay	—	—	40	(40)	7,589	7,589	—	7,589
Debt service:								
Principal	245	245	250	(5)	—	—	—	—
Interest	31	31	26	5	—	—	—	—
Total debt service	<u>276</u>	<u>276</u>	<u>276</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>2,306</u>	<u>2,306</u>	<u>629</u>	<u>1,677</u>	<u>8,089</u>	<u>8,089</u>	<u>650</u>	<u>7,439</u>
Revenues over expenditures	<u>—</u>	<u>—</u>	<u>91</u>	<u>91</u>	<u>26,742</u>	<u>26,742</u>	<u>31,638</u>	<u>4,896</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	—	—	1,998	1,998
Transfers out to other funds	—	—	—	—	(30,748)	(30,748)	(22,502)	8,246
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(30,748)</u>	<u>(30,748)</u>	<u>(20,504)</u>	<u>10,244</u>
Net change in fund balance (deficit)	<u>—</u>	<u>—</u>	<u>91</u>	<u>91</u>	<u>(4,006)</u>	<u>(4,006)</u>	<u>11,134</u>	<u>15,140</u>
Fund balance (deficit) July 1, 2014	<u>—</u>	<u>—</u>	<u>(81)</u>	<u>(81)</u>	<u>4,006</u>	<u>4,006</u>	<u>5,650</u>	<u>1,644</u>
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>10</u>	<u>10</u>	<u>—</u>	<u>—</u>	<u>16,784</u>	<u>16,784</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, 2015  
 (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)*
Revenues:								
Charges for services	\$ 307	307	483	176	475	475	451	(24)
Miscellaneous revenues	5	5	12	7	6	6	11	5
Interfund revenues	37	37	2	(35)	30	30	230	200
Total revenues	<u>349</u>	<u>349</u>	<u>497</u>	<u>148</u>	<u>511</u>	<u>511</u>	<u>692</u>	<u>181</u>
Expenditures:								
Current:								
Land use, housing and transportation	507	607	561	46	679	679	647	32
Operating contingency	554	446	—	446	1,099	1,099	—	1,099
Total current	<u>1,061</u>	<u>1,053</u>	<u>561</u>	<u>492</u>	<u>1,778</u>	<u>1,778</u>	<u>647</u>	<u>1,131</u>
Capital outlay	—	8	8	—	—	—	4	(4)
Revenues over (under) expenditures	<u>(712)</u>	<u>(712)</u>	<u>(72)</u>	<u>640</u>	<u>(1,267)</u>	<u>(1,267)</u>	<u>41</u>	<u>1,308</u>
Other financing sources (uses):								
Transfers in from other funds	73	73	73	—	—	—	—	—
Transfers out to other funds	(19)	(19)	(19)	—	(24)	(24)	(24)	—
Total other financing sources (uses)	<u>54</u>	<u>54</u>	<u>54</u>	<u>—</u>	<u>(24)</u>	<u>(24)</u>	<u>(24)</u>	<u>—</u>
Net change in fund balances	<u>(658)</u>	<u>(658)</u>	<u>(18)</u>	<u>640</u>	<u>(1,291)</u>	<u>(1,291)</u>	<u>17</u>	<u>1,308</u>
Fund balances July 1, 2014	<u>658</u>	<u>658</u>	<u>809</u>	<u>151</u>	<u>1,291</u>	<u>1,291</u>	<u>1,319</u>	<u>28</u>
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>791</u>	<u>791</u>	<u>—</u>	<u>—</u>	<u>1,336</u>	<u>1,336</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, 2015  
 (Dollars in thousands)

	<b>Tourism Dedicated Lodging Tax Fund</b>				<b>Urban Road Maintenance Service District Fund (Component Unit)</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	\$ 3,488	3,488	3,357	(131)	4,051	4,051	4,132	81
Intergovernmental revenues	—	—	—	—	—	—	54	54
Charges for services	—	—	—	—	2	2	2	—
Miscellaneous revenues	7	7	11	4	41	41	83	42
Total revenues	<u>3,495</u>	<u>3,495</u>	<u>3,368</u>	<u>(127)</u>	<u>4,094</u>	<u>4,094</u>	<u>4,271</u>	<u>177</u>
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	6,242	6,242	2,720	3,522
Culture, education and recreation	4,795	4,795	3,356	1,439	—	—	—	—
Operating contingency	—	—	—	—	8,933	8,933	—	8,933
Total current	<u>4,795</u>	<u>4,795</u>	<u>3,356</u>	<u>1,439</u>	<u>15,175</u>	<u>15,175</u>	<u>2,720</u>	<u>12,455</u>
Total expenditures	<u>4,795</u>	<u>4,795</u>	<u>3,356</u>	<u>1,439</u>	<u>15,175</u>	<u>15,175</u>	<u>2,720</u>	<u>12,455</u>
Revenues over (under) expenditures	<u>(1,300)</u>	<u>(1,300)</u>	<u>12</u>	<u>1,312</u>	<u>(11,081)</u>	<u>(11,081)</u>	<u>1,551</u>	<u>12,632</u>
Other financing uses:								
Transfers out to other funds	—	—	—	—	(22)	(22)	(22)	—
Total other financing uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(22)</u>	<u>(22)</u>	<u>(22)</u>	<u>—</u>
Net change in fund balances	<u>(1,300)</u>	<u>(1,300)</u>	<u>12</u>	<u>1,312</u>	<u>(11,103)</u>	<u>(11,103)</u>	<u>1,529</u>	<u>12,632</u>
Fund balances July 1, 2014	<u>1,300</u>	<u>1,300</u>	<u>1,301</u>	<u>1</u>	<u>11,103</u>	<u>11,103</u>	<u>9,266</u>	<u>(1,837)</u>
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>1,313</u>	<u>1,313</u>	<u>—</u>	<u>—</u>	<u>10,795</u>	<u>10,795</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2015  
 (Dollars in thousands)

	Washington County Fair Fund				West Slope Library Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 1,162	1,162	1,119	(43)	—	—	—	—
Intergovernmental revenues	50	50	51	1	3	3	2	(1)
Charges for services	467	467	478	11	—	—	—	—
Miscellaneous revenues	469	469	489	20	34	34	36	2
Total revenues	<u>2,148</u>	<u>2,148</u>	<u>2,137</u>	<u>(11)</u>	<u>37</u>	<u>37</u>	<u>38</u>	<u>1</u>
Expenditures:								
Current:								
Culture, education and recreation	1,845	1,845	1,897	(52)	795	795	766	29
Operating contingency	859	859	—	859	380	380	—	380
Total current	<u>2,704</u>	<u>2,704</u>	<u>1,897</u>	<u>807</u>	<u>1,175</u>	<u>1,175</u>	<u>766</u>	<u>409</u>
Capital outlay	105	105	8	97	—	—	—	—
Total expenditures	<u>2,809</u>	<u>2,809</u>	<u>1,905</u>	<u>904</u>	<u>1,175</u>	<u>1,175</u>	<u>766</u>	<u>409</u>
Revenues over (under) expenditures	<u>(661)</u>	<u>(661)</u>	<u>232</u>	<u>893</u>	<u>(1,138)</u>	<u>(1,138)</u>	<u>(728)</u>	<u>410</u>
Other financing sources:								
Transfers in from other funds	—	—	—	—	725	725	733	8
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>725</u>	<u>725</u>	<u>733</u>	<u>8</u>
Net change in fund balances	(661)	(661)	232	893	(413)	(413)	5	418
Fund balances July 1, 2014	661	661	567	(94)	413	413	447	34
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>799</u>	<u>799</u>	<u>—</u>	<u>—</u>	<u>452</u>	<u>452</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 Fund  
 For the fiscal year ended June 30, 2015  
 (Dollars in thousands)

	<u>Miscellaneous Debt Service Fund</u>			<u>Variance positive (negative)</u>
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	
Expenditures:				
Current:				
Nonoperating	\$ 3	3	1	2
Operating contingency	21	21	—	21
Total current	<u>24</u>	<u>24</u>	<u>1</u>	<u>23</u>
Debt service:				
Principal	4,439	4,439	4,439	—
Interest	2,893	2,893	2,893	—
Total debt service	<u>7,332</u>	<u>7,332</u>	<u>7,332</u>	<u>—</u>
Total expenditures	<u>7,356</u>	<u>7,356</u>	<u>7,333</u>	<u>23</u>
Revenues under expenditures	<u>(7,356)</u>	<u>(7,356)</u>	<u>(7,333)</u>	<u>23</u>
Other financing sources:				
Transfers in from other funds	<u>7,335</u>	<u>7,335</u>	<u>7,335</u>	<u>—</u>
Total other financing sources	<u>7,335</u>	<u>7,335</u>	<u>7,335</u>	<u>—</u>
Net change in fund balance	(21)	(21)	2	23
Fund balance July 1, 2014	<u>21</u>	<u>21</u>	<u>21</u>	<u>—</u>
Fund balance June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>23</u>	<u>23</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Capital Projects Funds  
 For the fiscal year ended June 30, 2015  
 (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:								
Intergovernmental revenues	\$ —	—	—	—	—	—	6	6
Charges for services	—	—	—	—	11	11	5	(6)
Special assessments	—	—	—	—	—	—	6	6
Miscellaneous revenues	17	17	12	(5)	12	12	25	13
Total revenues	<u>17</u>	<u>17</u>	<u>12</u>	<u>(5)</u>	<u>23</u>	<u>23</u>	<u>42</u>	<u>19</u>
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	2,607	2,607	606	2,001
Operating contingency	597	597	—	597	—	—	—	—
Total current	<u>597</u>	<u>597</u>	<u>—</u>	<u>597</u>	<u>2,607</u>	<u>2,607</u>	<u>606</u>	<u>2,001</u>
Capital outlay	2,153	2,153	1,590	563	—	—	4	(4)
Total expenditures	<u>2,750</u>	<u>2,750</u>	<u>1,590</u>	<u>1,160</u>	<u>2,607</u>	<u>2,607</u>	<u>610</u>	<u>1,997</u>
Revenues under expenditures	<u>(2,733)</u>	<u>(2,733)</u>	<u>(1,578)</u>	<u>1,155</u>	<u>(2,584)</u>	<u>(2,584)</u>	<u>(568)</u>	<u>2,016</u>
Other financing sources (uses):								
Transfers in from other funds	1,000	1,000	1,000	—	—	—	—	—
Transfers out to other funds	—	—	—	—	(1)	(1)	(1)	—
Total other financing sources (uses)	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>—</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>—</u>
Net change in fund balances	<u>(1,733)</u>	<u>(1,733)</u>	<u>(578)</u>	<u>1,155</u>	<u>(2,585)</u>	<u>(2,585)</u>	<u>(569)</u>	<u>2,016</u>
Fund balances July 1, 2014	<u>1,733</u>	<u>1,733</u>	<u>1,742</u>	<u>9</u>	<u>2,585</u>	<u>2,585</u>	<u>3,269</u>	<u>684</u>
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>1,164</u>	<u>1,164</u>	<u>—</u>	<u>—</u>	<u>2,700</u>	<u>2,700</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, 2015  
 (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)
<b>Revenues:</b>								
Intergovernmental revenues	\$ 53	53	31	(22)	—	—	—	—
Charges for services	—	—	—	—	5	5	7	2
Interfund revenues	312	312	129	(183)	—	—	—	—
Total revenues	365	365	160	(205)	5	5	7	2
<b>Expenditures:</b>								
Current:								
Nonoperating	—	—	—	—	35	35	—	35
Operating contingency	1	1	—	1	—	—	—	—
Total current	1	1	—	1	35	35	—	35
Capital outlay	8,824	8,824	2,609	6,215	—	—	—	—
Total expenditures	8,825	8,825	2,609	6,216	35	35	—	35
Revenues over (under) expenditures	(8,460)	(8,460)	(2,449)	6,011	(30)	(30)	7	37
<b>Other financing sources (uses):</b>								
Transfers in from other funds	6,137	6,137	2,448	(3,689)	—	—	—	—
Transfers out to other funds	—	—	(1,998)	(1,998)	—	—	—	—
Total other financing sources (uses)	6,137	6,137	450	(5,687)	—	—	—	—
Net change in fund balances	(2,323)	(2,323)	(1,999)	324	(30)	(30)	7	37
Fund balances July 1, 2014	2,323	2,323	2,405	82	30	30	30	—
Fund balances June 30, 2015	\$ —	—	406	406	—	—	37	37

\* 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, 2015  
 (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)
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	7,548	7,548	9,150	1,602
Charges for services	4	4	19	15	—	—	—	—
Miscellaneous revenues	—	—	16	16	27	27	69	42
Interfund revenues	1,673	1,673	636	(1,037)	—	—	—	—
Total revenues	1,677	1,677	671	(1,006)	7,575	7,575	9,219	1,644
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	17,947	17,947	4,826	13,121
Total current	—	—	—	—	17,947	17,947	4,826	13,121
Capital outlay	7,907	7,907	2,887	5,020	2,960	2,960	1,546	1,414
Total expenditures	7,907	7,907	2,887	5,020	20,907	20,907	6,372	14,535
Revenues over (under) expenditures	(6,230)	(6,230)	(2,216)	4,014	(13,332)	(13,332)	2,847	16,179
Other financing sources (uses):								
Transfers in from other funds	5,790	5,790	3,523	(2,267)	6,750	6,750	5,500	(1,250)
Transfers out to other funds	—	—	—	—	(19)	(19)	(19)	—
Total other financing sources (uses)	5,790	5,790	3,523	(2,267)	6,731	6,731	5,481	(1,250)
Net change in fund balances	(440)	(440)	1,307	1,747	(6,601)	(6,601)	8,328	14,929
Fund balances July 1, 2014	440	440	523	83	6,601	6,601	4,626	(1,975)
Fund balances June 30, 2015	\$ —	—	1,830	1,830	—	—	12,954	12,954

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Capital Projects Funds  
 For the fiscal year ended June 30, 2015  
 (Dollars in thousands)

	North Bethany SDC Fund				OTIA Capital Projects Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 575	575	868	293	—	—	—	—
Miscellaneous revenues	1	1	2	1	—	—	—	—
Total revenues	576	576	870	294	—	—	—	—
Expenditures:								
Current:								
Land use, housing and transportation	76	76	—	76	7	7	4	3
Total current	76	76	—	76	7	7	4	3
Total expenditures	76	76	—	76	7	7	4	3
Revenues over (under) expenditures	500	500	870	370	(7)	(7)	(4)	3
Other financing uses:								
Transfers out to other funds	(500)	(500)	(500)	—	(34)	(34)	—	34
Total other financing uses	(500)	(500)	(500)	—	(34)	(34)	—	34
Net change in fund balances	—	—	370	370	(41)	(41)	(4)	37
Fund balances July 1, 2014	—	—	—	—	41	41	42	1
Fund balances June 30, 2015	\$ —	—	370	370	—	—	38	38



**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Capital Projects Funds  
 For the fiscal year ended June 30, 2015  
 (Dollars in thousands)

	<b>Parks and Open Spaces Opportunity Projects Fund</b>				<b>Transportation Development Tax 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	\$ —	—	—	—	3,614	3,614	8,460	4,846
Miscellaneous revenues	3	3	3	—	1,050	1,050	125	(925)
Total revenues	<u>3</u>	<u>3</u>	<u>3</u>	<u>—</u>	<u>4,664</u>	<u>4,664</u>	<u>8,585</u>	<u>3,921</u>
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	11,929	11,929	421	11,508
Total current	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>11,929</u>	<u>11,929</u>	<u>421</u>	<u>11,508</u>
Capital outlay	278	278	18	260	2,900	2,900	—	2,900
Total expenditures	<u>278</u>	<u>278</u>	<u>18</u>	<u>260</u>	<u>14,829</u>	<u>14,829</u>	<u>421</u>	<u>14,408</u>
Revenues over (under) expenditures	<u>(275)</u>	<u>(275)</u>	<u>(15)</u>	<u>260</u>	<u>(10,165)</u>	<u>(10,165)</u>	<u>8,164</u>	<u>18,329</u>
Other financing uses:								
Transfers out to other funds	—	—	—	—	(15)	(15)	(15)	—
Total other financing uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(15)</u>	<u>(15)</u>	<u>(15)</u>	<u>—</u>
Net change in fund balances	<u>(275)</u>	<u>(275)</u>	<u>(15)</u>	<u>260</u>	<u>(10,180)</u>	<u>(10,180)</u>	<u>8,149</u>	<u>18,329</u>
Fund balances July 1, 2014	<u>275</u>	<u>275</u>	<u>318</u>	<u>43</u>	<u>10,180</u>	<u>10,180</u>	<u>10,870</u>	<u>690</u>
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>303</u>	<u>303</u>	<u>—</u>	<u>—</u>	<u>19,019</u>	<u>19,019</u>

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2015  
(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	\$ 423	10,197	112	3,333	140
Accounts receivable	1	—	8	3	—
Other assets	—	—	—	3	—
Inventory	293	—	21	—	—
Total current assets	<u>717</u>	<u>10,197</u>	<u>141</u>	<u>3,339</u>	<u>140</u>
<b>Noncurrent assets:</b>					
Capital assets, net of accumulated depreciation	—	7,253	256	—	—
PERS net pension asset	390	—	152	—	—
Total noncurrent assets	<u>390</u>	<u>7,253</u>	<u>408</u>	<u>—</u>	<u>—</u>
Total assets	<u>1,107</u>	<u>17,450</u>	<u>549</u>	<u>3,339</u>	<u>140</u>
<b>Deferred Outflows of Resources</b>					
Pension related	153	—	59	—	—
Total deferred outflows of resources	<u>153</u>	<u>—</u>	<u>59</u>	<u>—</u>	<u>—</u>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	133	404	55	21	—
Accrued payroll liabilities	103	—	25	—	—
Accrued self-insurance	—	—	—	1,899	—
Total current liabilities	<u>236</u>	<u>404</u>	<u>80</u>	<u>1,920</u>	<u>—</u>
<b>Noncurrent liabilities:</b>					
Net OPEB obligation	55	—	21	—	—
Total noncurrent liabilities	<u>55</u>	<u>—</u>	<u>21</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>291</u>	<u>404</u>	<u>101</u>	<u>1,920</u>	<u>—</u>
<b>Deferred Inflows of Resources</b>					
Pension related	761	—	296	—	—
Total deferred inflows of resources	<u>761</u>	<u>—</u>	<u>296</u>	<u>—</u>	<u>—</u>
<b>Net Position</b>					
Net investment in capital assets	—	7,253	256	—	—
Unrestricted (deficit)	208	9,793	(45)	1,419	140
Total net position	<u>\$ 208</u>	<u>17,046</u>	<u>211</u>	<u>1,419</u>	<u>140</u>

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Net Position, Continued  
Internal Service Funds  
June 30, 2015  
(Dollars in thousands)

<b>Assets</b>	<b>Medical Insurance Fund</b>	<b>PERS Rate Stabilization 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	\$ 1,793	6,544	873	2,997	26,412
Restricted cash	—	—	—	63	63
Accounts receivable	—	—	—	5	17
Other assets	—	—	—	—	3
Inventory	—	—	—	—	314
Total current assets	<u>1,793</u>	<u>6,544</u>	<u>873</u>	<u>3,065</u>	<u>26,809</u>
<b>Noncurrent assets:</b>					
Capital assets, net of accumulated depreciation	—	—	—	—	7,509
PERS net pension asset	—	—	—	—	542
Total noncurrent assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>8,051</u>
Total assets	<u>1,793</u>	<u>6,544</u>	<u>873</u>	<u>3,065</u>	<u>34,860</u>
<b>Deferred Outflows of Resources</b>					
Pension related	—	—	—	—	212
Total deferred outflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>212</u>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	165	—	34	79	891
Accrued payroll liabilities	—	—	—	—	128
Accrued self-insurance	—	—	—	1,796	3,695
Total current liabilities	<u>165</u>	<u>—</u>	<u>34</u>	<u>1,875</u>	<u>4,714</u>
<b>Noncurrent liabilities:</b>					
Net OPEB obligation	—	—	—	—	76
Total noncurrent liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>76</u>
Total liabilities	<u>165</u>	<u>—</u>	<u>34</u>	<u>1,875</u>	<u>4,790</u>
<b>Deferred Inflows of Resources</b>					
Pension related	—	—	—	—	1,057
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,057</u>
<b>Net Position</b>					
Net investment in capital assets	—	—	—	—	7,509
Restricted for payment of claims	—	—	—	63	63
Unrestricted	1,628	6,544	839	1,127	21,653
Total net position	<u>\$ 1,628</u>	<u>6,544</u>	<u>839</u>	<u>1,190</u>	<u>29,225</u>

**WASHINGTON COUNTY, OREGON**

Combining Statement of Revenues, Expenses  
and Changes in Net Position

Internal Service Funds

For the fiscal year ended June 30, 2015

(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	\$ 3,641	2,772	1,440	2,550	421
Other	4	119	131	48	—
Total operating revenues	<u>3,645</u>	<u>2,891</u>	<u>1,571</u>	<u>2,598</u>	<u>421</u>
Operating expenses:					
Labor and fringe benefits	1,001	—	235	—	—
Utilities	28	—	—	—	—
Professional services	6	6	—	258	—
Supplies	1,766	—	774	—	—
Administrative costs	249	153	205	705	4
Depreciation and amortization	—	1,565	135	—	—
Insurance claims and premiums	—	—	—	827	398
Repairs and maintenance	214	2	242	—	—
Total operating expenses	<u>3,264</u>	<u>1,726</u>	<u>1,591</u>	<u>1,790</u>	<u>402</u>
Operating income (loss)	<u>381</u>	<u>1,165</u>	<u>(20)</u>	<u>808</u>	<u>19</u>
Nonoperating income (expense):					
Interest income	3	73	—	24	1
Gain (loss) on sale of capital assets	—	11	(6)	—	—
Total nonoperating income (expense)	<u>3</u>	<u>84</u>	<u>(6)</u>	<u>24</u>	<u>1</u>
Change in net position	<u>384</u>	<u>1,249</u>	<u>(26)</u>	<u>832</u>	<u>20</u>
Net position July 1, 2014	555	15,797	521	587	120
Restatement	<u>(731)</u>	<u>—</u>	<u>(284)</u>	<u>—</u>	<u>—</u>
Net position (deficit) July 1, 2014, as restated	<u>(176)</u>	<u>15,797</u>	<u>237</u>	<u>587</u>	<u>120</u>
Net position June 30, 2015	\$ <u>208</u>	<u>17,046</u>	<u>211</u>	<u>1,419</u>	<u>140</u>

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Revenues, Expenses  
and Changes in Net Position, Continued  
Internal Service Funds  
For the fiscal year ended June 30, 2015  
(Dollars in thousands)

	<b>Medical Insurance Fund</b>	<b>PERS Rate Stabilization Fund</b>	<b>Unemployment Insurance Fund</b>	<b>Workers' Compensation Insurance Fund</b>	<b>Total Internal Service Funds</b>
Operating revenues:					
Charges for services	\$ 25,995	—	206	1,528	38,553
Other	1,304	—	—	102	1,708
Total operating revenues	<u>27,299</u>	<u>—</u>	<u>206</u>	<u>1,630</u>	<u>40,261</u>
Operating expenses:					
Labor and fringe benefits	—	—	—	—	1,236
Utilities	—	—	—	—	28
Professional services	97	—	4	2	373
Supplies	—	—	—	—	2,540
Administrative costs	130	—	7	199	1,652
Depreciation and amortization	—	—	—	—	1,700
Insurance claims and premiums	26,531	—	187	1,323	29,266
Repairs and maintenance	—	—	—	—	458
Total operating expenses	<u>26,758</u>	<u>—</u>	<u>198</u>	<u>1,524</u>	<u>37,253</u>
Operating income	<u>541</u>	<u>—</u>	<u>8</u>	<u>106</u>	<u>3,008</u>
Nonoperating income (expense):					
Interest income	19	50	7	22	199
Gain on sale of capital assets	—	—	—	—	5
Total nonoperating income	<u>19</u>	<u>50</u>	<u>7</u>	<u>22</u>	<u>204</u>
Change in net position	<u>560</u>	<u>50</u>	<u>15</u>	<u>128</u>	<u>3,212</u>
Net position July 1, 2014	1,068	6,494	824	1,062	27,028
Restatement	—	—	—	—	(1,015)
Net position July 1, 2014, as restated	<u>1,068</u>	<u>6,494</u>	<u>824</u>	<u>1,062</u>	<u>26,013</u>
Net position June 30, 2015	<u>\$ 1,628</u>	<u>6,544</u>	<u>839</u>	<u>1,190</u>	<u>29,225</u>

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the fiscal year ended June 30, 2015  
(Dollars in thousands)

	Fleet Services Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/ Casualty Insurance Fund	Life Insurance Fund
Cash flows from (used in) operating activities:					
Cash received for services provided	\$ 3,107	2,891	1,433	2,556	420
Cash payments for labor and fringe benefits	(1,498)	—	(427)	—	—
Cash payments for goods and services	(2,236)	238	(1,274)	(1,692)	(401)
Other operating revenue	540	—	131	48	—
	<u>(87)</u>	<u>3,129</u>	<u>(137)</u>	<u>912</u>	<u>19</u>
Net cash provided by (used in) operating activities					
Cash flows provided by (used in) capital and related financing activities:					
Acquisition of capital assets	—	(1,913)	—	—	—
Principal payments on capital lease obligations	—	—	1	—	—
Proceeds from sale of capital assets	—	106	—	—	—
	<u>—</u>	<u>(1,807)</u>	<u>1</u>	<u>—</u>	<u>—</u>
Net cash provided by (used in) capital and related financing activities					
Cash flows from investing activities:					
Interest on investments	3	73	—	24	1
	<u>3</u>	<u>73</u>	<u>—</u>	<u>24</u>	<u>1</u>
Net cash provided by investing activities					
	(84)	1,395	(136)	936	20
Net increase (decrease) in cash and investments					
Cash and investments, July 1, 2014	507	8,802	248	2,397	120
Cash and investments, June 30, 2015	<u>423</u>	<u>10,197</u>	<u>112</u>	<u>3,333</u>	<u>140</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	381	1,165	(20)	808	19
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	—	1,565	135	—	—
Changes in aassets and liabilities:					
Increase (decrease) in accounts payable	(21)	399	(59)	—	—
Increase in accrued liabilities	45	—	19	102	—
Decrease (increase) in accounts receivable	1	—	(9)	5	—
Decrease in inventory	49	—	8	—	—
Increase in other assets	(542)	—	(211)	(3)	—
	<u>(87)</u>	<u>3,129</u>	<u>(137)</u>	<u>912</u>	<u>19</u>
Net cash provided by (used in) operating activities					

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Cash Flows, Continued  
Internal Service Funds  
For the fiscal year ended June 30, 2015  
(Dollars in thousands)

	Medical Insurance Fund	PERS Rate Stabilization Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total Internal Service Funds
Cash provided by (used in) operating activities:					
Cash received for services provided	\$ 26,090	—	206	1,536	38,239
Cash payments for labor and fringe benefits	—	—	—	—	(1,925)
Cash payments for goods and services	(26,595)	—	(196)	(1,543)	(33,699)
Other operating revenue	1,304	—	—	102	2,125
Net cash provided by operating activities	<u>799</u>	<u>—</u>	<u>10</u>	<u>95</u>	<u>4,740</u>
Cash flows provided by (used in) capital and related financing activities:					
Acquisition of capital assets	—	—	—	—	(1,913)
Principal payments on capital lease obligations	—	—	—	—	1
Proceeds from sale of capital assets	—	—	—	—	106
Net cash used in capital and related financing activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,806)</u>
Cash flows from investing activities:					
Interest on investments	19	50	7	22	199
Net cash provided by investing activities	<u>19</u>	<u>50</u>	<u>7</u>	<u>22</u>	<u>199</u>
Net increase in cash and investments	818	50	17	117	3,133
Cash and investments, July 1, 2014	975	6,494	856	2,943	23,342
Cash and investments, June 30, 2015 <sup>(1)</sup>	<u>1,793</u>	<u>6,544</u>	<u>873</u>	<u>3,060</u>	<u>26,475</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	541	—	8	106	3,008
Adjustments to reconcile operating income to net cash provided by operating activities:					
operating activities:					
Depreciation and amortization	—	—	—	—	1,700
Changes in aassets and liabilities:					
Increase (decrease) in accounts payable	163	—	2	(15)	469
Increase (decrease) in accrued liabilities	—	—	—	(4)	162
Decrease in accounts receivable	95	—	—	8	100
Decrease in inventory	—	—	—	—	57
Increase in other assets	—	—	—	—	(756)
Net cash provided by operating activities	<u>799</u>	<u>—</u>	<u>10</u>	<u>95</u>	<u>4,740</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	1,793	6,544	873	2,997	26,412
Current assets - Restricted cash	—	—	—	63	63
	<u>\$ 1,793</u>	<u>6,544</u>	<u>873</u>	<u>3,060</u>	<u>26,475</u>

WASHINGTON COUNTY, OREGON

Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)

Internal Service Funds

For the fiscal year ended June 30, 2015

(Dollars in thousands)

	Fleet Services Fund				Fleet Replacement Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 4,380	4,380	3,641	(739)	3,214	3,214	2,962	(252)
Miscellaneous revenues	3	3	7	4	329	329	191	(138)
Total revenues	<u>4,383</u>	<u>4,383</u>	<u>3,648</u>	<u>(735)</u>	<u>3,543</u>	<u>3,543</u>	<u>3,153</u>	<u>(390)</u>
Expenditures:								
Current:								
General government	4,335	4,335	3,771	564	—	—	—	—
Nonoperating	—	—	—	—	1,050	1,050	676	374
Operating contingency	641	641	—	641	7,895	7,895	—	7,895
Total current	<u>4,976</u>	<u>4,976</u>	<u>3,771</u>	<u>1,205</u>	<u>8,945</u>	<u>8,945</u>	<u>676</u>	<u>8,269</u>
Capital outlay	—	—	—	—	3,515	3,515	1,481	2,034
Total expenditures	<u>4,976</u>	<u>4,976</u>	<u>3,771</u>	<u>1,205</u>	<u>12,460</u>	<u>12,460</u>	<u>2,157</u>	<u>10,303</u>
Revenues over (under) expenditures	(593)	(593)	(123)	470	(8,917)	(8,917)	996	9,913
Fund balances July 1, 2014	<u>593</u>	<u>593</u>	<u>604</u>	<u>11</u>	<u>8,917</u>	<u>8,917</u>	<u>8,797</u>	<u>(120)</u>
Fund balances June 30, 2015	\$ <u>—</u>	<u>—</u>	<u>481</u>	<u>481</u>	<u>—</u>	<u>—</u>	<u>9,793</u>	<u>9,793</u>



**WASHINGTON COUNTY, OREGON**  
Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)

Internal Service Funds

For the fiscal year ended June 30, 2015  
(Dollars in thousands)

	<b>Internal Support Services Fund</b>				<b>Liability/Casualty Insurance 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	\$ 1,530	1,530	1,441	(89)	2,552	2,552	2,550	(2)
Miscellaneous revenues	297	297	131	(166)	55	55	73	18
Total revenues	<u>1,827</u>	<u>1,827</u>	<u>1,572</u>	<u>(255)</u>	<u>2,607</u>	<u>2,607</u>	<u>2,623</u>	<u>16</u>
Expenditures:								
Current:								
General government	1,559	1,559	1,493	66	—	—	—	—
Nonoperating	—	—	—	—	2,073	2,073	1,791	282
Operating contingency	318	318	—	318	1,274	1,274	—	1,274
Total current	<u>1,877</u>	<u>1,877</u>	<u>1,493</u>	<u>384</u>	<u>3,347</u>	<u>3,347</u>	<u>1,791</u>	<u>1,556</u>
Capital outlay	165	165	160	5	—	—	—	—
Total expenditures	<u>2,042</u>	<u>2,042</u>	<u>1,653</u>	<u>389</u>	<u>3,347</u>	<u>3,347</u>	<u>1,791</u>	<u>1,556</u>
Revenues over (under) expenditures	(215)	(215)	(81)	134	(740)	(740)	832	1,572
Fund balances July 1, 2014	<u>215</u>	<u>215</u>	<u>142</u>	<u>(73)</u>	<u>740</u>	<u>740</u>	<u>587</u>	<u>(153)</u>
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>61</u>	<u>61</u>	<u>—</u>	<u>—</u>	<u>1,419</u>	<u>1,419</u>

**WASHINGTON COUNTY, OREGON**  
Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)

Internal Service Funds

For the fiscal year ended June 30, 2015  
(Dollars in thousands)

	<u>Life Insurance Fund</u>				<u>Medical Insurance 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	\$ —	—	—	—	27,384	27,384	25,995	(1,389)
Miscellaneous revenues	432	432	421	(11)	1,556	1,556	1,324	(232)
Total revenues	<u>432</u>	<u>432</u>	<u>421</u>	<u>(11)</u>	<u>28,940</u>	<u>28,940</u>	<u>27,319</u>	<u>(1,621)</u>
Expenditures:								
Current:								
Nonoperating	436	436	401	35	29,868	29,868	26,759	3,109
Operating contingency	118	118	—	118	—	—	—	—
Total current	<u>554</u>	<u>554</u>	<u>401</u>	<u>153</u>	<u>29,868</u>	<u>29,868</u>	<u>26,759</u>	<u>3,109</u>
Total expenditures	<u>554</u>	<u>554</u>	<u>401</u>	<u>153</u>	<u>29,868</u>	<u>29,868</u>	<u>26,759</u>	<u>3,109</u>
Revenues over (under) expenditures	(122)	(122)	20	142	(928)	(928)	560	1,488
Fund balances July 1, 2014	<u>122</u>	<u>122</u>	<u>120</u>	<u>(2)</u>	<u>928</u>	<u>928</u>	<u>1,068</u>	<u>140</u>
Fund balances June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>140</u>	<u>140</u>	<u>—</u>	<u>—</u>	<u>1,628</u>	<u>1,628</u>

**WASHINGTON COUNTY, OREGON**  
Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Internal Service Funds  
For the fiscal year ended June 30, 2015  
(Dollars in thousands)

	PERS Rate Stabilization Fund				Unemployment Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ —	—	—	—	207	207	206	(1)
Miscellaneous revenues	33	33	50	17	4	4	7	3
Total revenues	33	33	50	17	211	211	213	2
Expenditures:								
Current:								
Nonoperating	6,520	6,520	—	6,520	362	362	198	164
Operating contingency	—	—	—	—	623	623	—	623
Total current	6,520	6,520	—	6,520	985	985	198	787
Total expenditures	6,520	6,520	—	6,520	985	985	198	787
Revenues over (under) expenditures	(6,487)	(6,487)	50	6,537	(774)	(774)	15	789
Fund balances July 1, 2014	6,487	6,487	6,494	7	774	774	824	50
Fund balances June 30, 2015	\$ —	—	6,544	6,544	—	—	839	839

**WASHINGTON COUNTY, OREGON**

Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)

Internal Service Funds

For the fiscal year ended June 30, 2015

(Dollars in thousands)

	<b>Workers' Compensation Insurance Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
Revenues:				
Charges for services	\$ 1,528	1,528	1,528	—
Miscellaneous revenues	70	70	124	54
Total revenues	<u>1,598</u>	<u>1,598</u>	<u>1,652</u>	<u>54</u>
Expenditures:				
Current:				
Nonoperating	1,565	1,565	1,524	41
Operating contingency	<u>1,175</u>	<u>1,175</u>	<u>—</u>	<u>1,175</u>
Total current	<u>2,740</u>	<u>2,740</u>	<u>1,524</u>	<u>1,216</u>
Total expenditures	<u>2,740</u>	<u>2,740</u>	<u>1,524</u>	<u>1,216</u>
Revenues over (under) expenditures	(1,142)	(1,142)	128	1,270
Fund balance July 1, 2014	<u>1,142</u>	<u>1,142</u>	<u>1,062</u>	<u>(80)</u>
Fund balance June 30, 2015	<u>\$ —</u>	<u>—</u>	<u>1,190</u>	<u>1,190</u>

**WASHINGTON COUNTY, OREGON**

Reconciliation of Fund Balance to Net Position

Internal Service Funds

June 30, 2015

(Dollars in thousands)

	<b>Fleet Services Fund</b>	<b>Fleet Replacement Fund</b>	<b>Internal Support Services Fund</b>
Fund balance	\$ 481	9,793	61
Add capital assets reported on combining statement of net position	—	7,253	256
Less OPEB obligation	(55)	—	(21)
Add PERS net pension asset	390	—	152
Add deferred outflows of resources - pension related	153	—	59
Less deferred inflows of resources - pension related	(761)	—	(296)
Total net position	<u>\$ 208</u>	<u>17,046</u>	<u>211</u>

**WASHINGTON COUNTY, OREGON**  
Statement of Changes in Assets and Liabilities  
Agency Fund  
For the fiscal year ended June 30, 2015  
(Dollars in thousands)

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
<b>Assets:</b>				
Cash and investments	\$ 4,631	8,289,248	8,289,666	4,213
Accounts receivable	2,912	30,343	29,634	3,621
Property taxes receivable <sup>(1)</sup>	<u>31,251</u>	<u>30,417</u>	<u>31,251</u>	<u>30,417</u>
Total assets	<u><u>38,794</u></u>	<u><u>8,350,008</u></u>	<u><u>8,350,551</u></u>	<u><u>38,251</u></u>
<b>Liabilities:</b>				
Accounts payable	507	1,767,440	1,767,244	703
Amounts held in trust	7,036	1,039,978	1,039,883	7,131
Uncollected taxes	<u>31,251</u>	<u>30,417</u>	<u>31,251</u>	<u>30,417</u>
Total liabilities	<u><u>38,794</u></u>	<u><u>2,837,835</u></u>	<u><u>2,838,378</u></u>	<u><u>38,251</u></u>

<sup>(1)</sup> Property taxes receivable is comprised of the following

Property taxes receivable	31,222	30,417	31,222	30,417
Payment in lieu of taxes receivable	<u>29</u>	<u>—</u>	<u>29</u>	<u>—</u>
Total property taxes receivable	<u><u>\$ 31,251</u></u>	<u><u>30,417</u></u>	<u><u>31,251</u></u>	<u><u>30,417</u></u>

**OTHER FINANCIAL SCHEDULES**

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**WASHINGTON COUNTY, OREGON**  
Schedule of Property Tax and Assessment  
Transactions and Outstanding Balances  
For the fiscal year ended June 30, 2015  
(Dollars in thousands)

	<b>Taxes receivable July, 1 2014</b>	<b>Certified levies</b>	<b>Corrections and adjustments</b>	<b>Collections</b>	<b>Discounts allowed</b>	<b>Interest on delinquent taxes</b>	<b>Taxes receivable June 30, 2015</b>
2014-15	\$ —	915,947	(893)	(875,606)	(24,230)	227	15,445
2013-14	17,392	—	(238)	(9,669)	(32)	518	7,971
2012-13	8,257	—	(471)	(2,611)	(11)	377	5,541
2011-12	6,045	—	(822)	(2,435)	(9)	585	3,364
2010-11	4,214	—	(855)	(820)	(9)	278	2,808
2009-10	2,987	—	(62)	(258)	—	85	2,752
2008-09 & Prior	552	—	(18)	(304)	(1)	132	361
	<u>\$ 39,447</u>	<u>915,947</u>	<u>(3,359)</u>	<u>(891,703)</u>	<u>(24,292)</u>	<u>2,202</u>	<u>38,242</u>

Reconciliation to Receivables on Basic Financial Statements:

Governmental Activities property taxes receivable	\$ 7,734
Metzger Park LID assessments receivable	4
Agency Funds property taxes receivable	30,417
Service District for Lighting No. 1 assessments receivable	87
	<u>\$ 38,242</u>

**WASHINGTON COUNTY, OREGON**

Schedule of Accountability of Independently Elected Officials

For the fiscal year ended June 30, 2015

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.

**WASHINGTON COUNTY,  
OREGON**

**STATISTICAL  
SECTION**

**SECTION III**

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## WASHINGTON COUNTY, OREGON

### Statistical Information Section Narrative

June 30, 2015

(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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Net investment in capital assets	\$ 2,148,086	2,151,850	2,135,921	2,134,940	2,108,850	2,093,492	2,074,612	2,045,765	2,014,679	1,994,339
Restricted	1,069	170	239	911	6,530	93,002	95,942	96,945	112,861	152,101
Unrestricted	250,676	236,359	245,409	230,574	219,822	145,829	149,211	164,852	185,238	187,151
<b>Total governmental activities net position</b>	<b>2,399,831</b>	<b>2,388,379</b>	<b>2,381,569</b>	<b>2,366,425</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>Business-type activities<sup>(1)</sup></b>										
Net investment in capital assets	328,060	363,438	395,163	389,728	395,461	384,397	2,206	1,652	1,131	(18)
Restricted	58,052	28,948	27,582	52,406	57,052	69,936	6,156	4,532	3,070	3,978
Unrestricted	50,035	64,206	55,872	52,806	48,554	54,673	801	929	912	995
<b>Total business-type activities net position</b>	<b>436,147</b>	<b>456,592</b>	<b>478,617</b>	<b>494,940</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>Primary government<sup>(1)</sup></b>										
Net investment in capital assets	2,476,146	2,515,288	2,531,084	2,524,668	2,504,311	2,477,889	2,076,818	2,047,417	2,015,810	1,994,321
Restricted	59,121	29,118	27,821	53,317	63,582	162,938	102,098	101,477	115,931	156,079
Unrestricted	300,711	300,565	301,281	283,380	268,376	200,502	150,012	165,781	186,150	188,146
<b>Total primary government net position</b>	<b>2,835,978</b>	<b>2,844,971</b>	<b>2,860,186</b>	<b>2,861,365</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>Component unit<sup>(1)</sup></b>										
Net investment in capital assets	—	—	—	—	—	—	388,941	391,886	383,718	406,700
Restricted	—	—	—	—	—	—	68,909	96,441	119,140	127,787
Unrestricted	—	—	—	—	—	—	64,777	79,630	100,907	103,503
<b>Total component unit net position</b>	<b>\$ —</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>522,627</b>	<b>567,957</b>	<b>603,765</b>	<b>637,990</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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Primary Government										
Governmental activities:										
General government	\$ 30,466	35,283	41,833	42,319	42,869	39,318	38,677	46,517	51,051	35,191
Public safety and justice	89,097	107,566	101,859	97,512	98,562	104,664	109,222	111,808	115,730	92,801
Land use, housing and transportation	138,315	181,858	111,906	106,306	108,616	115,096	119,714	110,622	123,464	103,196
Health and human services	61,292	56,507	51,555	56,474	58,467	59,013	58,443	59,979	61,068	52,051
Culture, education and recreation	15,038	27,854	23,218	25,728	26,261	26,882	28,476	29,435	30,172	30,009
Non-operating expense	—	5,119	21,078	11,663	10,653	9,225	9,234	14,273	5,542	8,465
Interest	5,882	6,370	6,818	5,665	5,013	4,599	4,202	3,430	3,235	2,932
<b>Total governmental activities</b>	<b>340,090</b>	<b>420,557</b>	<b>358,267</b>	<b>345,667</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>
Business-type activities:										
Housing authority	24,579	25,967	27,112	27,421	28,132	28,400	28,496	28,581	29,198	31,287
Sanitation and surface water	81,589	84,199	87,319	91,279	97,252	100,941	—	—	—	—
Street lighting	1,671	1,726	1,775	1,856	1,842	1,803	1,839	1,838	1,918	1,917
<b>Total business-type activities expenses</b>	<b>107,839</b>	<b>111,892</b>	<b>116,206</b>	<b>120,556</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>Total primary government expenses</b>	<b>447,929</b>	<b>532,449</b>	<b>474,473</b>	<b>466,223</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>
Component unit:										
Sanitation and surface water	—	—	—	—	—	—	97,604	102,309	108,897	99,272
<b>Total component unit expenses</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>97,604</b>	<b>102,309</b>	<b>108,897</b>	<b>99,272</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	32,572	21,499	24,551	6,363	5,371	4,797	5,334	5,833	4,728	1,603
Public safety and justice	17,935	3,651	1,683	5,536	5,719	7,140	8,048	7,410	8,031	9,867
Land use, housing and transportation	17,297	20,591	33,387	10,837	10,568	11,974	13,636	16,934	23,187	27,097
Health and human services	5,431	12,253	11,526	19,671	21,800	26,420	23,308	24,727	28,179	36,395
Culture, education and recreation	961	571	1,030	1,488	1,241	1,309	1,497	1,471	1,384	1,519
Non-operating revenue	—	22,868	24,628	16,387	16,604	20,013	17,777	18,051	19,015	24,099
Operating grants and contributions	106,147	98,844	88,512	91,902	92,531	97,640	100,922	97,116	101,600	112,651
Capital grants and contributions	3,751	71,081	1,690	1,851	686	1,462	1,608	12,130	12,278	18,625
<b>Total governmental activities program revenue</b>	<b>184,094</b>	<b>251,358</b>	<b>187,007</b>	<b>154,035</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>
Business-type activities:										
Charges for services:										
Housing authority	4,201	4,295	5,212	5,099	5,779	5,790	5,994	6,130	6,384	6,863
Sanitation and surface water	75,216	78,523	84,754	89,585	96,329	103,374	—	—	—	—
Street lighting	1,707	1,902	1,840	1,828	1,725	1,746	1,929	1,787	1,709	2,237
Operating grants and contributions	19,203	18,920	19,801	20,141	20,855	21,574	19,885	19,906	20,918	23,788
Capital grants and contributions	18,056	17,732	22,442	16,629	6,803	5,053	165	509	111	34
<b>Total business-type activities program revenue</b>	<b>118,383</b>	<b>121,372</b>	<b>134,049</b>	<b>133,282</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>Total primary government program revenue</b>	<b>302,477</b>	<b>372,730</b>	<b>321,056</b>	<b>287,317</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>
Component unit:										
Charges for services:										
Sanitation and surface water	—	—	—	—	—	—	107,029	117,098	121,680	125,449
Capital grants and contributions	—	—	—	—	—	—	14,296	33,875	23,194	29,004
<b>Total component unit program revenue</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>121,325</b>	<b>150,973</b>	<b>144,874</b>	<b>154,453</b>
<b>Net Revenue (Expense)</b>										
Governmental activities	(155,996)	(169,199)	(171,260)	(191,632)	(195,921)	(188,042)	(195,838)	(192,392)	(191,860)	(92,789)
Business-type activities	10,544	9,480	17,843	12,726	4,265	6,393	(2,362)	(2,087)	(1,994)	(282)
<b>Total primary government net revenues (expenses)</b>	<b>(145,452)</b>	<b>(159,719)</b>	<b>(153,417)</b>	<b>(178,906)</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>
Component unit	\$ —	—	—	—	—	—	23,721	48,664	35,977	55,181

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total primary government net revenues (expenses) (brought forward)	\$ (145,452)	(159,719)	(153,417)	(178,906)	(191,656)	(181,649)	(198,200)	(194,479)	(193,854)	(93,071)
Total component unit net revenues (brought forward)	—	—	—	—	—	—	23,721	48,664	35,977	55,181
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	112,150	104,314	135,409	142,298	147,250	152,065	157,586	158,919	167,160	174,441
Property taxes, levied for debt service	7,886	7,633	7,770	6,137	6,335	6,407	6,389	6,260	6,398	—
Other taxes	9,878	10,124	10,253	7,775	7,497	8,450	9,094	10,323	11,390	13,708
Interest income	9,197	13,031	10,377	8,247	3,197	1,984	2,575	1,264	2,833	3,330
Gain (loss) on sale of capital assets	—	—	—	—	—	—	—	—	—	—
Miscellaneous revenue	9	22,645	641	13,024	419	16,257	7,636	3,416	9,703	7,583
Transfers in from proprietary funds	—	—	—	—	—	—	—	7	31	(91)
Total governmental activities revenue	139,120	157,747	164,450	177,481	164,698	185,163	183,280	180,189	197,515	198,971
Business-type activities:										
Interest income	3,563	4,922	3,475	2,636	1,514	1,568	52	19	25	33
Gain on sale of capital assets	—	—	2,724	1,031	418	54	—	25	—	—
Loss on equity in joint venture	—	—	(82)	(70)	(70)	(76)	—	—	—	—
Miscellaneous revenue	4,944	6,236	—	—	—	—	—	—	—	—
Transfers out to governmental funds	—	—	—	—	—	—	—	(7)	(31)	91
Total business-type activities revenue	8,507	11,158	6,117	3,597	1,862	1,546	52	37	(6)	124
Total primary government	147,627	168,905	170,567	181,078	166,560	186,709	183,332	180,226	197,509	199,095
Component unit:										
Interest income	—	—	—	—	—	—	1,562	517	1,653	1,888
Gain on sale of capital assets	—	—	—	—	—	—	(116)	(3,774)	—	—
Loss on equity in joint venture	—	—	—	—	—	—	(73)	(77)	(78)	(75)
Total component unit	—	—	—	—	—	—	1,373	(3,334)	1,575	1,813
<b>Change in Net Position</b>										
Governmental activities	(16,876)	(11,452)	(6,810)	(14,151)	(31,223)	(2,879)	(12,558)	(12,203)	5,655	106,182
Restatement	1,965,931	—	—	(993)	—	—	—	—	(439)	(85,369)
Total Governmental activities	1,949,055	(11,452)	(6,810)	(15,144)	(31,223)	(2,879)	(12,558)	(12,203)	5,216	20,813
Business-type activities	19,051	20,638	23,960	16,323	6,127	7,939	(2,310)	(2,050)	(2,000)	(158)
Restatement	63,351	(193)	(1,935)	—	—	—	(497,533)	—	—	—
Total Business-type activities	82,402	20,445	22,025	16,323	6,127	7,939	(499,843)	(2,050)	(2,000)	(158)
Total primary government	2,031,457	8,993	15,215	1,179	(25,096)	5,060	(512,401)	(14,253)	3,216	20,655
Component unit	—	—	—	—	—	—	25,094	45,330	37,552	56,994
Restatement	—	—	—	—	—	—	497,533	—	(1,744)	(22,769)
Total component unit	\$ —	—	—	—	—	—	522,627	45,330	35,808	34,225

<sup>(1)</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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ —	—	4,000	2,000	177	—	—	—	—	—
Nonspendable	—	—	—	—	—	155	134	122	116	109
Assigned	—	—	—	—	—	527	530	646	809	791
Unreserved/unassigned	41,792	43,480	37,522	30,806	33,874	32,513	29,642	33,321	39,828	54,397
Total General Fund	41,792	43,480	41,522	32,806	34,051	33,195	30,306	34,089	40,753	55,297
All other governmental funds										
Reserved	1,169	1,043	1,321	320	295	—	—	—	—	—
Nonspendable	—	—	—	—	—	127	135	2,416	2,414	1,886
Restricted	—	—	—	—	—	93,002	95,942	96,945	112,861	152,101
Committed	—	—	—	—	—	55,278	62,637	67,972	81,821	97,063
Assigned	—	—	—	—	—	773	149	2,992	841	2,133
Unreserved/unassigned	160,380	143,210	149,012	146,267	142,105	(203)	(32)	(225)	(2,317)	(1,684)
Total all other governmental funds	161,549	144,253	150,333	146,587	142,400	148,977	158,831	170,100	195,620	251,499
Total governmental funds	\$ 203,341	187,733	191,855	179,393	176,451	182,172	189,137	204,189	236,373	306,796

<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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Taxes	\$ 130,181	121,977	149,442	154,379	160,234	166,766	170,704	175,520	183,966	188,103
Licenses and permits	10,253	8,882	9,213	8,126	8,200	8,482	9,167	10,895	11,350	12,438
Intergovernmental revenues	104,434	152,681	85,993	89,839	90,197	96,237	100,540	106,863	111,339	120,523
Charges for services	34,457	30,525	41,039	39,625	41,180	48,865	46,053	49,400	55,618	74,043
Fines and forfeitures	3,210	3,728	3,533	2,826	3,058	3,431	3,658	3,044	3,077	3,330
Special assessments	235	249	224	241	190	188	134	232	181	175
Miscellaneous revenues	33,363	35,697	37,069	34,534	28,256	30,784	30,466	30,178	34,214	43,849
Interfund revenues	23,417	26,272	28,283	28,423	29,160	29,619	27,924	28,494	29,764	29,906
Total revenues	339,550	380,011	354,796	357,993	360,475	384,372	388,646	404,626	429,509	472,367
<b>Expenditures:</b>										
Current:										
General government	30,123	31,134	32,609	36,136	34,265	35,019	36,912	36,874	39,030	40,953
Public safety and justice	100,587	104,517	114,416	120,744	121,021	129,651	134,389	137,305	144,170	149,900
Land use, housing and transportation	81,633	127,152	94,595	99,590	92,495	97,662	95,019	94,605	94,749	90,023
Health and human services	60,526	68,393	52,605	58,405	60,313	60,975	59,989	61,495	63,072	61,804
Culture, education and recreation	14,751	15,655	23,081	25,774	26,353	27,193	29,526	29,305	30,356	31,702
Nonoperating	7,013	6,359	7,902	7,372	5,673	6,153	5,736	10,773	2,717	3,790
Capital outlay	13,716	26,176	9,360	8,739	9,288	8,097	10,066	6,923	9,146	15,895
Debt service:										
Principal	14,897	9,485	44,049	8,452	8,908	9,340	10,181	10,552	10,807	4,967
Interest	5,352	6,750	6,186	5,748	5,098	4,683	4,267	6,164	3,309	2,969
Total expenditures	328,598	395,621	384,803	370,960	363,414	378,773	386,085	393,996	397,356	402,003
Excess (deficiency) of revenues over (under) expenditures	10,952	(15,610)	(30,007)	(12,967)	(2,939)	5,599	2,561	10,630	32,153	70,364
<b>Other financing sources (uses):</b>										
Issuance of debt	83,401	—	34,125	—	—	—	2,284	18,860	—	150
Payment to refunded bond escrow agent	(51,540)	—	—	—	—	—	—	(18,530)	—	—
Transfers in from other funds	80,292	91,364	69,224	73,738	79,801	61,538	69,330	80,020	75,945	82,826
Transfers out to other funds	(80,288)	(91,362)	(69,224)	(73,234)	(81,795)	(61,416)	(67,210)	(78,084)	(75,914)	(82,917)
Total other financing sources (uses)	31,865	2	34,125	504	(1,994)	122	4,404	2,266	31	59
Net change in fund balances	\$ 42,817	(15,608)	4,118	(12,463)	(4,933)	5,721	6,965	12,896	32,184	70,423
Debt service as a percentage of noncapital expenditures	7.05%	4.83%	14.49%	4.49%	4.20%	4.26%	4.24%	4.70%	3.84%	2.25%

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			
2006	\$ 34,866,509	1,608,701	1,155,643	37,630,853	2.84	58,389,427	64.45 %
2007	36,728,957	1,652,098	1,198,560	39,579,615	2.45	69,903,003	56.62
2008	38,669,431	1,760,359	1,266,893	41,696,683	3.03	76,919,205	54.21
2009	40,540,532	1,911,303	1,411,287	43,863,122	2.99	79,498,937	55.17
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

<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
2006	\$ 2.25	0.37	0.22	2.84
2007	2.25	—	0.20	2.45
2008	2.25	0.59	0.19	3.03
2009	2.25	0.59	0.15	2.99
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

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> <sup>(1)</sup>	<b>Component Units of Washington County</b> <sup>(2)</sup>	<b>School Districts</b>	<b>Fire Districts</b>
2006	\$ 610,420	106,501	18,980	282,295	52,089
2007	598,942	96,775	19,575	269,116	54,774
2008	690,048	125,988	19,988	310,212	59,800
2009	715,850	130,338	23,855	313,624	61,864
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

(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), NBCSD (North Bethany County Service District), 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>
86,783	21,736	4,868	2,616	18,386	14,053	2,113
92,893	22,776	5,348	2,750	19,099	13,729	2,107
98,422	23,818	6,145	2,894	20,771	19,848	2,162
108,078	25,139	6,652	3,040	21,738	19,398	2,124
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	—

**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
2006	\$ 84,583	41,013	125,596	119,454	95.11	% \$ 2,412	121,866	97.03 %
2007	88,968	27,501	116,469	110,902	95.22	2,492	113,394	97.36
2008	93,588	45,498	139,086	132,062	94.95	3,394	135,456	97.39
2009	98,297	56,017	154,314	145,503	94.29	4,891	150,394	97.46
2010	102,210	57,501	159,711	150,799	94.42	4,216	155,015	97.06
2011	106,055	58,771	164,826	156,041	94.67	2,917	158,958	96.44
2012	109,453	60,127	169,580	161,338	95.14	2,391	163,729	96.55
2013	111,611	60,964	172,575	164,775	95.48	2,450	167,225	96.90
2014	115,908	64,145	180,053	171,302	95.14	1,981	173,283	96.24
2015	121,112 <sup>(1)</sup>	60,460	181,572	173,583	95.60	-	173,583	95.60

<sup>(1)</sup> Includes small levies paid off early to other jurisdictions by the General Fund totaling \$419 in 2014-15.

Source: Washington County Finance Division

**WASHINGTON COUNTY, OREGON**

Principal Taxpayers Within the County  
Current Year and Nine Years Ago

(Dollars in Thousands)

	2015				2006		
	Rank	Assessed valuation	Percent of total		Rank	Assessed valuation	Percent of total
Private enterprises:							
Intel Corporation	1	\$ 1,268,747	2.4 %	1	\$ 1,028,384	2.7 %	
Nike, Inc.	2	588,017	1.1	3	335,317	0.9	
Comcast Corporation	4	305,717	0.6		—	—	
Pacific Realty Associates	5	323,846	0.6	6	230,766	0.6	
Frontier Communciations	7	242,410	0.5		—	—	
Genentech, Inc.	8	156,284	0.3		—	—	
Verizon Communications	9	147,694	0.3	2	345,771	0.9	
PPR Washington Square, LLC	10	138,610	0.3		—	—	
Maxim Integrated Products, Inc.		—	—	7	138,011	0.4	
PS Business Parks, LP		—	—	8	135,673	0.4	
Tektronix, Inc.		—	—	9	128,113	0.3	
Novellus Systems, Inc.		—	—	10	125,558	0.3	
Public utilities:							
Portland General Electric	3	438,566	0.8	4	316,443	0.8	
Northwest Natural Gas	6	313,709	0.6	5	254,597	0.7	
All other taxpayers		<u>49,592,263</u>	<u>92.5</u>		<u>34,592,220</u>	<u>92.0</u>	
Total		<u>\$ 53,515,862</u>	<u>100.0</u>		<u>\$ 37,630,853</u>	<u>100.0</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>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>
2006	\$ 46,015	209	46,224	37,630,853	0.1 %	\$ 94
2007	40,260	177	40,437	39,579,614	0.1	81
2008	33,570	248	33,818	41,696,683	0.1	66
2009	28,570	201	28,771	43,863,122	0.1	55
2010	23,325	155	23,480	45,399,483	0.1	45
2011	17,845	109	17,954	46,801,868	—	34
2012	12,140	62	12,202	48,236,782	—	23
2013	6,195	16	6,211	49,355,659	—	11
2014	—	—	—	51,180,241	—	—
2015	—	—	—	53,515,862	—	—

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	Other Bonds & Notes Payable	Premiums, Discounts, & Adjustments	Contracts Payable	Capital Lease Obligations
2006	\$ 46,015	94,593	(288)	650	1,951
2007	40,260	91,108	61	603	1,754
2008	33,570	88,121	149	555	1,525
2009	28,570	84,930	115	505	1,343
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

**District<sup>(1)</sup>**

Fiscal Year	Component Unit				
	General Obligation Bonds Payable	Other Bonds & Notes Payable	Premiums, Discounts, & Adjustments	Contracts Payable	Capital Lease Obligations
2006	\$ —	—	—	—	—
2007	—	—	—	—	—
2008	—	—	—	—	—
2009	—	—	—	—	—
2010	—	—	—	—	—
2011	—	—	—	—	—
2012	—	287,865	9,631	—	—
2013	—	265,260	8,179	—	—
2014	—	251,990	7,827	—	—
2015	—	238,175	6,557	—	—

(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

<b>Business-Type Activities</b>						
<b>General Obligation Bonds Payable</b>	<b>Other Bonds &amp; Notes Payable</b>	<b>Premiums, Discounts, &amp; Adjustments</b>	<b>Contracts Payable</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Outstanding Debt Per Capita</b>
—	232,128	(960)	196	374,285	2.1 %	\$ 764
—	214,452	(553)	—	347,685	1.8	694
—	196,366	(471)	—	319,815	1.6	626
—	236,201	1,592	—	353,256	1.7	679
—	316,078	(83)	—	422,523	2.0	802
—	295,506	(340)	—	392,319	1.8	736
—	31,124	(2,524)	—	117,858	0.5	220
—	30,577	(2,376)	—	106,889	0.5	197
—	30,043	(236)	—	101,540	0.4	184
—	31,572	(220)	—	97,939	N/A	175

<b>Total Component Unit</b>	<b>Percentage of Personal Income</b>	<b>Outstanding Debt Per Capita</b>
—	— %	\$ —
—	—	—
—	—	—
—	—	—
—	—	—
297,496	1.3	555
273,439	1.0	504
259,817	1.0	472
244,732	N/A	436

**WASHINGTON COUNTY, OREGON**

Legal Debt Margin Information

Last Ten Fiscal Years

(Dollars in thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</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	\$ 84,758,607	75,755,731	67,614,912	69,045,256	71,983,750
Debt limit rate	2.00%	2.00%	2.00%	2.00%	2.00%
Debt limit	1,695,172	1,515,115	1,352,298	1,380,905	1,439,675
Less general obligation debt at June 30 <sup>(1)</sup>	—	—	6,211	12,202	17,954
Legal debt margin	<u>1,695,172</u>	<u>1,515,115</u>	<u>1,346,087</u>	<u>1,368,703</u>	<u>1,421,721</u>
Total net debt applicable to the limit as a percentage of debt limit	—	—	0.46%	0.88%	1.25%

-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>84,758,607</u>	<u>75,755,731</u>	<u>67,614,912</u>	<u>69,045,256</u>	<u>71,983,750</u>
Debt limit rate	1.00%	1.00%	1.00%	1.00%	1.00%
Debt limit	847,586	757,557	676,149	690,453	719,838
Less full faith and credit obligations at June 30 <sup>(1)</sup>	<u>63,992</u>	<u>68,646</u>	<u>68,806</u>	<u>72,686</u>	<u>76,236</u>
Legal debt margin	<u>783,594</u>	<u>688,911</u>	<u>607,343</u>	<u>617,767</u>	<u>643,602</u>
Total net debt applicable to the limit as a percentage of debt limit	7.55%	9.06%	10.18%	10.53%	10.59%

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>84,758,607</u>	<u>75,755,731</u>	<u>67,614,912</u>	<u>69,045,256</u>	<u>71,983,750</u>
Debt limit rate	13.00%	13.00%	13.00%	13.00%	13.00%
Debt limit	11,018,619	9,848,245	8,789,939	8,975,883	9,357,888
Less general obligation debt at June 30 <sup>(1)</sup>	—	—	—	—	—
Legal debt margin	<u>11,018,619</u>	<u>9,848,245</u>	<u>8,789,939</u>	<u>8,975,883</u>	<u>9,357,888</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>77,171,791</u>	<u>68,905,327</u>	<u>60,917,987</u>	<u>61,998,156</u>	<u>64,712,780</u>
Debt limit rate	13.00%	13.00%	13.00%	13.00%	13.00%
Debt limit	10,032,333	8,957,693	7,919,338	8,059,760	8,412,661
Less general obligation debt at June 30 <sup>(1)</sup>	—	—	—	—	—
Legal debt margin	\$ <u>10,032,333</u>	<u>8,957,693</u>	<u>7,919,338</u>	<u>8,059,760</u>	<u>8,412,661</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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>75,512,292</u>	<u>79,498,937</u>	<u>76,919,205</u>	<u>69,903,003</u>	<u>58,389,427</u>
2.00%	2.00%	2.00%	2.00%	2.00%
1,510,246	1,589,979	1,538,384	1,398,060	1,167,789
23,480	28,771	33,818	40,437	46,224
<u>1,486,766</u>	<u>1,561,208</u>	<u>1,504,566</u>	<u>1,357,623</u>	<u>1,121,565</u>
1.55%	1.81%	2.20%	2.89%	3.96%
<u>75,512,292</u>	<u>79,498,937</u>	<u>76,919,205</u>	<u>69,903,003</u>	<u>58,389,427</u>
1.00%	1.00%	1.00%	1.00%	1.00%
755,123	794,989	769,192	699,030	583,894
79,639	82,834	85,806	88,579	91,493
<u>675,484</u>	<u>712,155</u>	<u>683,386</u>	<u>610,451</u>	<u>492,401</u>
10.55%	10.42%	11.16%	12.67%	15.67%
<u>75,512,292</u>	<u>79,498,937</u>	<u>76,919,205</u>	<u>69,903,003</u>	<u>58,389,427</u>
13.00%	13.00%	13.00%	13.00%	13.00%
9,816,598	10,334,862	9,999,497	9,087,390	7,590,626
—	—	—	—	—
<u>9,816,598</u>	<u>10,334,862</u>	<u>9,999,497</u>	<u>9,087,390</u>	<u>7,590,626</u>
—	—	—	—	—
<u>67,333,674</u>	<u>67,466,438</u>	<u>65,485,068</u>	<u>59,132,300</u>	<u>48,348,600</u>
13.00%	13.00%	13.00%	13.00%	13.00%
8,753,378	8,770,637	8,513,059	7,687,199	6,285,318
—	—	—	—	—
<u>8,753,378</u>	<u>8,770,637</u>	<u>8,513,059</u>	<u>7,687,199</u>	<u>6,285,318</u>
—	—	—	—	—

WASHINGTON COUNTY, OREGON

Direct and Overlapping Governmental Activities Debt

June 30, 2015

(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	\$ 480	100.0 %	\$ 480
City of Banks	1,622	100.0	1,622
City of Beaverton	787	100.0	787
City of Cornelius	2,272	100.0	2,272
City of Durham	705	100.0	705
City of Forest Grove	505	100.0	505
City of Hillsboro	33,885	100.0	33,885
City of Lake Oswego	19	0.2	—
City of North Plains	240	100.0	240
City of Portland	269	0.2	1
City of Sherwood	2,645	100.0	2,645
City of Tigard	24,775	100.0	24,775
City of Tualatin	6,571	85.4	5,612
City of Wilsonville	—	11.2	—
Clackamas County Education Service District	—	0.5	—
Clackamas County School District 3J (West Linn - Wilsonville)	3,722	1.5	56
Clackamas County School District 7J (Lake Oswego)	914	0.9	8
Columbia County School District 1J (Scappoose)	169	0.6	1
Columbia County School District 47J (Vernonia)	324	1.9	6
Metro	60,428	31.3	18,914
Multnomah County School District 1J (Portland)	4,218	0.6	25
Multnomah Education Service District	—	0.4	—
Northwest Regional Education Service District	—	78.6	—
Port of Portland	803	30.8	247
Portland Community College	67,211	42.0	28,229
Tualatin Hills Parks & Recreation District	90,825	100.0	90,825
Tualatin Valley Fire & Rescue District	45,467	82.6	37,556
Washington County School District 13 (Banks)	16,200	100.0	16,200
Washington County School District 15 (Forest Grove)	107,824	100.0	107,824
Washington County School District 1J (Hillsboro)	297,040	100.0	297,040
Washington County School District 23J (Tigard - Tualatin)	93,125	95.2	88,655
Washington County School District 48J (Beaverton)	841,033	99.6	837,669
Washington County School District 511J (Gaston)	2,679	82.5	2,210
Washington County School District 88J (Sherwood)	98,812	93.7	92,587
Willamette Education Service District	4	0.3	—
Yamhill County School District 29J (Newberg)	2,217	3.5	78
Total overlapping debt outstanding	1,807,790		1,691,659
Direct debt outstanding:			
Washington County <sup>(1)</sup>	66,587	100.00	66,587
Total direct and overlapping debt outstanding	\$ 1,874,377		\$ 1,758,246

<sup>(1)</sup> Washington County direct debt outstanding is comprised of the following:

Contracts, notes, and bonds outstanding	62,031
Unamortized bond premiums and discounts	3,222
Capital lease obligations	1,334
Total direct debt outstanding	66,587

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>
2006	490	\$	17,254	35	4.4 %
2007	501		18,767	37	4.3
2008	511		19,945	39	4.8
2009	520		21,186	41	10.2
2010	527		21,205	40	8.4
2011	533		21,587	41	7.6
2012	536		23,043	43	6.8
2013	543		24,314	44	6.3
2014	551		24,840	45	5.7
2015	561		N/A	N/A	4.6

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

	2015*		2006	
	Annual Average Positions	% of Total	Annual Average Positions	% of Total
Construction	13,322	5%	15,298	6%
Manufacturing:				
Wood products	1,047		1,664	
Fabricated metal products	3,024		3,071	
Food	1,791		1,608	
Plastics and rubber products	1,650		2,232	
Computer and electronic products	26,826		28,036	
Machinery	4,017		3,505	
Other	6,790		7,847	
Total Manufacturing	45,145	17%	47,963	19%
Trade, Transportation, and Utilities:				
Wholesale	12,757		17,602	
Retail	30,176		29,089	
Transportation, Warehousing, and Utilities	4,214		4,194	
Total Trade, Transportation, and Utilities	47,147	18%	50,885	21%
Information:				
Publishing	3,169		3,681	
Telecommunications	2,120		2,032	
Other (broadcasting, ISP's, etc.)	2,180		1,629	
Total Information	7,469	3%	7,342	3%
Financial Activities:				
Finance and Insurance	10,908		10,866	
Real Estate	3,230		3,867	
Total Financial Activities	14,138	5%	14,733	6%
Professional and Business Services	49,995	19%	34,282	14%
Educational Services	4,912	2%	4,662	2%
Healthcare and Social Assistance	26,798	10%	19,655	8%
Leisure and Hospitality	22,502	8%	19,424	8%
Other Services (agriculture, repairs, private homes, misc.)	11,738	5%	11,440	5%
Government (federal, state, and local)	21,789	8%	20,339	8%
Total Employment	<u>264,955</u>	<u>100%</u>	<u>246,023</u>	<u>100%</u>

\*Fiscal year 2015 information includes data through December 31, 2014.

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	280.5	284.4	292.8	299.8	297.0	297.3	297.0	297.8	299.1	304.0
Public safety and justice	772.3	782.8	815.3	834.3	836.9	833.4	823.4	824.9	824.3	941.0
Land use, housing and transportation	398.6	416.6	426.0	423.9	391.8	357.4	348.8	336.5	335.7	324.0
Health and human services	220.6	228.8	231.8	240.2	239.4	250.0	253.5	255.2	251.8	260.0
Culture, education and recreation	36.6	36.6	40.0	44.3	45.3	44.3	47.3	47.3	48.3	50.0
Total	<u>1,708.6</u>	<u>1,749.2</u>	<u>1,805.9</u>	<u>1,842.5</u>	<u>1,810.3</u>	<u>1,782.4</u>	<u>1,770.0</u>	<u>1,761.7</u>	<u>1,759.2</u>	<u>1,879.0</u>

Source: Washington County Support Services Department

WASHINGTON COUNTY, OREGON

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009
<b>General Government:</b>				
Assessment & Taxation:				
Real property accounts	164,548	168,846	173,542	177,155
Personal property accounts	22,283	23,278	23,791	24,100
Mobile home accounts	6,092	5,930	5,569	5,336
Utility property accounts	941	997	977	940
County Counsel:				
Hours booked for General Fund programs	5,650	5,670	6,023	6,072
Hours booked for Special Revenue funds and miscellaneous	6,628	7,118	6,938	7,081
Hours booked for internal work	2,456	2,519	2,406	2,087
Support Services:				
Number of budgeted permanent FTE positions within the County	1,709	1,749	1,806	1,843
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	51,632	52,121	52,481	49,296
Officer-initiated calls for service (including traffic responses)	76,595	75,023	72,432	88,239
Bookings per year at jail	19,329	19,181	18,560	18,698
Average length of stay in jail (in days)	17	17	10	19
Average daily jail population	554	547	545	613
Case numbers issued (all documented law enforcement actions taken)	25,619	23,030	21,536	20,657
Juvenile (measured in calendar years):				
Total referrals to juvenile department	3,961	4,416	4,646	4,087
Percent of youth with no new offenses	72%	72%	71%	74%
Total admissions to secure detention	547	586	632	724
Total admissions to shelter care evaluation	147	167	165	163
Community Corrections:				
Number of offenders residing at the Community Corrections Center	1,946	2,030	2,100	2,026
Average daily Community Corrections Center population	181	198	190	194
Average length of stay in Community Corrections Center (in days)	34	37	36	33
Number of offenders on supervision	4,059	4,176	4,205	4,162
Law Library:				
Total in-library users	6,968	8,788	9,214	9,797
Items checked out	1,022	864	800	802
<b>Land Use, Housing, &amp; Transportation:</b>				
Land Use & Transportation:				
Total land use case files	596	278	434	413
Total land use actions	773	360	549	488
New subdivisions	83	52	14	4
Building permits issued (single family residential & remodels/additions)	1,648	1,639	1,212	988
Measure 37 claims received	469	—	—	—
Housing Services:				
Rent subsidies (units)	2,569	2,569	2,581	2,610
Affordable housing (units)	2,684	2,684	2,684	2,684
Public housing (units)	297	297	265	257
Homeownership (units)	7	7	7	6
Homeless services (beds)	625	483	548	544
Community Development:				
Number of people served by all CDBG programs	57,107	30,647	24,767	19,978
Number of households served by all CDBG programs	512	293	468	341
<b>Health &amp; Human Services:</b>				
Health & Human Services:				
Swimming pool inspections, reviews, investigations	1,130	1,178	1,156	1,328
Solid waste and recycling phone calls received	3,082	3,500	3,187	3,442
Health clinic - communicable disease client visits	12,500	11,862	11,683	10,378
Birth certificates received	7,500	8,177	4,172	N/A
Emergency Medical Services:				
CPR/AED people trained (measured in calendar years)	663	686	1,002	605
Ambulance licenses issued	110	113	103	98
Total ambulances inspected	37	27	—	7
Wheelchair car licenses issued	119	103	131	134
<b>Culture, Education, &amp; Recreation:</b>				
Cooperative Library Services:				
Total library materials circulated	7,121,182	7,389,681	8,442,266	9,776,585
New users registered	36,104	38,189	41,715	44,797
Attendance at summer reading programs and events	25,050	36,672	38,966	41,234
Items delivered to member libraries via WCCLS couriers	2,011,235	2,125,504	2,714,141	3,170,517

N/A: Information not available

(Continued)

Source: Washington County Support Services Department

	2010	2011	2012	2013	2014	2015
	177,924	178,440	178,971	179,843	180,705	181,985
	24,591	24,077	23,893	24,210	23,614	23,672
	5,239	5,205	5,188	5,142	5,118	5,101
	1,026	1,167	1,278	1,443	1,492	1,458
	8,376	6,102	6,945	5,851	6,536	7,127
	5,639	6,223	6,200	7,915	7,204	6,417
	2,187	2,066	2,269	2,710	2,489	2,902
	1,810	1,782	1,770	1,762	1,759	1,818
	5	5	5	5	5	5
	48,343	47,050	49,109	48,058	52,041	N/A
	96,182	94,258	94,258	89,252	88,551	N/A
	17,967	17,761	17,761	18,020	17,944	N/A
	18	48	48	18	17	N/A
	579	568	568	565	547	N/A
	20,386	19,249	19,249	19,344	20,374	N/A
	4,106	3,738	3,539	3,309	2,975	2,822
	74%	75%	74%	72%	75%	N/A
	727	715	597	650	644	574
	160	134	121	127	108	111
	2,040	2,044	1,953	1,765	2,060	2,169
	198	195	181	170	182	179
	36	36	34	35	32	32
	4,123	4,035	3,694	3,540	3,725	3,797
	9,630	5,569	4,833	8,529	9,115	9,892
	865	867	796	1,405	1,437	1,502
	380	357	394	432	495	456
	456	431	476	529	584	568
	8	5	7	22	29	31
	1,110	1,053	1,254	1,183	1,511	1,735
	—	—	—	—	—	—
	2,810	2,810	2,823	2,823	2,882	2,981
	2,005	2,086	1,135	1,138	1,138	1,138
	255	255	255	255	255	255
	4	4	4	5	5	4
	604	594	739	796	940	905
	14,509	16,763	21,184	14,727	20,051	27,121
	523	491	435	283	306	314
	1,264	1,196	1,130	1,145	1,083	1,190
	3,502	3,600	4,200	3,672	4,100	3,900
	11,169	13,257	8,943	9,866	7,857	7,672
	N/A	N/A	N/A	N/A	N/A	N/A
	556	468	N/A	505	346	637
	99	97	111	149	121	140
	10	—	4	4	28	39
	135	144	174	192	190	196
	11,143,345	12,711,299	13,047,677	13,070,159	12,742,087	12,240,066
	38,108	40,374	35,770	32,951	32,788	31,981
	48,136	46,846	51,009	50,157	58,233	59,506
	3,721,876	4,138,471	4,108,984	3,978,705	3,649,568	3,704,098

WASHINGTON COUNTY, OREGON

Capital Assets

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Government:</b>										
Facilities:										
Number of buildings - owned	25	22	23	23	23	23	23	24	24	25
Number of buildings - leased	9	10	8	9	9	8	7	9	9	10
Square feet - owned space	1,168,876	1,297,265	1,304,265	1,304,265	1,304,265	1,304,265	1,304,265	1,304,265	1,304,265	1,378,190
Square feet - leased space	36,821	31,642	24,282	24,722	24,722	24,079	19,867	21,659	18,652	27,252
Fleet:										
Number of units maintained	541	551	559	564	561	562	557	562	572	605
Gallons of fuel dispensed	410,293	400,205	443,112	433,119	426,712	445,207	436,180	422,455	416,709	415,547
Miles driven	4,543,847	4,475,521	4,705,659	4,554,668	4,565,634	4,613,964	4,485,547	4,510,196	4,434,719	4,593,052
Number of work orders	3,904	3,820	4,187	4,440	3,837	4,145	4,059	3,930	4,024	4,034
Information Technology Services:										
Computers supported	1,675	1,739	2,028	2,127	2,116	2,116	2,385	2,173	2,149	2,372
Applications supported	358	608	630	665	698	709	783	844	851	1,028
<b>Land Use, Housing, and Transportation:</b>										
County road system:										
Total miles maintained	1,276	1,285	1,271	1,271	1,280	1,300	1,279	1,279	1,286	1,286
Paved miles	1,017	1,033	1,035	1,035	1,055	1,075	1,062	1,062	1,068	1,073
Gravel miles	259	252	236	236	225	225	217	217	218	218
Urban miles	615	627	630	630	639	639	650	650	657	657
Rural miles	661	657	641	641	641	661	629	629	629	629
Bridges	187	187	187	187	189	189	188	188	186	186
Traffic signals	325	325	369	379	404	445	470	470	472	505

Source: Washington County Support Services Department



**WASHINGTON COUNTY,  
OREGON**

**INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATIONS**

**SECTION IV**

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## **INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS**

Board of County Commissioners  
Washington County, Oregon  
Hillsboro, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washington County, Oregon (the County), as of and for the year ended June 30, 2015, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 21, 2015. We did not audit the financial statements of Clean Water Services, a discretely presented component unit of the County. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for Clean Water Services, is based solely on the report of 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 162-10-320 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).

**INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY 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 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except as follows:

- The County exceeded the Local Government Investment Pool (LGIP) limitation set forth by ORS 294.810 during December 2014.
- The General Fund reported an over-expenditure of \$38,000 of appropriations in County Administrative Office expenditures for the year ended June 30, 2015.
- The District Patrol Fund reported a deficit fund balance of \$28,000.
- The Sheriff's Office Contract Services Fund reported a deficit fund balance of \$11,000.
- The North Bethany County Service District for Roads Fund (Component Unit) reported a deficit fund balance of \$1,644,000 on a GAAP basis as of June 30, 2015.

**OAR 162-10-0230 INTERNAL CONTROL**

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 was communicated separately.

Our report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements in accordance with *Government Auditing Standards* is presented under separate cover in the Federal Grant Programs report.

**RESTRICTIONS ON USE**

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, Kovalow & Warwick, LLP*

Lake Oswego, Oregon  
December 21, 2015

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