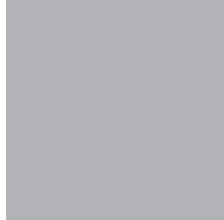
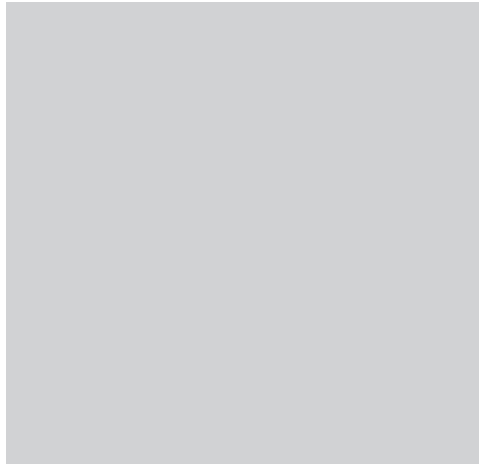
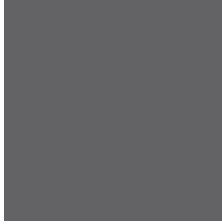
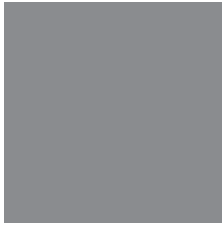




Comprehensive Annual Financial Report



*Working with you and
for you for an inclusive,
sustainable future.*



YEAR ENDED
June 30
2020



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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, 2020

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, 2020

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

Administrative Staff

Stephen Rhodes, Interim County Administrator

Sia Lindstrom, Interim Assistant County Administrator

Jack Liang, Support Director of Support Services, Chief Finance Officer

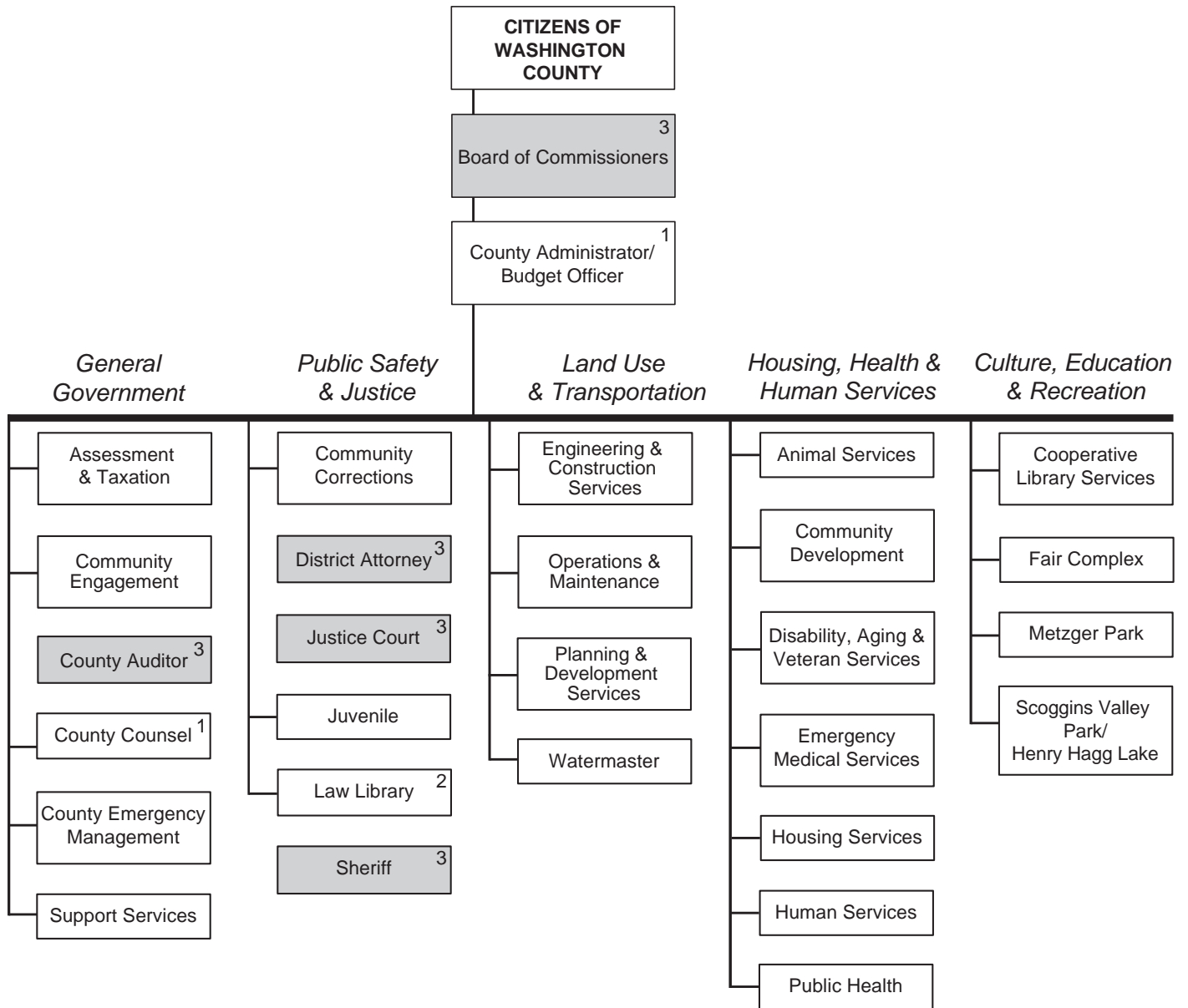
Roger Dawes, Controller

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.



March 18, 2021

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, 2020.

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, 2020. The independent auditor's report is located at the front of the financial section of this report.

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

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

Profile of the County

Washington County (the County) was incorporated in 1849 and is located in the northwestern part of Oregon, south of the Columbia River and immediately to the west of Portland, the state's largest city. The County is the second largest county by population in the state, encompasses 727 square miles, and serves a population of approximately 613,410 per Portland State University College of Urban and Public Affairs certified estimate as of July 1, 2019. There are 16 incorporated cities in the County. The three largest cities, Hillsboro, Beaverton and Tigard account for 42% of the overall population; the unincorporated area also represents approximately 43% of the County's population. The unincorporated area, with a population of almost 262,400 would be the second largest city in the state after Portland if it were incorporated. Most local governments, including the County, have permanent authority to levy property taxes for operations at a maximum tax rate (permanent tax rate). All property tax levies exceeding the permanent tax rate require voter approval at a general election; levies funding operations are limited to five years, levies dedicated to capital expenditures are limited to ten years, and levies to pay general obligation bonds are limited by the debt service requirements of the bonds.

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

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

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

Local Economy

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

Currently, manufacturing accounts for 17% of the total non-farm employment in the Portland PMSA, while trade, transportation and utilities also accounts for 17%, government jobs 8%, professional and business services 19%, education and health services 13%, and leisure and hospitality 9%.

The Coronavirus Aid Relief and Economic Security (CARES) Act was passed by Congress and signed into law on March 27, 2020. This Act provided over \$2 trillion in economic relief for individuals, businesses and local governments who suffered due to the public health and economic impacts of COVID-19. The County was one of three entities in the State of Oregon to receive a direct allocation from the Federal Government and was allocated over \$104 million. These funds were distributed to both small businesses and individuals through a variety of programs on a first-come, first-served basis to those who met program criteria and requirements. The County Board of Commissioners unanimously approved the following two goals for distributing the CARES Act funds:

- Provide the most positive impact to help the most people
- Ensure adherence to the CARES Act guidelines

These goals also included protecting public health, stabilizing our local economy, supporting community based organizations and building public mental health and community psyche.

Strategic Investment Program

The Strategic Investment Program ("SIP") was authorized by the Legislative Assembly in 1993 to provide tax incentives for capital-intensive investments by firms in Oregon's key industries, particularly in the high technology and metals industries. SIP recipients receive a tax break on the assessed value of new construction over \$100 million for 15 years. The \$100 million cap on assessed value increases by 6% per

year. SIP recipients pay an annual Community Service Fee which is equal to one-fourth of the value of the tax break and which is allocated to local governments. The allocations are determined during negotiations of the SIP agreement with the local governments. The Community Service Fee is not considered a property tax and thus is outside of the constitutional property tax rate limitations.

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

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

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

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

Agreements	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1999 Intel	\$ 8,266	8,319	-	-	-	-	-
2005 Intel	10,593	12,092	22,899	28,380	33,767	40,127	39,923
2014 Intel	-	-	-	-	8,162	1,862	4,650
2006 Genentech	896	920	946	972	998	1,026	1,055
Totals	19,755	21,331	23,845	29,352	42,927	43,015	45,628
Distributed to:							
Washington County	12,905	13,862	15,131	18,589	21,877	27,166	28,734
Other agencies	6,850	7,469	8,714	10,763	21,050	15,849	16,894
Totals	\$ 19,755	21,331	23,845	29,352	42,927	43,015	45,628

Source: Washington County Finance Division

Gain Share

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

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

<u>Agreements</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
2005 Intel	\$ 23,127	36,774	15,037	15,037	15,037	15,037	15,037
2006 Genentech	759	1,031	963	963	963	963	963
Totals	<u>23,886</u>	<u>37,805</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>
Distributed to:							
Washington County	11,481	18,274	9,765	9,835	9,746	9,734	9,242
Schools	5,000	8,000	-	-	-	-	-
Other agencies	7,405	11,531	6,235	6,165	6,254	6,266	6,758
Totals	<u>\$ 23,886</u>	<u>37,805</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>

Source: Washington County Finance Division

Long Term Financial Planning

The 2020-21 adopted budget includes General Fund beginning fund balance of \$34 million or 15% of revenues. The County’s Budget Policy adopted by the Board of County Commissioners establishes a General Fund balance target with a goal of 20% of annual net General Fund revenues and a minimum of 15% of annual net General Fund revenues. The property taxes collected and transferred to the Major Streets Transportation Improvement Program (MSTIP) and Washington County Cooperative Library Services (WCCLS) are excluded from the General Fund revenues for purposes of calculating the net General Fund revenues. 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 2020-21 budget includes over \$34 million for this program from the County’s property tax collections. This program currently consists of a number of projects to widen and improve existing roadways to accommodate increased traffic volume and provide additional traffic safety. The County has also developed an interim list of projects to continue the program while the next generation of projects is developed through a public process.

Relevant Financial Policies

Cash Management

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

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

Independent Audit

Pursuant to the Oregon Municipal Audit Law, ORS 297.405 – 297.555, all Oregon counties must obtain an audit annually. The required audit may be performed by the State Division of Audits or by independent public accountants certified by the state as capable of auditing municipal corporations. The accounting firm of Talbot, Korvola & Warwick, LLP conducted the audit for the fiscal year ended June 30, 2020.

Risk Management

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

Major Initiatives

High Growth Transportation Funding Program

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

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

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

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

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

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

Emergency Communications System Financing

Washington County voters approved the issuance of \$77 million in general obligation bonds for emergency and 911 facilities during the May 2016 Primary Election. Bond funds will help pay for converting the existing emergency communications system to current technology; improving countywide coverage by installing more towers; strengthening facilities for earthquakes, storms and other emergencies; providing for efficient expansion of the 911 center and emergency response facilities, and replacing approximately 3,000 analog radios currently used by first responders countywide. Estimated completion for this project is the summer of 2021.

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

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

Other Debt Financing

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

County Levies

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

Voters renewed the fixed rate County-wide library levy (\$0.22) and approved an increase of \$0.05 to the public safety (\$0.47) local option tax levy in May 2020. The public safety levy is expected to generate an estimated \$197 million over the five years. Funds are used for enhanced public safety activities and include continued funding for an estimated 177 positions including patrol, corrections, and district attorney. The Countywide library levy is expected to generate an estimated \$86 million over the five years. The renewed levies begin July 1, 2021 and expire June 30, 2026.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to Washington County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the 34th consecutive year the County received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Jack Liang Digitally signed by Jack Liang
Date: 2021.03.18 10:58:26 -07'00'

Jack Liang
Director of Support Services
Chief Finance Officer

Roger Dawes Digitally signed by Roger Dawes
Date: 2021.03.18 11:02:02 -07'00'

Roger Dawes
Controller

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Washington County
Oregon**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

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**WASHINGTON COUNTY,
OREGON**

**FINANCIAL
SECTION**

SECTION II

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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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Oregon (the County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Clean Water Services (CWS), the discretely presented component unit of the County, which represents 28%, 29%, and 24%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the County. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for CWS, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



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INDEPENDENT AUDITOR'S REPORT (Continued)

Board of County Commissioners
Washington County, Oregon

OPINIONS

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparisons for the General Fund and major special revenue funds, as listed in the Table of Contents as Required Supplementary Information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. The required budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The information listed in the Table of Contents as Other Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Other Supplementary Information is the responsibility of management and 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 basic financial

INDEPENDENT AUDITOR'S REPORT (Continued)

Board of County Commissioners
Washington County, Oregon

OTHER MATTERS (Continued)

Other Supplementary Information (Continued)

statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated March 18, 2021, 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

Portland, Oregon
March 18, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis

June 30, 2020

(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, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 through 9 of this report.

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

Financial Highlights

- The assets and deferred outflows of resources of Washington County exceeded its liabilities and deferred inflows of resources at June 30, 2020 by \$2,277,209. Net investment in capital assets was \$2,012,487 and accounts for 88% of total net position. Of the remaining net position, \$5,726 may be used to meet the County's ongoing obligations to citizens and creditors.
- As of June 30, 2020, Washington County's governmental funds reported a combined unassigned ending fund balances of \$65,945.
- Unassigned fund balance for the General Fund was \$66,004 at June 30, 2020, amounting to 34% of total General Fund expenditures for 2020.
- Committed fund balance for the Major Streets Transportation Improvement Program III Fund (MSTIP III) was \$94,842 at June 30, 2020, amounting to 130% of total MSTIP III expenditures. Restricted fund balance for the Road Fund was \$31,830 at June 30, 2020, amounting to 62% of total Road Fund expenditures. Restricted fund balance for the Human Services Fund was \$9,935 or 52% of fund expenditures.
- Washington County's governmental activities had \$79,842 in general obligation debt, net of premiums and adjustments, at June 30, 2020, allowing for the potential to have voter-approved general obligation debt up to \$2,350,214. Total non-voter approved full faith and credit debt at June 30, 2020 was \$133,812, net of premiums and adjustments, with remaining capacity for this type of debt at \$1,081,216.

Overview of the Financial Statements

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

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

WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis

June 30, 2020

(Dollars in thousands)

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

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

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

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

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

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

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

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

WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis
June 30, 2020
(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 60 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, COVID-19 CARES Act Fund, HOME Fund, Human Services Fund, Road Fund, and Major Streets Transportation Improvement Program III Fund, all of which are major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements and individual schedules* elsewhere in this report.

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

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

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

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

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

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

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38 through 120 of this report.

WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis

June 30, 2020

(Dollars in thousands)

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning certain Washington County's major governmental funds, and schedules related to the County's other postemployment benefits and pension plans. Required supplementary information can be found beginning on page 121 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on major governmental funds. Combining and individual fund statements and schedules can be found on pages 143 through 215 of this report.

Government-wide Financial Analysis

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. In the case of Washington County, assets and deferred outflows exceeded liabilities and deferred inflows by \$2,277,209 at the close of the most recent fiscal year.

		Statement of Net Position						Discretely Presented Component Unit	
		Washington County - Primary Government				County Total		District	
		Government activities		Business-type activities					
		2020	2019	2020	2019	2020	2019	2020	2019
Current assets	\$	403,823	293,250	16,591	17,482	420,414	310,732	209,950	337,302
Noncurrent assets		304,747	367,236	5,129	635	309,876	367,871	140,283	3,272
Capital assets (net of depreciation)		2,155,843	2,112,234	25,078	23,620	2,180,921	2,135,854	812,039	766,712
Total assets		2,864,413	2,772,720	46,798	41,737	2,911,211	2,814,457	1,162,272	1,107,286
Deferred outflows of resources		124,651	96,370	1,737	1,809	126,388	98,179	30,029	34,759
Current liabilities		224,792	125,605	3,317	2,483	228,109	128,088	35,689	43,429
Noncurrent liabilities		485,155	450,538	28,178	27,846	513,333	478,384	196,700	215,048
Total liabilities		709,947	576,143	31,495	30,329	741,442	606,472	232,389	258,477
Deferred inflows of resources		18,948	25,400	-	-	18,948	25,400	6,850	2,797
Net position:									
Net investment in capital assets		2,014,206	1,968,329	(1,719)	(2,746)	2,012,487	1,965,583	646,467	580,499
Restricted		255,845	263,487	3,151	3,556	258,996	267,043	129,430	118,105
Unrestricted		(9,882)	35,731	15,608	12,407	5,726	48,138	177,165	182,167
Total net position	\$	2,260,169	2,267,547	17,040	13,217	2,277,209	2,280,764	953,062	880,771

WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis

June 30, 2020

(Dollars in thousands)

By far the largest portion of the County's net position (88%) 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 (11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$5,726 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 total County. For its governmental activities, the County reported positive balances in the net investment in capital assets and restricted net position but had a negative balance of \$9,882 in the unrestricted category. For its business-type activities the County reported positive balances in restricted and unrestricted net position but had a negative balance of \$1,719 in the net investment in capital assets category. For the prior fiscal year, the County reported positive balances in all three categories of net position for the County and for its governmental activities. For its business-type activities in the prior year, the County reported positive balances in restricted and unrestricted net position but had a negative balance of \$2,746 in the net investment in capital assets category.

The County's net position decreased by \$3,555 during the current fiscal year; the result is a \$3,823 increase in business-type activities net position and a \$7,378 decrease in governmental activities net position.

Business Type – The Authority's restricted net position decreased by \$405 due to future debt service and asset replacement needs.

Component Unit – The District's total net position increased by \$72,291, mainly due to net proceeds from current year operations and capital contributions from developers.

Governmental activities. Governmental activities decreased the County's net position by \$7,378. Key elements of this decrease are as follows:

- Overall program expenses increased \$55,849 during the fiscal year due primarily to an increase in expenses of \$6,646 in the public, safety & justice functional area, a \$3,839 decrease in expenses in the land use and transportation functional area, a \$8,666 increase in expenses in the housing, health & human services functional area, a \$34,626 increase in expenses in the general government functional area, and a \$9,750 increase in expenses in the culture, education and recreation, non-operating, and interest functional areas. Changes in all functional areas were due in large part to the COVID-19 pandemic and related expenses including personal, materials and services, and other expenses.

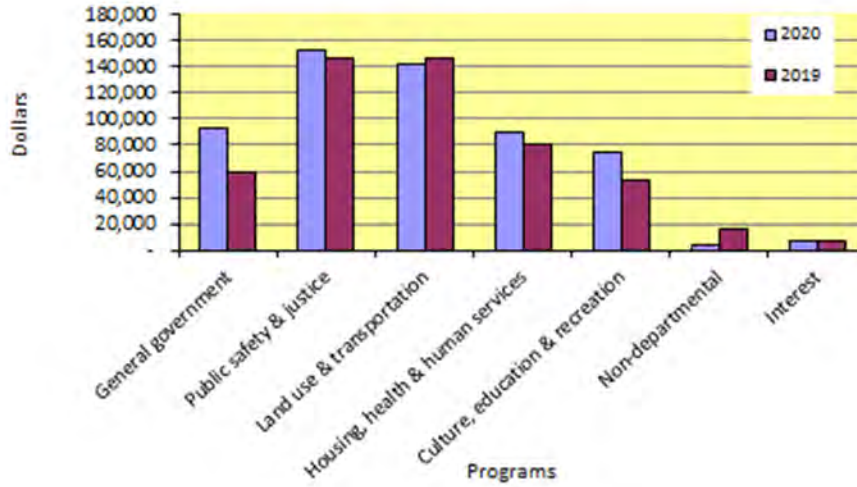
WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis
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(Dollars in thousands)

- Total revenue increased overall by \$43,409. This would include land use & transportation \$14,120 increase in operating grants and contributions along with general government operating grants and contributions increase \$20,642 with the COVID-19 / CARES Act funding received from the US Treasury. Non-operating charges for services increased \$3,396 compared to prior year. General revenues increased \$2,510 compared to the prior year and are attributable to a \$13,101 increase in property taxes along with a decrease of \$2,617 in other taxes including transient lodging and real property transfer taxes for a net increase of \$10,484. Interest and miscellaneous revenues decreased by \$7,974 primarily due to a decrease in interest earnings and miscellaneous revenue compared to prior year.

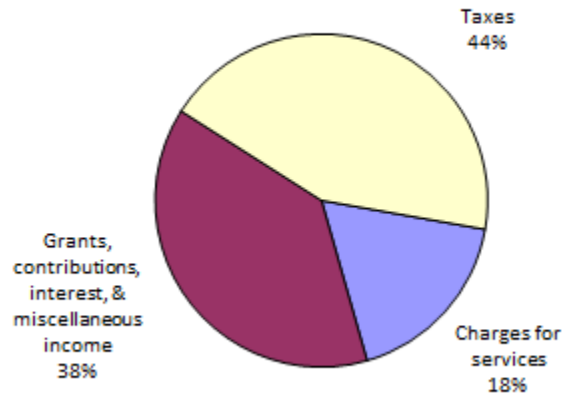
	Changes in Net Position						Discretely Presented	
	Washington County - Primary Government						Component Unit	
	Government activities		Business-type activities		County Total		District	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues								
Program Revenues								
Charges for services	\$ 99,560	97,871	11,693	12,592	111,253	110,463	157,141	151,483
Operating grants and contributions	173,586	136,983	32,264	30,137	205,850	167,120	-	-
Capital grants and contributions	16,221	13,614	343	647	16,564	14,261	25,597	34,910
General Revenues								
Taxes	244,857	234,373	-	-	244,857	234,373	-	-
Interest income	21,112	25,055	305	421	21,417	25,476	11,742	12,585
Miscellaneous revenue	4,177	8,209	-	-	4,177	8,209	-	-
Gain on disposal of capital assets	-	-	3	-	3	-	-	-
Gain (loss) on equity in joint venture	-	-	295	193	295	193	(51)	(76)
Total revenues	559,513	516,105	44,903	43,990	604,416	560,095	194,429	198,902
Program Expenses								
General government	93,507	58,881	-	-	93,507	58,881	-	-
Public safety and justice	153,443	146,798	-	-	153,443	146,798	-	-
Land use and transportation	142,305	146,144	-	-	142,305	146,144	-	-
Housing, health and human services	89,907	81,241	40,293	38,694	130,200	119,935	-	-
Culture, education and recreation	74,589	52,575	-	-	74,589	52,575	-	-
Event Center	-	-	325	-	-	-	-	-
Sanitation and surface water	-	-	-	-	-	-	122,138	122,155
Street lighting	-	-	2,218	2,170	2,218	2,170	-	-
Non-operating	4,578	16,204	-	-	4,578	16,204	-	-
Interest expense	6,806	7,444	-	-	6,806	7,444	-	-
Total expenses	565,135	509,287	42,836	40,864	607,971	550,151	122,138	122,155
Excess (deficiency) of revenue over expenses before transfers	(5,622)	6,818	2,067	3,126	(3,555)	9,944	72,291	76,747
Transfer in (out)	(1,756)	(456)	1,756	456	-	-	-	-
Change in net position	(7,378)	6,362	3,823	3,582	(3,555)	9,944	72,291	76,747
Net position beginning of year	2,267,547	2,261,185	13,217	9,635	2,280,764	2,270,820	880,771	804,024
Net position end of year	\$ 2,260,169	2,267,547	17,040	13,217	2,277,209	2,280,764	953,062	880,771

WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis
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(Dollars in thousands)

Expenses - Governmental Activities



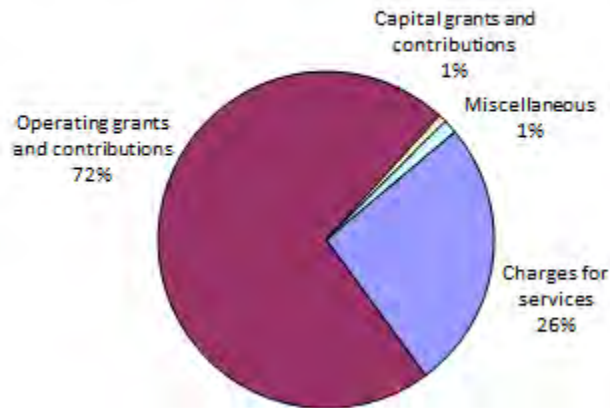
Revenues by Source - Governmental Activities



WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis
June 30, 2020
(Dollars in thousands)

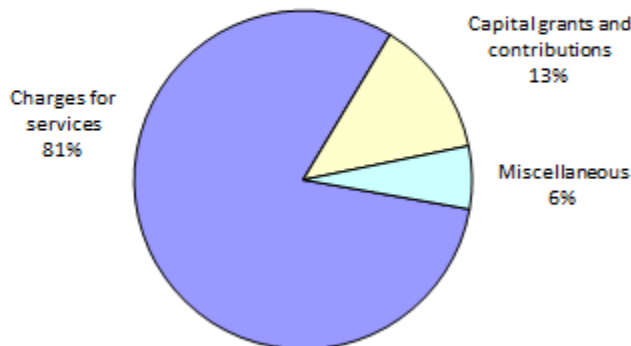
Business-type activities – Business-type activities net position increased by \$3,823. The Event Center Operations net position ended the year at \$954, due to operating expenses exceeding operating revenues by \$325, nonoperating revenues exceeding nonoperating expenses by \$29, and transfers in from governmental funds of \$1,250. The Authority's total net position increased by \$2,840, due to total operating revenues exceeding total operating expenses by \$2,532 mainly due to an increase in Housing Assistance payments, nonoperating expenses exceeded nonoperating revenues by \$547 due to an increase in administrative costs and lower interest earnings, and capital contributions plus transfers in from governmental funds increased \$855 due to the transfers in. The Service District for Lighting No. 1's net position increased \$29, with operating expenses exceeding operating revenues by \$14, nonoperating interest income of \$49, and transfers to other funds of \$6.

Revenues by Source - Business-type Activities



Component unit – District - Total net position increased by \$72,291 during fiscal year 2020, mainly due to net proceeds from current year operations, capital contributions from developers, and a one-time \$2.2 million OPERS Employer Incentive Fund award received by the District this fiscal year.

Revenues by Source - Component Unit - District



WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis

June 30, 2020

(Dollars in thousands)

Financial Analysis of the County's Funds

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

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. *Unassigned fund balance* may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, Washington County's governmental funds reported combined ending fund balances of \$455,285; a decrease of \$48,661 in comparison with the prior year net of the restatement. Of this amount, \$65,945 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 \$66,004. As a measure of the General Fund's liquidity it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 34% of total General Fund expenditures, while total fund balance represents approximately 36%.

The fund balance of the County's General Fund decreased by \$11,380 during the current fiscal year compared to fund balance increase of \$12,858 in the prior fiscal year. This two-year swing of \$24,238 in fund balance, is due to an increase of \$11,007 in total revenue with the main components of increases in taxes, intergovernmental revenues and interfund revenues. This was off-set by increases in total expenditures of \$26,797 mostly in the general government, housing, health, and human service, and nonoperating areas. There was also an increase in other financing sources (uses) of \$9,619 with transfers out to other funds and an increase of \$1,171 with transfers in from other funds for a net difference of \$8,448.

The Major Streets Transportation Improvement Program III fund has a total committed fund balance of \$94,842; all of which has been committed to road improvements within the County. The fund balance decreased \$8,041 from the prior year due to spending on County road projects.

The Human Services fund has a total restricted fund balance of \$9,935; all of which is restricted for delivery of services including treatment and support for persons with mental illness, addiction and developmental disabilities. The restricted fund balance increased \$828 from prior year due to spending on the different programs.

The Road fund has total restricted fund balance of \$31,830; all of which is restricted for use in engineering, administration, capital project management, and operations & maintenance for County road projects in the land, use & transportation area. The restricted fund balance increased \$272 from prior year due to spending on County road projects.

WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis

June 30, 2020

(Dollars in thousands)

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 Event Center Operations was \$871, the Service District for Lighting No. 1 was \$990 and \$13,747 for the Housing Authority. The total change in net position for these funds was an increase of \$954 for the Events Center Operations, an increase of \$29 for the Service District for Lighting No. 1 and an increase of \$2,840 for the Housing Authority.

General Fund Budgetary Highlights

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

- \$4,448 increase in Public Health revenues including \$452 Oregon Health Authority, \$408 from Coordinated Care Organization, \$75 in miscellaneous revenues and \$3,513 transferred in from the CARES Act funding .
- The offset was \$4,448 increase in expenditures in Public Health to Housing, Health & Human Services functional area to assist with the additional costs associated with the COVID-19 pandemic.

Total expenditures in the General Fund were \$173,842 or 24% under the final revised budget for the year. Key factors in this savings include:

- \$18,833 in operating contingency that was not utilized during the fiscal year.
- \$7,419 in total cost savings across all programs in the general government functional area; of which \$2,001 is attributable to savings in the information services program area, \$764 in the elections area and \$1,312 in the assessment and taxation program area.
- \$17,040 in savings recognized in the public safety and justice functional area; of which \$5,835 is due to law enforcement program area expenditures being lower than anticipated; \$8,487 is due to jail operations program area being lower than anticipated; \$1,015 is due to sheriff's office administration area expenditures are lower than anticipated and \$1,103 is due to district attorney program area being lower than anticipated.
- \$7,917 in savings recognized in the housing, health and human services functional area during the fiscal year; of which \$7,252 is due to expenditures being lower than anticipated in the public health program area and \$320 is due to expenditures being lower than anticipated in the animal services program area.
- The remaining \$1,450 reduction is from savings recognized in other functional areas of the General Fund, including \$605 from land use and transportation, \$60 from culture, education and recreation, and \$785 in miscellaneous expenditures from non-operating.

WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis

June 30, 2020

(Dollars in thousands)

Capital Asset and Debt Administration

Capital assets. The County's capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$2,180,921 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, park facilities, roads, highways, and bridges. Of this total investment, approximately 1.1% was held by the County's business-type activities, with the balance being held by the County's governmental activities.

	Washington County - Primary Government						Discretely Presented Component Unit	
	Governmental activities		Business-type Activities		County Total		District	
	2020	2019	2020	2019	2020	2019	2020	2019
Land and artwork	\$ 1,009,264	1,006,957	9,438	8,957	1,018,702	1,015,914	40,957	38,523
Land improvements	424	473	-	-	424	473	-	-
Buildings and improvements	143,539	99,590	15,515	14,621	159,054	114,211	130,528	118,836
Sewer lines	-	-	-	-	-	-	177,186	166,629
Treatment plants	-	-	-	-	-	-	227,393	239,552
Machinery and equipment	28,226	21,853	125	42	28,351	21,895	31,697	34,028
Infrastructure	792,909	835,687	-	-	792,909	835,687	-	-
Construction in progress	181,481	147,674	-	-	181,481	147,674	204,278	169,144
	<u>\$ 2,155,843</u>	<u>2,112,234</u>	<u>25,078</u>	<u>23,620</u>	<u>2,180,921</u>	<u>2,135,854</u>	<u>812,039</u>	<u>766,712</u>

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

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

At the end of the current fiscal year, the County had total bonded debt outstanding of \$213,654, of which 37% is debt backed by general obligation and 63% is debt backed by the full faith and credit of the County. The Authority had total bonded debt outstanding of \$25,083

Component unit – District - At the end of the current fiscal year, the District had \$171,208 in revenue bonds secured solely by specified revenue sources by the District.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 2% of its total real market valuation. The current debt limitation for the County is \$2,350,214. The Authority is limited to 13% of its total market valuation by State statutes. The current debt limitation for the Authority is \$15,795,361.

WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis
June 30, 2020
(Dollars in thousands)

	Washington County - Primary Government						Discretely Presented Component Unit	
	Governmental activities		Business-type Activities		County Total		District	
	2020	2019	2020	2019	2020	2019	2020	2019
Contracts Payable	\$ 201	223	-	-	201	223	-	-
Notes Payable	156	307	5,006	3,530	5,162	3,837	-	-
Full Faith & Credit Obligations	118,710	131,530	23,000	24,030	141,710	155,560	-	-
General Obligation Bonds	70,630	72,410	-	-	70,630	72,410	-	-
Revenue Bonds	-	-	-	-	-	-	165,315	178,485
Unamortized Premiums (Discounts)	24,314	26,633	2,083	2,170	26,397	28,803	5,893	7,579
	<u>\$ 214,011</u>	<u>231,103</u>	<u>30,089</u>	<u>29,730</u>	<u>244,100</u>	<u>260,833</u>	<u>171,208</u>	<u>186,064</u>

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

Economic Factors and Next Year's Budgets and Rates

The COVID-19 pandemic brought historic numbers to the County and State unemployment rates with the highest rate spike ever seen going from 3.3% in March 2020 to 14.2% in April 2020 statewide. The unemployment rate for the County in June 2020 is 9.9% compared to 3.3% in June 2019. This is lower than the current State and national average unemployment rate of 11.1% and the 4.0% last year at this time. The County government is funded through a variety of revenue sources including property taxes, state and federal funding, user fees and other revenues. Manufacturing in Washington County accounts for one-quarter of all manufacturing jobs currently found in the State of Oregon. These manufacturing jobs, with their attractive wages and benefits, were the highest average annual wage earnings among the 36 Oregon counties last year.

The County has a history of funding an enhanced level of public safety and library services through voter approved local option levies. Voters continue to support these enhanced service levels as recently as May 2020 for the public safety and library local option levies and in May 2017 for the Enhanced Sheriff's Patrol District levy. Property tax revenues continue to increase over prior years due to increases in property values and new construction.

All these factors were considered in preparing the County's budget for the 2020-21 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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WASHINGTON COUNTY, OREGON

Statement of Net Position

June 30, 2020

(Dollars in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Clean Water Services of Washington County (District)
Current assets:				
Cash and investments	\$ 366,684	14,142	380,826	184,038
Restricted cash and investments	48	841	889	—
Property taxes receivable	3,876	—	3,876	—
Assessments receivable, short-term portion	174	37	211	—
Accounts receivable, net	22,520	1,416	23,936	19,947
Accrued interest receivable	8,120	—	8,120	—
Contract receivable, short-term portion	386	(55)	331	—
Connection charges receivable	—	—	—	1,414
Supply inventory	546	—	546	1,735
Other current assets	1,469	210	1,679	2,816
Total current assets	403,823	16,591	420,414	209,950
Noncurrent assets:				
Long-term investments	271,147	498	271,645	136,689
Restricted long-term investments	—	3,652	3,652	—
Long-term assessments receivable	235	83	318	283
Contracts receivable, net - long-term portion	30,705	(1,151)	29,554	—
Investments in limited partnership/joint venture	—	2,047	2,047	2,213
Other noncurrent assets	—	—	—	440
PERS net OPEB RHIA asset	2,660	—	2,660	658
Total noncurrent assets excluding capital assets	304,747	5,129	309,876	140,283
Capital assets:				
Land, CIP and other assets not being depreciated	1,190,745	9,438	1,200,183	245,235
Buildings and equipment, infrastructure and other assets net of depreciation	965,098	15,640	980,738	566,804
Capital assets, net	2,155,843	25,078	2,180,921	812,039
Total noncurrent assets	2,460,590	30,207	2,490,797	952,322
Total assets	2,864,413	46,798	2,911,211	1,162,272
Deferred outflows of resources:				
Deferred charge on refunding	2,135	1,737	3,872	2,821
County/District OPEB related	3,066	—	3,066	202
PERS OPEB RHIA related	59	—	59	7
Pension related	119,391	—	119,391	26,999
Total deferred outflows of resources	124,651	1,737	126,388	30,029
Current liabilities:				
Accounts payable	30,764	1,178	31,942	11,737
Accrued payroll liabilities	13,138	7	13,145	6,651
Accrued self insurance, current portion	8,192	—	8,192	347
Amounts held in trust	704	—	704	—
Unearned revenue	128,834	487	129,321	—
Tenant and other deposits	10,541	910	11,451	—
Accrued interest payable	1,714	31	1,745	1,993
Pollution remediation obligation, current portion	220	—	220	—
Other long-term obligations, current portion, net of discount/premium	30,684	704	31,388	14,961
Total current liabilities	\$ 224,791	3,317	228,108	35,689

See accompanying notes to basic financial statements.

(Continued)

WASHINGTON COUNTY, OREGON
Statement of Net Position, Continued
June 30, 2020
(Dollars in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business- Type Activities	Total	Clean Water Services of Washington County (District)
Noncurrent liabilities:				
Accrued self insurance	\$ —	—	—	128
Pollution remediation obligation	3,960	—	3,960	—
Bond and bond anticipation notes payable, net of premium	77,194	—	77,194	156,247
Noncurrent portion of other long term obligations, net of premium	118,622	28,178	146,800	—
County/District OPEB liability	6,484	—	6,484	1,307
PERS net pension liability	278,895	—	278,895	39,018
Total noncurrent portion of long-term obligations	485,155	28,178	513,333	196,700
Total liabilities	709,946	31,495	741,441	232,389
Deferred inflows of resources:				
County/District OPEB related	458	—	458	—
PERS OPEB RHIA related	559	—	559	151
Pension related	17,932	—	17,932	6,699
Total deferred inflows of resources	18,949	—	18,949	6,850
Net position:				
Net investment in capital assets	2,014,206	(1,719)	2,012,487	646,467
Restricted for:				
Law enforcement	43,026	—	43,026	—
Community support programs	4,278	—	4,278	—
Road maintenance, repair and improvement	57,315	—	57,315	—
Building inspection	12,048	—	12,048	—
Land development	4,146	—	4,146	—
Community health programs	34,185	—	34,185	—
County fair, parks and tourism	1,258	—	1,258	—
Captive insurance	—	—	—	250
Debt service	6,233	3,151	9,384	20,777
Capital projects	93,356	—	93,356	108,403
Total restricted	255,845	3,151	258,996	129,430
Unrestricted	(9,882)	15,608	5,726	177,165
Total net position	\$ 2,260,169	17,040	2,277,209	953,062

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Activities

For the fiscal year ended June 30, 2020

(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	\$ 93,507	2,330	23,028	—	(68,149)	—	(68,149)	—
Public safety and justice	153,443	9,088	23,919	68	(120,368)	—	(120,368)	—
Land use and transportation	142,305	24,264	65,682	—	(52,359)	—	(52,359)	—
Housing, health and human services	89,907	23,610	50,340	4,122	(11,835)	—	(11,835)	—
Culture, education and recreation	74,589	2,077	616	2,670	(69,226)	—	(69,226)	—
Non-operating functional area	4,578	38,191	10,001	9,361	52,975	—	52,975	—
Interest	6,806	—	—	—	(6,806)	—	(6,806)	—
Total governmental activities	565,135	99,560	173,586	16,221	(275,768)	—	(275,768)	—
Business-type activities:								
Event center	325	—	—	—	—	(325)	(325)	—
Housing authority	40,293	9,489	32,264	343	—	1,803	1,803	—
Street lighting	2,218	2,204	—	—	—	(14)	(14)	—
Total business-type activities	42,836	11,693	32,264	343	—	1,464	1,464	—
Total primary government	607,971	111,253	205,850	16,564	(275,768)	1,464	(274,304)	—
Component Unit:								
Sanitation and surface water	\$ 122,138	157,141	—	25,597	—	—	—	60,600
General revenues:								
Taxes:								
Property taxes, levied for general purposes					224,331	—	224,331	—
Property taxes, levied for debt service					4,549	—	4,549	—
Other taxes:								
Transient lodging tax					8,359	—	8,359	—
Real property transfer tax					6,676	—	6,676	—
County fuel tax					860	—	860	—
Other tax					82	—	82	—
Total taxes					244,857	—	244,857	—
Interest income					21,112	305	21,417	11,742
Miscellaneous revenues					4,177	—	4,177	—
Gain on disposal of capital assets					—	3	3	—
Gain (loss) on equity in limited partnership/joint venture					—	295	295	(51)
Total general revenues					270,146	603	270,749	11,691
Transfers in (out)					(1,756)	1,756	—	—
Change in net position					(7,378)	3,823	(3,555)	72,291
Net position July 1, 2019					2,267,547	13,217	2,280,764	880,771
Net position June 30, 2020					\$ 2,260,169	17,040	2,277,209	953,062

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Balance Sheet

Governmental Funds

June 30, 2020

(Dollars in thousands)

Assets	General Fund	COVID-19 CARES Act Fund	HOME Fund	Human Services Fund	Road Fund	Major Streets	Other Governmental Funds	Total
						Transportation Improvement Program III Fund		
Cash and investments	\$ 69,840	85,280	—	42,043	40,119	98,789	274,849	610,920
Property taxes receivable	2,519	—	—	—	—	—	1,357	3,876
Assessments receivable	—	—	—	—	56	—	353	409
Accounts receivable	6,560	—	1,035	381	2,550	4,952	6,994	22,472
Accrued interest receivable	3,947	—	3,900	—	—	—	273	8,120
Contracts receivable	—	—	26,763	—	—	—	4,328	31,091
Due from other funds	1,997	—	—	—	—	—	—	1,997
Advances to other funds	1,500	—	—	—	—	—	—	1,500
Inventory	120	—	—	—	101	—	—	221
Other assets	1,252	—	—	49	6	—	162	1,469
Total assets	87,735	85,280	31,698	42,473	42,832	103,741	288,316	682,075
Liabilities								
Accounts payable	3,730	508	73	2,557	889	7,261	13,945	28,963
Accrued payroll liabilities	8,391	12	6	174	990	—	3,437	13,010
Deposits payable	1,383	—	—	—	8,530	—	628	10,541
Amounts held in trust	539	—	—	—	1	—	164	704
Due to other funds	—	—	955	—	—	—	1,039	1,994
Unearned revenue	1,145	84,760	—	29,590	418	—	12,921	128,834
Total liabilities	15,188	85,280	1,034	32,321	10,828	7,261	32,134	184,046
Deferred Inflows of Resources								
Unavailable revenue	3,021	—	30,664	217	73	1,638	7,131	42,744
Fund Balances (Deficits)								
Nonspendable	1,620	—	—	—	101	—	—	1,721
Restricted	—	—	—	9,935	31,830	—	214,080	255,845
Committed	—	—	—	—	—	94,842	30,865	125,707
Assigned	1,902	—	—	—	—	—	4,165	6,067
Unassigned	66,004	—	—	—	—	—	(59)	65,945
Total fund balances	69,526	—	—	9,935	31,931	94,842	249,051	455,285
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 87,735	85,280	31,698	42,473	42,832	103,741	288,316	682,075

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, 2020

(Dollars in thousands)

Fund balances - total governmental funds	\$	455,285
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.		2,138,300
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		42,744
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.		
Deferred charge on refunding	\$ 2,135	
Accrued interest payable	(1,714)	
Pollution remediation obligation	(4,180)	
Long-term obligations	<u>(226,334)</u>	(230,093)
The County OPEB liability is not a financial obligation in the governmental funds, but is reported in the Statement of Net Position		(6,402)
County OPEB related deferred outflows and inflows of resources are not a current financial resource or liability, and, therefore, are not reported in the governmental funds.		2,575
The PERS net OPEB RHIA obligation is not a financial obligation in the governmental funds, but is reported in the Statement of Net Position		2,626
PERS OPEB RHIA related deferred outflows and inflows of resources are not a current financial resource or liability, and, therefore, are not reported in the governmental funds.		(494)
The PERS net pension liability is not a financial obligation in the governmental funds, but is reported in the Statement of Net Position		(275,381)
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.		100,181
Internal Service Funds are used by management to charge the costs of activities to individual funds. Net Position of the internal service funds that are reported with governmental activities.		<u>30,828</u>
Net Position of governmental activities	\$	<u><u>2,260,169</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, 2020

(Dollars in thousands)

	General Fund	COVID-19 CARES Act Fund	HOME Fund	Human Services Fund	Road Fund	Major Streets Transportation Improvement Program III Fund	Other Governmental Funds	Total
Revenues:								
Taxes	\$ 157,878	—	—	—	860	—	85,364	244,102
Licenses and permits	7,560	—	—	—	243	—	4,515	12,318
Intergovernmental revenues	32,330	19,901	2,149	16,669	37,235	24,325	52,697	185,306
Charges for services	41,197	—	—	739	8,820	—	21,069	71,825
Fines and forfeitures	1,921	—	—	—	—	—	609	2,530
Special assessments	—	—	—	—	24	—	194	218
Miscellaneous revenues	7,771	7	329	2,049	1,753	4,874	44,448	61,231
Interfund revenues	33,902	—	—	311	9,533	—	2,862	46,608
Total revenues	282,559	19,908	2,478	19,768	58,468	29,199	211,758	624,138
Expenditures:								
Current:								
General government	64,255	19,897	—	—	—	—	—	84,152
Public safety and justice	76,819	—	—	—	—	—	109,305	186,124
Land use and transportation	5,144	—	—	—	50,772	70,371	36,476	162,763
Housing, health and human services	25,641	—	2,641	19,213	—	—	43,385	90,880
Culture, education and recreation	2,023	—	—	—	—	—	41,398	43,421
Nonoperating	20,459	—	—	—	—	—	13,107	33,566
Total current	194,341	19,897	2,641	19,213	50,772	70,371	243,671	600,906
Capital outlay	593	11	—	—	419	2,426	44,995	48,444
Debt service:								
Principal	22	—	—	—	—	—	14,751	14,773
Interest	8	—	—	—	—	—	8,912	8,920
Total debt service	30	—	—	—	—	—	23,663	23,693
Total expenditures	194,964	19,908	2,641	19,213	51,191	72,797	312,329	673,043
Revenues over (under) expenditures	87,595	—	(163)	555	7,277	(43,598)	(100,571)	(48,905)
Other financing sources (uses):								
Transfers in from other funds	10,361	—	—	2,985	1,269	36,030	96,501	147,146
Transfers out to other funds	(109,336)	—	—	(2,712)	(8,297)	(473)	(28,084)	(148,902)
Total other financing sources (uses)	(98,975)	—	—	273	(7,028)	35,557	68,417	(1,756)
Net changes in fund balances (deficit)	(11,380)	—	(163)	828	249	(8,041)	(32,154)	(50,661)
Fund balances July 1, 2019	78,906	—	163	9,107	31,682	102,883	281,205	503,946
Restatement (See Note 4)	2,000	—	—	—	—	—	—	2,000
Fund balances July 1, 2019, as restated	80,906	—	163	9,107	31,682	102,883	281,205	505,946
Fund balances (deficits) June 30, 2020	\$ 69,526	—	—	9,935	31,931	94,842	249,051	455,285

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, 2020

(Dollars in thousands)

Net change in fund balances - Governmental Funds \$ (50,661)

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

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

Capital asset additions	\$ 133,819	
Capital asset disposals	(5,392)	
Current year depreciation expense	<u>(88,101)</u>	40,326

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

Repayment of long-term debt and capital lease obligations	14,773	
Amortization of premiums and related deferred charges	<u>1,954</u>	16,727

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. 140

Change in accrued interest payable 160

Change in County OPEB liability and related deferred items 26

Change in PERS net OPEB RHIA liability and related deferred items 421

Change in PERS net pension liability and related deferred items (16,877)

Change in pollution remediation obligation 220

Internal Service funds are used by management to charge the costs of certain activities to individual funds. These funds are designed to recover all costs. The amount of revenues in excess of expenses reported in the Statement of Activities. 2,140

Change in net position \$ (7,378)

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Net Position - Proprietary Funds

June 30, 2020

(Dollars in thousands)

	Enterprise Funds				
	Event Center Operations	Housing Authority of Washington County	Service District for Lighting No. 1	Total	Internal Service Funds
Assets					
Current assets:					
Cash and investments	\$ 408	12,612	1,122	14,142	26,911
Restricted cash and investments	—	841	—	841	48
Assessments receivable	—	—	37	37	—
Accounts receivable - net of allowance for uncollectibles	—	1,416	—	1,416	45
Short-term portion of contracts receivable	—	1	—	1	—
Supply inventory	—	—	—	—	325
Other current assets	—	210	—	210	—
Total current assets	408	15,080	1,159	16,647	27,329
Noncurrent assets:					
Long-term portion of cash and investments	498	—	—	498	—
Long-term portion of restricted cash and investments	—	3,652	—	3,652	—
Long-term portion of contracts receivable	—	83	—	83	—
Capital assets:					
Land, artwork, CIP, and other assets not being depreciated	—	9,438	—	9,438	—
Buildings and equipment and infrastructure, net of depreciation	83	15,557	—	15,640	17,543
PERS net OPEB RHIA asset	—	—	—	—	34
Investment in limited partnership	—	2,047	—	2,047	—
Total noncurrent assets	581	30,777	—	31,358	17,577
Total assets	989	45,857	1,159	48,005	44,906
Deferred Outflows of Resources					
Deferred charge on refunding	—	1,737	—	1,737	—
County/District OPEB related	—	—	—	—	39
PERS OPEB RHIA related	—	—	—	—	1
Pension related	—	—	—	—	1,504
Total deferred outflows of resources	—	1,737	—	1,737	1,544
Liabilities					
Current liabilities:					
Accounts payable	4	1,005	169	1,178	1,801
Accrued payroll liabilities	7	—	—	7	294
Accrued self-insurance	—	—	—	—	8,192
Deposits	—	910	—	910	—
Unearned revenue	24	463	—	487	—
Accrued interest payable	—	31	—	31	—
Long term obligations, current portion, net of discount	—	760	—	760	—
Total current liabilities	35	3,169	169	3,373	10,287
Noncurrent liabilities:					
Advances from other funds	—	—	—	—	1,500
Other long term obligations	—	29,329	—	29,329	—
County/District OPEB related	—	—	—	—	82
PERS net pension liability	—	—	—	—	3,514
Total noncurrent liabilities	—	29,329	—	29,329	5,096
Total liabilities	35	32,498	169	32,702	15,383
Deferred Inflows of Resources					
County OPEB related	—	—	—	—	6
PERS OPEB RHIA related	—	—	—	—	7
Pension related	—	—	—	—	226
Total deferred inflows of resources	—	—	—	—	239
Net Position					
Net position:					
Net investment in capital assets	83	(1,802)	—	(1,719)	17,543
Restricted for:					
Debt service	—	3,151	—	3,151	—
Payment of claims	—	—	—	—	48
Unrestricted	871	13,747	990	15,608	13,237
Total net position	\$ 954	15,096	990	17,040	30,828

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, 2020
(Dollars in thousands)

	Enterprise Funds				Internal Service Funds
	Event Center Operations	Housing Authority of Washington County	Service District for Lighting No. 1	Total	
Operating revenues:					
Charges for services	\$ —	—	—	—	53,281
Intergovernmental revenue	—	32,264	—	32,264	—
Rental income	—	6,606	—	6,606	—
Street lighting assessments	—	—	2,204	2,204	—
Other	—	2,883	—	2,883	2,566
Total operating revenues	—	41,753	2,204	43,957	55,847
Operating expenses:					
Labor and fringe benefits	164	—	—	164	3,006
Housing assistance payments	—	28,758	—	28,758	—
Utilities	—	766	2,020	2,786	27
Professional services	94	—	—	94	281
Supplies	3	—	7	10	2,520
Administrative costs	47	4,842	191	5,080	3,642
Depreciation and amortization	1	1,445	—	1,446	2,289
Insurance claims and premiums	—	—	—	—	42,563
Repairs and maintenance	—	2,576	—	2,576	733
Other	16	834	—	850	—
Total operating expenses	325	39,221	2,218	41,764	55,061
Operating income (loss)	(325)	2,532	(14)	2,193	786
Nonoperating income (expense):					
Interest income	29	227	49	305	988
Investment in limited partnership	—	295	—	295	—
Gain on sale of capital assets	—	3	—	3	366
Interest expense	—	(1,072)	—	(1,072)	—
Total nonoperating income (expense)	29	(547)	49	(469)	1,354
Change in net position before contributions and transfers	(296)	1,985	35	(1,541)	2,140
Contributions and transfers:					
Capital contributions	—	343	—	343	—
Transfers in from Governmental Funds	1,250	512	—	1,762	—
Transfers out to Governmental Funds	—	—	(6)	(6)	—
Total contributions and transfers	1,250	855	(6)	2,099	—
Change in net position	954	2,840	29	3,823	2,140
Net position July 1, 2019	—	12,256	961	13,217	30,688
Restatement (See Note 4)	—	—	—	—	(2,000)
Net position July 1, 2019, as restated	—	12,256	961	13,217	28,688
Net position June 30, 2020	\$ 954	15,096	990	17,040	30,828

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON
Statement of Cash Flows - Proprietary Funds
For the fiscal year ended June 30, 2020
(Dollars in thousands)

	Enterprise Funds				Internal Service Funds
	Event Center Operations	Housing Authority of Washington County	Washington County Service District for Lighting No. 1	Total	
Cash flows provided by (used in) operating activities:					
Cash received for services provided	\$ 24	41,917	2,201	44,142	53,623
Cash payments for labor and fringe benefits	(157)	(3,270)	—	(3,427)	(2,612)
Cash payments for goods and services	(156)	(34,325)	(2,219)	(36,700)	(47,285)
Other operating revenue	—	—	—	—	1,916
Other receipts	—	—	—	—	275
Net cash provided by (used in) operating activities	(289)	4,322	(18)	4,015	5,917
Cash flows provided by noncapital financing activities:					
Repayment of advances from other funds	—	—	—	—	(500)
Transfer from governmental funds	1,250	—	—	1,250	—
Net cash provided by (used in) noncapital financing activities	1,250	—	—	1,250	(500)
Cash flows provided by (used in) capital and related financing activities:					
Proceeds of borrowings	—	1,570	—	1,570	—
Acquisition and construction of capital assets	(84)	(2,820)	—	(2,904)	(5,600)
Proceeds from sale of capital assets	—	3	—	3	392
Proceeds from contracts receivable	—	8	—	8	—
Principal paid on notes payable	—	(1,125)	—	(1,125)	—
Interest paid on bonds and notes payable	—	(1,146)	—	(1,146)	—
Capital grants	—	343	—	343	—
Net cash used in capital and related financing activities	(84)	(3,167)	—	(3,251)	(5,208)
Cash flows provided by investing activities:					
Interest on investments	29	227	49	305	988
Net increase in cash and investments	906	1,382	31	2,319	1,197
Cash and investments, July 1, 2019	—	15,723	1,091	16,814	25,762
Cash and investments, June 30, 2020 ⁽¹⁾	906	17,105	1,122	19,133	26,959
Reconciliation of operating income to net cash from operating activities:					
Operating income (loss)	(325)	2,532	(14)	2,193	786
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	1	1,445	—	1,446	2,289
Transfers in (out) to governmental funds	—	512	(6)	506	—
Changes in assets and liabilities:					
Increase in accounts receivable	—	(765)	—	(765)	(37)
Increase in assessments receivable	—	—	(3)	(3)	—
Increase in supply inventory	—	—	—	—	(22)
Increase in other current assets	—	(175)	—	(175)	(433)
Increase in accounts payable	4	277	5	286	1,318
Increase in deposits	—	79	—	79	—
Increase in unearned revenue	24	417	—	441	—
Increase in accrued liabilities	7	—	—	7	2,016
Net cash provided by (used in) operating activities	(289)	4,322	(18)	4,015	5,917

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

Current assets - Cash and investments	408	12,612	1,122	14,142	26,911
Current assets - Restricted cash and investments	—	841	—	841	48
Noncurrent assets - Cash and investments	498	—	—	498	—
Noncurrent assets - Restricted cash and investments	—	3,652	—	3,652	—
	\$ 906	17,105	1,122	19,133	26,959

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Fiduciary Net Position

June 30, 2020

(Dollars in thousands)

	Private- Purpose Trust Funds	Agency Funds
Assets		
Cash and investments	\$ 903	10,545
Accounts receivable	—	2,577
Property taxes receivable	—	15,713
Total assets	<u>903</u>	<u>28,835</u>
Liabilities		
Accounts payable	3	621
Amounts due to other jurisdictions	—	12,501
Undistributed taxes	—	15,713
Total liabilities	<u>3</u>	<u>28,835</u>
Net Position		
Amounts held in trust and other purposes	<u>\$ 900</u>	

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON
Statement of Changes in Fiduciary Net Position
For the fiscal year ended June 30, 2020
(Dollars in thousands)

	<u>Private- Purpose Trust Funds</u>
Additions:	
Intergovernmental revenues	\$ 2,264
Contributions	301
Interest earnings	23
Total additions	<u>2,588</u>
Deductions:	
Distributions	<u>3,034</u>
Change in net position	(446)
Net position July 1, 2019	<u>1,346</u>
Net position June 30, 2020	<u><u>\$ 900</u></u>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

1. Summary of significant accounting policies

Reporting entity

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

Blended Component Units

Housing Authority of Washington County (Authority)

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

Enhanced Sheriff's Patrol District (ESPD)

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

Service District for Lighting No. 1 (SDL)

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

North Bethany County Service District for Roads (NBCSDR)

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Urban Road Maintenance District (URMD)

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

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

Discretely (separate) Presented Component Unit

Clean Water Services (District)

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

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

District - Clean Water Institute (CWI)

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

CWI is a nonprofit 501(c)(3) formed to advance watershed restoration and resource recovery through innovative strategies and to promote scientific research, education, and environmental protection activities that benefit watersheds throughout the country and around the world. For the fiscal year ended June 30, 2020, the transactions between the District and CWI are deemed to be immaterial, and therefore, CWI is not reported as a component unit of the District.

District – Clean Water Insurance Company (CWIC)

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

CWIC is a registered Limited Liability Company (LLC) formed to advance long term risk management program savings through the use of a formalized self-insurance program that can access the reinsurance markets for additional seismic coverages as well as provide a potential for funding of loss prevention and mitigation projects to further protect District assets or recover from a seismic event.

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

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

Government-wide and fund financial statements

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

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

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

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and private purpose trust fund financial statements. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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.

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

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

The County reports the following major governmental funds:

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

The *COVID-19 CARES Act Fund* accounts for the expenditure of funds provided directly to the County from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was passed to provide fast and direct economic assistance in response to the coronavirus pandemic.

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.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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

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

The County reports the following major proprietary funds:

The *Event Center Operations Fund* accounts for all operations, activities, and events held at the Wingspan Event and Conference Center located on the County's Fairgrounds.

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

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

Additionally, the County reports the following fund types:

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

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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

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

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

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

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

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

Deposits and investments

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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."

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

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

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

Inventories and prepaid items

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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 acquisition value as of the date of their donation.

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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

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	20 - 50
Land improvements	25
Plans and studies	5 - 25
Buildings	20 - 50
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).

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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.

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

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

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

Leases

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

Compensated absences

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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

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

Long-term obligations

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

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

Self-insurance - County

The County is exposed to various risks of real and personal property loss and purchases Property Insurance with a maximum deductible of \$100 per claim for losses related to theft, damage, destruction or loss of County assets. General liability claims are self-insured for the first \$1,000 in defense, settlement or verdict costs, and purchases excess insurance up to \$14,000 per claim. Settled claims have not exceeded insurance coverage for the fiscal years ending June 30, 2020, 2019, or 2018.

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(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 long-term amounts of 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 of County Commissioners may commit fund balance by resolution and may also modify or rescind commitments by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Portions of revenue sources or ending fund balances are classified as assigned when they cannot otherwise be classified as non-spendable, restricted, or committed by formal written notice. Authority to assign fund balance is granted by the Board of County Commissioners to the County Administrator, Chief Finance Officer, or their designee and such authority may only be established, modified, or rescinded by the Board.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any residual fund deficits as unassigned.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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

Fund balances by classification for the year ended June 30, 2020 were as follows:

	General Fund	Human Services Fund	Road Fund	Major Streets Transportation Improvement Program III Fund	Other Governmental Funds	Total
Fund balances (deficit):						
Nonspendable:						
Inventory	\$ 120	—	101	—	—	221
Advances and notes receivable	1,500	—	—	—	—	1,500
Total nonspendable fund balances	<u>1,620</u>	<u>—</u>	<u>101</u>	<u>—</u>	<u>—</u>	<u>1,721</u>
Restricted for:						
Law enforcement	—	—	—	—	43,026	43,026
Community support programs	—	—	—	—	4,278	4,278
Road maintenance, repair and improvement	—	—	31,830	—	25,485	57,315
Building inspection	—	—	—	—	12,048	12,048
Land development	—	—	—	—	4,146	4,146
Community health programs	—	9,935	—	—	24,250	34,185
County fair, parks and tourism	—	—	—	—	1,258	1,258
Debt service	—	—	—	—	6,233	6,233
Capital projects	—	—	—	—	93,356	93,356
Total restricted fund balances	<u>—</u>	<u>9,935</u>	<u>31,830</u>	<u>—</u>	<u>214,080</u>	<u>255,845</u>
Committed to:						
Air quality	—	—	—	—	866	866
Library operations	—	—	—	—	13,715	13,715
Capital projects	—	—	—	94,842	16,284	111,126
Total committed fund balances	<u>—</u>	<u>—</u>	<u>—</u>	<u>94,842</u>	<u>30,865</u>	<u>125,707</u>
Assigned to:						
Land development	1,565	—	—	—	—	1,565
PERS rate stabilization	337	—	—	—	—	337
Capital projects	—	—	—	—	4,165	4,165
Total assigned fund balances	<u>1,902</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,165</u>	<u>6,067</u>
Unassigned	66,004	—	—	—	(59)	65,945
Total fund balances	<u>69,526</u>	<u>9,935</u>	<u>31,931</u>	<u>94,842</u>	<u>249,051</u>	<u>455,285</u>
Fund balances (deficit) summary:						
Nonspendable	1,620	—	101	—	—	1,721
Restricted	—	9,935	31,830	—	214,080	255,845
Committed	—	—	—	94,842	30,865	125,707
Assigned	1,902	—	—	—	4,165	6,067
Unassigned	66,004	—	—	—	(59)	65,945
Total fund balances	\$ <u>69,526</u>	<u>9,935</u>	<u>31,931</u>	<u>94,842</u>	<u>249,051</u>	<u>455,285</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

The County’s Budget Policy adopted by the Board of County Commissioners establishes a General Fund balance target with a goal of 20% of annual net General Fund revenues and a minimum of 15% of annual net General Fund revenues. The property taxes collected and transferred to the Major Streets Transportation Improvement Program (MSTIP) and Washington County Cooperative Library Services (WCCLS) are excluded from the General Fund revenues for purposes of calculating the net General Fund revenues

2. Stewardship, compliance, and accountability

Budgetary information

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

3. Detailed notes on all accounts

Deposits and investments

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

County, Blended Component Units, and Fiduciary Funds

Cash and investments are comprised of the following at June 30, 2020:

Petty cash	\$	39
Deposits		150,259
Investments		518,162
		<u>668,460</u>

Cash and investments are reported as follows:

Unrestricted:		
Cash and investments		652,471
Restricted for:		
Contractor working capital, construction, and payment of bond debt service		4,541
Primary government cash and investments		657,012
Fiduciary Funds		11,448
	\$	<u>668,460</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

District – Discretely Presented Component Unit

Cash and investments are comprised of the following at June 30, 2020:

Petty cash	\$	4
Deposits		519
Deposits with CWIC		1,588
Investments		318,616
		<u>320,727</u>

Cash and investments are reported as follows:

Unrestricted:		
Cash and investments	\$	<u>320,727</u>

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

Governmental Funds	\$	610,920
Internal Service Funds		26,959
Enterprise Funds		19,133
District		320,727
Fiduciary Funds		11,448
	\$	<u>989,187</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, 2020, the carrying amount of the County and its blended component units’ deposits was \$150,259 and the bank balance was \$153,719. \$750 of the bank balance was covered by the Federal Depository Insurance Corporation (FDIC). As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result, the County and blended component units’ remaining deposits in excess of FDIC insurance are considered fully collateralized.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(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, 2020, the carrying amount of the District’s deposits (including CWIC) was \$2,107 and the bank balance was \$2,151. \$250 of the bank balance was covered by the Federal Depository Insurance Corporation (FDIC). As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds except for the deposits held by CWIC. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer.

Interest rate risk – County and Blended Component Units

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

<u>Maturity</u>	<u>Minimum Allowed</u>	<u>Actual</u>
Less than 90 days	10%	28%
Less than 1 year	25%	45%
5 years or less	100%	100%
	<u>Maximum Allowed</u>	<u>Actual</u>
Weighted Average Maturity	2.5 years	1.3 years
Callable Agency Securities	25%	1%

Interest rate risk – District

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Investment credit risk – County and Blended Component Units

This is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized rating organization and is minimized by purchasing only those securities which are rated by two of the nationally recognized credit rating agencies at the time of purchase. The County's investment policy specifies ratings – Standard & Poor's = minimum AA-, and Moody's Investors Services = minimum Aa3. The following information includes Fiduciary Fund investments of \$11,448. The actual rating at year-end for each investment type is as follows:

Rating by Standard & Poor's Investment Service	AAA	AA+	AA	AA-	A-1	Not Rated	Total Invested Value	Percent Allocation	Weighted Average Maturity (Years)
Commerical paper discounts - amortizing	\$ -	-	-	-	6,175	-	6,175	1%	-
Federal agency coupon securities	6,242	202,332	35,917	-	-	-	244,491	48%	0.9
Treasury coupon securities	-	117,686	68,506	-	-	-	186,192	36%	0.4
Treasury discounts - amortizing	-	-	-	6,186	-	-	6,186	1%	-
Corporate notes	-	9,589	3,273	-	-	-	12,862	2%	-
State of Oregon Local Government Investment Pool (LGIP)	-	-	-	-	-	62,256	62,256	12%	-
Total Investments	\$ 6,242	329,607	107,696	6,186	6,175	62,256	518,162	100%	1.3

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the invested value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County has the following fair value measurements as of June 30, 2020:

- Commercial paper discounts – amortizing of \$6,175 are valued using significant other observable inputs (Level 2 inputs).
- Federal agency coupon securities of \$244,491 are valued using significant other observable inputs (Level 2 inputs).
- Treasury coupon securities of \$186,192 are valued using significant other observable inputs (Level 2 inputs).
- Treasury discounts – amortizing of \$6,186 are valued using significant other observable inputs (Level 2 inputs).
- Corporate notes of \$12,862 are valued using significant other observable inputs (Level 2 inputs).

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

The State of Oregon Local Government Investment Pool (LGIP) is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the LGIP's investment policies. The State Treasurer is the investment officer for the LGIP and is responsible for all funds in the LGIP. These funds must be invested, and the investments managed as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-term Fund Board. The following table outlines the LGIP's investment maturities at June 30, 2020.

<u>LGIP Maturity</u>	<u>per Policy</u>	<u>Actual</u>
Up to 93 days	Minimum of 50%	59%
94 days to 1 year	Maximum of 25%	18%
1 to 3 years	Maximum of 25%	23%

Investment credit risk – District

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

<u>Rating by Standard & Poor's Investment Service</u>	<u>AAA</u>	<u>AA+</u>	<u>AA</u>	<u>AA-</u>	<u>A-1</u>	<u>Not Rated</u>	<u>Total Invested Value</u>	<u>Percent Allocation</u>	<u>Weighted Average Maturity (Years)</u>
Commerical paper discounts - amortizing	\$ -	-	-	-	3,798	-	3,798	1%	-
Federal agency coupon securities	3,839	124,385	22,088	-	-	-	150,312	48%	0.9
Treasury coupon securities	-	72,375	42,130	-	-	-	114,505	36%	0.4
Treasury discounts - amortizing	-	-	-	3,804	-	-	3,804	1%	-
Corporate notes	-	5,897	2,013	-	-	-	7,910	2%	-
State of Oregon Local Government Investment Pool (LGIP)	-	-	-	-	-	38,287	38,287	12%	-
Total Investments	\$ 3,839	202,657	66,231	3,804	3,798	38,287	318,616	100%	1.3

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the invested value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2020:

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

- Commercial paper discounts – amortizing of \$3,798 are valued using significant other observable inputs (Level 2 inputs).
- Federal agency coupon securities of \$150,312 are valued using significant other observable inputs (Level 2 inputs).
- Treasury coupon securities of \$114,505 are valued using significant other observable inputs (Level 2 inputs).
- Treasury discounts – amortizing of \$3,804 are valued using significant other observable inputs (Level 2 inputs).
- Corporate notes of \$7,910 are valued using significant other observable inputs (Level 2 inputs).

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

Receivables – County and Blended Component Units

Amounts are aggregated into a single accounts receivable line for certain funds and aggregated columns. Below is the detail of receivables for the County and its blended component units at June 30, 2020:

	<u>Accounts</u>	<u>Intergovernmental</u>	
	<u>Receivable</u>	<u>Revenues</u>	<u>Total</u>
	<u>Receivable</u>	<u>Receivable</u>	<u>Total</u>
General Fund	\$ 3,276	3,284	6,560
HOME Fund	1,035	-	1,035
Human Services Fund	124	257	381
Road Fund	49	2,501	2,550
MSTIP III Fund	4,952	-	4,952
Other Governmental Funds	<u>3,798</u>	<u>3,196</u>	<u>6,994</u>
Total governmental funds	13,234	9,238	22,472
Internal Service Funds	45	-	45
Fiduciary Funds	506	2,071	2,577
Total accounts receivable	\$ <u>13,785</u>	<u>11,309</u>	<u>25,094</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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, 2020, the allowance was \$470.

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, 2020, the total deferred charge on refunding for the County was \$3,872.

Other Post Employment Benefit (OPEB) and Pension related. For purposes of measuring the OPEB liability/asset and net pension liability, deferred outflows of resources and deferred inflows of resources related to OPEB and pensions, and OPEB and pension expense are reported in the in the statement of net position. OPEB and pension related deferred outflows of resources relate to the OPEB and pension plans consisting of differences between expected and actual experience, changes of assumptions, changes in proportionate share, differences between employer contributions and employer's proportionate share of system contributions, and employer contributions after the measurement date. OPEB and pension related deferred inflows of resources consist of differences between net difference between projected and actual earnings on investments, changes in proportionate share, differences between employer contributions and the County's proportionate share of contributions, changes of assumptions, and changes in proportionate share. At June 30, 2020, the County reported OPEB related deferred outflows, OPEB RHIA related deferred outflows, and pension related deferred outflows of \$3,065, \$59, and \$119,391, respectively. The County also reported OPEB related deferred inflows, OPEB RHIA related deferred inflows, and pension related deferred outflows of \$458, \$559, and \$17,932, respectively.

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

revenue reported in the governmental funds balance sheet is as of June 30, 2020, were as follows:

	<u>Property Taxes</u>	<u>Assessments</u>	<u>Contracts Receivable</u>	<u>Accounts Receivable</u>	<u>Total</u>
General Fund	\$ 2,028	-	-	993	3,021
HOME Fund	-	-	30,664	-	30,664
Human Services Fund	-	-	-	217	217
Road Fund	-	56	-	17	73
MSTIP III	-	-	-	1,638	1,638
Other Governmental Funds	<u>1,093</u>	<u>351</u>	<u>4,630</u>	<u>1,057</u>	<u>7,131</u>
Total unavailable revenue	\$ <u>3,121</u>	<u>407</u>	<u>35,294</u>	<u>3,922</u>	<u>42,744</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) 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, 2020, the total deferred charge on refunding for the District was \$2,821.

Other Post Employment Benefit (OPEB) and Pension related. For purposes of measuring the net OPEB liability/asset and net pension liability, deferred outflows of resources and deferred inflows of resources related to OPEB and pensions, and OPEB and pension expense are reported in the statement of net position. OPEB and pension-related deferred outflows of resources relate to the District’s OPEB and pension plans consisting of employer contributions to OPERS after the measurement date, differences between expected and actual experience, changes of assumptions, net difference between projected and actual earnings on investments, and changes in proportionate share. OPEB-and-pension-related deferred inflows of resources consist of differences between employer contributions and the District’s proportionate share of contributions and changes in proportionate share. At June 30, 2020, the District reported OPEB RHIA related deferred outflows and pension related deferred outflows of \$209 and \$26,999, respectively. The District also reported OPEB RHIA related deferred inflows and pension related deferred inflows of \$151 and \$6,699, respectively.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Capital assets

Capital asset activity for governmental activities for the year ended June 30, 2020 was as follows:

	Governmental Activities				
	Balance	Increases	Decreases	Transfers	Balance
	July 1, 2019				June 30, 2020
Capital assets not being depreciated:					
Land	\$ 1,006,593	6,176	(3,869)	-	1,008,900
Artwork	364	-	-	-	364
Construction in progress	<u>147,674</u>	<u>121,324</u>	<u>-</u>	<u>(87,517)</u>	<u>181,481</u>
Total capital assets not being depreciated	<u>1,154,631</u>	<u>127,500</u>	<u>(3,869)</u>	<u>(87,517)</u>	<u>1,190,745</u>
Capital assets being depreciated:					
Land improvements	5,061	-	-	-	5,061
Buildings and improvements	178,991	93	-	48,503	227,587
Machinery and equipment	63,750	6,958	(3,349)	3,697	71,056
Road network	2,000,567	3,967	(2,306)	23,040	2,025,268
Bridge network	118,866	8	(206)	5,538	124,206
Culverts	19,772	-	(5)	5,917	25,684
Signals	<u>76,970</u>	<u>893</u>	<u>(10)</u>	<u>822</u>	<u>78,675</u>
Total capital assets being depreciated	<u>2,463,977</u>	<u>11,919</u>	<u>(5,876)</u>	<u>87,517</u>	<u>2,557,537</u>
Less accumulated depreciation for:					
Land improvements	(4,588)	(49)	-	-	(4,637)
Building and improvements	(79,401)	(4,647)	-	-	(84,048)
Machinery and equipment	(41,897)	(4,224)	3,291	-	(42,830)
Road network	(1,264,025)	(76,377)	812	-	(1,339,590)
Bridge network	(43,810)	(2,329)	206	-	(45,933)
Culverts	(7,791)	(542)	6	-	(8,327)
Signals	<u>(64,862)</u>	<u>(2,222)</u>	<u>10</u>	<u>-</u>	<u>(67,074)</u>
Total accumulated depreciation	<u>(1,506,374)</u>	<u>(90,390)</u>	<u>4,325</u>	<u>-</u>	<u>(1,592,439)</u>
Total capital assets being depreciated, net	<u>957,603</u>	<u>(78,471)</u>	<u>(1,551)</u>	<u>87,517</u>	<u>965,098</u>
Governmental activities capital assets, net	\$ <u>2,112,234</u>	<u>49,029</u>	<u>(5,420)</u>	<u>-</u>	<u>2,155,843</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 2,750
Public safety and justice	4,427
Land use and transportation	82,657
Housing, health and human services	278
Culture, education, and recreation	<u>278</u>
Total depreciation expense	\$ <u>90,390</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Capital asset activity for business-type activities for the year ended June 30, 2020 was as follows:

	Business-type Activities			
	Balance			Balance
	July 1, 2019	Increases	Decreases	June 30, 2020
Capital assets not being depreciated:				
Land	\$ 8,957	461	-	9,418
Construction in progress	-	20	-	20
Total capital assets not being depreciated	8,957	481	-	9,438
Capital assets being depreciated:				
Buildings and improvements	49,635	2,320	-	51,955
Vehicles	282	104	-	386
Office equipment	108	-	-	108
Total capital assets being depreciated	50,025	2,424	-	52,449
Less accumulated depreciation for:				
Buildings and improvements	(35,014)	(1,426)	-	(36,440)
Vehicles	(241)	(20)	-	(261)
Office equipment	(108)	-	-	(108)
Total accumulated depreciation	(35,363)	(1,446)	-	(36,809)
Total capital assets being depreciated, net	14,662	978	-	15,640
Business-type activities capital assets, net	\$ 23,619	1,459	-	25,078
Depreciation expense was charged to functions as follows:				
Business-type activities:				
Event Center Operations		1		
Housing		1,445		
Total depreciation expense		\$ 1,446		

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Capital asset activity for the District for the year ended June 30, 2020 was as follows:

	<u>District activities</u>				
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance</u>
	<u>July 1, 2019</u>				<u>June 30, 2020</u>
Capital assets not being depreciated:					
Land and easements	\$ 38,523	2,323	(5)	116	40,957
Construction in progress	<u>169,144</u>	<u>82,412</u>	<u>(3,486)</u>	<u>(43,792)</u>	<u>204,278</u>
Total capital assets not being depreciated	<u>207,667</u>	<u>84,735</u>	<u>(3,491)</u>	<u>(43,676)</u>	<u>245,235</u>
Capital assets being depreciated:					
Buildings and improvements	287,221	3,247	-	17,573	308,041
Treatment plants	687,613	-	(1)	5,664	693,276
Sewer lines	266,256	530	-	15,503	282,289
Plant equipment	107,956	-	(25)	2,547	110,478
Automotive equipment	13,934	-	(626)	1,637	14,945
Plans and studies	16,414	-	-	187	16,601
Office equipment	<u>14,188</u>	<u>-</u>	<u>(46)</u>	<u>565</u>	<u>14,707</u>
Total capital assets being depreciated	<u>1,393,582</u>	<u>3,777</u>	<u>(698)</u>	<u>43,676</u>	<u>1,440,337</u>
Less accumulated depreciation for:					
Buildings and improvements	(168,385)	(9,128)	-	-	(177,513)
Treatment plants	(448,061)	(17,823)	1	-	(465,883)
Sewer lines	(99,627)	(5,476)	-	-	(105,103)
Plant equipment	(80,793)	(5,594)	25	-	(86,362)
Automotive equipment	(11,038)	(1,103)	622	-	(11,519)
Plans and studies	(13,465)	(179)	-	-	(13,644)
Office equipment	<u>(13,168)</u>	<u>(387)</u>	<u>46</u>	<u>-</u>	<u>(13,509)</u>
Total accumulated depreciation	<u>(834,537)</u>	<u>(39,690)</u>	<u>694</u>	<u>-</u>	<u>(873,533)</u>
Total capital assets being depreciated, net	<u>559,045</u>	<u>(35,913)</u>	<u>(4)</u>	<u>43,676</u>	<u>566,804</u>
Component-type activities capital assets, net	\$ <u>766,712</u>	<u>48,822</u>	<u>(3,495)</u>	<u>-</u>	<u>812,039</u>

Depreciation expense was charged to functions as follows:

Component activities:

Sanitation	\$ 34,211
Surface Water Management	<u>5,479</u>
Total depreciation expense	<u>39,690</u>

Decrease in construction in progress is comprised of:

Capital donations	3,314
Items ineligible for capitalization	<u>172</u>
Total decrease in construction in progress	\$ <u>3,486</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Investment in Partnerships – Authority

Investments in partnerships represent the Authority's equity interest in Quatama Housing Limited Partnership and Willow Creek Crossing Limited Partnership. These investments are accounted for using the equity method. Under the equity method, the initial investment is recorded at cost and increased or decreased by the Authority's share of income or loss and is increased by contributions and decreased by distributions. Investment in Quatama Housing Limited Partnership of \$1,497 was recorded as of December 31, 2019, and the latest available audited financial statements; investment in Willow Creek Crossing Limited Partnership of \$550 was recorded as of June 30, 2020.

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 \$2,213.

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Long-term obligations

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

	<u>Balance</u>	<u>Increase</u>	<u>Decreases</u>	<u>Balance</u>	<u>Due In</u>	<u>Long-term</u>
	<u>July 1, 2019</u>			<u>June 30, 2020</u>	<u>One Year</u>	<u>portion</u>
Governmental activities:						
Compensated absences	\$ 11,237	12,489	11,237	12,489	12,489	-
Contracts Payable						
US Dept of Interior	223	-	22	201	22	179
Notes Payable						
State of Oregon, Econ. Dev. Dept.	307	-	151	156	156	-
Full Faith & Credit Obligations						
Series 2013 - Refunding	13,725	-	1,710	12,015	1,795	10,220
Series 2016 - Refunding	22,940	-	3,460	19,480	3,790	15,690
Series 2016 B	94,865	-	7,650	87,215	8,085	79,130
Subtotal Notes and FFCO	<u>131,837</u>	<u>-</u>	<u>12,971</u>	<u>118,866</u>	<u>13,826</u>	<u>105,040</u>
General Obligation Bonds						
Series 2016 A (Taxable)	410	-	410	-	-	-
Series 2016 B (Tax-Exempt)	72,000	-	1,370	70,630	2,030	68,600
Subtotal GO	<u>72,410</u>	<u>-</u>	<u>1,780</u>	<u>70,630</u>	<u>2,030</u>	<u>68,600</u>
Total Contracts, Notes, FFCO and GO	<u>204,470</u>	<u>-</u>	<u>14,773</u>	<u>189,697</u>	<u>15,878</u>	<u>173,819</u>
Total governmental activities	\$ <u>215,707</u>	<u>12,489</u>	<u>26,010</u>	202,186	28,367	173,819
				Unamortized bond premium	24,314	21,997
					<u>226,500</u>	<u>195,816</u>
From the Statement of Net Position:						
Other long-term obligations, current portion, net of premium				\$ 30,684		
Bond and bond anticipation notes payable, net of premium				77,194		
Noncurrent portion of other long term obligations, net of premium				<u>118,622</u>		
Total governmental activities				\$ <u>226,500</u>		

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(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, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>	<u>One Year</u>	<u>portion</u>
Business-type activities:						
Notes Payable						
Farmers Home Administration	\$ 303	-	6	297	7	290
WC Office of Community Development ⁽¹⁾	649	-	-	649	-	649
WC HOME Contracts ⁽¹⁾	610	-	54	556	56	500
Berkadia Bank Mortgage, Aloha Park	1,968	-	34	1,934	35	1,899
Berkadia Bank Mortgage, Cornelius Village	-	1,570	-	1,570	10	1,560
Subtotal notes payable	<u>3,530</u>	<u>1,570</u>	<u>94</u>	<u>5,006</u>	<u>108</u>	<u>4,898</u>
Housing Authority FFCO						
Series 2019 - Refunding	24,030	-	1,030	23,000	565	22,435
Total Notes and FFCO	<u>27,560</u>	<u>1,570</u>	<u>1,124</u>	<u>28,006</u>	<u>673</u>	<u>27,333</u>
Total business-type activities	\$ <u>27,560</u>	<u>1,570</u>	<u>1,124</u>	28,006	673	27,333
				Unamortized bond premium	2,083	87
					<u>30,089</u>	<u>760</u>
						<u>1,996</u>
						<u>29,329</u>
Housing Authority Notes Payable to County, current portion ⁽¹⁾				\$ 56		
Other long-term obligations, current portion, net of premium				<u>704</u>		
Total long term obligations, current portion, net of premium				<u>760</u>		
Housing Authority Notes Payable to County, noncurrent portion ⁽¹⁾				1,151		
Noncurrent portion of other long term obligations, net of premium				<u>28,178</u>		
Total other long term obligations, noncurrent portion				<u>29,329</u>		
Total business-type activities				\$ <u>30,089</u>		

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(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			Balance June 30, 2020	Due In One Year	Long-term portion
	July 1, 2019	Increases	Decreases			
District activities:						
Compensated absences	\$ 2,594	2,978	2,594	2,978	2,978	-
Sewer Revenue Bonds						
Series A 2009	3,290	-	3,290	-	-	-
Series B 2010	80,100	-	3,575	76,525	3,680	72,845
Series A 2011	10,635	-	3,375	7,260	3,540	3,720
Series B 2011	39,220	-	2,060	37,160	2,165	34,995
Series A 2016	33,225	-	-	33,225	3,180	30,045
Revenue Pension Bonds						
Series 2004	12,015	-	870	11,145	990	10,155
Total bonds	178,485	-	13,170	165,315	13,555	151,760
Total district activities	\$ 181,079	2,978	15,764	168,293	16,533	151,760
			Unamortized bond premium	5,893	1,406	4,487
				174,186	17,939	156,247

District compensated absences (recorded in business-type activities as an accrued payroll liability)	\$ 2,978
Other long-term obligations, current portion, net of discount	14,961
Total current	17,939
Noncurrent portion of other long term obligations, net of discount	156,247
Total district activities	\$ 174,186

Governmental Activities

Contract Payable

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

Fiscal Year	Principal	Interest	Interest Rate
2021	\$ 22	7	3.500%
2022	22	6	3.500%
2023	22	5	3.500%
2024	22	5	3.500%
2025	22	4	3.500%
2026 - 2029	89	8	3.500%
	\$ 201	35	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Notes Payable

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

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2021	\$	156	9	5.280%
	\$	<u>156</u>	<u>9</u>	

Full Faith and Credit Obligations

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>
2021	\$	1,795	425	5.000%
2022		1,885	336	5.000%
2023		1,975	241	5.000%
2024		2,075	143	2.125%
2025		2,120	99	2.250%
2026		2,165	51	2.350%
	\$	<u>12,015</u>	<u>1,295</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2021	\$	3,790	974	5.000%
2022		2,525	785	5.000%
2023		2,805	658	5.000%
2024		3,115	518	5.000%
2025		3,445	362	5.000%
2026		3,800	190	5.000%
	\$	<u>19,480</u>	<u>3,487</u>	

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

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2021	\$	8,085	4,098	5.000%
2022		8,545	3,694	5.000%
2023		9,030	3,267	5.000%
2024		9,540	2,815	5.000%
2025		13,080	2,338	5.000%
2026 - 2030		29,790	5,061	4.000 - 5.000%
2031 - 2032		9,145	554	4.000%
	\$	<u>87,215</u>	<u>21,827</u>	

General Obligation Bonds

Series 2016 A (Taxable) - In July 2016, taxable general obligation bonds were issued for \$5,000. These voter-approved obligations were issued to fund updates to the County’s emergency communications system. This obligation was paid in full June 2020.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2021	\$ 2,030	2,684	5.000%
2022	2,320	2,582	5.000%
2023	2,635	2,466	5.000%
2024	2,970	2,335	5.000%
2025	3,330	2,186	5.000%
2026 - 2030	23,005	8,074	2.000 - 5.000%
2031 - 2035	34,340	3,465	3.000 - 3.250%
	<u>\$ 70,630</u>	<u>23,793</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>
2021	\$ 7	28	9.000 - 9.500%
2022	8	27	9.000 - 9.500%
2023	8	26	9.000 - 9.500%
2024	9	26	9.000 - 9.500%
2025	11	25	9.000 - 9.500%
2026 - 2030	67	106	9.000 - 9.500%
2031 - 2035	108	66	9.000 - 9.500%
2036 - 2038	79	10	9.000 - 9.500%
	<u>\$ 297</u>	<u>314</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2021	\$ 56	15	3.000%
2022	-	15	3.000%
2023	-	15	3.000%
2024	-	15	3.000%
2025	-	15	3.000%
2026 - 2029	500	60	3.000%
	\$ <u>556</u>	<u>135</u>	

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2021	\$ 35	80	4.180%
2022	36	79	4.180%
2023	37	77	4.180%
2024	39	76	4.180%
2025	41	74	4.180%
2026 - 2030	231	342	4.180%
2031 - 2035	285	288	4.180%
2036 - 2040	351	222	4.180%
2041 - 2045	433	141	4.180%
2046 - 2050	446	42	4.180%
	\$ <u>1,934</u>	<u>1,421</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Berkadia Bank Mortgage - In November 2019, the Authority acquired Cornelius Village Apartments with \$500 from the County, \$385 from the Authority, and \$1,570 from the Berkadia Bank acquisition loan. The final maturity is in December 2039. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2021	\$ 10	85	5.340%
2022	21	84	5.340%
2023	22	83	5.340%
2024	23	82	5.340%
2025	25	80	5.340%
2026 - 2030	147	379	5.340%
2031 - 2035	192	333	5.340%
2036 - 2040	1,130	250	5.340%
	<u>\$ 1,570</u>	<u>1,376</u>	

Housing Authority Full Faith & Credit Obligations

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2021	\$ 565	879	5.000%
2022	590	850	5.000%
2023	615	821	5.000%
2024	650	790	5.000%
2025	685	758	5.000%
2026 - 2030	3,445	3,289	5.000%
2031 - 2035	5,020	2,296	3.000 - 5.000%
2036 - 2040	5,985	1,367	3.000%
2041 - 2044	5,445	414	3.000%
	<u>\$ 23,000</u>	<u>11,464</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

District-type activities

Sewer Revenue Bonds

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

Series A 2009 - Issued March 2009 sewer revenue bonds were issued in the amount of \$58,755. These bonds were paid in full October 2019.

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>
2021	\$	3,680	4,120	4.728%
2022		3,790	3,946	4.828%
2023		3,905	3,762	4.978%
2024		4,030	3,567	5.078%
2025		4,160	3,361	5.228%
2026 - 2030		23,085	13,174	5.701%
2031 - 2035		27,695	5,925	5.801%
2036		6,180	178	5.801%
	\$	<u>76,525</u>	<u>38,035</u>	

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

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2021	\$	3,540	275	5.000%
2022		3,720	93	5.000%
	\$	<u>7,260</u>	<u>368</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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>
2021	\$	2,165	1,530	5.000%
2022		2,275	1,419	5.000%
2023		2,380	1,314	4.000%
2024		2,475	1,217	4.000%
2025		2,590	1,103	5.000%
2026 - 2030		14,835	3,633	4.000 - 5.000%
2031 - 2033		10,440	638	4.000%
	\$	<u>37,160</u>	<u>10,854</u>	

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

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2021	\$	3,180	1,582	5.000%
2022		3,340	1,419	5.000%
2023		3,515	1,247	5.000%
2024		3,690	1,067	5.000%
2025		3,880	878	5.000%
2026 - 2029		15,620	1,467	5.000%
	\$	<u>33,225</u>	<u>7,660</u>	

Pension Revenue Bonds

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

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2021	\$	990	677	6.015%
2022		1,125	617	6.015%
2023		1,265	549	6.015%
2024		1,415	473	6.095%
2025		1,585	387	6.095%
2026 - 2028		4,765	537	6.095%
	\$	<u>11,145</u>	<u>3,240</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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, 2020, prior years' refunded revenue bonds defeased totaled \$35,160.

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, 2020, there were two series of multi-family Housing Revenue Bonds outstanding, with an aggregate principal amount payable of \$34,423.

Operating Leases - County

The County leases various buildings and land for use in their operations under cancelable and non-cancelable operating leases. Total costs for such leases were approximately \$1,193 for the year ended June 30, 2020.

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

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 1,238
2022	1,123
2023	1,112
2024	1,112
2025	1,112
2026 - 2030	2,723
	<u>\$ 8,419</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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 \$58 for the year ended June 30, 2020.

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

<u>Fiscal Year</u>		<u>Amount</u>
2021	\$	56
2022		58
2023		58
2024		58
	\$	<u>230</u>

Due To/From Other funds

Interfund accounts at June 30, 2020, 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	\$ —	1,997	—	1,500
HOME Fund	955	—	—	—
Other Governmental Funds	1,039	—	—	—
Internal Service Funds	—	—	1,500	—
Agency Funds	3	—	—	—
	\$ <u>1,997</u>	<u>1,997</u>	<u>1,500</u>	<u>1,500</u>

Interfund receivables of the General Fund consist of \$955 cash advanced to the HOME Fund, \$1,039 cash advanced to the non-major funds, and \$3 advanced to the Agency Funds to cover negative cash balances at year-end. Interfund advances of the General Fund consist of \$1,500 cash loaned to the Liability/Casualty Insurance Fund to provide additional funding for higher than anticipated claims costs.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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.

Benefits Provided

Tier One/Tier Two Retirement Benefit

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(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. The cap on the COLA will vary based on the annual benefit.

OPSRP Pension Program

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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, 2017 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2019, and include a required percentage contribution for retiree healthcare. The County's contribution rates for the period were 26.73% of covered employees' salaries for Tier One/Tier Two members, 18.56% for OPSRP general service members, and 23.19% for OPSRP police members. The County's total contributions were \$52,457. Covered employees are required to contribute 6% of their annual covered salary to the Plan.

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

At June 30, 2020, the County reported a liability of \$278,895 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the County's proportion was 1.61%, which is 0.10% more than its proportion of 1.51% as of June 30, 2019.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

For the year ended June 30, 2020, the County recognized pension expense of \$69,924 for the defined benefit portion of the pension plan. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,380	—
Changes of assumptions	37,835	—
Net difference between projected and actual earnings on investments	—	7,906
Changes in proportionate share	9,703	8,836
Differences between employer contributions and employer's proportionate share of system contributions	4,016	1,190
Subtotal	66,934	17,932
County contributions subsequent to the measurement date	35,020	—
Side account funded by the County during the period	14,500	—
Side account funded by State match during the period	3,625	—
Amortization of side account during the period	(688)	—
Total	\$ 119,391	17,932

Deferred outflows of resources related to pensions of \$35,020 resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Deferred outflows related to pensions of \$14,500 resulting from the County funding a new side account during the period will be amortized over twenty years along with related investment gains and/or losses. Deferred outflows related to pensions of \$3,625 resulting from the award of matching Employer Incentive Fund (EIF) Program funds subsequent to measurement date were added to the side account and will be amortized over the remaining period. OPERS reports amortization of the side account of \$688 for the year. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

<u>Fiscal Year</u>		<u>Amount</u>
2021	\$	(26,042)
2022		(3,233)
2023		(9,984)
2024		(8,825)
2025		<u>(918)</u>
	\$	<u><u>(49,002)</u></u>

Actuarial Methods and Assumptions

The employer contribution rates effective July 1, 2019 through June 30, 2021 were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial methods and assumptions:

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study	2016, published July 26, 2017
Actuarial Assumptions:	
Inflation Rate	2.50%
Long-term Expected Rate of Return	7.20%
Discount Rate	7.20%
Projected Salary Increases	3.50%
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<i>Healthy retirees and beneficiaries:</i> RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <i>Active members:</i> RP-2014 Healthy employee, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <i>Disabled retirees:</i> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

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

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 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

<u>Asset Class</u>	<u>Policy Range</u>		<u>Target Allocation</u>
	<u>Low Range</u>	<u>High Range</u>	
Debt Securities	15.00%	25.00%	20.00%
Public Equity	32.50%	42.50%	37.50%
Real Estate	9.50%	15.50%	12.50%
Private Equity	14.00%	21.00%	17.50%
Alternative Investments	0.00%	12.50%	12.50%
Opportunity Portfolio ⁽¹⁾	0.00%	3.00%	0.00%
Total			<u>100.00%</u>

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Discount Rate

The discount rate used to measure the total pension liability was 7.20%. 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 was applied to all periods of projected benefit payments to determine the total pension liability.

Plan Changes

The Oregon Legislature and Governor approved Senate Bill 1049 during the 2019 Legislative Session. The elements of the bill included a variety of policy and program changes which will affect the County's pension plan. Most prominent are a one-time 22-year re-amortization of the unamortized actuarial liability for Tier 1 and Tier 2 employees and contribution rate adjustments. The effect of SB 1049 could reduce the County's pension liability. In August 2019, a petition was filed with the Oregon Supreme Court challenging the constitutionality of certain portions of SB 1049. The Oregon Supreme Court upheld the legislation on August 6, 2020.

Depletion Date Projection

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

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Payable to OPERS

At June 30, 2020, the County’s payable to OPERS for defined benefit contributions was \$1,524. This amount represents legally required contributions to the plan for services incurred in the current fiscal year.

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

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

	<u>1% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1% Increase</u>
	<u>6.20%</u>	<u>7.20%</u>	<u>8.20%</u>
County's proportionate share of the net pension liability	\$ <u>446,629</u>	<u>278,895</u>	<u>138,528</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 so long as they remain in covered employment.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. This six percent contribution is deducted out of all County employees' pay with the exception of those represented by the Washington County Police Officers Association, where the County makes this contribution on their behalf. The County contributed approximately \$9,469 for the year ended June 30, 2020, of which approximately \$7,610 was recovered through employee payroll deductions.

Pension Plan – District

Description

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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

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

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

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

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

June 30, 2020

(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. The cap on the COLA will vary based on annual benefit.

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, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019, and include a required percentage contribution for retiree healthcare. The District's contribution rates for the period were 20.3% for Tier One/Tier Two member and 13.67% for OPSRP General Service members. The District's total contributions were \$7,182. Covered employees are required to contribute 6% of their annual covered salary to the Plan.

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

At June 30, 2020, the District reported a liability of \$39,018 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District's proportion was 0.23%, which is 0.05% less than its proportion of 0.28% as of June 30, 2019.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

For the year ended June 30, 2020, the District recognized pension expense of \$11,353 for the defined benefit portion of the pension plan. At June 30, 2020, 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>
Differences between expected and actual experience	\$ 2,152	—
Changes of assumptions	5,293	—
Net difference between projected and actual earnings on investments	—	1,106
Changes in proportionate share	1,071	5,255
Differences between employer contributions and employer's proportionate share of system contributions	<u>12,043</u>	<u>338</u>
Subtotal	20,559	6,699
District contributions subsequent to the measurement date	7,182	—
Side account funded by State match during the period	2,253	—
Amortization of side account during the period	<u>(2,995)</u>	<u>—</u>
Total	<u>\$ 26,999</u>	<u>6,699</u>

Deferred outflows of resources related to pensions of \$7,182 resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Deferred outflows related to pensions of \$2,253 resulting from the award of matching Employer Incentive Fund (EIF) Program funds subsequent to measurement date were added to the side account and will be amortized over the remaining period. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ (5,558)
2022	(2,316)
2023	(2,989)
2024	(2,601)
2025	<u>(396)</u>
	<u>\$ (13,860)</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

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(Dollars in thousands)

Actuarial Methods and Assumptions

The employer contribution rates effective July 1, 2019 through June 30, 2021 were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study	2016, published July 26, 2017
Actuarial Assumptions:	
Inflation Rate	2.50%
Long-term Expected Rate of Return	7.20%
Discount Rate	7.20%
Projected Salary Increases	3.50%
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><i>Healthy retirees and beneficiaries:</i></p> <p>RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><i>Active members:</i></p> <p>RP-2014 Healthy employee, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><i>Disabled retirees:</i></p> <p>RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

WASHINGTON COUNTY, OREGON

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

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 2017 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Policy Range</u>		<u>Target Allocation</u>
	<u>Low Range</u>	<u>High Range</u>	
Debt Securities	15.00%	25.00%	20.00%
Public Equity	32.50%	42.50%	37.50%
Real Estate	9.50%	15.50%	12.50%
Private Equity	14.00%	21.00%	17.50%
Alternative Investments	0.00%	12.50%	12.50%
Opportunity Portfolio ⁽¹⁾	0.00%	3.00%	0.00%
Total			<u>100.00%</u>

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

WASHINGTON COUNTY, OREGON

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(Dollars in thousands)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.20%. 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 was applied to all periods of projected benefit payments to determine the total pension liability.

WASHINGTON COUNTY, OREGON

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(Dollars in thousands)

Plan Changes

The Oregon Legislature and Governor approved Senate Bill 1049 during the 2019 Legislative Session. The elements of the bill included a variety of policy and program changes which will affect the District's pension plan. Most prominent are a one-time 22-year re-amortization of the unamortized actuarial liability for Tier 1 and Tier 2 employees and contribution rate adjustments. The effect of SB 1049 could reduce the District's pension liability. In August 2019, a petition was filed with the Oregon Supreme Court challenging the constitutionality of certain portions of SB 1049. The Oregon Supreme Court upheld the legislation on August 6, 2020.

Depletion Date Projection

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

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

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

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

Payable to OPERS

At June 30, 2020, the District's payable to OPERS for defined benefit contributions was \$229. This amount represents legally required contributions to the plan for services incurred in the current fiscal year.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

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(Dollars in thousands)

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

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

	<u>1% Decrease</u> <u>6.20%</u>	Current Discount Rate <u>7.20%</u>	<u>1% Increase</u> <u>8.20%</u>
District's proportionate share of the net pension liability	\$ <u>62,484</u>	<u>39,018</u>	<u>19,380</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 so 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 \$2,022 for the year ended June 30, 2020.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

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(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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75) is applicable to the County due to the resulting implicit rate subsidy. The County's postemployment benefit plan is a single-employer plan and is substantially the same plan that is provided to current employees. This is not a stand-alone plan and there are no separately issued financial statements.

Funding Policy

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

For fiscal year 2019-20, the County paid benefit payments of \$647 and retirees made payments of \$1,200. The County has elected to not fund the actuarially determined cost amount of \$6,484.

As of the valuation date of June 30, 2020, there were 95 retirees and surviving spouses participating in the County's OPEB plan with an average retirement age of 57.6 years and current average age of 60.8 years.

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

The County's total OPEB liability of \$6,484 was determined by an actuarial valuation as of June 30, 2020.

For the fiscal year ended June 30, 2020, the County recognized OPEB expense from this plan of \$624. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to the County's OPEB plan from the following sources:

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,474	—
Changes of assumptions	<u>1,592</u>	<u>457</u>
Total	\$ <u>3,066</u>	<u>457</u>

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

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 230
2022	230
2023	230
2024	230
2025	230
Thereafter	<u>1,459</u>
	\$ <u>2,609</u>

Actuarial Assumptions and Other Inputs

The total County OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

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(Dollars in thousands)

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal, level percent of salary
Actuarial Assumptions:	
Discount Rate	2.21% (decreased from 3.87%)
Inflation Rate	2.50%
Projected Salary Increases	3.50%
Premium Rate	5.00%
Enrollment Rate	15.00%
Covered Dependents	45.00%
Persistence	6.00%
Spouse's Age	Male spouses are assumed to be 2 years older than female spouses
Disability Rate	Assumed immaterial for purposes of this actuarial valuation
Mortality	<i>Healthy retirees and beneficiaries:</i> RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-back as described in the valuation. <i>Active members:</i> RP-2014 Annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-back as described in the valuation. <i>Disabled retirees:</i> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial valuations are performed biennially as of June 30th. The methods and assumptions shown above are based on the June 30, 2020 actuarial valuation.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Changes in the Total County OPEB Liability

	Total County OPEB Liability	
Balance at 6/30/19	\$	3,528
Benefit payments		(647)
Service cost		324
Interest on total OPEB obligation		71
Change in assumptions		1,738
Experience (gain)/loss		1,470
Balance at 6/30/20	\$	<u>6,484</u>

Sensitivity of the County Total OPEB Liability

The following presents the total County OPEB liability as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.21%) or 1% higher (3.21%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>1.21%</u>	<u>2.21%</u>	<u>3.21%</u>
Total County OPEB Liability	\$ <u>6,950</u>	<u>6,484</u>	<u>6,050</u>

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

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total County OPEB Liability	\$ <u>5,898</u>	<u>6,484</u>	<u>7,173</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

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(Dollars in thousands)

Other Post-Employment Benefits – District

Plan Description

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

Funding Policy

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

For fiscal year 2019-20, the District contributed \$119 consisting of retiree payments. The District has elected to not pre-fund the actuarially determined future cost amount of \$1,307.

As of the valuation date of July 1, 2019, there were 150 retirees and surviving spouses participating in the District’s OPEB plan.

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

The District’s total OPEB liability of \$1,307 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. For the fiscal year ended June 30, 2020, the District recognized OPEB expense from this plan of \$67.

Actuarial Assumptions and Other Inputs

The total District OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

WASHINGTON COUNTY, OREGON

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(Dollars in thousands)

Valuation Date	July 1, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal, level percent of salary
Actuarial Assumptions:	
Discount Rate	2.25% (decreased from 3.75%)
Inflation Rate	2.50%
Projected Salary Increases	3.50%
Premium Rate	Declining rate starting at 6.30% in 2020 and ending at 4.50% in 2038 and beyond
Enrollment Rate	Current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled, if any.
Covered Dependents	70% of future retirees electing coverage are assumed to cover a spouse as well.
Spouse's Age	Male spouses are assumed to be 3 years older than female spouses
Mortality	General Service and Beneficiary table: PUB-2010 General Employees table, separate Employee/Healthy Annuitant, sex district, generational, setback 12 months for males, no setback for females.

Mortality rates for active male participants are 115% of the above rates, and active female participants 125% of the above rates.

Improvement Scale: Unisex Social Security Data Scale (60 year average)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial valuations are performed annually as of July 1st. The methods and assumptions shown above are based on the July 1, 2019 actuarial valuation.

Changes in the Total District OPEB Liability

	Total District OPEB Liability	
	<hr/>	
Balance at 6/30/19	\$	1,046
Benefit payments		(67)
Service cost		52
Interest on total OPEB obligation		40
Change in assumptions		78
Experience (gain)/loss		158
	<hr/>	
Balance at 6/30/20	\$	<u>1,307</u>

WASHINGTON COUNTY, OREGON

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(Dollars in thousands)

For fiscal year 2019-20, the District reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	
Differences between expected and actual experience	\$	135
Changes of assumptions		<u>67</u>
Total		<u><u>202</u></u>

Deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year</u>		<u>Amount</u>
2021	\$	34
2022		34
2023		34
2024		34
2025		34
Thereafter		<u>32</u>
	\$	<u><u>202</u></u>

Sensitivity of the District Total OPEB Liability

The following presents the total District OPEB liability as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.25%) or 1% higher (3.25%) than the current discount rate:

		Current	
	1% Decrease	Discount Rate	1% Increase
	1.25%	2.25%	3.25%
Total District OPEB Liability	\$ <u>1,397</u>	<u>1,307</u>	<u>1,220</u>

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

		Current	
	1% Decrease	Health Care	1% Increase
		Trend Rates	
Total District OPEB Liability	\$ <u>1,164</u>	<u>1,307</u>	<u>1,472</u>

WASHINGTON COUNTY, OREGON

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(Dollars in thousands)

Retirement Health Insurance Account (RHIA) - County

Plan Description

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

Funding Policy

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

Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll first became effective July 1, 2019. The County's contribution rates for the period were 0.06% for Tier 1/Tier 2 members and 0.00% for OPSRP general service and police and fire members. The County's total contributions for the year ended June 30, 2020 was \$59.

WASHINGTON COUNTY, OREGON

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(Dollars in thousands)

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

At June 30, 2020, the County reported an asset of \$2,660 for its proportionate share of the PERS OPEB RHIA asset. The net PERS OPEB RHIA asset was measured as of June 30, 2019, and the total PERS OPEB RHIA asset used to calculate the net PERS OPEB RHIA asset was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The County's proportion of the net PERS OPEB RHIA asset was based on a projection of the County's long-term share of contributions to the PERS OPEB RHIA plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the County's proportion was 1.38%, which is 0.07% higher than its proportion of 1.31% as of June 30, 2019.

For the year ended June 30, 2020, the County recognized OPEB income of \$368 for the PERS OPEB RHIA plan. At June 30, 2020, the County reported deferred outflows or resources and deferred inflows of resources related to PERS OPEB RHIA from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ —	351
Changes of assumptions	—	3
Net difference between projected and actual earnings on investments	—	164
Changes in proportionate share	—	41
Subtotal	—	559
Contributions subsequent to the measurement date	59	—
Total	\$ <u>59</u>	559

Deferred outflows of resources related to the PERS OPEB RHIA of \$59 resulting from the County's contributions subsequent to the measurement date will be recognized as an increase of the net PERS OPEB RHIA asset in the year ended June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to the PERS OPEB RHIA will be recognized in PERS OPEB RHIA income as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 287
2022	256
2023	32
2024	<u>(16)</u>
	\$ <u>559</u>

WASHINGTON COUNTY, OREGON

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(Dollars in thousands)

Actuarial Methods and Assumptions

The total PERS OPEB liability (asset) in the December 31, 2017 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study	2016, published July 26, 2017
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50%
Long-term Expected Rate of Return	7.20%
Discount Rate	7.20%
Projected Salary Increases	3.50%
Retiree Healthcare Participation	Healthy retirees: 35%; Disabled retirees: 20%
Healthcare Cost Trend Rate	Not applicable
Mortality	<i>Healthy retirees and beneficiaries:</i> RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-back as described in the valuation. <i>Active members:</i> RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-back as described in the valuation. <i>Disabled retirees:</i> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

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(Dollars in thousands)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Policy Range</u>		<u>Target Allocation</u>
	<u>Low Range</u>	<u>High Range</u>	
Debt Securities	15.00%	25.00%	20.00%
Public Equity	32.50%	42.50%	37.50%
Real Estate	9.50%	15.50%	12.50%
Private Equity	14.00%	21.00%	17.50%
Alternative Investments	0.00%	12.50%	12.50%
Opportunity Portfolio ⁽¹⁾	0.00%	3.00%	0.00%
Total			<u>100.00%</u>

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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

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

Discount Rate

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

Depletion Date Projection

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

WASHINGTON COUNTY, OREGON

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(Dollars in thousands)

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

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

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

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

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

	<u>1% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1% Increase</u>
	<u>6.20%</u>	<u>7.20%</u>	<u>8.20%</u>
County's proportionate share of the net PERS OPEB RHIA liability (asset)	\$ <u>(2,062)</u>	\$ <u>(2,660)</u>	\$ <u>(3,169)</u>

PERS OPEB RHIA Plan Fiduciary Net Position

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Retirement Health Insurance Account (RHIA) - District

Plan Description

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

Funding Policy

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

Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll first became effective July 1, 2019. The District's contribution rates for the period were 0.06% for Tier 1/Tier 2 members and 0.00% for OPSRP general service members. The District's total contributions for the year ended June 30, 2020 was \$7.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

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

At June 30, 2020, the District reported an asset of \$658 for its proportionate share of the PERS OPEB RHIA asset. The net PERS OPEB RHIA asset was measured as of June 30, 2019, and the total PERS OPEB RHIA asset used to calculate the net PERS OPEB RHIA asset was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The District's proportion of the net PERS OPEB RHIA asset was based on a projection of the District's long-term share of contributions to the PERS OPEB RHIA plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District's proportion was 0.34%, which is 0.04% higher than its proportion of 0.30% as of June 30, 2019.

For the year ended June 30, 2020, the District recognized OPEB income of \$97 for the PERS OPEB RHIA plan. At June 30, 2020, the District reported deferred outflows or resources and deferred inflows of resources related to the PERS OPEB RHIA from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ —	87
Changes of assumptions	—	1
Net difference between projected and actual earnings on investments	—	40
Changes in proportionate share	—	23
Subtotal	—	151
Contributions subsequent to the measurement date	7	—
Total	\$ <u>7</u>	<u>151</u>

Deferred outflows of resources related to the PERS OPEB RHIA of \$7 resulting from the District's contributions subsequent to the measurement date will be recognized as an increase of the net PERS OPEB RHIA asset in the year ended June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to the PERS OPEB RHIA will be recognized in PERS OPEB RHIA income as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 77
2022	69
2023	9
2024	<u>(4)</u>
	\$ <u>151</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

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(Dollars in thousands)

Actuarial Methods and Assumptions

The total PERS OPEB liability (asset) in the December 31, 2017 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study	2016, published July 26, 2017
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50%
Long-term Expected Rate of Return	7.20%
Discount Rate	7.20%
Projected Salary Increases	3.50%
Retiree Healthcare Participation	Healthy retirees: 35%; Disabled retirees: 20%
Healthcare Cost Trend Rate	Not applicable
Mortality	<i>Healthy retirees and beneficiaries:</i> RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-back as described in the valuation. <i>Active members:</i> RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-back as described in the valuation. <i>Disabled retirees:</i> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

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

WASHINGTON COUNTY, OREGON

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(Dollars in thousands)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Policy Range</u>		<u>Target Allocation</u>
	<u>Low Range</u>	<u>High Range</u>	
Debt Securities	15.00%	25.00%	20.00%
Public Equity	32.50%	42.50%	37.50%
Real Estate	9.50%	15.50%	12.50%
Private Equity	14.00%	21.00%	17.50%
Alternative Investments	0.00%	12.50%	12.50%
Opportunity Portfolio ⁽¹⁾	0.00%	3.00%	0.00%
Total			<u>100.00%</u>

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

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

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

Discount Rate

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

Depletion Date Projection

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

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(Dollars in thousands)

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

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

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

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

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

	1% Decrease	Current	1% Increase
	6.20%	Discount Rate	8.20%
	<u>6.20%</u>	<u>7.20%</u>	<u>8.20%</u>
District's proportionate share of the net pension liability (asset) \$	<u>(510)</u>	<u>(658)</u>	<u>(784)</u>

PERS OPEB RHIA Plan Fiduciary Net Position

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

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(Dollars in thousands)

Other Post-Employment Benefits – County and District Financial Statement Presentation

Summary of OPEB Expense (Income)

The County and District’s two OPEB plans are presented in the aggregate on the Statement of Activities. The amounts related to OPEB expense (income) are included in program expense and relate to the plans as follows:

	<u>Implicit Rate Subsidy Plan</u>	<u>PERS RHIA Plan</u>	<u>Total OPEB</u>
County's OPEB Expense (Income) \$	624	(368)	256
District's OPEB Expense (Income)	67	(97)	(30)

Insured Risks - County

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

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

<u>Fiscal Year</u>	<u>Beginning of fiscal year liability</u>	<u>Current year claims and changes in estimates</u>	<u>Claims payments</u>	<u>Balance at fiscal year-end</u>
2018	\$ 4,287	6,607	(4,678)	6,216
2019	6,216	6,373	(5,582)	7,007
2020	7,007	6,880	(5,695)	8,192

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

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(Dollars in thousands)

Insured Risks and Captive Insurance - District

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

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

<u>Fiscal Year</u>	<u>Beginning of fiscal year liability</u>	<u>Current year claims and changes in estimates</u>	<u>Claims payments</u>	<u>Balance at fiscal year-end</u>
2018	\$ 474	498	(403)	569
2019	569	958	(494)	1,033
2020	1,033	533	(1,091)	475

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

The Hawaii Insurance Division established certain minimum capital and surplus requirements for CWIC which are required to be maintained at all times. The minimum was set at \$250 at formation. As of June 30, 2020, CWIC was in compliance with the minimum capital and surplus requirements of the State of Hawaii.

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Notes to Basic Financial Statements

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(Dollars in thousands)

Solid Waste Landfill Closure

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

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

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

Pollution Remediation

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

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

WASHINGTON COUNTY, OREGON

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

In February 2004, DEQ issued a Record of Decision requiring methane gas mitigation as part of the site development. An engineering firm is currently contracted by the County to perform the ongoing monitoring and meet DEQ reporting requirements. The pollution remediation obligation estimate at June 30, 2020 for the ongoing monitoring, maintenance, and DEQ reporting costs is \$4,180.

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	\$ 10,361	7%
Human Services Fund	2,985	2%
Road Fund	1,269	1%
Major Streets Transportation Improvement Program III Fund	36,030	24%
Non-major funds	<u>96,501</u>	<u>65%</u>
Total governmental funds	147,146	99%
Event Center Operations	1,250	1%
Housing Authority of Washington County	512	0%
	<u>148,908</u>	<u>100%</u>
Transfers out:		
General Fund	109,336	73%
Human Services Fund	2,712	2%
Road Fund	8,297	6%
Major Streets Transportation Improvement Program III Fund	473	0%
Non-major funds	<u>28,084</u>	<u>19%</u>
Total governmental funds	148,902	100%
Service District for Lighting No. 1	<u>6</u>	<u>0%</u>
	<u>\$ 148,908</u>	<u>100%</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

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(Dollars in thousands)

The following are the major reasons for the above transfers:

Major streets improvement programs and the Cooperative Library Services Fund operated on fixed-rate serial levies until 1998-99. With the passage of Measures 47 and 50, those fixed-rate serial levies were combined with the County's permanent tax rate and now receive a majority of their funding directly from the County's General Fund. These transfers comprise approximately \$36,030 to major streets improvement programs and \$21,397 to Cooperative Library Services Fund. The Series 2016 B FFCO Debt Service Fund also received approximately \$15,112 from various governmental funds to meet this year's debt service requirements for the Series 2016 B FFCO bond issue. These transfers are responsible for 49% of all transfers. Transfers between the other operating funds are a result of the normal course of operations.

Tax Abatements

GASB Statement No. 77, *Tax Abatement Disclosures* establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The County's property tax revenues were materially impacted by six tax abatement programs for the fiscal year ended June 30, 2020.

Enterprise Zone

Oregon's enterprise zones offer a unique resource to Oregon communities and an excellent opportunity for businesses growing or locating in Oregon. Primarily, enterprise zones exempt businesses from local property taxes on new investments for a specified amount of time, which varies among the different zone programs. To qualify for an enterprise zone exemption the business agrees to increase full-time employment by 10%, have no concurrent job losses outside the zone boundary, maintain minimum employment levels, enter into a first-source agreement with local job training providers, and satisfy any additional conditions. The County's Enterprise Zone reduction in property tax revenues is estimated at \$1,713.

Construction in Process in Enterprise Zone

Oregon's construction in process enterprise zone abatement allows unfinished facility improvements within designated enterprise zones to be exempt from local property taxes for up to two years while under construction. Requirements to qualify for this abatement are similar to the requirements to qualify as an enterprise zone business, with some additional conditions; the facility must qualify as an enterprise zone eligible property upon completion and it shall not be operated as all or a part of a hotel, motel, or destination resort. The County's Construction in Process in Enterprise Zone reduction in property tax revenues is estimated at \$98.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

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(Dollars in thousands)

Nonprofit Corporation Low Income Housing

The 1985 Oregon legislature authorized a property tax abatement for low-income housing held by charitable, nonprofit organizations. The tax abatement is intended to benefit low-income renters and is available for qualifying property located in some parts of the County. Nonprofit (IRS 501(c)(3) or (4) organizations are responsible for the day-to-day management of the property. Cities/County may set additional terms and may depend on the existence of development prior to application or not. The County's reduction in revenues is estimated at \$479 for this program.

Housing for Low Income Rental

The Housing for Low Income Rental abatement was adopted by the Oregon Legislature in 1989 and is designed to benefit low-income renters by providing full property tax exemption for property that can be owned by either a nonprofit or for-profit entity. The owner of the property must reduce their rents to reflect the full value of the exemption, and the property must be occupied by renters whose incomes are at or below 60 percent of the median. The abatement is effective for 20 years, although it only covers new construction built before January 1, 2010. The County's reduction in revenues is estimated at \$8 for this program.

Strategic Investment Program

The Strategic Investment Program (SIP) was adopted by the Oregon Legislature in 1993. It allows businesses and local governments to negotiate alternative property tax agreements if these businesses are willing to invest at least \$100,000 at an urban site or at least \$25,000 at a rural location in Oregon, particularly with capital-intensive, high-technology employers. The County is currently a partner in SIP agreements with both Intel Corporation and Genentech, and its reduction in property tax revenues is estimated at \$28,375.

Vertical Housing

The Vertical Housing Program (VIP) first began in 2003 and encourages mixed-use commercial and residential developments in areas designated by communities through a partial property tax abatement. The abatement varies in accordance with the number of residential floors on a project with a maximum exemption of 80 percent over 10 years. An additional exemption on the land is allowed if some or all of the residential housing is for low-income persons (80 percent of the area median income or below). The County's VIP reduction in property tax revenues is estimated at \$252.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Related Party Transactions – County

The County performs certain fiscal and accounting services, partnering in capital projects, and provides certain facility related services for which the District was charged approximately \$1,723 during fiscal year 2019-20.

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 \$45 for such services under the Operating Agreement for fiscal year ended June 30, 2020. CWI also billed the District \$5 for professional services during fiscal year 2020.

On October 26, 2010, the District entered into a loan agreement with CWI. The agreement allows for loans and/or advances from the District to CWI of up to \$400 through fiscal year 2014-15. The agreement was subsequently amended to extend the agreement term and repayment of principal and interest to July 1, 2020. Interest on outstanding loan balances due from CWI to the District are calculated monthly and based on 1.1 times the average monthly Oregon Local Government Investment Pool (LGIP) rates. During fiscal year 2020, CWI was charged \$2 in interest, and made payments totaling \$97 to pay the loan in full.

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 \$13 to the District in fiscal year 2019-20 which were applied against the loan balance referenced above. The Assignment Agreement was amended on June 19, 2018, changing the allocation of revenues associated with the intellectual property. Revenues received by CWI shall be shared equally (50% District and 50% CWI). The District will credit this 50% share of revenue toward the outstanding CWI loan balance until fully paid.

Clean Water Insurance Company (CWIC) began operations on July 1, 2016. The District paid dental premiums of \$264, vision premiums of \$32, and auto, general liability, and property insurance premiums totaling \$730 during fiscal year 2020. CWIC reimbursed the District for claims filed totaling \$214 during fiscal year 2020.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Contingency - County

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

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

Commitments – County

The County has committed over \$97,415 to fund certain specific road construction projects over the next several years; \$31,115 for jail inmate health care services over the next year; \$24,996 for Countywide library services over the next year; \$2,650 for kitchen services at the jail through September 2021; and \$476 for entrance security services for the state courts in County buildings for next two years.

Facilities has committed construction services of \$1,905 for the Events Center at the County Fair Grounds; construction services of \$15,133 for the new headquarters for Washington County Consolidated Communication Agency (WCCCA), the County's 911 system; and final improvements to the Public Safety Training Center of \$44.

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 \$1,147. Juvenile detention services at the Donald E. Long facility have been contracted with Multnomah County for approximately \$8,363 over the next two years.

The County has contracted for fuel for all County vehicles and equipment of \$3,516 through June 2022 and \$1,161 for janitorial services for all County facilities over through March 2021. The County has also contracted various building lease agreements for approximately \$9,850 over the next several years.

Commitments – District

The District is committed for approximately \$65,500 for various construction projects and other significant commitments at June 30, 2020. The District plans to finance these projects using existing resources.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

(Dollars in thousands)

Restatement – County

The County restated the beginning net position of the General Fund and the Internal Service Funds to recognize a loan between the General Fund and the Liability Casualty/Insurance Fund that originated in fiscal year 2018-19. The loan was issued to provide additional funding for higher than anticipated claims costs in fiscal year 2018-19. Below is the effect of this restatement:

	<u>General Fund</u>	<u>Internal Service Funds</u>
Net position July 1, 2019	\$ 78,906	30,688
Recognition of Advance To/From	<u>2,000</u>	<u>(2,000)</u>
Net position July 1, 2019, as restated	<u>\$ 80,906</u>	<u>28,688</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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WASHINGTON COUNTY, OREGON

Budgetary Comparison

General Fund

For the fiscal year ended June 30, 2020

(Dollars in thousands)

	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:				
Taxes	\$ 159,125	159,125	157,878	(1,247)
Licenses and permits	8,008	8,008	7,560	(448)
Intergovernmental revenues	22,407	23,699	23,011	(688)
Charges for services	10,948	11,481	11,838	357
Fines and forfeitures	2,699	2,699	1,921	(778)
Miscellaneous revenues	4,915	4,915	6,451	1,536
Interfund revenues	8,481	11,994	7,619	(4,375)
Total revenues	<u>216,583</u>	<u>221,921</u>	<u>216,278</u>	<u>(5,643)</u>
Expenditures:				
General government:				
Board of County Commissioners	537	537	536	1
County administrative office	2,927	3,137	2,964	173
Community network	680	680	679	1
Community engagement	870	870	659	211
County counsel	2,890	2,932	2,654	278
County auditor	692	692	489	203
County emergency management	1,097	1,097	713	384
Elections	2,533	2,533	1,769	764
Assessment and taxation	12,800	12,800	11,488	1,312
Support services administration	2,186	2,037	1,628	409
Financial management	3,190	3,190	2,930	260
Human resources	3,995	3,995	3,673	322
Information services	19,959	19,959	17,958	2,001
Purchasing	626	626	582	44
Facilities management	13,374	13,523	12,467	1,056
Subtotal	<u>68,356</u>	<u>68,608</u>	<u>61,189</u>	<u>7,419</u>
Public safety and justice:				
Law enforcement services	26,021	26,554	20,719	5,835
Jail operations	30,621	30,621	22,134	8,487
Jail health care	5,643	5,643	5,618	25
Sheriff's office administration	6,215	6,215	5,200	1,015
District Attorney	14,624	14,881	13,778	1,103
Washington County justice court	911	911	818	93
Juvenile	7,829	7,829	7,347	482
Juvenile administration	1,629	1,629	1,604	25
Subtotal	<u>93,493</u>	<u>94,283</u>	<u>77,218</u>	<u>17,040</u>
Land use and transportation				
Planning	4,868	4,868	4,268	600
Water Master	218	218	213	5
Subtotal	<u>5,086</u>	<u>5,086</u>	<u>4,481</u>	<u>605</u>
Housing, health and human services:				
Public health	21,063	25,511	18,259	7,252
Health and human services administration	2,165	2,181	1,967	214
Affordable housing development support	4,000	4,000	1,581	2,419
Animal services	3,000	3,000	2,680	320
Veterans services	1,257	1,287	1,156	131
Subtotal	<u>31,485</u>	<u>35,979</u>	<u>25,643</u>	<u>7,917</u>
Culture, education and recreation:				
Agriculture activities	560	560	539	21
Parks	1,511	1,581	1,542	39
Subtotal	<u>2,071</u>	<u>2,141</u>	<u>2,081</u>	<u>60</u>
Non-operating:				
Miscellaneous	3,015	4,015	3,230	785
Subtotal	<u>3,015</u>	<u>4,015</u>	<u>3,230</u>	<u>785</u>
Operating contingency	20,562	18,833	—	18,833
Total expenditures	<u>224,068</u>	<u>228,945</u>	<u>173,842</u>	<u>52,659</u>
Revenues over expenditures	<u>(7,485)</u>	<u>(7,024)</u>	<u>42,436</u>	<u>47,016</u>
Other financing sources (uses):				
Transfers in from other funds	55,348	55,458	55,705	247
Transfers out to other funds	(93,419)	(93,990)	(93,955)	35
Total other financing uses	<u>(38,071)</u>	<u>(38,532)</u>	<u>(38,250)</u>	<u>282</u>
Net change in fund balance	(45,556)	(45,556)	4,186	49,742
Fund balance July 1, 2019	45,555	45,555	44,663	(892)
Fund balance June 30, 2020	\$ —	—	48,849	48,850
Advances to other funds are recognized as receivables on a GAAP basis			1,500	
Certain governmental funds are reported in the General Fund on a GAAP basis:				
Gain Share Fund			3,226	
PERS Rate Stabilization Fund			337	
Strategic Investment Program Fund			14,049	
Survey Fund			1,565	
Fund balance, GAAP basis, June 30, 2020			\$ 69,526	

WASHINGTON COUNTY, OREGON
 Budgetary Comparison
 Major Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	COVID-19 CARES Act Fund				HOME Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ —	104,660	19,901	(84,759)	4,371	4,371	2,149	(2,222)
Charges for services	—	—	—	—	—	—	—	—
Miscellaneous revenues	—	—	7	7	341	341	329	(12)
Interfund revenues	—	—	—	—	—	—	—	—
Total revenues	—	104,660	19,908	(84,752)	4,712	4,712	2,478	(2,234)
Expenditures:								
Current:								
General government	—	104,660	19,897	84,763	—	—	—	—
Land use and transportation	—	—	—	—	—	—	—	—
Housing, health and human services	—	—	—	—	4,712	4,712	2,641	2,071
Culture, education and recreation	—	—	—	—	—	—	—	—
Nonoperating	—	—	—	—	—	—	—	—
Operating contingency	—	—	—	—	—	—	—	—
Total current	—	104,660	19,897	84,763	4,712	4,712	2,641	2,071
Capital outlay	—	—	11	(11)	—	—	—	—
Total expenditures	—	104,660	19,908	84,752	4,712	4,712	2,641	2,071
Revenues over (under) expenditures	—	—	—	—	—	—	(163)	(163)
Fund balances July 1, 2019	—	—	—	—	—	—	163	163
Fund balance (deficit) June 30, 2020	\$ —	—	—	—	—	—	—	—

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Major Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	Human Services Fund				Road Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ —	—	—	—	925	925	860	(65)
Licenses and permits	—	—	—	—	255	255	243	(12)
Intergovernmental revenues	45,646	45,646	16,669	(28,977)	41,227	41,227	37,235	(3,992)
Charges for services	9	9	4	(5)	9,105	9,105	8,820	(285)
Special assessments	—	—	—	—	26	26	24	(2)
Miscellaneous revenues	639	639	2,001	1,362	1,113	1,113	1,753	640
Interfund revenues	311	311	311	—	10,086	10,086	9,533	(553)
Total revenues	46,605	46,605	18,985	(27,620)	62,737	62,737	58,468	(4,269)
Expenditures:								
Current:								
Land use and transportation:								
LUT administration	—	—	—	—	3,729	3,729	3,199	530
Road fund administration	—	—	—	—	2,144	2,144	1,742	402
Engineering services	—	—	—	—	9,864	9,864	7,611	2,253
Capital projects management	—	—	—	—	8,090	8,090	6,763	1,327
Operations and maintenance	—	—	—	—	35,803	35,803	31,457	4,346
Housing, health and human services	44,191	44,191	14,750	29,441	—	—	—	—
Operating contingency	4,919	4,919	—	4,919	16,462	16,462	—	16,462
Total current	49,110	49,110	14,750	34,360	76,092	76,092	50,772	25,320
Capital outlay	—	—	—	—	484	484	419	65
Total expenditures	49,110	49,110	14,750	34,360	76,576	76,576	51,191	25,385
Revenues (under) over expenditures	(2,505)	(2,505)	4,235	6,740	(13,839)	(13,839)	7,277	21,116
Other financing sources (uses):								
Transfers in from other funds	2,174	2,174	2,173	(1)	1,215	1,215	1,269	54
Transfers out to other funds	(5,433)	(5,433)	(5,177)	256	(17,524)	(17,524)	(8,297)	9,227
Total other financing uses	(3,259)	(3,259)	(3,004)	255	(16,309)	(16,309)	(7,028)	9,281
Net change in fund balance	(5,764)	(5,764)	1,231	6,995	(30,148)	(30,148)	249	30,397
Fund balances July 1, 2019	5,764	5,764	5,782	18	30,148	30,148	31,682	1,534
Fund balances June 30, 2020	\$ —	—	7,013	7,013	—	—	31,931	31,931

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

Human Services HB 2145 Fund	907
Mental Health Crisis Services Fund	2,015
Fund balance, GAAP basis, June 30, 2019	<u>9,935</u>

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

County

<u>Fiscal Year Ending June 30,</u>	<u>County's Total OPEB Liability</u>	<u>County's Covered Payroll</u>	<u>County's Total OPEB Liability as a Percentage of Covered Payroll</u>
2017 \$	4,534	135,596	3.34%
2018	3,856	143,660	2.68%
2019	3,528	153,696	2.30%
2020	6,484	166,409	3.90%

District

<u>Fiscal Year Ending June 30,</u>	<u>District's Total OPEB Liability</u>	<u>District's Covered Payroll</u>	<u>District's Total OPEB Liability as a Percentage of Covered Payroll</u>
2017 \$	1,041	25,650	4.06%
2018	1,050	28,354	3.70%
2019	1,046	29,275	3.57%
2020	1,307	31,727	4.12%

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.

Note: There are no assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.

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

County

Fiscal Year Ending June 30,	County's Total OPEB Liability Beginning Balance	County's Service Costs	Interest on the County's Total OPEB Liability	County's Benefit Payments	County's Changes of Assumptions	County's Experience (Gain) or Loss	County's Total OPEB Liability Ending Balance
2018	\$ 4,534	133	165	(526)	(623)	173	3,856
2019	3,856	138	137	(603)	—	—	3,528
2020	3,528	324	70	(647)	1,738	1,471	6,484

District

Fiscal Year Ending June 30,	District's Total OPEB Liability Beginning Balance	District's Service Costs	Interest on the District's Total OPEB Liability	District's Benefit Payments	District's Changes of Assumptions	District's Experience (Gain) or Loss	District's Total OPEB Liability Ending Balance
2018	\$ 1,041	51	38	(80)	—	—	1,050
2019	1,050	51	38	(93)	—	—	1,046
2020	1,046	52	41	(67)	78	157	1,307

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

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

County

Fiscal Year Ending June 30,	County's Proportion of the PERS Net OPEB RHIA Liability (Asset) ⁽¹⁾	County's Proportionate Share of the PERS Net OPEB RHIA Liability (Asset) ⁽¹⁾	County's Covered Payroll	County's Proportionate Share of the PERS Net OPEB RHIA Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total PERS Net OPEB RHIA Liability
2017	1.30%	\$ 353	127,667	0.28%	94.15%
2018	1.27%	(530)	135,596	(0.39%)	108.88%
2019	1.31%	(1,464)	143,660	(1.02%)	123.99%
2020	1.38%	(2,660)	153,696	(1.73%)	144.38%

District

Fiscal Year Ending June 30,	District's Proportion of the PERS Net OPEB RHIA Liability (Asset) ⁽¹⁾	District's Proportionate Share of the PERS Net OPEB RHIA Liability (Asset) ⁽¹⁾	District's Covered Payroll	District's Proportionate Share of the PERS Net OPEB RHIA Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total PERS Net OPEB RHIA Liability
2017	0.28%	\$ 77	27,124	0.28%	94.15%
2018	0.28%	(118)	29,042	(0.41%)	108.88%
2019	0.30%	(336)	30,583	(1.10%)	123.99%
2020	0.34%	(658)	30,958	(2.13%)	144.38%

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

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

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

County

Fiscal Year Ending June 30,	Statutorily Required Contribution ⁽¹⁾	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percent of Covered Payroll
2017	\$ 632	632	—	135,596	0.47%
2018	635	635	—	143,660	0.44%
2019	682	682	—	153,696	0.44%
2020	59	59	—	166,409	0.04%

District

Fiscal Year Ending June 30,	Statutorily Required Contribution ⁽¹⁾	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percent of Covered Payroll
2017	\$ 141	141	—	29,042	0.49%
2018	146	146	—	30,583	0.48%
2019	169	169	—	30,958	0.55%
2020	7	7	—	33,707	0.02%

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

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

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

County

Fiscal Year Ending June 30,	County's Proportion of the Net Pension Liability (Asset) ⁽¹⁾	County's Proportionate Share of the Net Pension Liability (Asset) ⁽¹⁾	County's Covered Payroll	County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2014	1.80%	\$ 91,736	114,537	80.09%	91.97%
2015	1.80%	(40,747)	117,971	(34.54%)	103.59%
2016	1.80%	103,558	122,731	84.38%	91.88%
2017	1.67%	250,282	127,667	196.04%	80.53%
2018	1.55%	208,340	135,596	153.65%	83.12%
2019	1.51%	228,819	143,660	159.28%	82.07%
2020	1.61%	278,895	153,696	181.46%	80.23%

District

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset) ⁽¹⁾	District's Proportionate Share of the Net Pension Liability (Asset) ⁽¹⁾	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.26%	\$ 13,094	24,142	54.24%	91.97%
2015	0.26%	(5,816)	24,174	(24.06%)	103.59%
2016	0.26%	15,004	25,570	58.68%	91.88%
2017	0.26%	38,730	27,124	142.79%	80.53%
2018	0.27%	36,467	29,042	125.57%	83.12%
2019	0.28%	42,448	30,583	138.80%	82.07%
2020	0.23%	39,018	30,958	126.04%	80.23%

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

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

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

County

Fiscal Year Ending June 30,	Statutorily Required Contribution ⁽¹⁾	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percent of Covered Payroll
2014	\$ 15,396	15,396	—	117,971	13.05%
2015	15,907	15,907	—	122,731	12.96%
2016	18,095	18,095	—	127,667	14.17%
2017	18,755	18,755	—	135,596	13.83%
2018	24,523	24,523	—	143,660	17.07%
2019	26,356	26,356	—	153,696	17.15%
2020	35,020	35,020	—	166,409	21.04%

District

Fiscal Year Ending June 30,	Statutorily Required Contribution ⁽¹⁾	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percent of Covered Payroll
2014	\$ 1,701	1,701	—	24,174	7.04%
2015	1,793	1,701	92	25,570	6.65%
2016	2,373	2,373	—	27,124	8.75%
2017	2,544	2,544	—	29,042	8.76%
2018	3,699	3,699	—	30,583	12.09%
2019	5,402	5,402	—	30,958	17.45%
2020	7,182	7,182	—	33,707	21.31%

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

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

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WASHINGTON COUNTY, OREGON

Notes to Required Supplementary Information

June 30, 2020

(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 \$133,441.

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 seven supplemental budgets and three contingency transfers during the year ended June 30, 2020. Both the original adopted budget and the revised budget comparisons are presented in the accompanying budgetary schedules. Appropriations lapse at the end of the fiscal year.

2. Changes in Assumptions – County OPEB Plan

Key changes in assumptions implemented with the June 30, 2020 County actuarial valuation since the prior actuarial valuation of June 30, 2018 include:

- The interest rate for discounting future liabilities was decreased from 3.87% to 2.21% to match municipal bond rates, as required by GASB Statement No. 75.

WASHINGTON COUNTY, OREGON

Notes to Required Supplementary Information (continued)

June 30, 2020

(Dollars in thousands)

Changes in Assumptions – District OPEB Plan

Key changes in assumptions implemented with the July 1, 2019 District actuarial valuation since the prior actuarial valuation of July 1, 2017 include:

- The interest rate for discounting future liabilities was lowered to match municipal bond rates, as outlined in GASB Statement No. 75.
- Premium increase rates were modified slightly to reflect anticipated experience.
- Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for OPERS.

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

A summary of key changes implemented with the December 31, 2017 actuarial valuation which was used in the pension calculations and amounts reported for the fiscal year ended June 30, 2020, along with additional detail and a comprehensive list of changes in methods and assumptions from the December 31, 2017 actuarial valuation can be found at:

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

Changes in Assumptions - Pensions

A summary of key changes implemented with the December 31, 2017 actuarial valuation which was used in the pension calculations and amounts reported for the fiscal year ended June 30, 2020, along with additional detail and a comprehensive list of changes in methods and assumptions from the December 31, 2017 actuarial valuation can be found at:

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

OTHER SUPPLEMENTARY INFORMATION

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WASHINGTON COUNTY, OREGON
 Budgetary Comparison
 Major Capital Projects Fund
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	Major Streets Transportation Improvement Program III Fund			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:				
Intergovernmental revenues	\$ 34,555	34,555	24,325	(10,230)
Miscellaneous revenues	3,225	3,225	4,874	1,649
Total revenues	<u>37,780</u>	<u>37,780</u>	<u>29,199</u>	<u>(8,581)</u>
Expenditures:				
Current:				
Land use and transportation	156,325	156,325	70,371	85,954
Capital outlay	12,825	12,825	2,426	10,399
Total expenditures	<u>169,150</u>	<u>169,150</u>	<u>72,797</u>	<u>96,353</u>
Revenues under expenditures	<u>(131,370)</u>	<u>(131,370)</u>	<u>(43,598)</u>	<u>87,772</u>
Other financing sources (uses):				
Transfers in from other funds	34,600	34,600	36,030	1,430
Transfers out to other funds	(2,001)	(2,001)	(473)	1,528
Total other financing sources	<u>32,599</u>	<u>32,599</u>	<u>35,557</u>	<u>2,958</u>
Net change in fund balances	<u>(98,771)</u>	<u>(98,771)</u>	<u>(8,041)</u>	<u>90,730</u>
Fund balance July 1, 2019	<u>98,771</u>	<u>98,771</u>	<u>102,883</u>	<u>4,112</u>
Fund balance June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>94,842</u>	<u>94,842</u>

WASHINGTON COUNTY, OREGON

Budgetary Comparison

Major Enterprise Fund

For the fiscal year ended June 30, 2020

(Dollars in thousands)

	Event Center Operations			
	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:				
Miscellaneous revenues	\$ —	—	29	29
Total revenues	<u>—</u>	<u>—</u>	<u>29</u>	<u>29</u>
Expenditures:				
Current:				
Culture, education and recreation	—	1,104	324	780
Operating contingency	—	19	—	19
Total current	<u>—</u>	<u>1,123</u>	<u>324</u>	<u>799</u>
Capital outlay	<u>—</u>	127	84	43
Total expenditures	<u>—</u>	<u>1,250</u>	<u>408</u>	<u>842</u>
Revenues under expenditures	<u>—</u>	<u>(1,250)</u>	<u>(379)</u>	<u>871</u>
Other financing sources:				
Transfers in from other funds	<u>—</u>	1,250	1,250	—
Net change in fund balances	<u>—</u>	<u>—</u>	<u>871</u>	<u>871</u>
Fund balance July 1, 2019	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance June 30, 2020	\$ <u>—</u>	<u>—</u>	<u>871</u>	<u>871</u>
Reconciliation of Fund Balance to Net Position:				
Add capital assets reported on statement of net position			<u>83</u>	
Fund balance, GAAP basis, June 30, 2020			\$ <u>954</u>	

BUDGETARY FUND FINANCIAL STATEMENTS

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WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2020

SPECIAL REVENUE FUNDS

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

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

WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2020

- 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.
- Developmental Disabilities Services Fund – This fund accounts for the administration of support services for persons with developmental disabilities living in Washington County and is funded through the State of Oregon to operate a Community Developmental Disabilities Program.
- District Patrol Fund – This fund accounts for the contracted responsibility of providing enhanced patrol and related services to the Enhanced Sheriff's Patrol District.
- Emergency Medical Services Fund – This fund accounts for the coordination of ambulance services in the County.
- Enhanced Sheriff's Patrol District Fund (Component Unit) – The District provides an enhanced level of sheriff patrol in the urban unincorporated areas of the County funded by a permanent tax rate and voter approved five-year operating levies. The District contracts with Washington County to provide the required police patrols.
- Health Share of Oregon Fund – This fund accounts for monies received from the State to manage the physical, mental, dental, and addictions benefits for Oregon Health Plan members that reside within the County.
- Human Services OHP Fund – This fund accounts for monies received from the Oregon Health Plan (OHP) to provide mental health services to County residents enrolled in the plan. OHP Mental Health provides overall management of the program; including administration, reporting, quality assurance, and oversight of the contracted service providers and third-party claims administrators.
- ITS Systems Replacement Fund – This fund provides for the systematic replacement of key information technology assets.
- Jail Commissary Fund – This fund accounts for the goods, services and monies associated with the jail commissary.

WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2020

- 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.
- Juvenile High Risk Prevention Fund – This fund accounts for grant monies received from the State and contracted to prevention service providers in schools and private non-profit organizations. The funding is used for drug and alcohol evaluation and treatment services to high-risk youth identified by the Juvenile Crime Prevention Plan.
- Law Library Fund – This fund was established in accordance with state statutes to provide legal research and reference materials.
- Local Option Levy Fund – This fund accounts for funds from a local option property tax levy for public safety and justice programs approved by voters. Funds collected are dedicated to improving/restoring service levels in existing County public safety and justice programs.
- Lottery Fund – This fund accounts for the County’s pro-rata share of video lottery revenues received from the State that are to be used to support projects, services, organizations and staff furthering economic development.
- Maintenance Improvement District Fund – This fund accounts for the construction of road maintenance improvement activities undertaken through the maintenance improvement district.
- Metro Affordable Housing Bond Fund – This fund accounts for revenues and expenditures for the Metro Affordable Housing Bond Program, which was approved by Metro area voters in November 2018. This program will create affordable homes for seniors, veterans, people with disabilities, and working families.
- Metzger Park LID Fund – This fund accounts for the maintenance and administration of programs at Metzger Park.

WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2020

- North Bethany County Service District for Roads Fund (Component Unit) – The District provides a portion of resources for transportation projects in the 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.
- Sheriff's Office Forfeitures Fund – This fund accounts for resources from asset forfeitures that typically come from the sale of real and/or personal property seized from offenders involved in drug-related criminal activity. Specific and strict guidelines govern the use of all forfeiture proceeds. These laws change periodically so funds accumulated at different times are subject to varying legal requirements for their use and are accounted for in different programs within this fund.
- Sheriff's Office Grants and Donations Fund – This fund accounts for donations specifically identified for support of the Drug Abuse Resistance Education (DARE) programs and the Local Law Enforcement Block Grant (LLEBG) federal grant awards that require identification and control of related revenues and expenditures.
- Statewide Transportation Improvement Fund – This fund accounts for House Bill (HB) 2017 funding, which provides a dedicated source of funding to improve or expand public transportation service. The funds are eligible for use in transit planning, capital improvement, and operations to improve service in underserved areas and reduce service fragmentation.
- Surveyor – Public Land Corner Fund – This fund accounts for activities related to the remonumentation of government survey corners funded through the public land corner preservation fee.
- Tourism Dedicated Lodging Tax Fund – This fund accounts for revenues generated by the three-ninths portion of the Washington County lodging tax that is tourism-dedicated.

WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2020

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

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

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

WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2020

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

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

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

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

DEBT SERVICE FUNDS

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

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

WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2020

CAPITAL PROJECTS FUNDS

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

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

WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2020

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

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

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

INTERNAL SERVICE FUNDS

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

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

WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2020

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

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WASHINGTON COUNTY, OREGON

Combining Balance Sheet

General Fund

June 30, 2020

(Dollars in thousands)

	General Fund	Gain Share Fund	PERS Rate Stabilization Fund	Strategic Investment Program Fund	Survey Fund	Total General Fund
Assets						
Cash and investments	\$ 49,513	3,226	337	14,049	2,715	69,840
Restricted cash	—	—	—	—	—	—
Property taxes receivable	2,519	—	—	—	—	2,519
Assessments receivable	—	—	—	—	—	—
Accounts receivable	6,557	—	—	—	3	6,560
Investment interest receivable	3,947	—	—	—	—	3,947
Due from other funds	1,997	—	—	—	—	1,997
Advances to other funds	1,500	—	—	—	—	1,500
Inventory	120	—	—	—	—	120
Other assets	1,252	—	—	—	—	1,252
Total assets	<u>67,405</u>	<u>3,226</u>	<u>337</u>	<u>14,049</u>	<u>2,718</u>	<u>87,735</u>
Liabilities						
Accounts payable	3,712	—	—	—	18	3,730
Accrued payroll liabilities	8,368	—	—	—	23	8,391
Deposits payable	274	—	—	—	1,109	1,383
Amounts held in trust	539	—	—	—	—	539
Unearned revenue	1,145	—	—	—	—	1,145
Total liabilities	<u>14,038</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,150</u>	<u>15,188</u>
Deferred Inflows of Resources						
Unavailable revenue	<u>3,018</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3</u>	<u>3,021</u>
Total deferred inflows of resources	<u>3,018</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3</u>	<u>3,021</u>
Fund Balances						
Nonspendable	1,620	—	—	—	—	1,620
Assigned	—	—	337	—	1,565	1,902
Unassigned	<u>48,729</u>	<u>3,226</u>	<u>—</u>	<u>14,049</u>	<u>—</u>	<u>66,004</u>
Total fund balances	<u>50,349</u>	<u>3,226</u>	<u>337</u>	<u>14,049</u>	<u>1,565</u>	<u>69,526</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 67,405</u>	<u>3,226</u>	<u>337</u>	<u>14,049</u>	<u>2,718</u>	<u>87,735</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Human Services Fund

June 30, 2020

(Dollars in thousands)

	Human Services Fund	Human Services HB-2145 Fund	Mental Health Crisis Services Fund	Total Human Services Fund
Assets				
Cash and investments	\$ 38,174	907	2,962	42,043
Accounts receivable	381	—	—	381
Other assets	32	—	17	49
Total assets	<u>38,587</u>	<u>907</u>	<u>2,979</u>	<u>42,473</u>
Liabilities				
Accounts payable	1,593	—	964	2,557
Accrued payroll liabilities	174	—	—	174
Unearned revenue	29,590	—	—	29,590
Total liabilities	<u>31,357</u>	<u>—</u>	<u>964</u>	<u>32,321</u>
Deferred Inflows of Resources				
Unavailable revenue	217	—	—	217
Fund Balances				
Restricted	7,013	907	2,015	9,935
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 38,587</u>	<u>907</u>	<u>2,979</u>	<u>42,473</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Summary
June 30, 2020
(Dollars in thousands)

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Non-major Funds
Assets				
Cash and investments	\$ 145,502	6,183	123,164	274,849
Property taxes receivable	1,282	75	—	1,357
Assessments receivable	2	—	351	353
Accounts receivable	5,637	37	1,320	6,994
Investment interest receivable	273	—	—	273
Contracts receivable	4,328	—	—	4,328
Other assets	162	—	—	162
Total assets	<u>157,186</u>	<u>6,295</u>	<u>124,835</u>	<u>288,316</u>
Liabilities				
Accounts payable	3,625	2	10,318	13,945
Accrued payroll liabilities	3,437	—	—	3,437
Deposits payable	575	—	53	628
Amounts held in trust	164	—	—	164
Due to other funds	1,039	—	—	1,039
Unearned revenue	12,921	—	—	12,921
Total liabilities	<u>21,761</u>	<u>2</u>	<u>10,371</u>	<u>32,134</u>
Deferred Inflows of Resources				
Unavailable revenue	<u>6,253</u>	<u>60</u>	<u>818</u>	<u>7,131</u>
Fund Balances (Deficit)				
Restricted	114,491	6,233	93,356	214,080
Committed	14,740	—	16,125	30,865
Assigned	—	—	4,165	4,165
Unassigned	(59)	—	—	(59)
Total fund balances	<u>129,172</u>	<u>6,233</u>	<u>113,646</u>	<u>249,051</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 157,186</u>	<u>6,295</u>	<u>124,835</u>	<u>288,316</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Non-major Governmental Funds - Special Revenue Funds

June 30, 2020

(Dollars in thousands)

	Aging, Disability & Veteran Services Fund	Air Quality Fund	Animal Services Gifts and Donations Fund	Building Services Fund	Children and Youth Services Commission Fund	Community Corrections Fund
Assets						
Cash and investments	\$ —	874	1,220	12,656	986	2,701
Accounts receivable	1,368	—	—	74	828	4
Other assets	8	—	—	3	—	7
Total assets	<u>1,376</u>	<u>874</u>	<u>1,220</u>	<u>12,733</u>	<u>1,814</u>	<u>2,712</u>
Liabilities						
Accounts payable	318	2	—	31	603	260
Accrued payroll liabilities	75	6	—	295	21	463
Deposits payable	—	—	—	359	—	—
Amounts held in trust	151	—	—	—	—	12
Due to other funds	49	—	—	—	—	—
Unearned revenue	213	—	451	—	215	44
Total liabilities	<u>806</u>	<u>8</u>	<u>451</u>	<u>685</u>	<u>839</u>	<u>779</u>
Deferred Inflows of Resources						
Unavailable revenue	—	—	—	—	372	—
Fund Balances						
Restricted	570	—	769	12,048	603	1,933
Committed	—	866	—	—	—	—
Total fund balances	<u>570</u>	<u>866</u>	<u>769</u>	<u>12,048</u>	<u>603</u>	<u>1,933</u>
Total liabilities and fund balances	\$ <u>1,376</u>	<u>874</u>	<u>1,220</u>	<u>12,733</u>	<u>1,814</u>	<u>2,712</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2020
(Dollars in thousands)

	Cooperative Library Services Fund	Coordinated Care Organization Fund	Court Security Fund	Department of Housing Services Fund	Development Services Fund	Developmental Disabilities Services Fund
Assets						
Cash and investments	\$ 13,173	695	1,061	978	2,120	2,189
Property taxes receivable	241	—	—	—	—	—
Accounts receivable	—	—	52	360	39	28
Other assets	128	—	—	8	—	4
Total assets	<u>13,542</u>	<u>695</u>	<u>1,113</u>	<u>1,346</u>	<u>2,159</u>	<u>2,221</u>
Liabilities						
Accounts payable	103	191	34	202	12	51
Accrued payroll liabilities	156	130	—	160	76	287
Deposits payable	—	—	—	—	215	—
Unearned revenue	16	—	—	427	—	1,794
Total liabilities	<u>275</u>	<u>321</u>	<u>34</u>	<u>789</u>	<u>303</u>	<u>2,132</u>
Deferred Inflows of Resources						
Unavailable revenue	194	—	—	2	—	—
Fund Balances						
Restricted	—	374	1,079	555	1,856	89
Committed	13,073	—	—	—	—	—
Total fund balances	<u>13,073</u>	<u>374</u>	<u>1,079</u>	<u>555</u>	<u>1,856</u>	<u>89</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,542</u>	<u>695</u>	<u>1,113</u>	<u>1,346</u>	<u>2,159</u>	<u>2,221</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2020
(Dollars in thousands)

	District Patrol Fund	Emergency Medical Services Fund	Enhanced Sheriff's Patrol District Fund (Component Unit)	Health Share of Oregon Fund	Human Services OHP Fund	ITS Systems Replacement Fund
Assets						
Cash and investments	\$ 806	1,126	19,065	17,128	5,578	159
Property taxes receivable	—	—	476	—	—	—
Accounts receivable	3	15	—	11	—	—
Total assets	<u>809</u>	<u>1,141</u>	<u>19,541</u>	<u>17,139</u>	<u>5,578</u>	<u>159</u>
Liabilities						
Accounts payable	14	24	—	26	—	—
Accrued payroll liabilities	795	16	—	5	—	—
Total liabilities	<u>809</u>	<u>40</u>	<u>—</u>	<u>31</u>	<u>—</u>	<u>—</u>
Deferred Inflows of Resources						
Unavailable revenue	—	—	383	—	—	—
Fund Balances						
Restricted	—	1,101	19,158	17,108	5,578	—
Committed	—	—	—	—	—	159
Total fund balances	<u>—</u>	<u>1,101</u>	<u>19,158</u>	<u>17,108</u>	<u>5,578</u>	<u>159</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 809</u>	<u>1,141</u>	<u>19,541</u>	<u>17,139</u>	<u>5,578</u>	<u>159</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2020
(Dollars in thousands)

Assets	Jail Commissary Fund	Juvenile Conciliation Services Fund	Juvenile Grants Fund	Juvenile High Risk Prevention Fund	Law Library Fund	Local Option Levy Fund
Cash and investments	\$ 1,012	107	—	784	822	19,401
Property taxes receivable	—	—	—	—	—	465
Accounts receivable	25	—	306	688	—	146
Other assets	1	—	—	—	—	3
Total assets	<u>1,038</u>	<u>107</u>	<u>306</u>	<u>1,472</u>	<u>822</u>	<u>20,015</u>
Liabilities						
Accounts payable	—	—	13	161	2	142
Accrued payroll liabilities	6	19	24	49	11	735
Due to other funds	—	—	209	—	—	—
Total liabilities	<u>6</u>	<u>19</u>	<u>246</u>	<u>210</u>	<u>13</u>	<u>877</u>
Deferred Inflows of Resources						
Unavailable revenue	—	—	—	122	—	374
Fund Balances						
Restricted	<u>1,032</u>	<u>88</u>	<u>60</u>	<u>1,140</u>	<u>809</u>	<u>18,764</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,038</u>	<u>107</u>	<u>306</u>	<u>1,472</u>	<u>822</u>	<u>20,015</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2020
(Dollars in thousands)

Assets	Lottery Fund	Maintenance Improvement District Fund	Metro Affordable Housing Bond Fund	Metzger Park LID Fund	North Bethany County Service District for Roads Fund (Component Unit)	Office of Community Development Block Grant Fund
Cash and investments	\$ —	358	8,601	183	12,738	156
Property taxes receivable	—	—	—	—	11	—
Assessments receivable	—	—	—	2	—	—
Accounts receivable	523	—	—	—	—	464
Investment interest receivable	—	—	—	—	—	273
Contracts receivable	—	—	—	—	—	4,328
Total assets	<u>523</u>	<u>358</u>	<u>8,601</u>	<u>185</u>	<u>12,749</u>	<u>5,221</u>
Liabilities						
Accounts payable	1	—	—	3	252	243
Accrued payroll liabilities	—	—	—	1	—	33
Deposits payable	—	—	—	1	—	—
Due to other funds	522	—	—	—	—	—
Unearned revenue	—	—	8,384	—	—	—
Total liabilities	<u>523</u>	<u>—</u>	<u>8,384</u>	<u>5</u>	<u>252</u>	<u>276</u>
Deferred Inflows of Resources						
Unavailable revenue	—	—	—	2	9	4,669
Fund Balances						
Restricted	—	358	217	178	12,488	276
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 523</u>	<u>358</u>	<u>8,601</u>	<u>185</u>	<u>12,749</u>	<u>5,221</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2020
(Dollars in thousands)

	Sheriff's Office Contract Services Fund	Sheriff's Office Forfeitures Fund	Sheriff's Office Grants & Donations Fund	Statewide Transportation Improvement Fund	Surveyor - Public Land Corner Fund	Tourism Dedicated Lodging Tax Fund
Assets						
Cash and investments	\$ —	606	—	1,107	2,307	99
Accounts receivable	138	—	142	235	6	127
Total assets	138	606	142	1,342	2,313	226
Liabilities						
Accounts payable	5	1	5	292	1	206
Accrued payroll liabilities	9	—	6	—	22	—
Due to other funds	125	—	134	—	—	—
Unearned revenue	—	354	—	1,021	—	—
Total liabilities	139	355	145	1,313	23	206
Deferred Inflows of Resources						
Unavailable revenue	39	—	16	—	—	—
Fund Balances (Deficits)						
Restricted	—	251	—	29	2,290	20
Unassigned	(40)	—	(19)	—	—	—
Total fund balances (deficits)	(40)	251	(19)	29	2,290	20
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 138	606	142	1,342	2,313	226

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2020
(Dollars in thousands)

	Urban Road Maintenance District Fund (Component Unit)	Washington County Fair Fund	West Slope Library Fund	Total Special Revenue Funds
Assets				
Cash and investments	\$ 12,989	1,049	668	145,502
Property taxes receivable	89	—	—	1,282
Assessments receivable	—	—	—	2
Accounts receivable	—	55	—	5,637
Investment interest receivable	—	—	—	273
Contracts receivable	—	—	—	4,328
Other assets	—	—	—	162
Total assets	<u>13,078</u>	<u>1,104</u>	<u>668</u>	<u>157,186</u>
Liabilities				
Accounts payable	397	26	4	3,625
Accrued payroll liabilities	—	15	22	3,437
Deposits payable	—	—	—	575
Amounts held in trust	—	1	—	164
Due to other funds	—	—	—	1,039
Unearned revenue	—	2	—	12,921
Total liabilities	<u>397</u>	<u>44</u>	<u>26</u>	<u>21,761</u>
Deferred Inflows of Resources				
Unavailable revenue	71	—	—	6,253
Fund Balances (Deficit)				
Restricted	12,610	1,060	—	114,491
Committed	—	—	642	14,740
Unassigned	—	—	—	(59)
Total fund balances	<u>12,610</u>	<u>1,060</u>	<u>642</u>	<u>129,172</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,078</u>	<u>1,104</u>	<u>668</u>	<u>157,186</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Health Share of Oregon Fund
June 30, 2020
(Dollars in thousands)

	Health Share of Oregon Fund	Tri-County Risk Reserve Fund	Total Health Share of Oregon Fund
Assets			
Cash and investments	\$ 6,628	10,500	17,128
Accounts receivable	11	—	11
Total assets	6,639	10,500	17,139
Liabilities			
Accounts payable	26	—	26
Accrued payroll liabilities	5	—	5
Total liabilities	31	—	31
Fund Balances			
Restricted	6,608	10,500	17,108
Total liabilities and fund balances	\$ 6,639	10,500	17,139

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Debt Service Funds
June 30, 2020
(Dollars in thousands)

	General Obligation Debt Service Fund	Miscellaneous Debt Service Fund	Series 2016 B FFCO Debt Service Fund	Total Debt Service Funds
Assets				
Cash and investments	\$ 114	37	6,032	6,183
Property taxes receivable	75	—	—	75
Accounts receivable	—	—	37	37
Total assets	<u>189</u>	<u>37</u>	<u>6,069</u>	<u>6,295</u>
Liabilities				
Accounts payable	—	—	2	2
Deferred Inflows of Resources				
Unavailable revenue	60	—	—	60
Fund Balances				
Restricted	129	37	6,067	6,233
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 189</u>	<u>37</u>	<u>6,069</u>	<u>6,295</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Capital Projects Funds
June 30, 2020
(Dollars in thousands)

	Bonny Slope West Transportation SDC Fund	Building Equipment Replacement Fund	Countywide Traffic Impact Fee Fund	Emergency Communications System Fund	Event Center Fund	Facilities General Capital Projects Fund	Facilities Park (THPRD) SDC Fund
Assets							
Cash and investments	\$ 1,645	3,290	912	33,142	8,148	11,080	76
Assessments receivable	—	—	5	—	—	—	—
Accounts receivable	—	—	—	—	—	158	—
Total assets	1,645	3,290	917	33,142	8,148	11,238	76
Liabilities							
Accounts payable	—	83	65	1,940	5,146	1,269	—
Deposits payable	—	—	—	—	—	53	—
Total liabilities	—	83	65	1,940	5,146	1,322	—
Deferred Inflows of Resources							
Unavailable revenue	—	—	5	—	—	—	—
Fund Balances							
Restricted	1,645	—	847	31,202	—	—	76
Committed	—	3,207	—	—	3,002	9,916	—
Total fund balances	1,645	3,207	847	31,202	3,002	9,916	76
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,645	3,290	917	33,142	8,148	11,238	76

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Capital Projects Funds, Continued
June 30, 2020
(Dollars in thousands)

	ITS Capital Projects Fund	Major Streets Capital Projects Fund	North Bethany SDC Fund	Parks and Open Spaces Opportunity Projects Fund	Transportation Development Tax Fund	Total Capital Projects Funds
Assets						
Cash and investments	\$ 4,224	15,827	228	340	44,252	123,164
Assessments receivable	—	—	—	—	346	351
Accounts receivable	—	906	—	—	256	1,320
Total assets	<u>4,224</u>	<u>16,733</u>	<u>228</u>	<u>340</u>	<u>44,854</u>	<u>124,835</u>
Liabilities						
Accounts payable	399	1,307	—	—	109	10,318
Deposits payable	—	—	—	—	—	53
Total liabilities	<u>399</u>	<u>1,307</u>	<u>—</u>	<u>—</u>	<u>109</u>	<u>10,371</u>
Deferred Inflows of Resources						
Unavailable revenue	—	467	—	—	346	818
Fund Balances						
Restricted	—	14,959	228	—	44,399	93,356
Committed	—	—	—	—	—	16,125
Assigned	3,825	—	—	340	—	4,165
Total fund balances	<u>3,825</u>	<u>14,959</u>	<u>228</u>	<u>340</u>	<u>44,399</u>	<u>113,646</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,224</u>	<u>16,733</u>	<u>228</u>	<u>340</u>	<u>44,854</u>	<u>124,835</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Non-major Governmental Funds - Facilities General Capital Projects Fund

June 30, 2020

(Dollars in thousands)

	2016 FF&C Facilities Capital Projects Fund	Facilities General Capital Projects Fund	Total Facilities General Capital Projects Fund
Assets			
Cash and investments	\$ 2,967	8,113	11,080
Accounts receivable	—	158	158
Total assets	<u>2,967</u>	<u>8,271</u>	<u>11,238</u>
Liabilities			
Accounts payable	445	824	1,269
Deposits payable	—	53	53
Total liabilities	<u>445</u>	<u>877</u>	<u>1,322</u>
Fund Balances			
Committed	<u>2,522</u>	<u>7,394</u>	<u>9,916</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>2,967</u>	<u>8,271</u>	<u>11,238</u>

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

General Fund

For the fiscal year ended June 30, 2020
(Dollars in thousands)

	General Fund	Gain Share Fund	Indirect Cost Reimburse- ment Fund	PERS Rate Stabilization Fund	Strategic Investment Program Fund	Survey Fund	Net Consolidation Adjustments	Total General Fund
Revenues:								
Taxes	\$ 157,878	—	—	—	—	—	—	157,878
Licenses and permits	7,560	—	—	—	—	—	—	7,560
Intergovernmental revenues	23,011	9,242	77	—	—	—	—	32,330
Charges for services	11,838	—	—	—	28,734	625	—	41,197
Fines and forfeitures	1,921	—	—	—	—	—	—	1,921
Miscellaneous revenues	6,449	265	—	60	894	103	—	7,771
Interfund revenues	7,619	—	26,246	—	—	131	(94)	33,902
Total revenues	216,276	9,507	26,323	60	29,628	859	(94)	282,559
Expenditures:								
Current:								
General government	64,255	—	—	—	—	—	—	64,255
Public safety and justice	76,819	—	—	—	—	—	—	76,819
Land use and transportation	4,480	—	—	—	—	758	(94)	5,144
Housing, health and human services	25,641	—	—	—	—	—	—	25,641
Culture, education and recreation	2,023	—	—	—	—	—	—	2,023
Nonoperating	—	—	5,609	14,850	—	—	—	20,459
Total current	173,218	—	5,609	14,850	—	758	(94)	194,341
Capital outlay	593	—	—	—	—	—	—	593
Debt service:								
Principal	22	—	—	—	—	—	—	22
Interest	8	—	—	—	—	—	—	8
Total debt service	30	—	—	—	—	—	—	30
Total expenditures	173,841	—	5,609	14,850	—	758	(94)	194,964
Revenues over (under) expenditures	42,435	9,507	20,714	(14,790)	29,628	101	—	87,595
Other financing sources (uses):								
Transfers in	55,073	—	—	8,200	—	126	(53,038)	10,361
Transfers out	(93,955)	(11,672)	(20,714)	—	(36,000)	(33)	53,038	(109,336)
Total other financing sources (uses)	(38,882)	(11,672)	(20,714)	8,200	(36,000)	93	—	(98,975)
Net change in fund balances	3,553	(2,165)	—	(6,590)	(6,372)	194	—	(11,380)
Fund balances July 1, 2019	44,796	5,391	—	6,927	20,421	1,371	—	78,906
Restatement*	2,000	—	—	—	—	—	—	2,000
Fund balances July 1, 2015, as restated	46,796	5,391	—	6,927	20,421	1,371	—	80,906
Fund balances June 30, 2020	\$ 50,349	3,226	—	337	14,049	1,565	—	69,526

*To record a loan receivable from the Liability/Casualty Insurance Fund as of June 30, 2019.

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

Human Services Fund

For the fiscal year ended June 30, 2020

(Dollars in thousands)

	Human Services Fund	Human Services HB-2145 Fund	Mental Health Crisis Services Fund	Net Consolidation Adjustments	Total Human Services Fund
Revenues:					
Intergovernmental revenues	\$ 16,669	—	—	—	16,669
Charges for services	4	—	735	—	739
Miscellaneous revenues	2,001	—	48	—	2,049
Interfund revenues	311	—	—	—	311
Total revenues	18,985	—	783	—	19,768
Expenditures:					
Current:					
Housing, health and human services	14,750	—	4,463	—	19,213
Revenues over (under) expenditures	4,235	—	(3,680)	—	555
Other financing sources (uses):					
Transfers in	2,173	—	3,726	(2,914)	2,985
Transfers out	(5,177)	(449)	—	2,914	(2,712)
Total other financing sources (uses)	(3,004)	(449)	3,726	—	273
Net change in fund balances	1,231	(449)	46	—	828
Fund balances July 1, 2019	5,782	1,356	1,969	—	9,107
Fund balances June 30, 2020	\$ 7,013	907	2,015	—	9,935

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, 2020

(Dollars in thousands)

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Non-major Funds
Revenues:				
Taxes	\$ 79,982	5,382	—	85,364
Licenses and permits	4,515	—	—	4,515
Intergovernmental revenues	49,185	—	3,512	52,697
Charges for services	16,123	—	4,946	21,069
Fines and forfeitures	609	—	—	609
Special assessments	189	—	5	194
Miscellaneous revenues	39,616	42	4,790	44,448
Interfund revenues	1,006	—	1,856	2,862
Total revenues	191,225	5,424	15,109	211,758
Expenditures:				
Current:				
Public safety and justice	109,305	—	—	109,305
Land use and transportation	20,848	—	15,628	36,476
Housing, health and human services	43,385	—	—	43,385
Culture, education and recreation	40,854	—	544	41,398
Nonoperating	307	2	12,798	13,107
Total current	214,699	2	28,970	243,671
Capital outlay	1,502	—	43,493	44,995
Debt service:				
Principal	—	14,751	—	14,751
Interest	—	8,912	—	8,912
Total debt service	—	23,663	—	23,663
Total expenditures	216,201	23,665	72,463	312,329
Revenues under expenditures	(24,976)	(18,241)	(57,354)	(100,571)
Other financing sources (uses):				
Transfers in	43,541	22,108	30,852	96,501
Transfers out	(11,630)	—	(16,454)	(28,084)
Total other financing sources	31,911	22,108	14,398	68,417
Net change in fund balances	6,935	3,867	(42,956)	(32,154)
Fund balances July 1, 2019	122,237	2,366	156,602	281,205
Fund balances June 30, 2020	\$ 129,172	6,233	113,646	249,051

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, 2020
(Dollars in thousands)

	Aging, Disability & Veteran Services Fund	Air Quality Fund	Animal Services Gifts and Donations Fund	Building Services Fund	Children and Youth Services Commission Fund	Community Corrections Fund
Revenues:						
Licenses and permits	\$ —	—	—	3,916	—	—
Intergovernmental revenues	4,595	75	—	95	3,967	15,139
Charges for services	—	—	—	2,814	—	937
Fines and forfeitures	—	—	—	1	—	—
Miscellaneous revenues	18	534	343	499	34	131
Interfund revenues	19	—	—	236	115	127
Total revenues	4,632	609	343	7,561	4,116	16,334
Expenditures:						
Current:						
Public safety and justice	—	—	—	—	—	20,497
Land use and transportation	—	—	—	10,513	—	—
Housing, health and human services	4,954	591	—	—	4,255	—
Total current	4,954	591	—	10,513	4,255	20,497
Capital outlay	—	—	—	36	—	51
Total expenditures	4,954	591	—	10,549	4,255	20,548
Revenues over (under) expenditures	(322)	18	343	(2,988)	(139)	(4,214)
Other financing sources (uses):						
Transfers in	344	256	—	—	236	2,993
Transfers out	—	—	—	(479)	(184)	—
Total other financing sources (uses)	344	256	—	(479)	52	2,993
Net change in fund balances	22	274	343	(3,467)	(87)	(1,221)
Fund balances July 1, 2019	548	592	426	15,515	690	3,154
Fund balances June 30, 2020	<u>\$ 570</u>	<u>866</u>	<u>769</u>	<u>12,048</u>	<u>603</u>	<u>1,933</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, 2020

(Dollars in thousands)

	Cooperative Library Services Fund	Coordinated Care Organization Fund	Court Security Fund	Department of Housing Services Fund	Development Services Fund	Developmental Disabilities Services Fund
Revenues:						
Taxes	\$ 14,347	—	—	—	—	—
Intergovernmental revenues	30	—	—	3,590	93	6,800
Charges for services	—	2,678	—	—	1,546	—
Fines and forfeitures	—	—	583	—	25	—
Miscellaneous revenues	651	17	39	4,819	94	90
Interfund revenues	—	—	—	—	55	—
Total revenues	15,028	2,695	622	8,409	1,813	6,890
Expenditures:						
Current:						
Public safety and justice	—	—	483	—	—	—
Land use and transportation	—	—	—	—	2,969	—
Housing, health and human services	—	2,321	—	9,121	—	9,498
Culture, education and recreation	34,143	—	—	—	—	—
Total current	34,143	2,321	483	9,121	2,969	9,498
Capital outlay	111	—	—	—	—	—
Total expenditures	34,254	2,321	483	9,121	2,969	9,498
Revenues over (under) expenditures	(19,226)	374	139	(712)	(1,156)	(2,608)
Other financing sources (uses):						
Transfers in	21,397	—	—	1,377	451	2,697
Transfers out	(894)	—	(47)	(583)	(169)	—
Total other financing sources (uses)	20,503	—	(47)	794	282	2,697
Net change in fund balances	1,277	374	92	82	(874)	89
Fund balances July 1, 2019	11,796	—	987	473	2,730	—
Fund balances June 30, 2020	\$ 13,073	374	1,079	555	1,856	89

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, 2020
(Dollars in thousands)

	District Patrol Fund	Emergency Medical Services Fund	Enhanced Sheriff's Patrol District Fund (Component Unit)	Health Share of Oregon Fund	Human Services OHP Fund	ITS Systems Replacement Fund
Revenues:						
Taxes	\$ —	—	28,080	—	—	—
Licenses and permits	—	569	—	—	—	—
Intergovernmental revenues	—	—	68	—	—	—
Charges for services	104	—	25	5,656	—	—
Miscellaneous revenues	27,548	80	797	109	207	10
Interfund revenues	—	3	—	—	—	—
Total revenues	<u>27,652</u>	<u>652</u>	<u>28,970</u>	<u>5,765</u>	<u>207</u>	<u>10</u>
Expenditures:						
Current:						
Public safety and justice	27,178	—	27,495	—	—	—
Housing, health and human services	—	657	—	4,843	—	—
Total current	<u>27,178</u>	<u>657</u>	<u>27,495</u>	<u>4,843</u>	<u>—</u>	<u>—</u>
Capital outlay	474	—	—	—	—	—
Total expenditures	<u>27,652</u>	<u>657</u>	<u>27,495</u>	<u>4,843</u>	<u>—</u>	<u>—</u>
Revenues over (under) expenditures	<u>—</u>	<u>(5)</u>	<u>1,475</u>	<u>922</u>	<u>207</u>	<u>10</u>
Other financing sources (uses):						
Transfers in	—	—	—	—	—	865
Transfers out	—	—	—	(861)	—	(2,085)
Total other financing uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>(861)</u>	<u>—</u>	<u>(1,220)</u>
Net change in fund balances	<u>—</u>	<u>(5)</u>	<u>1,475</u>	<u>61</u>	<u>207</u>	<u>(1,210)</u>
Fund balances July 1, 2019	<u>—</u>	<u>1,106</u>	<u>17,683</u>	<u>17,047</u>	<u>5,371</u>	<u>1,369</u>
Fund balances June 30, 2020	<u>\$ —</u>	<u>1,101</u>	<u>19,158</u>	<u>17,108</u>	<u>5,578</u>	<u>159</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued
Non-major Governmental Funds - Special Revenue Funds
For the fiscal year ended June 30, 2020
(Dollars in thousands)

	Jail Commissary Fund	Juvenile Conciliation Services Fund	Juvenile Grants Fund	Juvenile High Risk Prevention Fund	Law Library Fund	Local Option Levy Fund
Revenues:						
Taxes	\$ —	—	—	—	—	27,396
Licenses and permits	—	30	—	—	—	—
Intergovernmental revenues	—	526	800	2,113	—	515
Charges for services	—	3	—	—	351	34
Miscellaneous revenues	262	14	—	33	34	902
Total revenues	262	573	800	2,146	385	28,847
Expenditures:						
Current:						
Public safety and justice	143	616	827	2,124	453	27,856
Capital outlay	—	—	—	—	—	289
Total expenditures	143	616	827	2,124	453	28,145
Revenues over (under) expenditures	119	(43)	(27)	22	(68)	702
Other financing uses:						
Transfers out	—	—	—	—	—	(386)
Net change in fund balances	119	(43)	(27)	22	(68)	316
Fund balances July 1, 2019	913	131	87	1,118	877	18,448
Fund balances June 30, 2020	\$ 1,032	88	60	1,140	809	18,764

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, 2020
(Dollars in thousands)

	Lottery Fund	Maintenance Improvement District Fund	Metro Affordable Housing Bond Fund	Metzger Park LID Fund	North Bethany County Service District for Roads Fund (Component Unit)	Office of Community Development Block Grant Fund
Revenues:						
Taxes	\$ —	—	—	—	752	—
Intergovernmental revenues	2,144	—	4,122	—	—	2,415
Special assessments	—	35	—	154	—	—
Miscellaneous revenues	—	13	218	23	331	373
Total revenues	2,144	48	4,340	177	1,083	2,788
Expenditures:						
Current:						
Land use and transportation	—	7	—	—	820	—
Housing, health and human services	—	—	4,122	—	—	3,023
Culture, education and recreation	—	—	—	97	—	—
Nonoperating	307	—	—	—	—	—
Total current	307	7	4,122	97	820	3,023
Capital outlay	—	—	—	—	419	—
Total expenditures	307	7	4,122	97	1,239	3,023
Revenues over (under) expenditures	1,837	41	218	80	(156)	(235)
Other financing sources:						
Transfers in	—	—	—	—	11,489	170
Transfers out	(1,947)	—	—	—	(25)	—
Total other financing sources	(1,947)	—	—	—	11,464	170
Net change in fund balances (deficit)	(110)	41	218	80	11,308	(65)
Fund balances (deficit) July 1, 2019	110	317	(1)	98	1,180	341
Fund balances June 30, 2020	\$ —	358	217	178	12,488	276

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, 2020
(Dollars in thousands)

	Sheriff's Office Contract Services Fund	Sheriff's Office Forfeitures Fund	Sheriff's Office Grants & Donations Fund	Statewide Transportation Improvement Fund	Surveyor - Public Land Corner Fund	Tourism Dedicated Lodging Tax Fund
Revenues:						
Taxes	\$ —	—	—	—	—	2,916
Intergovernmental revenues	—	—	706	1,336	—	—
Charges for services	568	—	—	—	530	—
Miscellaneous revenues	212	122	20	52	85	20
Interfund revenues	101	—	—	—	350	—
Total revenues	881	122	726	1,388	965	2,936
Expenditures:						
Current:						
Public safety and justice	833	191	609	—	—	—
Land use and transportation	—	—	—	1,251	861	—
Culture, education and recreation	—	—	—	—	—	2,916
Total current	833	191	609	1,251	861	2,916
Revenues over (under) expenditures	48	(69)	117	137	104	20
Other financing uses:						
Transfers out	—	—	—	—	(28)	(1,428)
Net change in fund balances (deficits)	48	(69)	117	137	76	(1,408)
Fund balances (deficits) July 1, 2019	(88)	320	(136)	(108)	2,214	1,428
Fund balances (deficits) June 30, 2020	\$ (40)	251	(19)	29	2,290	20

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, 2020

(Dollars in thousands)

	Urban Road Maintenance District Fund (Component Unit)	Washington County Fair Fund	West Slope Library Fund	Total Special Revenue Funds
Revenues:				
Taxes	\$ 5,239	1,252	—	79,982
Licenses and permits	—	—	—	4,515
Intergovernmental revenues	—	53	3	49,185
Charges for services	17	860	—	16,123
Fines and forfeitures	—	—	—	609
Special assessments	—	—	—	189
Miscellaneous revenues	512	313	57	39,616
Interfund revenues	—	—	—	1,006
Total revenues	5,768	2,478	60	191,225
Expenditures:				
Current:				
Public safety and justice	—	—	—	109,305
Land use and transportation	4,427	—	—	20,848
Housing, health and human services	—	—	—	43,385
Culture, education and recreation	—	2,829	869	40,854
Nonoperating	—	—	—	307
Total current	4,427	2,829	869	214,699
Capital outlay	60	62	—	1,502
Total expenditures	4,487	2,891	869	216,201
Revenues over (under) expenditures	1,281	(413)	(809)	(24,976)
Other financing sources (uses):				
Transfers in	372	—	894	43,541
Transfers out	(2,514)	—	—	(11,630)
Total other financing sources (uses)	(2,142)	—	894	31,911
Net change in fund balances	(861)	(413)	85	6,935
Fund balances July 1, 2019	13,471	1,473	557	122,237
Fund balances June 30, 2020	\$ 12,610	1,060	642	129,172

WASHINGTON COUNTY, OREGON

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances

Non-major Governmental Funds - Health Share of Oregon Fund

For the fiscal year ended June 30, 2020

(Dollars in thousands)

	Health Share of Oregon Fund	Tri-County Risk Reserve Fund	Total Health Share of Oregon Fund
Revenues:			
Charges for services	\$ 5,656	—	5,656
Miscellaneous revenues	109	—	109
Total revenues	<u>5,765</u>	<u>—</u>	<u>5,765</u>
Expenditures:			
Current:			
Housing, health and human services	4,843	—	4,843
Revenues over expenditures	922	—	922
Other financing uses:			
Transfers out	(861)	—	(861)
Net change in fund balances	61	—	61
Fund balances July 1, 2019	<u>6,547</u>	<u>10,500</u>	<u>17,047</u>
Fund balances June 30, 2020	<u>\$ 6,608</u>	<u>10,500</u>	<u>17,108</u>

WASHINGTON COUNTY, OREGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Non-major Governmental Funds - Debt Service Funds

For the fiscal year ended June 30, 2020

(Dollars in thousands)

	General Obligation Debt Service Fund	Miscellaneous Debt Service Fund	Series 2016 B FFCO Debt Service Fund	Total Debt Service Funds
Revenues:				
Taxes	\$ 4,543	—	839	5,382
Miscellaneous revenues	40	2	—	42
Total revenues	<u>4,583</u>	<u>2</u>	<u>839</u>	<u>5,424</u>
Expenditures:				
Current:				
Nonoperating	—	2	—	2
Debt service:				
Principal	1,780	5,321	7,650	14,751
Interest	2,757	1,674	4,481	8,912
Total debt service	<u>4,537</u>	<u>6,995</u>	<u>12,131</u>	<u>23,663</u>
Revenues over (under) expenditures	<u>46</u>	<u>(6,995)</u>	<u>(11,292)</u>	<u>(18,241)</u>
Other financing sources:				
Payment to refunded bond escrow agent	—	—	—	—
Transfers in	—	6,996	15,112	22,108
Total other financing sources	<u>—</u>	<u>6,996</u>	<u>15,112</u>	<u>22,108</u>
Net change in fund balances	46	1	3,820	3,867
Fund balances July 1, 2019	<u>83</u>	<u>36</u>	<u>2,247</u>	<u>2,366</u>
Fund balances June 30, 2020	\$ <u><u>129</u></u>	<u><u>37</u></u>	<u><u>6,067</u></u>	<u><u>6,233</u></u>

WASHINGTON COUNTY, OREGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Non-major Governmental Funds - Capital Projects Funds

For the fiscal year ended June 30, 2020

(Dollars in thousands)

	Bonny Slope West Transportation SDC Fund	Building Equipment Replacement Fund	Countywide Traffic Impact Fee Fund	Emergency Communications System Fund	Event Center Fund	Facilities General Capital Projects Fund	Facilities Park (THPRD) SDC Fund
Revenues:							
Intergovernmental revenues	\$ —	—	—	—	2,670	188	—
Charges for services	672	—	—	—	—	—	5
Special assessments	—	—	5	—	—	—	—
Miscellaneous revenues	59	119	32	1,276	435	286	3
Interfund revenues	—	—	—	—	—	518	—
Total revenues	731	119	37	1,276	3,105	992	8
Expenditures:							
Current:							
Land use and transportation	13	—	2,010	—	—	—	—
Culture, education and recreation	—	—	—	—	544	—	—
Nonoperating	—	—	—	8,668	—	1,070	—
Total current	13	—	2,010	8,668	544	1,070	—
Capital outlay	—	169	45	5,908	31,465	3,524	—
Total expenditures	13	169	2,055	14,576	32,009	4,594	—
Revenues over (under) expenditures	718	(50)	(2,018)	(13,300)	(28,904)	(3,602)	8
Other financing sources (uses):							
Transfers in	—	2,289	1,309	—	1,428	8,065	—
Transfers out	—	—	(5)	—	(1,250)	—	—
Total other financing sources	—	2,289	1,304	—	178	8,065	—
Net change in fund balances	718	2,239	(714)	(13,300)	(28,726)	4,463	8
Fund balances July 1, 2019	927	968	1,561	44,502	31,728	5,453	68
Fund balances June 30, 2020	\$ <u>1,645</u>	<u>3,207</u>	<u>847</u>	<u>31,202</u>	<u>3,002</u>	<u>9,916</u>	<u>76</u>

WASHINGTON COUNTY, OREGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Non-major Governmental Funds - Capital Projects Funds, Continued

For the fiscal year ended June 30, 2020

(Dollars in thousands)

	ITS Capital Projects Fund	Major Streets Capital Projects Fund	North Bethany SDC Fund	Parks and Open Spaces Opportunity Projects Fund	Transportation Development Tax Fund	Total Capital Projects Funds
Revenues:						
Intergovernmental revenues	\$ —	439	—	—	215	3,512
Charges for services	—	—	342	—	3,927	4,946
Special assessments	—	—	—	—	—	5
Miscellaneous revenues	127	520	85	108	1,740	4,790
Interfund revenues	1,338	—	—	—	—	1,856
Total revenues	1,465	959	427	108	5,882	15,109
Expenditures:						
Current:						
Land use and transportation	—	11,684	35	—	1,886	15,628
Culture, education and recreation	—	—	—	—	—	544
Nonoperating	3,059	—	—	1	—	12,798
Total current	3,059	11,684	35	1	1,886	28,970
Capital outlay	2,349	9	—	14	10	43,493
Total expenditures	5,408	11,693	35	15	1,896	72,463
Revenues over (under) expenditures	(3,943)	(10,734)	392	93	3,986	(57,354)
Other financing sources (uses):						
Transfers in	4,386	12,887	—	—	488	30,852
Transfers out	—	(900)	(6,018)	—	(8,281)	(16,454)
Total other financing sources (uses)	4,386	11,987	(6,018)	—	(7,793)	14,398
Net change in fund balances	443	1,253	(5,626)	93	(3,807)	(42,956)
Fund balances July 1, 2019	3,382	13,706	5,854	247	48,206	156,602
Fund balances June 30, 2020	\$ 3,825	14,959	228	340	44,399	113,646

WASHINGTON COUNTY, OREGON

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances

Non-major Governmental Funds - Facilities General Capital Projects Fund

For the fiscal year ended June 30, 2020

(Dollars in thousands)

	2016 FF&C Facilities Capital Projects Fund	Facilities General Capital Projects Fund	Total Facilities General Capital Projects Fund
Revenues:			
Intergovernmental revenues	\$ —	188	188
Miscellaneous revenues	105	181	286
Interfund revenues	—	518	518
Total revenues	<u>105</u>	<u>887</u>	<u>992</u>
Expenditures:			
Current:			
Nonoperating	<u>34</u>	<u>1,036</u>	<u>1,070</u>
Total current	34	1,036	1,070
Capital outlay	<u>438</u>	<u>3,086</u>	<u>3,524</u>
Total expenditures	<u>472</u>	<u>4,122</u>	<u>4,594</u>
Revenues under expenditures	<u>(367)</u>	<u>(3,235)</u>	<u>(3,602)</u>
Other financing sources:			
Transfers in	<u>—</u>	<u>8,065</u>	<u>8,065</u>
Net change in fund balances	(367)	4,830	4,463
Fund balances July 1, 2019	<u>2,889</u>	<u>2,564</u>	<u>5,453</u>
Fund balances June 30, 2020	<u>\$ 2,522</u>	<u>7,394</u>	<u>9,916</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	Aging, Disability & Veteran Services Fund				Air Quality Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 4,754	4,754	4,595	(159)	75	75	75	—
Miscellaneous revenues	31	31	18	(13)	500	500	534	34
Interfund revenues	130	130	19	(111)	—	—	—	—
Total revenues	4,915	4,915	4,632	(283)	575	575	609	34
Expenditures:								
Current:								
Housing, health and human services	5,276	5,276	4,954	322	1,494	1,494	591	903
Operating contingency	533	533	—	533	—	—	—	—
Total current	5,809	5,809	4,954	855	1,494	1,494	591	903
Revenues over (under) expenditures	(894)	(894)	(322)	572	(919)	(919)	18	937
Other financing sources:								
Transfers in from other funds	344	344	344	—	256	256	256	—
Net change in fund balances	(550)	(550)	22	572	(663)	(663)	274	937
Fund balances July 1, 2019	550	550	548	(2)	663	663	592	(71)
Fund balances June 30, 2020	\$ —	—	570	570	—	—	866	866

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	Animal Services Gifts and Donations Fund				Building Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Licenses and permits	\$ —	—	—	—	4,650	4,650	3,916	(734)
Intergovernmental revenues	459	459	—	(459)	112	112	95	(17)
Charges for services	—	—	—	—	3,071	3,071	2,814	(257)
Fines and forfeitures	—	—	—	—	—	—	1	1
Miscellaneous revenues	14	14	343	329	376	376	499	123
Interfund revenues	—	—	—	—	245	245	236	(9)
Total revenues	<u>473</u>	<u>473</u>	<u>343</u>	<u>(130)</u>	<u>8,454</u>	<u>8,454</u>	<u>7,561</u>	<u>(893)</u>
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	11,936	12,436	10,513	1,923
Housing, health and human services	559	559	—	559	—	—	—	—
Operating contingency	414	414	—	414	11,412	10,912	—	10,912
Total current	<u>973</u>	<u>973</u>	<u>—</u>	<u>973</u>	<u>23,348</u>	<u>23,348</u>	<u>10,513</u>	<u>12,835</u>
Capital outlay	—	—	—	—	63	63	36	27
Total expenditures	<u>973</u>	<u>973</u>	<u>—</u>	<u>973</u>	<u>23,411</u>	<u>23,411</u>	<u>10,549</u>	<u>12,862</u>
Revenues over (under) expenditures	<u>(500)</u>	<u>(500)</u>	<u>343</u>	<u>843</u>	<u>(14,957)</u>	<u>(14,957)</u>	<u>(2,988)</u>	<u>11,969</u>
Other financing uses:								
Transfers out to other funds	—	—	—	—	(479)	(479)	(479)	—
Net change in fund balances	<u>(500)</u>	<u>(500)</u>	<u>343</u>	<u>843</u>	<u>(15,436)</u>	<u>(15,436)</u>	<u>(3,467)</u>	<u>11,969</u>
Fund balances July 1, 2019	<u>500</u>	<u>500</u>	<u>426</u>	<u>(74)</u>	<u>15,436</u>	<u>15,436</u>	<u>15,515</u>	<u>79</u>
Fund balances June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>769</u>	<u>769</u>	<u>—</u>	<u>—</u>	<u>12,048</u>	<u>12,048</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	<u>Children and Youth Services Commission Fund</u>				<u>Community Corrections 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	\$ 4,835	4,835	3,967	(868)	16,921	17,042	15,139	(1,903)
Charges for services	—	—	—	—	926	926	937	11
Miscellaneous revenues	32	32	34	2	49	49	131	82
Interfund revenues	98	98	115	17	100	100	127	27
Total revenues	4,965	4,965	4,116	(849)	17,996	18,117	16,334	(1,783)
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	23,701	24,308	20,497	3,811
Housing, health and human services	5,161	5,161	4,255	906	—	—	—	—
Operating contingency	613	613	—	613	177	77	—	77
Total current	5,774	5,774	4,255	1,519	23,878	24,385	20,497	3,888
Capital outlay	—	—	—	—	93	93	51	42
Total expenditures	5,774	5,774	4,255	1,519	23,971	24,478	20,548	3,930
Revenues under expenditures	(809)	(809)	(139)	670	(5,975)	(6,361)	(4,214)	2,147
Other financing sources (uses):								
Transfers in from other funds	236	236	236	—	2,606	2,993	2,993	—
Transfers out to other funds	(40)	(40)	(184)	(144)	—	—	—	—
Total other financing sources	196	196	52	(144)	2,606	2,993	2,993	—
Net change in fund balances	(613)	(613)	(87)	526	(3,369)	(3,368)	(1,221)	2,147
Fund balances July 1, 2019	613	613	690	77	3,369	3,368	3,154	(214)
Fund balances June 30, 2020	\$ —	—	603	603	—	—	1,933	1,933

* 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, 2020
 (Dollars in thousands)

	Cooperative Library Services Fund				Coordinated Care Organization Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 14,292	14,292	14,347	55	—	—	—	—
Intergovernmental revenues	48	48	30	(18)	—	—	—	—
Charges for services	—	—	—	—	—	2,768	2,678	(90)
Miscellaneous revenues	275	275	651	376	—	—	17	17
Total revenues	14,615	14,615	15,028	413	—	2,768	2,695	(73)
Expenditures:								
Current:								
Housing, health and human services	—	—	—	—	—	2,768	2,321	447
Culture, education and recreation	34,989	34,989	34,143	846	—	—	—	—
Operating contingency	9,589	9,589	—	9,589	—	—	—	—
Total current	44,578	44,578	34,143	10,435	—	2,768	2,321	447
Capital outlay	219	219	111	108	—	—	—	—
Total expenditures	44,797	44,797	34,254	10,543	—	2,768	2,321	447
Revenues over (under) expenditures	(30,182)	(30,182)	(19,226)	10,956	—	—	374	374
Other financing sources (uses):								
Transfers in from other funds	21,397	21,397	21,397	—	—	—	—	—
Transfers out to other funds	(881)	(881)	(894)	(13)	—	—	—	—
Total other financing sources	20,516	20,516	20,503	(13)	—	—	—	—
Net change in fund balances	(9,666)	(9,666)	1,277	10,943	—	—	374	374
Fund balances July 1, 2019	9,666	9,666	11,796	2,130	—	—	—	—
Fund balances June 30, 2020	\$ —	—	13,073	13,073	—	—	374	374

* 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, 2020
 (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	\$ —	—	—	—	3,861	4,306	3,590	(716)
Fines and forfeitures	380	380	583	203	—	—	—	—
Miscellaneous revenues	5	5	39	34	5,206	5,206	4,819	(387)
Interfund revenues	—	—	—	—	332	332	—	(332)
Total revenues	<u>385</u>	<u>385</u>	<u>622</u>	<u>237</u>	<u>9,399</u>	<u>9,844</u>	<u>8,409</u>	<u>(1,435)</u>
Expenditures:								
Current:								
Public safety and justice	520	520	483	37	—	—	—	—
Housing, health and human services	—	—	—	—	10,194	10,638	9,121	1,517
Operating contingency	674	674	—	674	455	455	—	455
Total current	<u>1,194</u>	<u>1,194</u>	<u>483</u>	<u>711</u>	<u>10,649</u>	<u>11,093</u>	<u>9,121</u>	<u>1,972</u>
Capital outlay	65	65	—	65	—	—	—	—
Total expenditures	<u>1,259</u>	<u>1,259</u>	<u>483</u>	<u>776</u>	<u>10,649</u>	<u>11,093</u>	<u>9,121</u>	<u>1,972</u>
Revenues over (under) expenditures	<u>(874)</u>	<u>(874)</u>	<u>139</u>	<u>1,013</u>	<u>(1,250)</u>	<u>(1,249)</u>	<u>(712)</u>	<u>537</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	1,367	1,367	1,377	10
Transfers out to other funds	(20)	(20)	(47)	(27)	(573)	(573)	(583)	(10)
Total other financing sources (uses)	<u>(20)</u>	<u>(20)</u>	<u>(47)</u>	<u>(27)</u>	<u>794</u>	<u>794</u>	<u>794</u>	<u>—</u>
Net change in fund balances	<u>(894)</u>	<u>(894)</u>	<u>92</u>	<u>986</u>	<u>(456)</u>	<u>(455)</u>	<u>82</u>	<u>537</u>
Fund balances July 1, 2019	<u>894</u>	<u>894</u>	<u>987</u>	<u>93</u>	<u>456</u>	<u>455</u>	<u>473</u>	<u>18</u>
Fund balances June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>1,079</u>	<u>1,079</u>	<u>—</u>	<u>—</u>	<u>555</u>	<u>555</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, 2020
 (Dollars in thousands)

	Development Services Fund				Developmental Disabilities Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 100	100	93	(7)	9,368	9,368	6,800	(2,568)
Charges for services	1,877	1,877	1,546	(331)	—	—	—	—
Fines and forfeitures	—	—	25	25	—	—	—	—
Miscellaneous revenues	69	69	94	25	25	25	90	65
Interfund revenues	31	31	55	24	—	—	—	—
Total revenues	<u>2,077</u>	<u>2,077</u>	<u>1,813</u>	<u>(264)</u>	<u>9,393</u>	<u>9,393</u>	<u>6,890</u>	<u>(2,503)</u>
Expenditures:								
Current:								
Land use and transportation	3,329	3,329	2,969	360	—	—	—	—
Housing, health and human services	—	—	—	—	10,997	10,997	9,498	1,499
Operating contingency	1,758	1,758	—	1,758	467	467	—	467
Total current	<u>5,087</u>	<u>5,087</u>	<u>2,969</u>	<u>2,118</u>	<u>11,464</u>	<u>11,464</u>	<u>9,498</u>	<u>1,966</u>
Revenues under expenditures	<u>(3,010)</u>	<u>(3,010)</u>	<u>(1,156)</u>	<u>1,854</u>	<u>(2,071)</u>	<u>(2,071)</u>	<u>(2,608)</u>	<u>(537)</u>
Other financing sources (uses):								
Transfers in from other funds	429	429	451	22	2,070	2,070	2,697	627
Transfers out to other funds	(169)	(169)	(169)	—	—	—	—	—
Total other financing uses	<u>260</u>	<u>260</u>	<u>282</u>	<u>22</u>	<u>2,070</u>	<u>2,070</u>	<u>2,697</u>	<u>627</u>
Net change in fund balances	<u>(2,750)</u>	<u>(2,750)</u>	<u>(874)</u>	<u>1,876</u>	<u>(1)</u>	<u>(1)</u>	<u>89</u>	<u>90</u>
Fund balances July 1, 2019	<u>2,750</u>	<u>2,750</u>	<u>2,730</u>	<u>(20)</u>	<u>1</u>	<u>1</u>	<u>—</u>	<u>(1)</u>
Fund balances June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>1,856</u>	<u>1,856</u>	<u>—</u>	<u>—</u>	<u>89</u>	<u>89</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	<u>District Patrol Fund</u>				<u>Emergency Medical Services Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Licenses and permits	\$ —	—	—	—	552	552	569	17
Charges for services	55	55	104	49	6	6	—	(6)
Miscellaneous revenues	29,986	29,986	27,548	(2,438)	44	44	80	36
Interfund revenues	—	—	—	—	10	10	3	(7)
Total revenues	<u>30,041</u>	<u>30,041</u>	<u>27,652</u>	<u>(2,389)</u>	<u>612</u>	<u>612</u>	<u>652</u>	<u>40</u>
Expenditures:								
Current:								
Public safety and justice	29,247	29,247	27,178	2,069	—	—	—	—
Housing, health and human services	—	—	—	—	1,237	1,237	657	580
Operating contingency	—	—	—	—	201	201	—	201
Total current	<u>29,247</u>	<u>29,247</u>	<u>27,178</u>	<u>2,069</u>	<u>1,438</u>	<u>1,438</u>	<u>657</u>	<u>781</u>
Capital outlay	<u>794</u>	<u>794</u>	<u>474</u>	<u>320</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>30,041</u>	<u>30,041</u>	<u>27,652</u>	<u>2,389</u>	<u>1,438</u>	<u>1,438</u>	<u>657</u>	<u>781</u>
Revenues under expenditures	—	—	—	—	(826)	(826)	(5)	821
Fund balances July 1, 2019	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>826</u>	<u>826</u>	<u>1,106</u>	<u>280</u>
Fund balances June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,101</u>	<u>1,101</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	Enhanced Sheriff's Patrol District Fund (Component Unit)				Gain Share Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 27,873	27,873	28,080	207	—	—	—	—
Intergovernmental revenues	61	61	68	7	9,236	9,236	9,242	6
Charges for services	22	22	25	3	—	—	—	—
Miscellaneous revenues	398	398	797	399	158	158	265	107
Total revenues	28,354	28,354	28,970	616	9,394	9,394	9,507	113
Expenditures:								
Current:								
Public safety and justice	29,966	29,966	27,495	2,471	—	—	—	—
Operating contingency	14,693	14,693	—	14,693	—	—	—	—
Total current	44,659	44,659	27,495	17,164	—	—	—	—
Capital outlay	—	—	—	—	2,794	2,794	—	2,794
Total expenditures	44,659	44,659	27,495	17,164	2,794	2,794	—	2,794
Revenues over (under) expenditures	(16,305)	(16,305)	1,475	17,780	6,600	6,600	9,507	2,907
Other financing uses:								
Transfers out to other funds	—	—	—	—	(10,172)	(11,672)	(11,672)	—
Net change in fund balances	(16,305)	(16,305)	1,475	17,780	(3,572)	(5,072)	(2,165)	2,907
Fund balances July 1, 2019	16,305	16,305	17,683	1,378	3,572	5,072	5,391	319
Fund balances June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>19,158</u>	<u>19,158</u>	<u>—</u>	<u>—</u>	<u>3,226</u>	<u>3,226</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (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	\$ 11,931	11,931	5,656	(6,275)	—	—	—	—
Miscellaneous revenues	44	44	109	65	—	—	—	—
Total revenues	11,975	11,975	5,765	(6,210)	—	—	—	—
Expenditures:								
Current:								
Housing, health and human services	10,561	10,561	4,843	5,718	—	—	—	—
Operating contingency	6,727	6,727	—	6,727	1,021	1,021	—	1,021
Total current	17,288	17,288	4,843	12,445	1,021	1,021	—	1,021
Revenues over (under) expenditures	(5,313)	(5,313)	922	6,235	(1,021)	(1,021)	—	1,021
Other financing uses:								
Transfers out to other funds	(1,470)	(1,470)	(861)	609	(450)	(450)	(449)	1
Net change in fund balances	(6,783)	(6,783)	61	6,844	(1,471)	(1,471)	(449)	1,022
Fund balances July 1, 2019	6,783	6,783	6,547	(236)	1,471	1,471	1,356	(115)
Fund balances June 30, 2020	\$ —	—	6,608	6,608	—	—	907	907

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (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	\$ —	—	—	—	77	77	77	—
Miscellaneous revenues	135	135	207	72	—	—	—	—
Interfund revenues	—	—	—	—	26,246	26,246	26,246	—
Total revenues	<u>135</u>	<u>135</u>	<u>207</u>	<u>72</u>	<u>26,323</u>	<u>26,323</u>	<u>26,323</u>	<u>—</u>
Expenditures:								
Current:								
Nonoperating	—	—	—	—	5,609	5,609	5,609	—
Operating contingency	5,424	5,424	—	5,424	—	—	—	—
Total current	<u>5,424</u>	<u>5,424</u>	<u>—</u>	<u>5,424</u>	<u>5,609</u>	<u>5,609</u>	<u>5,609</u>	<u>—</u>
Revenues over (under) expenditures	<u>(5,289)</u>	<u>(5,289)</u>	<u>207</u>	<u>5,496</u>	<u>20,714</u>	<u>20,714</u>	<u>20,714</u>	<u>—</u>
Other financing uses:								
Transfers out to other funds	—	—	—	—	(20,714)	(20,714)	(20,714)	—
Net change in fund balances	<u>(5,289)</u>	<u>(5,289)</u>	<u>207</u>	<u>5,496</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances July 1, 2019	<u>5,289</u>	<u>5,289</u>	<u>5,371</u>	<u>82</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances June 30, 2020	<u><u>\$ —</u></u>	<u><u>—</u></u>	<u><u>5,578</u></u>	<u><u>5,578</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	<u>ITS Systems Replacement Fund</u>				<u>Jail Commissary 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:								
Miscellaneous revenues	\$ 13	13	10	(3)	297	297	262	(35)
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	203	203	143	60
Operating contingency	149	149	—	149	1,003	1,003	—	1,003
Total current	149	149	—	149	1,206	1,206	143	1,063
Revenues over (under) expenditures	(136)	(136)	10	146	(909)	(909)	119	1,028
Other financing sources (uses):								
Transfers in from other funds	865	865	865	—	—	—	—	—
Transfers out to other funds	(2,085)	(2,085)	(2,085)	—	—	—	—	—
Total other financing uses	(1,220)	(1,220)	(1,220)	—	—	—	—	—
Net change in fund balances	(1,356)	(1,356)	(1,210)	146	(909)	(909)	119	1,028
Fund balances July 1, 2019	1,356	1,356	1,369	13	909	909	913	4
Fund balances June 30, 2020	\$ —	—	159	159	—	—	1,032	1,032

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	<u>Juvenile Conciliation Services Fund</u>				<u>Juvenile Grants Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Licenses and permits	\$ 36	36	30	(6)	—	—	—	—
Intergovernmental revenues	536	536	526	(10)	861	861	800	(61)
Charges for services	5	5	3	(2)	—	—	—	—
Miscellaneous revenues	9	9	14	5	7	7	—	(7)
Total revenues	<u>586</u>	<u>586</u>	<u>573</u>	<u>(13)</u>	<u>868</u>	<u>868</u>	<u>800</u>	<u>(68)</u>
Expenditures:								
Current:								
Public safety and justice	733	733	616	117	940	940	827	113
Revenues under expenditures	(147)	(147)	(43)	104	(72)	(72)	(27)	45
Fund balances July 1, 2019	<u>147</u>	<u>147</u>	<u>131</u>	<u>(16)</u>	<u>72</u>	<u>72</u>	<u>87</u>	<u>15</u>
Fund balances June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>88</u>	<u>88</u>	<u>—</u>	<u>—</u>	<u>60</u>	<u>60</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (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>
Revenues:								
Intergovernmental revenues	\$ 2,128	2,128	2,113	(15)	—	—	—	—
Charges for services	—	—	—	—	358	358	351	(7)
Miscellaneous revenues	13	13	33	20	22	22	34	12
Total revenues	<u>2,141</u>	<u>2,141</u>	<u>2,146</u>	<u>5</u>	<u>380</u>	<u>380</u>	<u>385</u>	<u>5</u>
Expenditures:								
Current:								
Public safety and justice	3,030	3,030	2,124	906	491	491	453	38
Operating contingency	—	—	—	—	773	773	—	773
Total current	<u>3,030</u>	<u>3,030</u>	<u>2,124</u>	<u>906</u>	<u>1,264</u>	<u>1,264</u>	<u>453</u>	<u>811</u>
Revenues over (under) expenditures	(889)	(889)	22	911	(884)	(884)	(68)	816
Fund balances July 1, 2019	<u>889</u>	<u>889</u>	<u>1,118</u>	<u>229</u>	<u>884</u>	<u>884</u>	<u>877</u>	<u>(7)</u>
Fund balances June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>1,140</u>	<u>1,140</u>	<u>—</u>	<u>—</u>	<u>809</u>	<u>809</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (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)
Revenues:								
Taxes	\$ 27,296	27,296	27,396	100	—	—	—	—
Intergovernmental revenues	545	545	515	(30)	2,376	2,376	2,144	(232)
Charges for services	34	34	34	—	—	—	—	—
Miscellaneous revenues	464	464	902	438	—	—	—	—
Total revenues	28,339	28,339	28,847	508	2,376	2,376	2,144	(232)
Expenditures:								
Current:								
Public safety and justice					—	—	—	—
County administration	1,564	1,714	1,503	211	—	—	—	—
Sheriff's office administration	2,368	2,368	2,121	247	—	—	—	—
Law enforcement services	13,106	13,106	11,787	1,319	—	—	—	—
Sheriff's Office - jail	3,294	3,294	2,939	355	—	—	—	—
District Attorney	3,892	3,892	3,584	308	—	—	—	—
Community corrections	1,811	1,811	1,659	152	—	—	—	—
Juvenile services	5,111	5,111	4,263	848	—	—	—	—
Nonoperating	—	—	—	—	464	464	307	157
Operating contingency	14,676	14,140	—	14,140	—	—	—	—
Total current	45,822	45,436	27,856	17,580	464	464	307	157
Capital outlay	581	581	289	292	—	—	—	—
Total expenditures	46,403	46,017	28,145	17,872	464	464	307	157
Revenues over (under) expenditures	(18,064)	(17,678)	702	18,380	1,912	1,912	1,837	(75)
Other financing uses:								
Transfers out to other funds	(13)	(399)	(386)	13	(1,912)	(2,022)	(1,947)	75
Net change in fund balances	(18,077)	(18,077)	316	18,393	—	(110)	(110)	—
Fund balances July 1, 2019	18,077	18,077	18,448	371	—	110	110	—
Fund balances June 30, 2020	\$ —	—	18,764	18,764	—	—	—	—

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	<u>Maintenance Improvement District Fund</u>				<u>Mental Health Crisis Services Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Charges for services	\$ —	—	—	—	—	—	735	735
Special assessments	36	36	35	(1)	—	—	—	—
Miscellaneous revenues	8	8	13	5	40	40	48	8
Total revenues	<u>44</u>	<u>44</u>	<u>48</u>	<u>4</u>	<u>40</u>	<u>40</u>	<u>783</u>	<u>743</u>
Expenditures:								
Current:								
Land use and transportation	102	102	7	95	—	—	—	—
Housing, health and human services	—	—	—	—	5,427	5,427	4,463	964
Operating contingency	254	254	—	254	1,903	1,903	—	1,903
Total current	<u>356</u>	<u>356</u>	<u>7</u>	<u>349</u>	<u>7,330</u>	<u>7,330</u>	<u>4,463</u>	<u>2,867</u>
Revenues over (under) expenditures	<u>(312)</u>	<u>(312)</u>	<u>41</u>	<u>353</u>	<u>(7,290)</u>	<u>(7,290)</u>	<u>(3,680)</u>	<u>3,610</u>
Other financing sources:								
Transfers in from other funds	—	—	—	—	5,253	5,253	3,726	(1,527)
Net change in fund balances	<u>(312)</u>	<u>(312)</u>	<u>41</u>	<u>353</u>	<u>(2,037)</u>	<u>(2,037)</u>	<u>46</u>	<u>2,083</u>
Fund balances July 1, 2019	<u>312</u>	<u>312</u>	<u>317</u>	<u>5</u>	<u>2,037</u>	<u>2,037</u>	<u>1,969</u>	<u>(68)</u>
Fund balances June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>358</u>	<u>358</u>	<u>—</u>	<u>—</u>	<u>2,015</u>	<u>2,015</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	<u>Metro Affordable Housing Bond 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:								
Intergovernmental revenues	\$ 45,350	45,350	4,122	(41,228)	—	—	—	—
Special assessments	—	—	—	—	88	159	154	(5)
Miscellaneous revenues	—	—	218	218	19	19	23	4
Total revenues	<u>45,350</u>	<u>45,350</u>	<u>4,340</u>	<u>(41,010)</u>	<u>107</u>	<u>178</u>	<u>177</u>	<u>(1)</u>
Expenditures:								
Current:								
Housing, health and human services	45,450	45,450	4,122	41,328	—	—	—	—
Culture, education and recreation	—	—	—	—	87	189	97	92
Operating contingency	—	—	—	—	45	45	—	45
Total current	<u>45,450</u>	<u>45,450</u>	<u>4,122</u>	<u>41,328</u>	<u>132</u>	<u>234</u>	<u>97</u>	<u>137</u>
Capital outlay	—	—	—	—	41	41	—	41
Total expenditures	<u>45,450</u>	<u>45,450</u>	<u>4,122</u>	<u>41,328</u>	<u>173</u>	<u>275</u>	<u>97</u>	<u>178</u>
Revenues over (under) expenditures	(100)	(100)	218	318	(66)	(97)	80	177
Fund (deficit) balance July 1, 2019	<u>100</u>	<u>100</u>	<u>(1)</u>	<u>(101)</u>	<u>66</u>	<u>97</u>	<u>98</u>	<u>1</u>
Fund balances June 30, 2020	<u><u>\$ —</u></u>	<u><u>—</u></u>	<u><u>217</u></u>	<u><u>217</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>178</u></u>	<u><u>178</u></u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (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	\$ 602	602	752	150	—	—	—	—
Intergovernmental revenues	—	—	—	—	3,869	3,869	2,415	(1,454)
Miscellaneous revenues	29	29	331	302	108	108	373	265
Total revenues	<u>631</u>	<u>631</u>	<u>1,083</u>	<u>452</u>	<u>3,977</u>	<u>3,977</u>	<u>2,788</u>	<u>(1,189)</u>
Expenditures:								
Current:								
Land use and transportation	12,734	12,734	820	11,914	—	—	—	—
Housing, health and human services	—	—	—	—	4,458	4,458	3,023	1,435
Total current	<u>12,734</u>	<u>12,734</u>	<u>820</u>	<u>11,914</u>	<u>4,458</u>	<u>4,458</u>	<u>3,023</u>	<u>1,435</u>
Capital outlay	20	20	419	(399)	—	—	—	—
Total expenditures	<u>12,754</u>	<u>12,754</u>	<u>1,239</u>	<u>11,515</u>	<u>4,458</u>	<u>4,458</u>	<u>3,023</u>	<u>1,435</u>
Revenues under expenditures	<u>(12,123)</u>	<u>(12,123)</u>	<u>(156)</u>	<u>11,967</u>	<u>(481)</u>	<u>(481)</u>	<u>(235)</u>	<u>246</u>
Other financing sources (uses):								
Transfers in from other funds	11,014	11,014	11,489	475	170	170	170	—
Transfers out to other funds	(25)	(25)	(25)	—	—	—	—	—
Total other financing sources	<u>10,989</u>	<u>10,989</u>	<u>11,464</u>	<u>475</u>	<u>170</u>	<u>170</u>	<u>170</u>	<u>—</u>
Net change in fund balances	<u>(1,134)</u>	<u>(1,134)</u>	<u>11,308</u>	<u>12,442</u>	<u>(311)</u>	<u>(311)</u>	<u>(65)</u>	<u>246</u>
Fund balances July 1, 2019	<u>1,134</u>	<u>1,134</u>	<u>1,180</u>	<u>46</u>	<u>311</u>	<u>311</u>	<u>341</u>	<u>30</u>
Fund balances June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>12,488</u>	<u>12,488</u>	<u>—</u>	<u>—</u>	<u>276</u>	<u>276</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, 2020
 (Dollars in thousands)

	PERS Rate Stabilization Fund				Sheriff's Office Contract Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ —	—	—	—	765	765	568	(197)
Miscellaneous revenues	100	100	60	(40)	520	520	212	(308)
Interfund revenues	—	—	—	—	60	60	101	41
Total revenues	100	100	60	(40)	1,345	1,345	881	(464)
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	1,345	1,345	833	512
Nonoperating	15,079	15,079	14,850	229	—	—	—	—
Total current	15,079	15,079	14,850	229	1,345	1,345	833	512
Revenues over (under) expenditures	(14,979)	(14,979)	(14,790)	189	—	—	48	48
Other financing sources:								
Transfers in from other funds	8,200	8,200	8,200	—	—	—	—	—
Net change in fund balance (deficit)	(6,779)	(6,779)	(6,590)	189	—	—	48	48
Fund balance (deficit) July 1, 2019	6,779	6,779	6,927	148	—	—	(88)	(88)
Fund balance (deficit) June 30, 2020	\$ —	—	337	337	—	—	(40)	(40)

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	Sheriff's Office Forfeitures Fund				Sheriff's Office Grants & Donations Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	1,849	1,849	706	(1,143)
Miscellaneous revenues	6	6	122	116	376	376	20	(356)
Total revenues	6	6	122	116	2,225	2,225	726	(1,499)
Expenditures:								
Current:								
Public safety and justice	311	311	191	120	1,949	1,949	609	1,340
Operating contingency	250	250	—	250	—	—	—	—
Total current	561	561	191	370	1,949	1,949	609	1,340
Debt service:								
Principal	—	—	—	—	245	245	—	245
Interest	—	—	—	—	31	31	—	31
Total debt service	—	—	—	—	276	276	—	276
Total expenditures	561	561	191	370	2,225	2,225	609	1,892
Revenues over (under) expenditures	(555)	(555)	(69)	486	—	—	117	117
Net change in fund balance (deficit)	(555)	(555)	(69)	486	—	—	117	117
Fund balance (deficit) July 1, 2019	555	555	320	(235)	—	—	(136)	(136)
Fund balance (deficit) June 30, 2020	\$ —	—	251	251	—	—	(19)	(19)

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	<u>Statewide Transportation Improvement Fund</u>				<u>Strategic Investment Program Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)*</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Intergovernmental revenues	\$ 2,147	2,147	1,336	(811)	—	—	—	—
Charges for services	—	—	—	—	37,132	37,132	28,734	(8,398)
Miscellaneous revenues	18	18	52	34	289	289	894	605
Total revenues	<u>2,165</u>	<u>2,165</u>	<u>1,388</u>	<u>(777)</u>	<u>37,421</u>	<u>37,421</u>	<u>29,628</u>	<u>(7,793)</u>
Expenditures:								
Current:								
Land use and transportation	2,147	2,147	1,251	896	—	—	—	—
Operating contingency	18	18	—	18	—	—	—	—
Total current	<u>2,165</u>	<u>2,165</u>	<u>1,251</u>	<u>914</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Capital outlay	—	—	—	—	19,536	19,536	—	19,536
Total expenditures	<u>2,165</u>	<u>2,165</u>	<u>1,251</u>	<u>914</u>	<u>19,536</u>	<u>19,536</u>	<u>—</u>	<u>19,536</u>
Revenues over expenditures	<u>—</u>	<u>—</u>	<u>137</u>	<u>137</u>	<u>17,885</u>	<u>17,885</u>	<u>29,628</u>	<u>11,743</u>
Other financing uses:								
Transfers out to other funds	—	—	(132)	(132)	(36,000)	(36,000)	(36,000)	—
Net change in fund balance (deficit)	<u>—</u>	<u>—</u>	<u>5</u>	<u>5</u>	<u>(18,115)</u>	<u>(18,115)</u>	<u>(6,372)</u>	<u>11,743</u>
Fund balances July 1, 2019	<u>—</u>	<u>—</u>	<u>24</u>	<u>24</u>	<u>18,115</u>	<u>18,115</u>	<u>20,421</u>	<u>2,306</u>
Fund (deficit) balance June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>29</u>	<u>29</u>	<u>—</u>	<u>—</u>	<u>14,049</u>	<u>14,049</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	<u>Survey Fund</u>				<u>Surveyor-Public Land Corner 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	\$ 561	561	625	64	375	375	530	155
Miscellaneous revenues	36	36	103	67	50	50	85	35
Interfund revenues	16	16	131	115	276	276	350	74
Total revenues	613	613	859	246	701	701	965	264
Expenditures:								
Current:								
Land use and transportation	872	872	758	114	769	894	861	33
Operating contingency	786	786	—	786	2,023	1,898	—	1,898
Total current	1,658	1,658	758	900	2,792	2,792	861	1,931
Revenues over (under) expenditures	(1,045)	(1,045)	101	1,146	(2,091)	(2,091)	104	2,195
Other financing sources (uses):								
Transfers in from other funds	73	73	126	53	—	—	—	—
Transfers out to other funds	(33)	(33)	(33)	—	(28)	(28)	(28)	—
Total other financing sources (uses)	40	40	93	53	(28)	(28)	(28)	—
Net change in fund balances	(1,005)	(1,005)	194	1,199	(2,119)	(2,119)	76	2,195
Fund balances July 1, 2019	1,005	1,005	1,371	366	2,119	2,119	2,214	95
Fund balances June 30, 2020	\$ —	—	1,565	1,565	—	—	2,290	2,290

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	Tourism Dedicated Lodging Tax Fund				Tri-County Risk Reserve Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 3,889	3,889	2,916	(973)	—	—	—	—
Miscellaneous revenues	35	35	20	(15)	—	—	—	—
Total revenues	<u>3,924</u>	<u>3,924</u>	<u>2,936</u>	<u>(988)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Expenditures:								
Current:								
Housing, health and human services	—	—	—	—	5,500	5,500	—	5,500
Culture, education and recreation	5,337	5,337	2,916	2,421	—	—	—	—
Operating contingency	—	—	—	—	5,000	5,000	—	5,000
Total current	<u>5,337</u>	<u>5,337</u>	<u>2,916</u>	<u>2,421</u>	<u>10,500</u>	<u>10,500</u>	<u>—</u>	<u>10,500</u>
Revenues over (under) expenditures	(1,413)	(1,413)	20	1,433	(10,500)	(10,500)	—	10,500
Other financing uses:								
Transfers out to other funds	—	—	(1,428)	(1,428)	—	—	—	—
Net change in fund balances	(1,413)	(1,413)	(1,408)	5	(10,500)	(10,500)	—	10,500
Fund balances July 1, 2019	1,413	1,413	1,428	15	10,500	10,500	10,500	—
Fund balances June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>20</u>	<u>20</u>	<u>—</u>	<u>—</u>	<u>10,500</u>	<u>10,500</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, 2020
 (Dollars in thousands)

	Urban Road Maintenance District Fund (Component Unit)				Washington County Fair Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Taxes	\$ 4,885	4,885	5,239	354	2,268	2,268	1,252	(1,016)
Intergovernmental revenues	—	—	—	—	53	53	53	—
Charges for services	16	16	17	1	996	996	860	(136)
Miscellaneous revenues	280	280	512	232	366	366	313	(53)
Total revenues	<u>5,181</u>	<u>5,181</u>	<u>5,768</u>	<u>587</u>	<u>3,683</u>	<u>3,683</u>	<u>2,478</u>	<u>(1,205)</u>
Expenditures:								
Current:								
Land use and transportation	5,351	5,351	4,427	924	—	—	—	—
Culture, education and recreation	—	—	—	—	3,919	2,815	2,829	(14)
Operating contingency	9,034	9,034	—	9,034	1,926	1,907	—	1,907
Total current	<u>14,385</u>	<u>14,385</u>	<u>4,427</u>	<u>9,958</u>	<u>5,845</u>	<u>4,722</u>	<u>2,829</u>	<u>1,893</u>
Capital outlay	—	—	60	(60)	1,151	1,024	62	962
Total expenditures	<u>14,385</u>	<u>14,385</u>	<u>4,487</u>	<u>9,898</u>	<u>6,996</u>	<u>5,746</u>	<u>2,891</u>	<u>2,855</u>
Revenues over (under) expenditures	(9,204)	(9,204)	1,281	10,485	(3,313)	(2,063)	(413)	1,650
Other financing sources (uses):								
Transfers in from other funds	—	—	372	372	1,250	—	—	—
Transfers out to other funds	(1,974)	(1,974)	(2,514)	(540)	—	—	—	—
Total other financing sources (uses)	<u>(1,974)</u>	<u>(1,974)</u>	<u>(2,142)</u>	<u>(168)</u>	<u>1,250</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	(11,178)	(11,178)	(861)	10,317	(2,063)	(2,063)	(413)	1,650
Fund balances July 1, 2019	<u>11,178</u>	<u>11,178</u>	<u>13,471</u>	<u>2,293</u>	<u>2,063</u>	<u>2,063</u>	<u>1,473</u>	<u>(590)</u>
Fund balances June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>12,610</u>	<u>12,610</u>	<u>—</u>	<u>—</u>	<u>1,060</u>	<u>1,060</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, 2020
 (Dollars in thousands)

	West Slope Library Fund			Variance positive (negative)
	Adopted budget	Revised budget	Actual	
Revenues:				
Intergovernmental revenues	\$ 4	4	3	(1)
Miscellaneous revenues	27	27	57	30
Total revenues	<u>31</u>	<u>31</u>	<u>60</u>	<u>29</u>
Expenditures:				
Current:				
Culture, education and recreation	1,071	1,071	869	202
Operating contingency	356	356	—	356
Total current	<u>1,427</u>	<u>1,427</u>	<u>869</u>	<u>558</u>
Total expenditures	<u>1,427</u>	<u>1,427</u>	<u>869</u>	<u>558</u>
Revenues under expenditures	<u>(1,396)</u>	<u>(1,396)</u>	<u>(809)</u>	<u>587</u>
Other financing sources:				
Transfers in from other funds	881	881	894	13
Net change in fund balances	(515)	(515)	85	600
Fund balance July 1, 2019	<u>515</u>	<u>515</u>	<u>557</u>	<u>42</u>
Fund balance June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>642</u>	<u>642</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Debt Service Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	General Obligation Debt Service Fund				Miscellaneous Debt Service Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Taxes	\$ 4,531	4,531	4,543	12	—	—	—	—
Miscellaneous revenues	3	3	40	37	—	—	2	2
Total revenues	4,534	4,534	4,583	49	—	—	2	2
Expenditures:								
Current:								
Nonoperating	—	—	—	—	2	2	2	—
Operating contingency	25	25	—	25	36	36	—	36
Total current	25	25	—	25	38	38	2	36
Debt service:								
Principal	1,780	1,780	1,780	—	5,320	5,320	5,321	(1)
Interest	2,757	2,757	2,757	—	1,675	1,675	1,674	1
Total debt service	4,537	4,537	4,537	—	6,995	6,995	6,995	—
Total expenditures	4,562	4,562	4,537	25	7,033	7,033	6,997	36
Revenues over (under) expenditures	(28)	(28)	46	74	(7,033)	(7,033)	(6,995)	38
Other financing sources:								
Transfers in from other funds	—	—	—	—	6,997	6,997	6,996	(1)
Net change in fund balance	(28)	(28)	46	74	(36)	(36)	1	37
Fund balances July 1, 2019	28	28	83	55	36	36	36	—
Fund balances June 30, 2020	\$ —	—	129	129	—	—	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 - Debt Service Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	Series 2016 B FFCO Debt Service Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:				
Taxes	\$ 1,032	1,032	839	(193)
Expenditures:				
Current:				
Operating contingency	6,621	6,621	—	6,621
Debt service:				
Principal	7,650	7,650	7,650	—
Interest	4,481	4,481	4,481	—
Total debt service	12,131	12,131	12,131	—
Total expenditures	18,752	18,752	12,131	6,621
Revenues under expenditures	(17,720)	(17,720)	(11,292)	6,428
Other financing sources:				
Transfers in from other funds	15,112	15,112	15,112	—
Net change in fund balance	(2,608)	(2,608)	3,820	6,428
Fund balance July 1, 2019	2,608	2,608	2,247	(361)
Fund balance June 30, 2020	\$ —	—	6,067	6,067

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	2016 FF&C Facilities Capital Projects Fund				Bonny Slope West Transportation SDC Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ —	—	—	—	500	500	672	172
Miscellaneous revenues	53	53	105	52	22	22	59	37
Total revenues	53	53	105	52	522	522	731	209
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	1,392	1,392	13	1,379
Nonoperating	—	—	34	(34)	—	—	—	—
Total current	—	—	34	(34)	1,392	1,392	13	1,379
Capital outlay	3,732	3,732	438	3,294	—	—	—	—
Total expenditures	3,732	3,732	472	3,260	1,392	1,392	13	1,379
Revenues over (under) expenditures	(3,679)	(3,679)	(367)	3,312	(870)	(870)	718	1,588
Net change in fund balances	(3,679)	(3,679)	(367)	3,312	(870)	(870)	718	1,588
Fund balances July 1, 2019	3,679	3,679	2,889	(790)	870	870	927	57
Fund balances June 30, 2020	\$ —	—	2,522	2,522	—	—	1,645	1,645

* 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, 2020
 (Dollars in thousands)

	<u>Building Equipment Replacement Fund</u>				<u>Countywide Traffic Impact Fee Fund</u>			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Special assessments	\$ —	—	—	—	8	8	5	(3)
Miscellaneous revenues	8	8	119	111	27	27	32	5
Total revenues	<u>8</u>	<u>8</u>	<u>119</u>	<u>111</u>	<u>35</u>	<u>35</u>	<u>37</u>	<u>2</u>
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	1,604	2,684	2,010	674
Capital outlay	2,835	3,118	169	2,949	5	52	45	7
Total expenditures	<u>2,835</u>	<u>3,118</u>	<u>169</u>	<u>2,949</u>	<u>1,609</u>	<u>2,736</u>	<u>2,055</u>	<u>681</u>
Revenues under expenditures	<u>(2,827)</u>	<u>(3,110)</u>	<u>(50)</u>	<u>3,060</u>	<u>(1,574)</u>	<u>(2,701)</u>	<u>(2,018)</u>	<u>683</u>
Other financing sources (uses):								
Transfers in from other funds	2,289	2,289	2,289	—	500	1,145	1,309	164
Transfers out to other funds	—	—	—	—	(5)	(5)	(5)	—
Total other financing sources	<u>2,289</u>	<u>2,289</u>	<u>2,289</u>	<u>—</u>	<u>495</u>	<u>1,140</u>	<u>1,304</u>	<u>164</u>
Net change in fund balances	(538)	(821)	2,239	3,060	(1,079)	(1,561)	(714)	847
Fund balances July 1, 2019	<u>538</u>	<u>821</u>	<u>968</u>	<u>147</u>	<u>1,079</u>	<u>1,561</u>	<u>1,561</u>	<u>—</u>
Fund balances June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>3,207</u>	<u>3,207</u>	<u>—</u>	<u>—</u>	<u>847</u>	<u>847</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	Emergency Communications System Fund				Event Center Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ —	—	—	—	1,350	1,350	—	(1,350)
Intergovernmental revenues	—	—	—	—	5,330	5,330	2,670	(2,660)
Miscellaneous revenues	700	700	1,276	576	600	600	435	(165)
Total revenues	<u>700</u>	<u>700</u>	<u>1,276</u>	<u>576</u>	<u>7,280</u>	<u>7,280</u>	<u>3,105</u>	<u>(4,175)</u>
Expenditures:								
Current:								
Culture, education and recreation	—	—	—	—	2,500	2,500	544	1,956
Nonoperating	10,500	10,500	8,668	1,832	—	—	—	—
Total current	<u>10,500</u>	<u>10,500</u>	<u>8,668</u>	<u>1,832</u>	<u>2,500</u>	<u>2,500</u>	<u>544</u>	<u>1,956</u>
Capital outlay	<u>18,200</u>	<u>34,348</u>	<u>5,908</u>	<u>28,440</u>	<u>36,826</u>	<u>36,826</u>	<u>31,465</u>	<u>5,361</u>
Total expenditures	<u>28,700</u>	<u>44,848</u>	<u>14,576</u>	<u>30,272</u>	<u>39,326</u>	<u>39,326</u>	<u>32,009</u>	<u>7,317</u>
Revenues under expenditures	(28,000)	(44,148)	(13,300)	30,848	(32,046)	(32,046)	(28,904)	3,142
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	—	—	1,428	1,428
Transfers out to other funds	—	—	—	—	(1,250)	(1,250)	(1,250)	—
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,250)</u>	<u>(1,250)</u>	<u>178</u>	<u>1,428</u>
Net change in fund balances	<u>(28,000)</u>	<u>(44,148)</u>	<u>(13,300)</u>	<u>30,848</u>	<u>(33,296)</u>	<u>(33,296)</u>	<u>(28,726)</u>	<u>4,570</u>
Fund balances July 1, 2019	<u>28,000</u>	<u>44,148</u>	<u>44,502</u>	<u>354</u>	<u>33,296</u>	<u>33,296</u>	<u>31,728</u>	<u>(1,568)</u>
Fund balances June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>31,202</u>	<u>31,202</u>	<u>—</u>	<u>—</u>	<u>3,002</u>	<u>3,002</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	Facilities General Capital Projects Fund				Facilities Park (THPRD) SDC Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 50	50	188	138	—	—	—	—
Charges for services	—	—	—	—	7	7	5	(2)
Miscellaneous revenues	72	72	181	109	2	2	3	1
Interfund revenues	1,927	2,018	518	(1,500)	—	—	—	—
Total revenues	2,049	2,140	887	(1,253)	9	9	8	(1)
Expenditures:								
Current:								
Nonoperating	—	—	1,036	(1,036)	84	84	—	84
Capital outlay	11,393	11,484	3,086	8,398	—	—	—	—
Total expenditures	11,393	11,484	4,122	7,362	84	84	—	84
Revenues over (under) expenditures	(9,344)	(9,344)	(3,235)	6,109	(75)	(75)	8	83
Other financing sources:								
Transfers in from other funds	6,578	8,078	8,065	(13)	—	—	—	—
Net change in fund balances	(2,766)	(1,266)	4,830	6,096	(75)	(75)	8	83
Fund balances July 1, 2019	2,766	1,266	2,564	1,298	75	75	68	(7)
Fund balances June 30, 2020	\$ —	—	7,394	7,394	—	—	76	76

* 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, 2020
 (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	\$ —	—	—	—	1,210	1,210	439	(771)
Miscellaneous revenues	—	—	127	127	325	325	520	195
Interfund revenues	1,965	1,823	1,338	(485)	—	—	—	—
Total revenues	1,965	1,823	1,465	(358)	1,535	1,535	959	(576)
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	36,431	36,431	11,684	24,747
Nonoperating	—	—	3,059	(3,059)	—	—	—	—
Total current	—	—	3,059	(3,059)	36,431	36,431	11,684	24,747
Capital outlay	8,034	8,284	2,349	5,935	5	5	9	(4)
Total expenditures	8,034	8,284	5,408	2,876	36,436	36,436	11,693	24,743
Revenues under expenditures	(6,069)	(6,461)	(3,943)	2,518	(34,901)	(34,901)	(10,734)	24,167
Other financing sources (uses):								
Transfers in from other funds	3,815	3,108	4,386	1,278	23,176	23,176	12,887	(10,289)
Transfers out to other funds	—	—	—	—	(640)	(640)	(900)	(260)
Total other financing sources	3,815	3,108	4,386	1,278	22,536	22,536	11,987	(10,549)
Net change in fund balances	(2,254)	(3,353)	443	3,796	(12,365)	(12,365)	1,253	13,618
Fund balances July 1, 2019	2,254	3,353	3,382	29	12,365	12,365	13,706	1,341
Fund balances June 30, 2020	\$ —	—	3,825	3,825	—	—	14,959	14,959

* 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, 2020
 (Dollars in thousands)

	North Bethany SDC Fund				Parks and Open Spaces Opportunity Projects Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 1,900	1,900	342	(1,558)	—	—	—	—
Miscellaneous revenues	67	67	85	18	5	5	108	103
Total revenues	1,967	1,967	427	(1,540)	5	5	108	103
Expenditures:								
Current:								
Land use and transportation	97	97	35	62	—	—	—	—
Nonoperating	—	—	—	—	30	30	1	29
Total current	97	97	35	62	30	30	1	29
Capital outlay	—	—	—	—	322	322	14	308
Total expenditures	97	97	35	62	352	352	15	337
Revenues over (under) expenditures	1,870	1,870	392	(1,478)	(347)	(347)	93	440
Other financing uses:								
Transfers out to other funds	(7,532)	(7,532)	(6,018)	1,514	—	—	—	—
Net change in fund balances	(5,662)	(5,662)	(5,626)	36	(347)	(347)	93	440
Fund balances July 1, 2019	5,662	5,662	5,854	192	347	347	247	(100)
Fund balances June 30, 2020	\$ —	—	228	228	—	—	340	340

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2020
 (Dollars in thousands)

	Transportation Development Tax Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:				
Intergovernmental revenues	\$ 695	695	215	(480)
Charges for services	5,000	5,000	3,927	(1,073)
Miscellaneous revenues	1,132	1,132	1,740	608
Total revenues	<u>6,827</u>	<u>6,827</u>	<u>5,882</u>	<u>(945)</u>
Expenditures:				
Current:				
Land use and transportation	48,621	48,621	1,886	46,735
Capital outlay				
	—	—	10	(10)
Total expenditures	<u>48,621</u>	<u>48,621</u>	<u>1,896</u>	<u>46,725</u>
Revenues over (under) expenditures	<u>(41,794)</u>	<u>(41,794)</u>	<u>3,986</u>	<u>45,780</u>
Other financing uses:				
Transfers in from other funds	600	600	488	(112)
Transfers out to other funds	(4,076)	(4,076)	(8,281)	(4,205)
Total other financing uses	<u>(3,476)</u>	<u>(3,476)</u>	<u>(7,793)</u>	<u>(4,317)</u>
Net change in fund balance	(45,270)	(45,270)	(3,807)	41,463
Fund balance July 1, 2019	<u>45,270</u>	<u>45,270</u>	<u>48,206</u>	<u>2,936</u>
Fund balance June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>44,399</u>	<u>44,399</u>

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

WASHINGTON COUNTY, OREGON
Combining Statement of Net Position
Internal Service Funds
June 30, 2020
(Dollars in thousands)

Assets	Fleet Services Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/ Casualty Insurance Fund	Life Insurance Fund
Current assets:					
Cash and investments	\$ 736	13,183	295	8,092	148
Accounts receivable	4	15	13	13	—
Supply inventory	295	—	30	—	—
Total current assets	<u>1,035</u>	<u>13,198</u>	<u>338</u>	<u>8,105</u>	<u>148</u>
Noncurrent assets:					
Capital assets, net of accumulated depreciation	—	17,197	346	—	—
PERS net OPEB RHIA asset	25	—	9	—	—
Total noncurrent assets	<u>25</u>	<u>17,197</u>	<u>355</u>	<u>—</u>	<u>—</u>
Total assets	<u>1,060</u>	<u>30,395</u>	<u>693</u>	<u>8,105</u>	<u>148</u>
Deferred Outflows of Resources					
County OPEB related	29	—	10	—	—
PERS OPEB RHIA related	1	—	—	—	—
Pension related	1,114	—	390	—	—
Total deferred outflows of resources	<u>1,144</u>	<u>—</u>	<u>400</u>	<u>—</u>	<u>—</u>
Liabilities					
Current liabilities:					
Accounts payable	160	618	17	675	—
Accrued payroll liabilities	257	—	37	—	—
Accrued self-insurance	—	—	—	6,034	—
Total current liabilities	<u>417</u>	<u>618</u>	<u>54</u>	<u>6,709</u>	<u>—</u>
Noncurrent liabilities:					
Advances from other funds	—	—	—	1,500	—
County OPEB liability	61	—	21	—	—
PERS net pension liability	2,603	—	911	—	—
Total noncurrent liabilities	<u>2,664</u>	<u>—</u>	<u>932</u>	<u>1,500</u>	<u>—</u>
Total liabilities	<u>3,081</u>	<u>618</u>	<u>986</u>	<u>8,209</u>	<u>—</u>
Deferred Inflows of Resources					
County OPEB related	5	—	1	—	—
PERS OPEB RHIA related	5	—	2	—	—
Pension related	167	—	59	—	—
Total deferred inflows of resources	<u>177</u>	<u>—</u>	<u>62</u>	<u>—</u>	<u>—</u>
Net Position (Deficits)					
Net investment in capital assets	—	17,197	346	—	—
Unrestricted (deficits)	(1,054)	12,580	(301)	(104)	148
Total net position (deficits)	<u>\$ (1,054)</u>	<u>29,777</u>	<u>45</u>	<u>(104)</u>	<u>148</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Net Position, Continued
Internal Service Funds
June 30, 2020
(Dollars in thousands)

Assets	Medical Insurance Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total Internal Service Funds
Current assets:				
Cash and investments	\$ 1,061	651	2,745	26,911
Restricted cash	—	—	48	48
Accounts receivable	—	—	—	45
Supply inventory	—	—	—	325
Total current assets	<u>1,061</u>	<u>651</u>	<u>2,793</u>	<u>27,329</u>
Noncurrent assets:				
Capital assets, net of accumulated depreciation	—	—	—	17,543
PERS net OPEB RHIA asset	—	—	—	34
Total noncurrent assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>17,577</u>
Total assets	<u>1,061</u>	<u>651</u>	<u>2,793</u>	<u>44,906</u>
Deferred Outflows of Resources				
County OPEB related	—	—	—	39
PERS OPEB RHIA related	—	—	—	1
Pension related	—	—	—	1,504
Total deferred outflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,544</u>
Liabilities				
Current liabilities:				
Accounts payable	117	104	110	1,801
Accrued payroll liabilities	—	—	—	294
Accrued self-insurance	195	—	1,963	8,192
Total current liabilities	<u>312</u>	<u>104</u>	<u>2,073</u>	<u>10,287</u>
Noncurrent liabilities:				
Advances from other funds	—	—	—	1,500
County OPEB liability	—	—	—	82
PERS net pension liability	—	—	—	3,514
Total noncurrent liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,096</u>
Total liabilities	<u>312</u>	<u>104</u>	<u>2,073</u>	<u>15,383</u>
Deferred Inflows of Resources				
County OPEB related	—	—	—	6
PERS OPEB RHIA related	—	—	—	7
Pension related	—	—	—	226
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>239</u>
Net Position				
Net investment in capital assets	—	—	—	17,543
Restricted for payment of claims	—	—	48	48
Unrestricted	749	547	672	13,237
Total net position	<u>\$ 749</u>	<u>547</u>	<u>720</u>	<u>30,828</u>

WASHINGTON COUNTY, OREGON

Combining Statement of Revenues, Expenses
and Changes in Net Position

Internal Service Funds

For the fiscal year ended June 30, 2020

(Dollars in thousands)

	Fleet Services Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/ Casualty Insurance Fund	Life Insurance Fund
Operating revenues:					
Charges for services	\$ 4,649	4,601	1,579	5,649	—
Other	275	472	171	538	506
Total operating revenues	4,924	5,073	1,750	6,187	506
Operating expenses:					
Labor and fringe benefits	2,386	—	620	—	—
Utilities	27	—	—	—	—
Professional services	32	—	—	18	—
Supplies	1,873	—	647	—	—
Administrative costs	409	339	272	1,862	5
Depreciation and amortization	—	2,175	114	—	—
Insurance claims and premiums	—	—	—	3,950	474
Repairs and maintenance	343	—	100	290	—
Total operating expenses	5,070	2,514	1,753	6,120	479
Operating income (loss)	(146)	2,559	(3)	67	27
Nonoperating income:					
Interest income	21	490	9	291	6
Gain (loss) on sale of capital assets	—	366	—	—	—
Total nonoperating income	21	856	9	291	6
Change in net position (deficits)	(125)	3,415	6	358	33
Net position (deficit) July 1, 2019	(929)	26,362	39	1,538	115
Restatement*	—	—	—	(2,000)	—
Net position (deficits) July 1, 2019, as restated	(929)	26,362	39	(462)	115
Net position (deficits) June 30, 2020	\$ (1,054)	29,777	45	(104)	148

*To record a loan payable to the General Fund as of June 30, 2019.

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenses
and Changes in Net Position, Continued
Internal Service Funds
For the fiscal year ended June 30, 2020
(Dollars in thousands)

	Medical Insurance Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total Internal Service Funds
Operating revenues:				
Charges for services	\$ 34,760	63	1,980	53,281
Other	496	—	108	2,566
Total operating revenues	<u>35,256</u>	<u>63</u>	<u>2,088</u>	<u>55,847</u>
Operating expenses:				
Labor and fringe benefits	—	—	—	3,006
Utilities	—	—	—	27
Professional services	215	4	12	281
Supplies	—	—	—	2,520
Administrative costs	161	5	589	3,642
Depreciation and amortization	—	—	—	2,289
Insurance claims and premiums	34,973	237	2,929	42,563
Repairs and maintenance	—	—	—	733
Total operating expenses	<u>35,349</u>	<u>246</u>	<u>3,530</u>	<u>55,061</u>
Operating income (loss)	<u>(93)</u>	<u>(183)</u>	<u>(1,442)</u>	<u>786</u>
Nonoperating income:				
Interest income	43	24	104	988
Gain on sale of capital assets	—	—	—	366
Total nonoperating income	<u>43</u>	<u>24</u>	<u>104</u>	<u>1,354</u>
Change in net position	<u>(50)</u>	<u>(159)</u>	<u>(1,338)</u>	<u>2,140</u>
Net position July 1, 2019	<u>799</u>	<u>706</u>	<u>2,058</u>	<u>30,688</u>
Restatement*	—	—	—	(2,000)
Net position July 1, 2019, as restated	<u>799</u>	<u>706</u>	<u>2,058</u>	<u>28,688</u>
Net position June 30, 2020	<u>\$ 749</u>	<u>547</u>	<u>720</u>	<u>30,828</u>

*To record a loan payable to the General Fund as of June 30, 2019.

WASHINGTON COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the fiscal year ended June 30, 2020
(Dollars in thousands)

	<u>Fleet Services Fund</u>	<u>Fleet Replacement Fund</u>	<u>Internal Support Services Fund</u>	<u>Liability/ Casualty Insurance Fund</u>	<u>Life Insurance Fund</u>
Cash provided by (used in) operating activities:					
Cash received for services provided	\$ 3,740	5,059	1,566	5,949	506
Cash payments for labor and fringe benefits	(2,042)	—	(570)	—	—
Cash payments for goods and services	(2,725)	269	(1,048)	(4,540)	(479)
Other operating revenue	910	—	172	228	—
Other receipts	275	—	—	—	—
Net cash provided by operating activities	<u>158</u>	<u>5,328</u>	<u>120</u>	<u>1,637</u>	<u>27</u>
Cash flows from noncapital financing activities:					
Repayment of advances from other funds	—	—	—	(500)	—
Cash flows provided by (used in) capital and related financing activities:					
Acquisition of capital assets	—	(5,499)	(101)	—	—
Proceeds from sale of capital assets	—	392	—	—	—
Net cash used in capital and related financing activities	<u>—</u>	<u>(5,107)</u>	<u>(101)</u>	<u>—</u>	<u>—</u>
Cash flows from investing activities:					
Interest earnings on investments	21	490	9	291	6
Net increase (decrease) in cash and investments	179	711	28	1,428	33
Cash and investments, July 1, 2019	557	12,472	267	6,664	115
Cash and investments, June 30, 2020	<u>736</u>	<u>13,183</u>	<u>295</u>	<u>8,092</u>	<u>148</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	(146)	2,559	(3)	67	27
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	—	2,175	114	—	—
Changes in assets and liabilities:					
Increase (decrease) in accounts payable	(23)	607	(24)	570	—
Increase in accrued liabilities	690	—	140	1,010	—
Increase in accounts receivable	(2)	(13)	(13)	(10)	—
Increase in inventory	(17)	—	(5)	—	—
Increase in other assets	(344)	—	(89)	—	—
Net cash provided by operating activities	<u>\$ 158</u>	<u>5,328</u>	<u>120</u>	<u>1,637</u>	<u>27</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Cash Flows, Continued
Internal Service Funds
For the fiscal year ended June 30, 2020
(Dollars in thousands)

	Medical Insurance Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total Internal Service Funds
Cash provided by (used in) operating activities:				
Cash received for services provided	\$ 34,760	63	1,980	53,623
Cash payments for labor and fringe benefits	—	—	—	(2,612)
Cash payments for goods and services	(35,203)	(191)	(3,368)	(47,285)
Other operating revenue	497	—	109	1,916
Other receipts	—	—	—	275
Net cash provided by (used in) operating activities	<u>54</u>	<u>(128)</u>	<u>(1,279)</u>	<u>5,917</u>
Cash flows from noncapital financing activities:				
Repayment of advances from other funds	—	—	—	(500)
Net cash used in noncapital financing activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>(500)</u>
Cash flows provided by (used in) capital and related financing activities:				
Acquisition of capital assets	—	—	—	(5,600)
Proceeds from sale of capital assets	—	—	—	392
Net cash used in capital and related financing activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>(5,208)</u>
Cash flows from investing activities:				
Interest on investments	43	24	104	988
Net increase (decrease) in cash and investments	97	(104)	(1,175)	1,197
Cash and investments, July 1, 2019	964	755	3,968	25,762
Cash and investments, June 30, 2020 ⁽¹⁾	<u>1,061</u>	<u>651</u>	<u>2,793</u>	<u>26,959</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	(93)	(183)	(1,442)	786
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	—	—	—	2,289
Changes in assets and liabilities:				
Increase in accounts payable	75	55	58	1,318
Increase in accrued liabilities	71	—	105	2,016
Decrease (increase) in accounts receivable	1	—	—	(37)
Increase in inventory	—	—	—	(22)
Increase in other assets	—	—	—	(433)
Net cash provided by (used in) operating activities	<u>54</u>	<u>(128)</u>	<u>(1,279)</u>	<u>5,917</u>

⁽¹⁾ Cash and investments are reflected on the Combining Statement of Net Position - Internal Service Funds as follows:

Current assets - Cash and investments	1,061	651	2,745	26,911
Current assets - Restricted cash	—	—	48	48
	<u>\$ 1,061</u>	<u>651</u>	<u>2,793</u>	<u>26,959</u>

WASHINGTON COUNTY, OREGON
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis)
Internal Service Funds
For the fiscal year ended June 30, 2020
(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	\$ 5,256	5,256	4,651	(605)	5,344	5,344	5,013	(331)
Miscellaneous revenues	8	8	21	13	965	965	962	(3)
Interfund revenues	87	87	275	188	—	—	—	—
Total revenues	<u>5,351</u>	<u>5,351</u>	<u>4,947</u>	<u>(404)</u>	<u>6,309</u>	<u>6,309</u>	<u>5,975</u>	<u>(334)</u>
Expenditures:								
Current:								
General government	5,254	5,254	4,802	452	—	—	—	—
Nonoperating	—	—	—	—	1,789	1,789	1,104	685
Operating contingency	430	430	—	430	11,989	11,989	—	11,989
Total current	<u>5,684</u>	<u>5,684</u>	<u>4,802</u>	<u>882</u>	<u>13,778</u>	<u>13,778</u>	<u>1,104</u>	<u>12,674</u>
Capital outlay	—	—	—	—	6,506	6,506	4,752	1,754
Total expenditures	<u>5,684</u>	<u>5,684</u>	<u>4,802</u>	<u>882</u>	<u>20,284</u>	<u>20,284</u>	<u>5,856</u>	<u>14,428</u>
Revenues over (under) expenditures	(333)	(333)	145	478	(13,975)	(13,975)	119	14,094
Fund balances July 1, 2019	<u>333</u>	<u>333</u>	<u>473</u>	<u>140</u>	<u>13,975</u>	<u>13,975</u>	<u>12,461</u>	<u>(1,514)</u>
Fund balances June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>618</u>	<u>618</u>	<u>—</u>	<u>—</u>	<u>12,580</u>	<u>12,580</u>

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

Internal Service Funds

For the fiscal year ended June 30, 2020

(Dollars in thousands)

	Internal Support Services Fund				Liability/Casualty Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 1,736	1,736	1,579	(157)	5,649	5,649	5,649	—
Miscellaneous revenues	160	160	180	20	226	226	508	282
Interfund revenues	—	—	—	—	—	—	309	309
Total revenues	1,896	1,896	1,759	(137)	5,875	5,875	6,466	591
Expenditures:								
Current:								
General government	1,717	1,717	1,601	116	—	—	—	—
Nonoperating	—	—	—	—	6,935	6,935	6,120	815
Operating contingency	173	173	—	173	—	—	—	—
Total current	1,890	1,890	1,601	289	6,935	6,935	6,120	815
Capital outlay	170	170	100	70	—	—	—	—
Total expenditures	2,060	2,060	1,701	359	6,935	6,935	6,120	815
Revenues over expenditures	(164)	(164)	58	222	(1,060)	(1,060)	346	1,406
Other financing sources:								
Transfers out to other funds	—	—	—	—	(500)	(500)	(500)	—
Net change in fund balances	(164)	(164)	58	222	(1,560)	(1,560)	(154)	1,406
Fund balances July 1, 2019	164	164	226	62	1,560	1,560	1,538	(22)
Fund balances June 30, 2020	\$ —	—	284	284	—	—	1,384	1,384

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

Internal Service Funds

For the fiscal year ended June 30, 2020
 (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	\$ —	—	—	—	39,654	39,654	34,759	(4,895)
Miscellaneous revenues	505	505	512	7	569	569	539	(30)
Total revenues	<u>505</u>	<u>505</u>	<u>512</u>	<u>7</u>	<u>40,223</u>	<u>40,223</u>	<u>35,298</u>	<u>(4,925)</u>
Expenditures:								
Current:								
Nonoperating	507	507	479	28	41,620	41,620	35,348	6,272
Operating contingency	114	114	—	114	—	—	—	—
Total current	<u>621</u>	<u>621</u>	<u>479</u>	<u>142</u>	<u>41,620</u>	<u>41,620</u>	<u>35,348</u>	<u>6,272</u>
Revenues over (under) expenditures	(116)	(116)	33	149	(1,397)	(1,397)	(50)	1,347
Fund balances July 1, 2019	<u>116</u>	<u>116</u>	<u>115</u>	<u>(1)</u>	<u>1,397</u>	<u>1,397</u>	<u>799</u>	<u>(598)</u>
Fund balances June 30, 2020	<u>\$ —</u>	<u>—</u>	<u>148</u>	<u>148</u>	<u>—</u>	<u>—</u>	<u>749</u>	<u>749</u>

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

For the fiscal year ended June 30, 2020

(Dollars in thousands)

	Unemployment Insurance Fund				Workers' Compensation Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 68	68	63	(5)	2,128	2,128	1,980	(148)
Miscellaneous revenues	17	17	24	7	145	145	212	67
Total revenues	85	85	87	2	2,273	2,273	2,192	(81)
Expenditures:								
Current:								
Nonoperating	259	259	246	13	2,382	3,882	3,530	352
Operating contingency	524	524	—	524	2,281	781	—	781
Total current	783	783	246	537	4,663	4,663	3,530	1,133
Revenues under expenditures	(698)	(698)	(159)	539	(2,390)	(2,390)	(1,338)	1,052
Fund balances July 1, 2019	698	698	706	8	2,390	2,390	2,058	(332)
Fund balances June 30, 2020	\$ —	—	547	547	—	—	720	720

WASHINGTON COUNTY, OREGON

Reconciliation of Fund Balance to Net Position

Internal Service Funds

June 30, 2020

(Dollars in thousands)

	Fleet Services Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/Casualty Insurance Fund
Fund balance	\$ 618	12,580	284	1,384
Add capital assets reported on combining statement of net position	—	17,197	346	—
Less advances from other funds	—	—	—	(1,500)
Less County OPEB liability	(61)	—	(21)	—
Add PERS net OPEB RHIA asset	25	—	9	—
Less PERS net pension liability	(2,603)	—	(911)	—
Add deferred outflows of resources - County OPEB related	29	—	10	—
Add deferred outflows of resources - PERS OPEB RHIA related	1	—	—	—
Add deferred outflows of resources - pension related	1,114	—	390	—
Add unearned revenue	—	—	—	12
Less deferred inflows of resources - County OPEB related	(5)	—	(1)	—
Less deferred inflows of resources - PERS OPEB RHIA related	(5)	—	(2)	—
Less deferred inflows of resources - pension related	(167)	—	(59)	—
Total net position (deficit)	\$ (1,054)	29,777	45	(104)

WASHINGTON COUNTY, OREGON
Statement of Changes in Assets and Liabilities
Agency Fund
For the fiscal year ended June 30, 2020
(Dollars in thousands)

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
Assets:				
Cash and investments	\$ 9,510	14,114,019	14,112,984	10,545
Accounts receivable	5,226	74,741	77,390	2,577
Property taxes receivable	<u>14,378</u>	<u>15,713</u>	<u>14,378</u>	<u>15,713</u>
Total assets	<u><u>29,114</u></u>	<u><u>14,204,473</u></u>	<u><u>14,204,752</u></u>	<u><u>28,835</u></u>
Liabilities:				
Accounts payable	1,921	1,052,163	1,053,463	621
Amounts due to other jurisdictions	12,815	1,314,865	1,315,179	12,501
Uncollected taxes	<u>14,378</u>	<u>15,713</u>	<u>14,378</u>	<u>15,713</u>
Total liabilities	<u><u>\$ 29,114</u></u>	<u><u>2,382,741</u></u>	<u><u>2,383,020</u></u>	<u><u>28,835</u></u>

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OTHER FINANCIAL SCHEDULE

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WASHINGTON COUNTY, OREGON

Schedule of Accountability of Independently Elected Officials

For the fiscal year ended June 30, 2020

Oregon Revised Statutes (ORS) Section 297 requires a statement of accountability for each independently elected official collecting or receiving money in the municipal corporation. In compliance with ORS 297, there are no independently elected officials that collect or receive money on behalf of Washington County.

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**WASHINGTON COUNTY,
OREGON**

**STATISTICAL
SECTION**

SECTION III

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WASHINGTON COUNTY, OREGON

Statistical Information Section Narrative

June 30, 2020

(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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 2,098,666	2,079,264	2,054,249	2,022,435	2,001,443	2,028,976	1,971,357	1,961,458	1,968,329	2,014,206
Restricted	93,002	95,942	96,945	112,861	152,101	176,076	274,884	263,487	263,487	255,845
Unrestricted	140,655	144,559	156,368	177,482	180,047	96,452	28,994	36,240	35,731	(9,882)
Total governmental activities net position	2,332,323	2,319,765	2,307,562	2,312,778	2,333,591	2,301,504	2,275,235	2,261,185	2,267,547	2,260,169
Business-type activities⁽¹⁾										
Net investment in capital assets	384,397	2,206	1,652	1,131	(18)	(798)	(1,713)	(2,047)	(2,746)	(1,719)
Restricted	69,936	6,156	4,532	3,070	3,978	2,894	3,089	3,006	3,556	3,151
Unrestricted	54,673	801	929	912	995	3,665	6,124	8,676	12,407	15,608
Total business-type activities net position	509,006	9,163	7,113	5,113	4,955	5,761	7,500	9,635	13,217	17,040
Primary government⁽¹⁾										
Net investment in capital assets	2,477,889	2,076,818	2,055,901	2,023,566	2,001,425	2,028,178	1,969,644	1,959,411	1,965,583	2,012,487
Restricted	162,938	102,098	101,477	115,931	156,079	178,970	277,973	266,493	267,043	258,996
Unrestricted	200,502	150,012	157,297	178,394	181,042	100,117	35,118	44,916	48,138	5,726
Total primary government net position	2,841,329	2,328,928	2,314,675	2,317,891	2,338,546	2,307,265	2,282,735	2,270,820	2,280,764	2,277,209
Component unit⁽¹⁾										
Net investment in capital assets	—	388,941	391,886	383,718	406,700	436,636	477,185	512,558	580,499	646,467
Restricted	—	68,909	96,441	119,140	127,787	131,179	127,024	120,428	118,105	129,430
Unrestricted	—	64,777	79,630	100,907	103,503	119,347	144,231	171,038	171,038	177,165
Total component unit net position	\$ —	522,627	567,957	603,765	637,990	687,162	748,440	804,024	869,642	953,062

⁽¹⁾ 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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Primary Government										
Governmental activities:										
General government	\$ 39,318	38,677	46,517	51,051	35,191	66,480	51,157	58,201	58,881	93,507
Public safety and justice	104,664	109,222	111,808	115,730	92,801	160,300	139,761	147,036	146,798	153,443
Land use and transportation	115,096	119,714	110,622	123,464	103,196	128,019	139,231	133,995	146,144	142,305
Housing, health and human services	59,013	58,443	59,979	61,068	52,051	90,559	71,283	72,862	81,241	89,907
Culture, education and recreation	26,882	28,476	29,435	30,172	30,009	36,422	37,597	41,704	52,575	74,589
Non-operating expense	9,225	9,234	14,273	5,542	8,465	7,842	20,928	28,906	16,204	4,578
Interest	4,599	4,202	3,430	3,235	2,932	2,071	5,855	8,337	7,444	6,806
Total governmental activities	358,797	367,968	376,064	390,262	324,645	491,693	465,812	491,041	509,287	565,135
Business-type activities:										
Event center	—	—	—	—	—	—	—	—	—	325
Housing authority	28,400	28,496	28,581	29,198	31,287	31,537	34,683	37,381	38,694	40,293
Sanitation and surface water	100,941	—	—	—	—	—	—	—	—	—
Street lighting	1,803	1,839	1,838	1,918	1,917	1,945	1,953	2,031	2,170	2,218
Total business-type activities expenses	131,144	30,335	30,419	31,116	33,204	33,482	36,636	39,412	40,864	42,836
Total primary government expenses	489,941	398,303	406,483	421,378	357,849	525,175	502,448	530,453	550,151	607,971
Component unit:										
Sanitation and surface water	—	97,604	102,309	108,897	99,272	117,728	114,698	120,853	122,155	122,138
Total component unit expenses	—	97,604	102,309	108,897	99,272	117,728	114,698	120,853	122,155	122,138
Program Revenues										
Governmental activities:										
Charges for services:										
General government	4,797	5,334	5,833	4,728	1,603	2,095	2,402	2,857	2,167	2,330
Public safety and justice	7,140	8,048	7,410	8,031	9,867	10,362	9,542	9,909	9,504	9,088
Land use and transportation	11,974	13,636	16,934	23,187	27,097	43,858	15,706	22,799	26,501	24,264
Housing, health and human services	26,420	23,308	24,727	28,179	36,395	37,156	21,033	21,571	23,124	23,610
Culture, education and recreation	1,309	1,497	1,471	1,384	1,519	1,265	1,655	1,622	1,780	2,077
Non-operating revenue	20,013	17,777	18,051	19,015	24,099	25,412	31,833	35,774	34,795	38,191
Operating grants and contributions	97,640	100,922	97,116	101,600	112,651	111,190	121,618	129,187	136,983	173,586
Capital grants and contributions	1,462	1,608	12,130	12,278	18,625	9,862	11,051	10,451	13,614	16,221
Total governmental activities program revenue	170,755	172,130	183,672	198,402	231,856	241,200	214,840	234,170	248,468	289,367
Business-type activities:										
Charges for services:										
Housing authority	5,790	5,994	6,130	6,384	6,863	7,718	8,997	10,616	10,516	9,489
Sanitation and surface water	103,374	—	—	—	—	—	—	—	—	—
Street lighting	1,746	1,929	1,787	1,709	2,237	2,125	1,619	1,913	2,076	2,204
Operating grants and contributions	21,574	19,885	19,906	20,918	23,788	23,473	26,818	28,048	30,137	32,264
Capital grants and contributions	5,053	165	509	111	34	340	319	443	647	343
Total business-type activities program revenue	137,537	27,973	28,332	29,122	32,922	33,656	37,753	41,020	43,376	44,300
Total primary government program revenue	308,292	200,103	212,004	227,524	264,778	274,856	252,593	275,190	291,844	333,667
Component unit:										
Charges for services:										
Sanitation and surface water	—	107,029	117,098	121,680	125,449	130,052	137,186	144,329	151,483	157,141
Capital grants and contributions	—	14,296	33,875	23,194	29,004	34,606	37,499	31,808	34,910	25,597
Total component unit program revenue	—	121,325	150,973	144,874	154,453	164,658	174,685	176,137	186,393	182,738
Net Revenue (Expense)										
Governmental activities	(188,042)	(195,838)	(192,392)	(191,860)	(92,789)	(250,493)	(250,972)	(256,871)	(260,819)	(275,768)
Business-type activities	6,393	(2,362)	(2,087)	(1,994)	(282)	174	1,117	1,608	2,512	1,464
Total primary government net revenues (expenses)	(181,649)	(198,200)	(194,479)	(193,854)	(93,071)	(250,319)	(249,855)	(255,263)	(258,307)	(274,304)
Component unit	\$ —	23,721	48,664	35,977	55,181	46,930	59,987	55,284	64,238	60,600

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total primary government net revenues (expenses) (brought forward)	\$ (181,649)	(198,200)	(194,479)	(193,854)	(93,071)	(250,319)	(249,855)	(255,263)	(258,307)	(274,304)
Total component unit net revenues (brought forward)	—	23,721	48,664	35,977	55,181	46,930	59,987	55,284	64,238	60,600
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	152,065	157,586	158,919	167,160	174,441	185,477	195,772	204,264	211,420	224,331
Property taxes, levied for debt service	6,407	6,389	6,260	6,398	—	—	4,077	4,198	4,359	4,549
Other taxes	8,450	9,094	10,323	11,390	13,708	15,902	17,926	17,634	18,594	15,977
Interest income	1,984	2,575	1,264	2,833	3,330	4,147	4,069	3,461	25,055	21,112
Miscellaneous revenue	16,257	7,636	3,416	9,703	7,583	13,016	3,022	12,546	8,209	4,177
Transfers in from proprietary funds	—	—	7	31	(91)	(136)	(163)	(292)	(456)	(1,756)
Total governmental activities revenue	185,163	183,280	180,189	197,515	198,971	218,406	224,703	241,811	267,181	268,390
Business-type activities:										
Interest income	1,568	52	19	25	33	55	88	21	421	305
Gain on sale of capital assets	54	—	25	—	—	13	—	3	—	3
Gain (loss) on equity in limited partnership	(76)	—	—	—	—	428	371	211	193	295
Transfers in (out) to governmental funds	—	—	(7)	(31)	91	136	163	292	456	1,756
Total business-type activities revenue	1,546	52	37	(6)	124	632	622	527	1,070	2,359
Total primary government	186,709	183,332	180,226	197,509	199,095	219,038	225,325	242,338	268,251	270,749
Component unit: ⁽¹⁾										
Interest income	—	1,562	517	1,653	1,888	2,319	1,364	786	12,585	11,742
Gain on sale of capital assets	—	(116)	(3,774)	—	—	—	—	—	—	—
Loss on equity in joint venture	—	(73)	(77)	(78)	(75)	(77)	(73)	(78)	(76)	(51)
Total component unit	—	1,373	(3,334)	1,575	1,813	2,242	1,291	708	12,509	11,691
Change in Net Position										
Governmental activities	(2,879)	(12,558)	(12,203)	5,655	106,182	(32,087)	(26,269)	(15,060)	6,362	(7,378)
Restatement	—	—	—	(439)	(85,369)	—	—	1,010	—	—
Total Governmental activities	(2,879)	(12,558)	(12,203)	5,216	20,813	(32,087)	(26,269)	(14,050)	6,362	(7,378)
Business-type activities	7,939	(2,310)	(2,050)	(2,000)	(158)	806	1,739	2,135	3,582	3,823
Restatement	—	(497,533)	—	—	—	—	—	—	—	—
Total Business-type activities	7,939	(499,843)	(2,050)	(2,000)	(158)	806	1,739	2,135	3,582	3,823
Total primary government	5,060	(512,401)	(14,253)	3,216	20,655	(31,281)	(24,530)	(11,915)	9,944	(3,555)
Component unit	—	25,094	45,330	37,552	56,994	49,172	61,278	55,992	76,747	72,291
Restatement	—	497,533	—	(1,744)	(22,769)	—	—	(408)	—	—
Total component unit	\$ —	522,627	45,330	35,808	34,225	49,172	61,278	55,584	76,747	72,291

⁽¹⁾ Years prior to 2012 not restated for reporting of component units under GASB #61

⁽²⁾ Years prior to restatements have not been restated

Source: Current and prior years financial statements

WASHINGTON COUNTY, OREGON

Fund Balances of Governmental Funds⁽¹⁾

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Dollars in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Reserved	\$ —	—	—	—	—	—	—	—	—	—
Nonspendable	155	134	122	116	109	106	93	103	103	1,620
Restricted	—	—	—	—	—	—	—	—	—	—
Committed	—	—	—	—	—	—	—	—	—	—
Assigned	527	530	646	809	791	7,612	7,718	7,713	8,298	1,902
Unreserved/unassigned	<u>32,513</u>	<u>29,642</u>	<u>33,321</u>	<u>39,828</u>	<u>54,397</u>	<u>59,595</u>	<u>68,072</u>	<u>58,232</u>	<u>70,505</u>	<u>66,004</u>
Total General Fund	<u>33,195</u>	<u>30,306</u>	<u>34,089</u>	<u>40,753</u>	<u>55,297</u>	<u>67,313</u>	<u>75,883</u>	<u>66,048</u>	<u>78,906</u>	<u>69,526</u>
All other governmental funds										
Nonspendable	127	135	2,416	2,414	1,886	128	121	114	124	101
Restricted	93,002	95,942	96,945	112,861	152,101	176,076	274,884	263,487	266,274	255,845
Committed	55,278	62,637	67,972	81,821	97,063	81,334	192,228	177,969	155,346	125,707
Assigned	773	149	2,992	841	2,133	2,014	4,183	4,316	3,629	4,165
Unreserved/unassigned	<u>(203)</u>	<u>(32)</u>	<u>(225)</u>	<u>(2,317)</u>	<u>(1,684)</u>	<u>(529)</u>	<u>(13)</u>	<u>(80)</u>	<u>(333)</u>	<u>(59)</u>
Total all other governmental funds	<u>148,977</u>	<u>158,831</u>	<u>170,100</u>	<u>195,620</u>	<u>251,499</u>	<u>259,023</u>	<u>471,403</u>	<u>445,806</u>	<u>425,040</u>	<u>385,759</u>
Total governmental funds	\$ <u><u>182,172</u></u>	<u><u>189,137</u></u>	<u><u>204,189</u></u>	<u><u>236,373</u></u>	<u><u>306,796</u></u>	<u><u>326,336</u></u>	<u><u>547,286</u></u>	<u><u>511,854</u></u>	<u><u>503,946</u></u>	<u><u>455,285</u></u>

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes	\$ 166,766	170,704	175,520	183,966	188,103	199,949	216,464	225,638	240,950	244,102
Licenses and permits	8,482	9,167	10,895	11,350	12,438	13,445	14,240	13,025	12,740	12,318
Intergovernmental revenues	96,237	100,540	106,863	111,339	120,523	118,912	130,036	134,879	147,909	185,306
Charges for services	48,865	46,053	49,400	55,618	74,043	84,006	58,395	66,777	71,691	71,825
Fines and forfeitures	3,431	3,658	3,044	3,077	3,330	3,243	2,959	2,719	2,713	2,530
Special assessments	188	134	232	181	175	173	154	167	155	218
Miscellaneous revenues	30,784	30,466	30,178	34,214	43,849	36,295	41,506	42,387	61,981	61,231
Interfund revenues	29,619	27,924	28,494	29,764	29,906	32,551	35,938	36,607	39,728	46,608
Total revenues	384,372	388,646	404,626	429,509	472,367	488,574	499,692	522,199	577,867	624,138
Expenditures:										
Current:										
General government	35,019	36,912	36,874	39,030	40,953	43,039	47,026	51,237	55,723	84,152
Public safety and justice	129,651	134,389	137,305	144,170	149,900	155,493	163,423	175,802	182,744	186,124
Land use and transportation	97,662	95,019	94,605	94,749	90,023	123,864	123,335	127,820	127,520	162,763
Housing, health and human services	60,975	59,989	61,495	63,072	61,804	79,232	71,677	73,024	82,258	90,880
Culture, education and recreation	27,193	29,526	29,305	30,356	31,702	34,114	36,765	41,194	43,882	43,421
Nonoperating	6,153	5,736	10,773	2,717	3,790	3,843	4,220	31,204	22,415	33,566
Capital outlay	8,097	10,066	6,923	9,146	15,895	28,000	29,942	31,463	46,838	48,444
Debt service:										
Principal	9,340	10,181	10,552	10,807	4,967	42,204	6,745	12,451	14,380	14,773
Interest	4,683	4,267	6,164	3,309	2,969	3,840	4,715	11,144	9,559	8,920
Issuance costs	—	—	199	—	—	142	871	—	—	—
Total expenditures	378,773	386,085	394,195	397,356	402,003	513,771	488,719	555,339	585,319	673,043
Excess (deficiency) of revenues over (under) expenditures	5,599	2,561	10,431	32,153	70,364	(25,197)	10,973	(33,140)	(7,452)	(48,905)
Other financing sources (uses):										
Proceeds from issuance of debt	—	2,284	18,860	—	150	31,960	210,140	—	—	—
Premiums	—	—	2,355	—	—	6,369	—	—	—	—
Payment to refunded bond escrow agent	—	—	(18,530)	—	—	—	—	—	—	—
Transfers in from other funds	61,538	69,330	80,020	75,945	82,826	90,071	99,550	119,044	113,214	147,146
Transfers out to other funds	(61,416)	(67,210)	(78,084)	(75,914)	(82,917)	(90,207)	(99,713)	(121,336)	(113,670)	(148,902)
Total other financing sources (uses)	122	4,404	4,621	31	59	38,193	209,977	(2,292)	(456)	(1,756)
Net change in fund balances	\$ 5,721	6,965	15,052	32,184	70,423	12,996	220,950	(35,432)	(7,908)	(50,661)
Debt service as a percentage of noncapital expenditures	4.26%	4.24%	4.69%	3.84%	2.25%	11.11%	2.76%	5.15%	4.94%	4.35%

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 ⁽¹⁾	True cash valuation	Ratio of assessed valuation to true cash valuation
	Real property	Personal property	Public utility property	Total			
2011	\$ 43,397,583	1,781,436	1,622,849	46,801,868	2.98	71,983,750	65.02 %
2012	44,863,711	1,818,743	1,554,328	48,236,782	2.98	69,045,256	69.86
2013	45,951,024	1,873,616	1,531,019	49,355,659	2.97	67,614,912	73.00
2014	47,642,930	1,961,029	1,576,282	51,180,241	2.97	75,755,731	67.56
2015	49,735,366	2,083,823	1,696,673	53,515,862	2.84	84,758,607	63.14
2016	52,937,496	2,258,296	1,715,100	56,910,892	2.84	90,947,469	62.58
2017	55,196,795	2,387,834	1,862,069	59,446,698	2.96	101,500,233	58.57
2018	57,613,733	2,758,863	1,968,052	62,340,648	2.96	112,236,654	55.54
2019	60,694,348	2,444,782	1,835,183	64,974,313	2.96	116,500,833	55.77
2020	63,539,008	2,624,943	1,868,405	68,032,356	2.96	121,502,776	55.99

⁽¹⁾ The total direct tax rate is comprised of the following:

Fiscal year ended June 30	General	Special revenue	Debt service	Total direct tax rate
2011	\$ 2.25	0.59	0.14	2.98
2012	2.25	0.59	0.14	2.98
2013	2.25	0.59	0.13	2.97
2014	2.25	0.59	0.13	2.97
2015	2.25	0.59	—	2.84
2016	2.25	0.59	—	2.84
2017	2.25	0.64	0.07	2.96
2018	2.25	0.64	0.07	2.96
2019	2.25	0.64	0.07	2.96
2020	2.25	0.64	0.07	2.96

Source: Washington County Department of Assessment and Taxation

WASHINGTON COUNTY, OREGON

Certified Property Tax Levies -
Direct and Overlapping Governments

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal year ended June 30	Total Tax Levies	Washington County	Component Units of Washington County	School Districts	Fire Districts
2011	\$ 783,036	140,212	24,614	341,593	67,422
2012	800,942	144,382	25,198	350,927	70,828
2013	817,382	147,070	25,505	353,922	72,173
2014	876,877	152,306	27,748	386,896	74,193
2015	915,947	152,359	29,213	411,644	76,789
2016	962,850	161,901	30,699	432,959	89,169
2017	1,020,652	175,783	31,736	453,494	92,505
2018	1,081,329	184,257	33,648	485,140	96,746
2019	1,136,109	191,693	35,561	503,455	101,451
2020	1,199,410	200,704	37,404	523,314	105,419

(Continued)

⁽¹⁾ Includes General Fund, Metzger Park, Road Maintenance LID, Local Option Levy, and County bonds and interest

⁽²⁾ Includes ESPD (Enhanced Sheriff's Patrol District), NBCSDR (North Bethany County Service District for Roads), URMD (Urban Road Maintenance District), and SDL (Street Lighting District)

Source: Washington County Department of Assessment and Taxation

<u>Cities</u>	<u>Parks and Recreation</u>	<u>Development and Urban Renewal Agencies</u>	<u>Port of Portland</u>	<u>Portland Community College</u>	<u>Metropolitan Service District</u>
120,524	33,394	913	3,269	29,567	21,528
125,758	34,105	1,022	3,371	28,649	16,702
124,802	34,955	4,429	3,446	32,538	18,542
131,051	36,124	5,554	3,570	37,265	22,170
137,563	37,286	6,173	3,732	38,397	22,791
148,174	36,981	5,344	3,970	33,097	20,556
153,330	38,730	8,965	4,132	40,025	21,952
159,911	45,190	10,917	4,334	37,434	23,752
166,788	47,063	12,701	4,503	44,310	28,584
174,344	49,865	15,297	4,708	46,279	42,076

WASHINGTON COUNTY, OREGON

Property Tax Levies and Collections⁽¹⁾

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
2011 \$	106,055	58,771	164,826	156,041	94.67 %	\$ 2,967	159,008	96.47 %
2012	109,453	60,127	169,580	161,338	95.14	2,595	163,933	96.67
2013	111,611	60,964	172,575	164,775	95.48	3,071	167,846	97.26
2014	115,908	64,145	180,053	171,302	95.14	3,025	174,327	96.82
2015	121,112	60,460	181,572	173,583	95.60	3,014	176,597	97.26
2016	128,654	63,947	192,601	184,069	95.57	2,542	186,611	96.89
2017	133,800	73,720	207,520	198,099	95.46	2,448	200,547	96.64
2018	140,304	77,602	217,906	208,057	95.48	2,418	210,475	96.59
2019	145,964	81,290	227,254	218,141	95.99	1,523	219,664	96.66
2020	152,812 ⁽¹⁾	85,297	238,109	228,442	95.94	—	228,442	95.94

⁽¹⁾ Includes small levies paid off early to other jurisdictions by the General Fund totaling \$454 in FY 2019-20.

Source: Washington County Finance Division

WASHINGTON COUNTY, OREGON

Principal Taxpayers Within the County
Current Year and Nine Years Ago

(Dollars in Thousands)

	2020				2011			
	Rank	Assessed valuation	Percent of total		Rank	Assessed valuation	Percent of total	
Private enterprises:								
Intel Corporation	1	\$ 1,970,829	2.90	%	1	\$ 1,086,960	2.32	%
Nike, Inc.	2	1,011,210	1.49		2	431,605	0.92	
Pacific Realty Associates	4	405,106	0.60		5	301,957	0.65	
Genentech, Inc.	6	274,027	0.40		7	231,547	0.49	
Comcast Corporation	7	254,049	0.37		8	213,073	0.46	
Verizon Communications	8	241,357	0.35					
Nike IHM	9	216,673	0.32					
LAM Research Corporation	10	190,463	0.28					
Frontier Communications					4	371,640	0.79	
Maxim Integrated Products, Inc.					9	137,022	0.29	
Tektronix, Inc.					10	128,237	0.27	
Public utilities:								
Portland General Electric	3	616,309	0.91		3	390,953	0.84	
Northwest Natural Gas	5	368,707	0.54		6	282,171	0.60	
All other taxpayers		<u>62,483,626</u>	<u>91.84</u>			<u>43,226,703</u>	<u>92.37</u>	
Total		\$ <u><u>68,032,356</u></u>	<u>100.00</u>			\$ <u><u>46,801,868</u></u>	<u>100.00</u>	

Source: Washington County Department of Assessment and Taxation

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DEBT CAPACITY

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WASHINGTON COUNTY, OREGON

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

County

<u>Fiscal Year</u>	<u>Governmental Activities GO Bonds Payable</u>	<u>Business-Type Activities GO Bonds Payable</u>	<u>Premiums, Discounts, & 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>
2011	\$ 17,845	—	109	17,954	46,801,868	0.04 %	\$ 34
2012	12,140	—	62	12,202	48,236,782	0.03	23
2013	6,195	—	16	6,211	49,355,659	0.01	11
2014	—	—	—	—	51,180,241	—	—
2015	—	—	—	—	53,515,862	—	—
2016	—	—	—	—	56,910,892	—	—
2017	75,400	—	11,074	86,474	59,446,698	0.15	148
2018	73,995	—	10,453	84,448	62,340,648	0.14	142
2019	72,410	—	9,832	82,242	64,974,313	0.13	136
2020	70,630	—	9,212	79,842	68,032,356	0.12	130

Source: Washington County Finance Division and Department of Assessment and Taxation

WASHINGTON COUNTY, OREGON

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

County

Fiscal Year	Governmental Activities				
	General Obligation Bonds Payable	FFC & Notes Payable	Premiums, Discounts, & Adjustments	Contracts Payable	Capital Lease Obligations
2011	\$ 17,845	77,897	45	402	964
2012	12,140	74,149	3	380	2,586
2013	6,195	70,352	(308)	357	2,092
2014	—	66,133	3,551	334	1,715
2015	—	61,719	3,222	312	1,334
2016	—	51,890	7,918	290	941
2017	75,400	155,098	31,274	268	535
2018	73,995	144,340	28,953	245	270
2019	72,410	131,837	26,633	223	—
2020	70,630	118,866	24,314	201	—

District⁽¹⁾

Fiscal Year	Component Unit			Percentage of Personal Income	Outstanding Debt Per Capita
	Other Bonds & Notes Payable	Premiums, Discounts, & Adjustments	Total Component Unit		
2011	\$ —	—	—	— %	\$ —
2012	287,865	9,631	297,496	1.29	555
2013	265,260	8,179	273,439	1.14	504
2014	251,990	7,827	259,817	1.05	472
2015	238,175	6,557	244,732	0.93	436
2016	223,690	5,448	229,138	0.77	401
2017	202,995	11,340	214,335	0.68	367
2018	191,025	9,394	200,419	0.59	336
2019	178,485	7,579	186,064	0.51	307
2020	165,315	5,893	171,208	N/A	279

(Continued)

N/A: Data was not available for this fiscal year

⁽¹⁾ District amounts are reported in County table for years prior to 2012.

Source: Washington County Finance Division

Business-Type Activities					
FFC & Notes Payable	Premiums, Discounts, & Adjustments	Total Primary Government	Percentage of Personal Income		Outstanding Debt Per Capita
295,506	(340)	392,319	1.80	% \$	736
31,124	(2,524)	117,858	0.51		220
30,577	(2,376)	106,889	0.45		197
30,043	(236)	101,540	0.41		184
31,572	(220)	97,939	0.37		175
31,023	(204)	91,858	0.31		161
30,569	(188)	292,956	0.93		502
30,291	(173)	277,921	0.80		466
27,560	2,170	260,833	0.72		430
28,006	2,083	244,100	N/A		398

WASHINGTON COUNTY, OREGON

Legal Debt Margin Information

Last Ten Fiscal Years

(Dollars in thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</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	\$ 121,502,776	116,500,833	112,236,654	101,500,233	90,947,469
Debt limit rate	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>
Debt limit	2,430,056	2,330,017	2,244,733	2,030,005	1,818,949
Less general obligation debt at June 30 ⁽¹⁾	<u>79,842</u>	<u>82,242</u>	<u>84,448</u>	<u>86,474</u>	<u>—</u>
Legal debt margin	<u>2,350,214</u>	<u>2,247,775</u>	<u>2,160,285</u>	<u>1,943,531</u>	<u>1,818,949</u>
Total net debt applicable to the limit as a percentage of debt limit	3.29%	3.53%	3.76%	4.26%	—

-ORS 287A.105 provides a debt limit on full faith and credit obligations of 1% of the real market value of all taxable property within the County's legal boundaries.					
Real market value	<u>121,502,776</u>	<u>116,500,833</u>	<u>112,236,654</u>	<u>101,500,233</u>	<u>90,947,469</u>
Debt limit rate	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
Debt limit	1,215,028	1,165,008	1,122,367	1,015,002	909,475
Less full faith and credit obligations at June 30 ⁽¹⁾	<u>133,812</u>	<u>148,331</u>	<u>162,395</u>	<u>174,720</u>	<u>59,053</u>
Legal debt margin	<u>1,081,216</u>	<u>1,016,677</u>	<u>959,972</u>	<u>840,282</u>	<u>850,422</u>
Total net debt applicable to the limit as a percentage of debt limit	11.01%	12.73%	14.47%	17.21%	6.49%

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>121,502,776</u>	<u>116,500,833</u>	<u>112,236,654</u>	<u>101,500,233</u>	<u>90,947,469</u>
Debt limit rate	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>
Debt limit	15,795,361	15,145,108	14,590,765	13,195,030	11,823,171
Less general obligation debt at June 30 ⁽¹⁾	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Legal debt margin	<u>15,795,361</u>	<u>15,145,108</u>	<u>14,590,765</u>	<u>13,195,030</u>	<u>11,823,171</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>111,702,863</u>	<u>107,044,937</u>	<u>93,028,765</u>	<u>77,171,791</u>	<u>77,171,791</u>
Debt limit rate	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>
Debt limit	14,521,372	13,915,842	12,093,739	10,032,333	10,032,333
Less general obligation debt at June 30 ⁽¹⁾	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Legal debt margin	\$ <u>14,521,372</u>	<u>13,915,842</u>	<u>12,093,739</u>	<u>10,032,333</u>	<u>10,032,333</u>
Total net debt applicable to the limit as a percentage of debt limit	—	—	—	—	—

⁽¹⁾ Amounts expressed net of premiums, discounts, and adjustments

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<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>
<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>
<u>1,695,172</u>	<u>1,515,115</u>	<u>1,352,298</u>	<u>1,380,905</u>	<u>1,439,675</u>
<u>—</u>	<u>—</u>	<u>6,211</u>	<u>12,202</u>	<u>17,954</u>
<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>
<u>—</u>	<u>—</u>	<u>0.46%</u>	<u>0.88%</u>	<u>1.25%</u>
<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>
<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
<u>847,586</u>	<u>757,557</u>	<u>676,149</u>	<u>690,453</u>	<u>719,838</u>
<u>63,992</u>	<u>68,646</u>	<u>68,806</u>	<u>72,686</u>	<u>76,236</u>
<u>783,594</u>	<u>688,911</u>	<u>607,343</u>	<u>617,767</u>	<u>643,602</u>
<u>7.55%</u>	<u>9.06%</u>	<u>10.18%</u>	<u>10.53%</u>	<u>10.59%</u>
<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>
<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>
<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>
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<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>
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>68,905,327</u>	<u>60,917,987</u>	<u>61,998,156</u>	<u>64,712,780</u>	<u>67,333,674</u>
<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>
<u>8,957,693</u>	<u>7,919,338</u>	<u>8,059,760</u>	<u>8,412,661</u>	<u>8,753,378</u>
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>8,957,693</u>	<u>7,919,338</u>	<u>8,059,760</u>	<u>8,412,661</u>	<u>8,753,378</u>
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

(Continued)

WASHINGTON COUNTY, OREGON

Direct and Overlapping Governmental Activities Debt

June 30, 2020

(Dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to County
Debt repaid with property taxes:			
Overlapping debt outstanding:			
Banks Fire District 13	\$ 3,780	100.00 %	\$ 3,780
City of Banks	1,061	100.00	1,061
City of Beaverton	34,857	100.00	34,857
City of Cornelius	2,777	100.00	2,777
City of Durham	—	100.00	—
City of Forest Grove	—	100.00	—
City of Hillsboro	72,075	100.00	72,075
City of Lake Oswego	126	0.14	—
City of North Plains	—	100.00	—
City of Portland	807	0.17	1
City of Sherwood	17,879	100.00	17,879
City of Tigard	21,426	100.00	21,426
City of Tualatin	18,313	86.72	15,881
City of Wilsonville	—	9.82	—
Clackamas County Education Service District	101	0.49	—
Clackamas County School District 3J (West Linn - Wilsonville)	6,373	1.77	113
Clackamas County School District 7J (Lake Oswego)	2,512	0.95	24
Columbia County School District 1J (Scappoose)	91	0.39	—
Columbia County School District 47J (Vernonia)	310	1.63	5
Metro	288,819	29.96	86,530
Multnomah County School District 1J (Portland)	5,676	0.48	27
Multnomah Education Service District	—	0.36	—
Northwest Regional Education Service District	—	80.02	—
Port of Portland	—	29.38	—
Portland Community College	230,953	40.16	92,751
Rivergrove Water District 14J	7	1.39	—
Tualatin Hills Parks & Recreation District	69,940	99.99	69,933
Tualatin Valley Fire & Rescue District	18,851	79.26	14,941
Washington County School District 13 (Banks)	10,175	100.00	10,175
Washington County School District 15 (Forest Grove)	74,735	100.00	74,735
Washington County School District 1J (Hillsboro 7 Bd)	777	100.00	777
Washington County School District 1J (Hillsboro)	576,719	99.98	576,604
Washington County School District 23J (Tigard - Tualatin)	319,214	95.89	306,094
Washington County School District 48J (Beaverton)	951,805	99.65	948,474
Washington County School District 511J (Gaston)	12,040	82.28	9,907
Washington County School District 88J (Sherwood)	301,045	93.81	282,410
Willamette Education Service District	23	0.30	—
Yamhill County School District 29J (Newberg)	825	3.23	27
Total overlapping debt outstanding	3,044,092		2,643,264
Direct debt outstanding:			
Washington County ⁽¹⁾	<u>214,011</u>	100.00	<u>214,011</u>
Total direct and overlapping debt outstanding	\$ <u>3,258,103</u>		\$ <u>2,857,275</u>

⁽¹⁾ Washington County governmental activities direct debt outstanding is comprised of the following:

Contracts, notes, and bonds outstanding	189,697
Unamortized bond premiums and discounts	<u>24,314</u>
Total direct debt outstanding	<u>214,011</u>

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>
2011	533	\$	21,587	41	8.40 %
2012	536		23,043	43	7.60
2013	543		24,314	45	6.80
2014	551		24,840	45	6.30
2015	561		26,299	47	5.70
2016	571		29,813	52	4.60
2017	584		31,588	54	4.10
2018	596		34,162	57	3.30
2019	606		36,442	60	3.30
2020	613		N/A	N/A	9.90

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

	2020*		2011	
	Annual Average Positions	% of Total	Annual Average Positions	% of Total
Construction	17,387	6%	11,526	5%
Manufacturing:				
Wood products	1,099		1,073	
Fabricated metal products	3,762		2,820	
Food	2,420		1,581	
Plastics and rubber products	3,123		1,558	
Computer and electronic products	28,888		26,105	
Machinery	5,235		3,574	
Other	7,493		6,424	
Total Manufacturing	52,020	17%	43,135	18%
Trade, Transportation, and Utilities:				
Wholesale	13,739		16,554	
Retail	31,950		28,122	
Transportation, Warehousing, and Utilities	5,965		3,366	
Total Trade, Transportation, and Utilities	51,654	17%	48,042	20%
Information:				
Publishing	3,393		3,322	
Telecommunications	1,624		2,039	
Other (broadcasting, ISP's, etc.)	2,699		2,669	
Total Information	7,716	3%	8,030	3%
Financial Activities:				
Finance and Insurance	10,739		10,454	
Real Estate	4,358		3,076	
Total Financial Activities	15,097	5%	13,530	6%
Professional and Business Services	56,904	19%	36,586	15%
Educational Services	5,698	2%	4,984	2%
Healthcare and Social Assistance	32,200	11%	24,599	10%
Leisure and Hospitality	27,584	9%	20,059	8%
Other Services (agriculture, repairs, private homes, misc.)	14,022	3%	10,586	4%
Government (federal, state, and local)	22,821	8%	22,117	9%
Total Employment	<u>303,103</u>	<u>100%</u>	<u>243,194</u>	<u>100%</u>

*Fiscal year 2020 information includes data through December 31, 2019.

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government	297	297	298	299	304	318	331	337	342	354
Public safety and justice	833	823	825	824	941	945	950	959	973	1,009
Land use and transportation	357	349	337	336	324	286	297	300	305	307
Housing, health and human services	250	254	255	252	260	322	322	359	382	392
Culture, education and recreation	44	47	47	48	50	53	53	52	53	47
Total	<u>1,781</u>	<u>1,770</u>	<u>1,762</u>	<u>1,759</u>	<u>1,879</u>	<u>1,924</u>	<u>1,953</u>	<u>2,007</u>	<u>2,055</u>	<u>2,109</u>

Source: Washington County Support Services Department

WASHINGTON COUNTY, OREGON

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	2011	2012	2013
General Government:			
Assessment & Taxation:			
Real property accounts	178,440	178,971	179,843
Personal property accounts	24,077	23,893	24,210
Mobile home accounts	5,205	5,188	5,142
Utility property accounts	1,167	1,278	1,443
County Counsel:			
Hours booked for General Fund programs	6,102	6,945	5,851
Hours booked for Special Revenue funds and miscellaneous	6,223	6,200	7,915
Hours booked for internal work	2,066	2,269	2,710
Support Services:			
Number of budgeted permanent FTE positions within the County	1,782	1,770	1,762
Number of collective bargaining units	5	5	5
Public Safety & Justice:			
Sheriff (measured in calendar years):			
Citizen generated calls for service	47,050	49,109	48,058
Officer-initiated calls for service (including traffic responses)	94,258	94,258	89,252
Bookings per year at jail	17,761	17,761	18,020
Average length of stay in jail (in days)	48	48	18
Average daily jail population	568	568	565
Case numbers issued (all documented law enforcement actions taken)	19,249	19,249	19,344
Juvenile (measured in calendar years):			
Total referrals to juvenile department	3,738	3,539	3,309
Percent of youth with no new offenses	75%	74%	72%
Total admissions to secure detention	715	597	650
Total admissions to shelter care evaluation	134	121	127
Community Corrections:			
Number of offenders residing at the Community Corrections Center	2,044	1,953	1,765
Average daily Community Corrections Center population	195	181	170
Average length of stay in Community Corrections Center (in days)	36	34	35
Number of offenders on supervision	4,035	3,694	3,540
Law Library:			
Total in-library users	5,569	4,833	8,529
Items checked out	867	796	1,405
Land Use & Transportation:			
Land Use & Transportation:			
Total land use case files	357	394	432
Total land use actions	431	476	529
New subdivisions	5	7	22
Building permits issued (single family residential & remodels/additions)	1,053	1,254	1,183
Housing, Health & Human Services:			
Housing Services:			
Rent subsidies (units)	2,810	2,823	2,823
Affordable housing (units)	2,086	1,135	1,138
Public housing (units)	255	255	255
Homeownership (units)	4	4	5
Homeless services (beds)	594	739	796
Community Development:			
Number of people served by all CDBG programs	16,763	21,184	14,727
Number of households served by all CDBG programs	491	435	283
Health & Human Services:			
Swimming pool inspections, reviews, investigations	1,196	1,130	1,145
Solid waste and recycling phone calls received	3,600	4,200	3,672
Health clinic - communicable disease client visits	13,257	8,943	9,866
Emergency Medical Services:			
CPR/AED people trained (measured in calendar years)	468	N/A	505
Ambulance licenses issued	97	111	149
Total ambulances inspected	—	4	4
Wheelchair car licenses issued	144	174	192
Total wheelchair cars inspected	N/A	1	2
Culture, Education, & Recreation:			
Cooperative Library Services:			
Total library materials circulated	12,711,299	13,047,677	13,070,159
New users registered	40,374	35,770	32,951
Attendance at summer reading programs and events	46,846	51,009	50,157
Items delivered to member libraries via WCCLS couriers	4,138,471	4,108,984	3,978,705

N/A: Information not available

(Continued)

Source: Washington County Support Services Department

2014	2015	2016	2017	2018	2019	2020
180,705	181,985	183,721	186,353	187,913	189,977	192,721
23,614	23,672	22,673	22,728	22,422	22,766	22,805
5,118	5,101	5,096	5,068	5,080	5,068	5,077
1,492	1,458	1,477	1,321	1,298	1,253	1,419
6,536	7,127	7,087	7,003	6,820	8,013	9,838
7,204	6,417	6,456	6,650	8,204	7,688	7,453
2,489	2,902	2,757	2,900	2,570	2,839	2,991
1,759	1,818	1,872	1,951	2,001	2,073	2,188
5	5	5	5	5	5	5
52,041	56,186	57,446	59,806	60,733	61,107	N/A
88,551	96,321	90,139	90,757	75,025	71,536	N/A
17,944	17,173	17,111	17,133	18,410	17,999	N/A
17	19	19	17	16	15	N/A
547	538	534	506	545	532	N/A
20,374	20,802	21,035	22,179	22,273	22,676	N/A
2,975	2,822	2,165	2,249	2,198	2,198	1,916
75%	72%	71%	71%	71%	71%	N/A
644	574	498	501	466	490	467
108	111	105	105	102	98	121
2,060	2,169	2,044	1,976	1,786	1,787	2,015
182	179	181	186	136	150	133
32	32	32	34	33	33	26
3,725	3,797	3,286	3,357	3,367	3,500	3,483
9,115	9,892	8,140	6,028	5,716	5,151	5,000
1,437	1,502	1,909	1,211	1,091	1,031	1,113
495	456	519	521	475	438	367
584	568	652	634	594	505	449
29	31	27	33	19	24	7
1,511	1,735	2,081	1,960	1,472	1,586	1,250
2,882	2,981	2,981	2,669	2,828	2,918	2,935
1,138	1,138	1,139	1,818	1,821	1,829	2,012
255	255	255	243	244	244	244
5	4	4	4	4	4	4
940	905	881	863	847	969	1,001
20,051	27,121	73,550	11,275	43,735	29,868	25,483
306	314	280	273	343	249	467
1,083	1,190	1,183	1,018	1,127	1,112	743
4,100	3,900	3,470	3,707	3,800	3,890	3,300
7,857	7,672	2,917	2,861	2,407	3,325	4,135
346	637	420	755	667	475	152
121	140	158	146	151	147	162
28	39	13	8	17	17	13
190	196	226	247	247	239	248
9	16	9	2	30	33	39
12,742,087	12,240,066	11,872,665	11,149,410	11,104,635	11,204,193	8,745,542
32,788	31,981	31,659	33,313	33,052	35,339	56,845
58,233	59,506	63,358	76,782	76,899	51,312	51,898
3,649,568	3,704,098	3,616,203	3,444,670	3,445,849	3,360,094	2,536,198

WASHINGTON COUNTY, OREGON

Capital Assets

Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
Facilities:										
Number of buildings - owned	23	23	24	24	25	25	27	27	33	33
Number of buildings - leased	8	7	9	9	10	12	15	16	16	11
Square feet - owned space	1,304,265	1,304,265	1,304,265	1,304,265	1,378,190	1,378,190	1,403,944	1,403,944	1,536,060	1,536,060
Square feet - leased space	24,079	19,867	21,659	18,652	27,252	37,207	78,833	90,325	110,051	94,645
Fleet:										
Number of units maintained	562	557	562	572	605	626	654	676	704	715
Gallons of fuel dispensed	445,207	436,180	422,455	416,709	415,547	407,414	414,582	407,411	396,676	401,568
Miles driven	4,613,964	4,485,547	4,510,196	4,434,719	4,593,052	4,467,139	4,585,838	4,541,628	4,506,531	4,392,712
Number of work orders	4,145	4,059	3,930	4,024	4,034	3,975	4,127	3,473	3,698	3,599
Information Technology Services:										
Computers supported	2,116	2,385	2,173	2,149	2,372	2,425	2,496	2,652	2,693	2,887
Applications supported	709	783	844	851	1,028	1,320	1,299	965	1,024	1,075
Land Use and Transportation:										
County road system:										
Total miles maintained	1,300	1,279	1,279	1,286	1,286	1,290	1,297	1,295	1,306	1,308
Paved miles	1,075	1,062	1,062	1,068	1,073	1,073	1,079	1,078	1,087	1,089
Gravel miles	225	217	217	218	218	217	218	217	219	219
Urban miles	639	650	650	657	657	661	668	669	675	678
Rural miles	661	629	629	629	629	629	629	626	631	630
Bridges	189	188	188	186	186	186	183	186	185	184
Traffic signals	445	470	470	472	505	515	518	518	532	575

Source: Washington County Support Services Department

**WASHINGTON COUNTY,
OREGON**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH OREGON STATE REGULATIONS**

SECTION IV

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
OREGON STATE REGULATIONS**

Board of County Commissioners
Washington County, Oregon
Hillsboro, Oregon

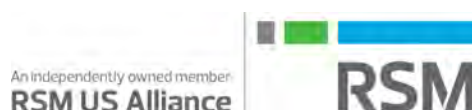
We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Oregon (the County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 18, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our report includes a reference to other auditors. We did not audit the financial statements of Clean Water Services (CWS), the discretely presented component unit of the County. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditors.

COMPLIANCE

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).



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COMPLIANCE (Continued)

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, as described in the Washington County, Oregon's Federal Grant Programs reporting of the Schedule of Findings and Questioned Costs as Finding 2020-001 that we consider to be a significant deficiency.

OTHER DISCLOSURE

- The Sheriff's Office Contract Services Fund reported a deficit fund balance of \$40,000.
- The Sheriff's Office Grants & Donations Fund reported a deficit fund balance of \$19,000.
- The Fleet Services Fund reported a deficit net position of \$1,054,000 on a GAAP basis.
- The Liability/Casualty Insurance Fund reported a deficit net position of \$104,000 on a GAAP basis.

PURPOSE OF THIS REPORT

This report is intended solely for the information and use of the Audit Committee, Board of County Commissioners, Oregon Secretary of State Audits Division, and management and is not intended to be and should not be used by anyone other than these specified parties.

Talbot, Korvald & Warwick, LLP

Portland, Oregon
March 18, 2021

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