

Comprehensive Annual Financial Report

Year Ended June 30, 2017



WASHINGTON COUNTY
OREGON

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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, 2017

Prepared by:

Washington County Finance Division

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WASHINGTON COUNTY, OREGON

Table of Contents

	Page
SECTION I – INTRODUCTORY SECTION:	
Principal Officials	1
Organizational Chart.....	2
Letter of Transmittal.....	3
Certificate of Achievement for Excellence in Financial Reporting	10
 SECTION II – FINANCIAL SECTION:	
 INDEPENDENT AUDITOR'S REPORT	 11
 MANAGEMENT’S DISCUSSION AND ANALYSIS.....	 14
 BASIC FINANCIAL STATEMENTS:	
 GOVERNMENT-WIDE STATEMENTS:	
Statement of Net Position	25
Statement of Activities	26
 FUND FINANCIAL STATEMENTS:	
Balance Sheet – Governmental Funds	27
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position – Governmental Activities	28
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	29
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Government-wide Statement of Activities – Governmental Activities	30
Statement of Net Position – Proprietary Funds	31
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	32
Statement of Cash Flows – Proprietary Funds	33
Statement of Fiduciary Net Position	34
Statement of Changes in Fiduciary Net Position	35
 NOTES TO BASIC FINANCIAL STATEMENTS.....	 36
 REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison – General Fund	108
Budgetary Comparison – Major Special Revenue Funds.....	109
Schedule of Funding Progress - Other Post-Employment Benefits.....	111
Schedule of Proportionate Share of PERS Net Pension Liability (Asset)	112
Schedule of Pension Plan Contributions – Oregon Public Employee Retirement Pension Plan (OPERS) ..	113
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	 114

WASHINGTON COUNTY, OREGON

Table of Contents

	Page
SECTION II – FINANCIAL SECTION (CONTINUED):	
OTHER SUPPLEMENTARY INFORMATION:	
Budgetary Comparison – Major Capital Projects Funds.....	116
NON-MAJOR FUND FINANCIAL STATEMENTS:	
Special Revenue Funds – Fund Descriptions.....	117
Debt Service Funds – Fund Descriptions	122
Capital Projects Funds – Fund Descriptions.....	122
Internal Service Funds - Fund Descriptions	124
Combining Balance Sheet – General Fund.....	125
Combining Balance Sheet – Human Services Fund.....	126
Combining Balance Sheet – Major Streets Transportation Improvement Program III Fund	127
Combining Balance Sheet – Non-major Governmental Funds – Summary	128
Combining Balance Sheet – Non-major Governmental Funds – Special Revenue Funds	129
Combining Balance Sheet – Non-major Governmental Funds – Health Share of Oregon Fund	135
Combining Balance Sheet – Non-major Governmental Funds - Debt Service Funds	136
Combining Balance Sheet – Non-major Governmental Funds – Capital Projects Funds.....	137
Combining Balance Sheet – Non-major Governmental Funds - Facilities General Capital Projects Fund.....	139
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – General Fund.....	140
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Human Services Fund.....	141
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Major Streets Improvement III Program Fund	142
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds – Summary	143
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds – Special Revenue Funds	144
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Health Share of Oregon Fund	150
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Debt Service Funds	151
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds – Capital Projects Funds.....	152
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds – Facilities General Capital Projects Fund.....	154
Budgetary Comparison – Non-major Governmental Funds – Special Revenue Funds:	
Aging, Disability & Veteran Services Fund	155
Air Quality Fund	155
Animal Services Gifts and Donations Fund	156
Building Services Fund	156

WASHINGTON COUNTY, OREGON

Table of Contents

SECTION II – FINANCIAL SECTION (CONTINUED):	Page
Children and Youth Services Commission Fund.....	157
Community Corrections Fund.....	157
Cooperative Library Services Fund.....	158
Court Security Fund.....	158
Department of Housing Services Fund.....	159
Development Services Fund.....	159
District Patrol Fund.....	160
Emergency Medical Services Fund.....	160
Enhanced Sheriff's Patrol District Fund (Component Unit).....	161
Health Share of Oregon Fund.....	161
Human Services HB-2145 Fund.....	162
Human Services OHP Fund.....	162
Indirect Cost Reimbursement Fund.....	163
ITS Systems Replacement Fund.....	163
Jail Commissary Fund.....	164
Juvenile Conciliation Services Fund.....	164
Juvenile Grants Fund.....	165
Juvenile High Risk Prevention Fund.....	165
Law Library Fund.....	166
Local Option Levy Fund.....	166
Lottery Fund.....	167
Maintenance Improvement District Fund.....	167
Mental Health Crisis Services Fund.....	168
Metzger Park LID Fund.....	168
North Bethany County Service District for Roads Fund (Component Unit).....	169
Office of Community Development Block Grant Fund.....	169
PERS Rate Stabilization Fund.....	170
Sheriff's Office Contract Services Fund.....	170
Sheriff's Office Forfeitures Fund.....	171
Sheriff's Office Grants & Donations Fund.....	171
Strategic Investment Program and Gain Share Fund.....	172
Survey Fund.....	172
Surveyor – Public Land Corner Fund.....	173
Tourism Dedicated Lodging Tax Fund.....	173
Tri-County Risk Reserve Fund.....	174
Urban Road Maintenance Service District Fund (Component Unit).....	174
Washington County Fair Fund.....	175
West Slope Library Fund.....	175
Budgetary Comparison – Non-major Governmental Funds – Debt Service Fund:	
General Obligation Debt Service Fund.....	176
Miscellaneous Debt Service Fund.....	176
Budgetary Comparison – Non-major Governmental Funds – Capital Projects Funds:	
2016 FF&C Facilities Capital Projects Fund.....	177
2016 FF&C MSTIP Capital Projects Fund.....	177
Bonny Slope West Transportation SDC Fund.....	178
Building Equipment Replacement Fund.....	178

WASHINGTON COUNTY, OREGON

Table of Contents

	Page
SECTION II – FINANCIAL SECTION (CONTINUED):	
Countywide Traffic Impact Fee Fund	179
Event Center Fund	179
Facilities General Capital Projects Fund.....	180
Facilities Park (THPRD) SDC Fund	180
ITS Capital Projects Fund	181
Major Streets Capital Projects Fund	181
North Bethany SDC Fund	182
Parks and Open Spaces Opportunity Projects Fund	182
Transportation Development Tax Fund	183
Combining Statement of Net Position – Internal Service Funds	184
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	186
Combining Statement of Cash Flows – Internal Service Funds	188
Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis) – Internal Services Funds:	
Fleet Services Fund	190
Fleet Replacement Fund	190
Internal Support Services Fund.....	191
Liability/Casualty Insurance Fund	191
Life Insurance Fund.....	192
Medical Insurance Fund.....	192
Unemployment Insurance Fund	193
Workers’ Compensation Insurance Fund.....	193
Reconciliation of Fund Balance to Net Position – Internal Service Funds	194
Statement of Changes in Assets and Liabilities – Agency Fund	195
OTHER FINANCIAL SCHEDULE:	
Schedule of Accountability of Independently Elected Officials.....	196
SECTION III - STATISTICAL SECTION:	
Statistical Information Section Narrative.....	197
FINANCIAL TRENDS:	
Net Position by Component – Last Ten Fiscal Years	198
Changes in Net Position by Component - Last Ten Fiscal Years	199
Fund Balances of Governmental Funds - Last Ten Fiscal Years	201
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years.....	202
REVENUE CAPACITY:	
Valuation of Taxable Property – Last Ten Fiscal Years.....	203
Certified Property Tax Levies – Direct and Overlapping Governments – Last Ten Fiscal Years	204
Property Tax Levies and Collections – Last Ten Fiscal Years.....	206
Principal Taxpayers Within the County – Current Year and Nine Years Ago.....	207

WASHINGTON COUNTY, OREGON

Table of Contents

	Page
SECTION III – STATISTICAL SECTION (CONTINUED):	
DEBT CAPACITY:	
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years	208
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	209
Legal Debt Margin Information – Last Ten Fiscal Years.....	211
Direct and Overlapping Governmental Activities Debt – June 30, 2016	213
DEMOGRAPHIC AND ECONOMIC INFORMATION:	
Demographic Statistics – Last Ten Fiscal Years.....	214
Major Employment Industries – Current Year and Nine Years Ago.....	215
OPERATING INFORMATION:	
Full-time Equivalent Employees by Function – Last Ten Fiscal Years	216
Operating Indicators by Function/Program – Last Ten Fiscal Years	217
Capital Assets – Last Ten Fiscal Years	219
SECTION IV – INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE AND INTERNAL CONTROL FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH OREGON STATE REGULATIONS	220

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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, 2017

<u>Name</u>	<u>Term Expires</u>
Andy Duyck, Chair Commissioner-At-Large	December 31, 2018
Dick Schouten District 1	December 31, 2020
Greg Malinowski, Vice Chair District 2	December 31, 2018
Roy Rogers District 3	December 31, 2020
Bob Terry District 4	December 31, 2018

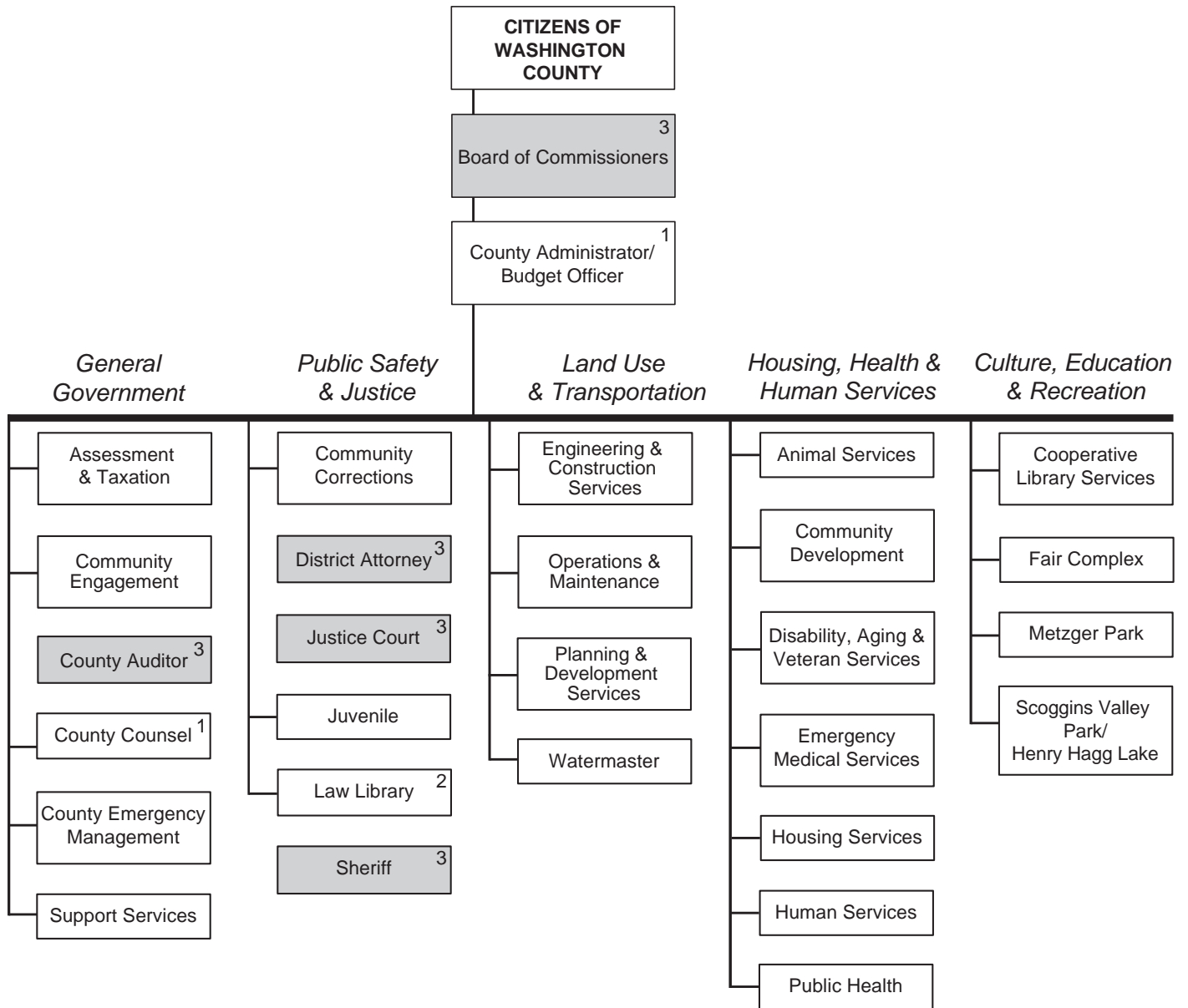
Administrative Staff

Robert Davis, County Administrator
Don Bohn, Assistant County Administrator
Rob Massar, Assistant County Administrator
Mary Gruss, Chief Finance Officer
Roger Dawes, Controller
Josh Salaets, Chief Accountant

Administrative Offices

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

Washington County, Oregon Organizational Chart



1. Appointed by County Commissioner

2. Appointed by Circuit Court

3. Gray boxes denote elected positions

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



December 18, 2017

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, 2017.

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, 2017. 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 in the state, encompasses 727 square miles, and serves a population of approximately 584,000. 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 42% of the County's population. This unincorporated area, with a population of almost 240,000, 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 12%, and leisure and hospitality 9%.

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

Company	Products/Services	Location	Number of Employees
Intel Corporation	Semiconductor integrated circuits	Hillsboro	19,500
Nike, Inc.	Athletic footwear and apparel	Beaverton	10,700
Providence St. Vincent Hospital	Health Care	various	6,369
Beaverton School District	Education	Beaverton	4,547
Hillsboro School District	Education	Hillsboro	2,558
Kasier Permanente	Health Care	various	2,500
Fred Meyer	Retail	various	2,200
Washington County	Government	Hillsboro	1,890
Tigard-Tualatin School District	Education	Tigard	1,500
Comcast Corporation	Cable/Phone/Internet	various	1,500
Tuality Healthcare	Health Care	various	1,312

Source: Westside Economic Alliance, 2016 Data

Strategic Investment Program

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

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

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

<u>Agreements</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
1999 Intel	\$ 8,482	8,266	8,319	-	-
2005 Intel	2,692	10,593	12,092	22,899	28,380
2006 Genentech	547	896	920	946	972
Totals	<u>11,721</u>	<u>19,755</u>	<u>21,331</u>	<u>23,845</u>	<u>29,352</u>
Distributed to:					
Washington County	7,790	12,905	13,862	15,131	18,589
Other agencies	3,931	6,850	7,469	8,714	10,763
Totals	<u>\$ 11,721</u>	<u>19,755</u>	<u>21,331</u>	<u>23,845</u>	<u>29,352</u>

Source: Washington County Finance Division

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

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

Gain Share

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

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

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

Source: Washington County Finance Division

Long Term Financial Planning

The 2017-18 adopted budget includes General Fund reserves of \$46 million or 27% of revenues. In March 2007 the Board adopted a policy to maintain a reserve of 20% or more and not less than 15% of General Fund revenues. With guidance from the Budget Committee, annual transfers to the Major Streets Transportation Improvement Program (MSTIP) and the Washington County Cooperative Library System (WCCLS) have been excluded from General Fund revenues for purposes of calculating the fund balance reserve. Executive management works with departments to meet the upper reserve amount at each fiscal year end. The Board is updated on the General Fund forecast and other funds as deemed appropriate.

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

Funding for MSTIP projects comes from the County's permanent tax rate. The 2017-18 budget includes over \$40 million for this program from the County's property tax collections. This program currently consists of a number of projects to widen and improve existing roadways to accommodate increased traffic volume and provide additional traffic safety. The County has also developed an interim list of projects to continue the program while the next generation of projects is developed through a public process.

Relevant Financial Policies

Cash Management

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

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

Independent Audit

Pursuant to the Oregon Municipal Audit Law, ORS 297.405 – 297.555, all Oregon counties must obtain an audit annually. The required audit may be performed by the State Division of Audits or by independent public accountants certified by the state as capable of auditing municipal corporations. The accounting firm of Talbot, Korvola & Warwick, LLP conducted the audit for the fiscal year ended June 30, 2017.

Risk Management

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

Major Initiatives

High Growth Transportation Funding Program

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

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

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

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

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

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

Emergency Communications System Financing

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

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

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

Other Debt Financing

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

County Levies

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

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to Washington County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. This was the 31st consecutive year the County received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Mary E. Gruss
Chief Finance Officer

Roger Dawes
Controller

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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, 2016

Executive Director/CEO

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**WASHINGTON COUNTY,
OREGON**

**FINANCIAL
SECTION**

SECTION II

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**Talbot, Korvola
& Warwick, LLP**

Certified Public Accountants
& Consultants

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Lake Oswego, OR 97035

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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, 2017, 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 25.8%, 24.7%, and 26.9%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the County. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for CWS, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of CWS were not audited in accordance with *Government Auditing Standards*.

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

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

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, 2017, 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, Schedule of Funding Progress – Other Post-Employment Benefits, Schedule of Proportionate Share of PERS Net Pension Liability (Asset), Schedule of Pension Plan Contributions, 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 and Other Financial Schedule

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The information listed in the Table of Contents as Other Supplementary Information and the Other Financial Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Other Supplementary Information and the Other Financial Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the

INDEPENDENT AUDITOR'S REPORT (Continued)

Board of County Commissioners
Washington County, Oregon

OTHER MATTERS (Continued)

Other Supplementary Information and Other Financial Schedule (continued)

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

Other Information

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

REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS

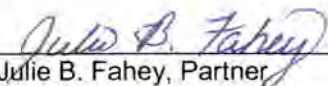
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 18, 2017, on our consideration of the County's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

TALBOT, KORVOLA & WARWICK, LLP

By 
Julie B. Fahey, Partner

Lake Oswego, Oregon
December 18, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis

June 30, 2017

(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, 2017. 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, 2017 by \$2,282,735. Net investment in capital assets was \$1,969,644 and accounts for 86% of total net position. Of the remaining net position, \$35,118 may be used to meet the County's ongoing obligations to citizens and creditors.
- As of June 30, 2017, Washington County's governmental funds reported a combined unassigned ending fund balances of \$68,059.
- Unassigned fund balance for the General Fund was \$68,072 at June 30, 2017, amounting to 47% of total General Fund expenditures for 2017.
- Committed fund balance for the Major Streets Transportation Improvement Program III Fund (MSTIP III) was \$118,686 at June 30, 2017, amounting to 215% of total MSTIP III expenditures. Restricted fund balance for the Road Fund was \$25,541 at June 30, 2017, amounting to 68% of total Road Fund expenditures. Restricted fund balance for the Human Services Fund was \$6,985 or 34% of fund expenditures.
- Washington County's governmental activities had \$75,400 in general obligation debt at June 30, 2017, allowing for the potential to have voter-approved general obligation debt up to \$1,943,531. Total non-voter approved full faith and credit debt at June 30, 2017 was \$155,098, net of premiums and adjustments, with remaining capacity for this type of debt at \$840,282.

Overview of the Financial Statements

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

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

WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis

June 30, 2017

(Dollars in thousands)

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

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

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

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

The government-wide financial statements can be found on pages 25 and 26 of this report.

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

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

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

WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis

June 30, 2017

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

The basic governmental fund financial statements can be found on pages 27 and 29 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Housing Authority's programs and the Service District for Lighting. *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 31 through 33 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 34 and 35 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 36 through 107 of this report.

WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis

June 30, 2017

(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, a schedule of funding progress related to other postemployment benefits, and a schedule of proportionate share and contributions related to the Oregon Public Employees Retirement System (OPERS) net pension liability. Required supplementary information can be found beginning on page 108 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 125 through 195 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 \$2,282,735 at the close of the most recent fiscal year.

	Statement of Net Position						Discretely Presented	
	Washington County - Primary Government						Component Unit	
	Government activities		Business-type activities		County Total		District	
	2017	2016	2017	2016	2017	2016	2017	2016
Current assets	\$ 229,222	286,030	11,473	8,575	240,695	294,605	315,892	289,069
Noncurrent assets	463,650	187,036	(254)	(440)	463,396	186,596	3,044	6,021
Capital assets (net of depreciation)	<u>2,078,475</u>	<u>2,086,130</u>	<u>25,130</u>	<u>26,279</u>	<u>2,103,605</u>	<u>2,112,409</u>	<u>682,344</u>	<u>658,415</u>
Total assets	<u>2,771,347</u>	<u>2,559,196</u>	<u>36,349</u>	<u>34,414</u>	<u>2,807,696</u>	<u>2,593,610</u>	<u>1,001,280</u>	<u>953,505</u>
Deferred outflows of resources	<u>134,829</u>	<u>27,377</u>	<u>1,983</u>	<u>2,148</u>	<u>136,812</u>	<u>29,525</u>	<u>23,818</u>	<u>3,617</u>
Current liabilities	<u>112,583</u>	<u>94,343</u>	<u>2,318</u>	<u>1,898</u>	<u>114,901</u>	<u>96,241</u>	<u>35,282</u>	<u>36,805</u>
Noncurrent liabilities	<u>507,972</u>	<u>165,043</u>	<u>28,514</u>	<u>28,903</u>	<u>536,486</u>	<u>193,946</u>	<u>240,093</u>	<u>228,675</u>
Total liabilities	<u>620,555</u>	<u>259,386</u>	<u>30,832</u>	<u>30,801</u>	<u>651,387</u>	<u>290,187</u>	<u>275,375</u>	<u>265,480</u>
Deferred inflows of resources	<u>10,386</u>	<u>25,683</u>	-	-	<u>10,386</u>	<u>25,683</u>	<u>1,283</u>	<u>4,480</u>
Net position:								
Net investment in capital assets	1,971,357	2,028,976	(1,713)	(798)	1,969,644	2,028,178	477,185	436,636
Restricted	274,884	176,076	3,089	2,894	277,973	178,970	127,024	131,179
Unrestricted	<u>28,994</u>	<u>96,452</u>	<u>6,124</u>	<u>3,665</u>	<u>35,118</u>	<u>100,117</u>	<u>144,231</u>	<u>119,347</u>
Total net position	<u>\$ 2,275,235</u>	<u>2,301,504</u>	<u>7,500</u>	<u>5,761</u>	<u>2,282,735</u>	<u>2,307,265</u>	<u>748,440</u>	<u>687,162</u>

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

WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis

June 30, 2017

(Dollars in thousands)

An additional portion of the County's net position (12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$35,118) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County reported positive balances in all three categories of net position for the County as a whole and for its governmental activities. For its business-type activities the County reported positive balances in restricted and unrestricted net position, but had a negative balance of \$1,713 in the net investment in capital assets category. For the prior fiscal year, the County reported positive balances in all three categories of net position for the County as a whole and for its governmental activities. For its business-type activities, the County reported positive balances in restricted and unrestricted net position, but had a negative balance of \$798 in the net investment in capital assets category.

The County's net position decreased by \$24,530 during the current fiscal year; the result is a \$1,739 increase in business-type activities net position and a \$26,269 decrease in governmental activities net position.

Business Type – The Authority's restricted net position increased by \$195 due to future debt service and asset replacement needs.

Component Unit – The District's total net position increased by \$61,278, mainly due to net proceeds from current year operations and capital contributions from developers and Clean Water Insurance Company, LLC, a wholly owned subsidiary of the District.

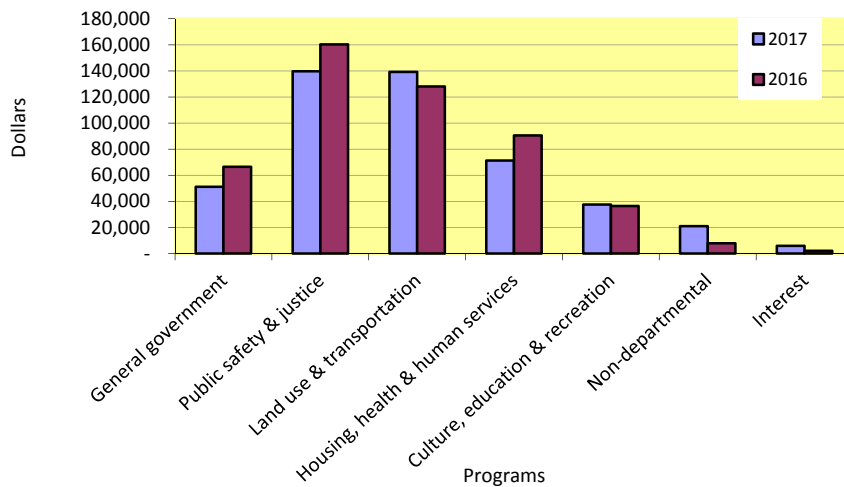
Governmental activities. Governmental activities decreased the County's net position by \$26,269. Key elements of this decrease are as follows:

- Overall program expenses decreased \$25,881 during the fiscal year due primarily to a decrease in expenses of \$20,539 in the public, safety & justice functional area, a \$11,212 increase in expenses in the land use and transportation functional area, a \$19,276 decrease in expenses in the housing, health & human Services functional area, a \$15,323 decrease in expenses in the general government functional area, a \$18,045 increase in expenses in the culture, education and recreation, non-operating, and interest functional areas, due primarily to the GASB 68 recognition of the proportionate share of the current year's activity in the OPERS pension plan and changes in the OPEB obligation.
- Total revenue decreased overall by \$20,063. This would include land use & transportation decreases of \$28,782 in charges for services due to completion of large commercial projects this year combined with a \$2,643 decrease in operating grants and contributions. General revenues increased \$6,596 compared to the prior year and are attributable to a \$14,372 increase in property taxes along with an additional \$2,024 in other taxes including transient lodging and real property transfer taxes. Miscellaneous revenues also decreased by \$9,994 because of less donated infrastructure assets compared to prior year.

WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis
June 30, 2017
(Dollars in thousands)

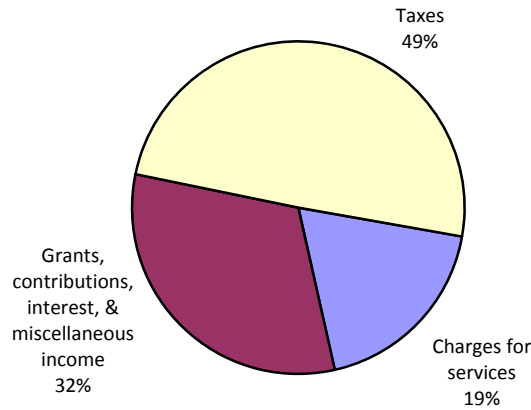
	Changes in Net Position						Discretely Presented	
	Washington County - Primary Government						Component Unit	
	Government activities		Business-type activities		County Total		District	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenues								
Program Revenues								
Charges for services	\$ 82,171	120,148	10,616	9,843	92,787	129,991	137,186	130,052
Operating grants and contributions	121,618	111,190	26,818	23,473	148,436	134,663	-	-
Capital grants and contributions	11,051	9,862	319	340	11,370	10,202	37,499	34,606
General Revenues								
Taxes	217,775	201,379	-	-	217,775	201,379	-	-
Interest income	4,069	4,147	88	55	4,157	4,202	1,364	2,319
Miscellaneous revenue	3,022	13,016	-	-	3,022	13,016	-	-
Gain on disposal of capital assets	-	-	-	13	-	13	-	-
Transfer in (out)	(163)	(136)	163	136	-	-	-	-
Loss on equity in joint venture	-	-	371	428	371	428	(73)	(77)
Total revenues	439,543	459,606	38,375	34,288	477,918	493,894	175,976	166,900
Program Expenses								
General government	51,157	66,480	-	-	51,157	66,480	-	-
Public safety and justice	139,761	160,300	-	-	139,761	160,300	-	-
Land use and transportation	139,231	128,019	34,683	31,537	173,914	159,556	-	-
Housing, health and human services	71,283	90,559	-	-	71,283	90,559	-	-
Culture, education and recreation	37,597	36,422	-	-	37,597	36,422	-	-
Sanitation and surface water	-	-	-	-	-	-	114,698	117,728
Street lighting	-	-	1,953	1,945	1,953	1,945	-	-
Non-operating	20,928	7,842	-	-	20,928	7,842	-	-
Interest expense	5,855	2,071	-	-	5,855	2,071	-	-
Total expenses	465,812	491,693	36,636	33,482	502,448	525,175	114,698	117,728
Change in net position	(26,269)	(32,087)	1,739	806	(24,530)	(31,281)	61,278	49,172
Net position beginning of year	2,301,504	2,333,591	5,761	4,955	2,307,265	2,338,546	687,162	637,990
Net position end of year	\$ 2,275,235	2,301,504	7,500	5,761	2,282,735	2,307,265	748,440	687,162

Expenses - Governmental Activities



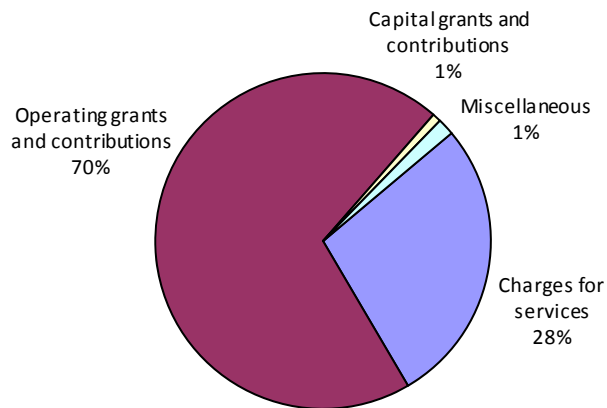
WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis
June 30, 2017
(Dollars in thousands)

Revenues by Source - Governmental Activities



Business-type activities – Business-type activities net position increased by \$1,739. The Authority's total net position increased by \$2,072, due to total operating revenues exceeding total operating expenses by \$2,639, nonoperating expenses exceeding nonoperating revenues \$1,056, and capital contributions plus transfers in from governmental funds of \$489. The Service District for Lighting No. 1's net position decreased \$333, with operating expenses exceeding operating revenues by \$334, nonoperating interest income of \$8, and transfers to other funds of \$7.

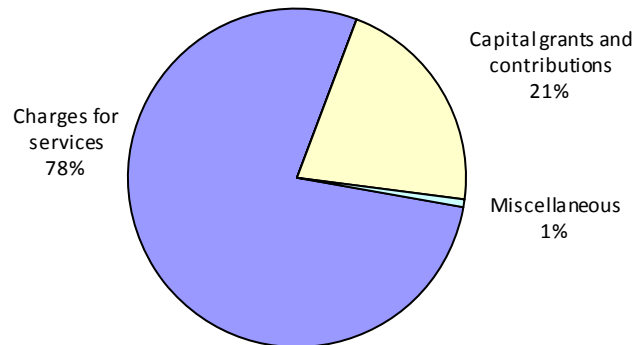
Revenues by Source - Business-type Activities



WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis
June 30, 2017
(Dollars in thousands)

Component unit – District - Total net position increased by \$61,278 during fiscal year 2017, due to total revenues exceeding total expenses by \$23,779 and capital contributions from developers of \$37,499.

Revenues by Source - Component Unit - District



Financial Analysis of the County's Funds

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

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, Washington County's governmental funds reported combined ending fund balances of \$547,286; an increase of \$220,950 in comparison with the prior year. Of this amount, \$68,059 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 \$68,072. 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 47% of total General Fund expenditures, while total fund balance represents approximately 53%.

The fund balance of the County's General Fund increased by \$8,570 during the current fiscal year primarily due to an increase of \$6,270 in taxes revenue.

WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis

June 30, 2017

(Dollars in thousands)

The Major Streets Transportation Improvement Program III fund has a total committed fund balance of \$118,686; all of which has been committed to road improvements within the County. The fund balance increased \$50,207 from the prior year due to proceeds from debt financing for future road projects.

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

Business-type activities - Unrestricted net position at the end of the year for the Service District for Lighting No. 1 was \$1,127 and \$4,997 for the Housing Authority. The total change in net position for these two funds was a decrease of \$333 for the Service District for Lighting No. 1 and an increase of \$2,072 for the Housing Authority.

General Fund Budgetary Highlights

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

- \$650 increase in the jail health care program areas of the public safety and justice functional area due to increase cost from jail vendor due to additional staff to provide higher quality health care in the jail.
- The offset to this change was a \$650 decrease to operating contingency

Total expenditures in the General Fund were \$140,180 or 22% under the final revised budget for the year. Key factors in this savings include:

- \$27,062 in operating contingency that was not utilized during the fiscal year.
- \$4,161 in total cost savings across all programs in the general government functional area; of which \$1,632 is attributable to savings in the information services program area and \$1,195 in the assessment and taxation program area.
- \$4,608 in savings recognized in the public safety and justice functional area; of which \$1,363 is due to law enforcement program area expenditures being lower than anticipated and \$1,226 is due to jail operations program area being lower than anticipated.
- \$1,498 in savings recognized in the housing, health and human services functional area during the fiscal year; of which \$1,046 is due to expenditures being lower than anticipated in the public health program area and \$349 is due to expenditures being lower than anticipated in the animal services program area.
- The remaining \$1,550 reduction is from savings recognized in other functional areas of the General Fund, including \$1,027 from land use and transportation, \$183 from culture, education and recreation, and \$340 in miscellaneous expenditures from non-operating.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounts to \$2,103,604 (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 1.2% was held by the County's business-type activities, with the balance being held by the County's governmental activities.

WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis
June 30, 2017
(Dollars in thousands)

	Washington County - Primary Government						Discretely Presented Component Unit	
	Governmental activities		Business-type Activities		County Total		District	
	2017	2016	2017	2016	2017	2016	2017	2016
Land and artwork	\$ 987,700	981,464	8,580	8,296	996,280	989,760	28,634	25,362
Land improvements	744	923	-	-	744	923	-	-
Buildings and improvements	94,660	92,951	16,459	17,897	111,119	110,848	113,775	107,800
Sewer lines	-	-	-	-	-	-	158,222	154,936
Treatment plants	-	-	-	-	-	-	249,253	230,560
Machinery and equipment	16,360	16,471	78	79	16,438	16,550	40,090	32,275
Infrastructure	860,273	903,259	-	-	860,273	903,259	-	-
Construction in progress	118,737	91,062	13	7	118,750	91,069	92,370	107,482
	<u>\$ 2,078,474</u>	<u>2,086,130</u>	<u>25,130</u>	<u>26,279</u>	<u>2,103,604</u>	<u>2,112,409</u>	<u>682,344</u>	<u>658,415</u>

Additional information on the County's capital assets can be found in the Capital Assets note on pages 56 through 58 of this report.

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

At the end of the current fiscal year, the County had total bonded debt outstanding of \$230,498, of which 33% is debt backed by general obligation and 67% is debt backed by the full faith and credit of the County. The Authority had total bonded debt outstanding of \$26,740.

Component unit – District - At the end of the current fiscal year, the District had \$202,995 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 \$1,943,531. The Authority is limited to 13% of its total market valuation by State statutes. The current debt limitation for the Authority is \$13,915,030.

	Washington County - Primary Government						Discretely Presented Component Unit	
	Governmental activities		Business-type Activities		County Total		District	
	2017	2016	2017	2016	2017	2016	2017	2016
General Obligation bonds	75,400	-	-	-	75,400	-	-	-
Full Faith & Credit bonds	\$ 155,098	51,135	26,740	26,740	181,838	77,875	-	-
Revenue bonds	-	-	-	-	-	-	202,995	223,690
	<u>\$ 230,498</u>	<u>51,135</u>	<u>26,740</u>	<u>26,740</u>	<u>257,238</u>	<u>77,875</u>	<u>202,995</u>	<u>223,690</u>

Additional information on the County's long-term debt can be found on pages 60 through 72 of this report.

WASHINGTON COUNTY, OREGON
Management's Discussion and Analysis
June 30, 2017
(Dollars in thousands)

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County is currently 3.1%, which is a decrease from a rate of 4.1% a year ago. This compares favorably to the State's average unemployment rate of 3.8% and to the national average rate of 4.4%.

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

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

All of these factors were considered in preparing the County's budget for the 2017-18 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.

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BASIC FINANCIAL STATEMENTS

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WASHINGTON COUNTY, OREGON

Statement of Net Position

June 30, 2017

(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	\$ 182,824	7,007	189,831	158,170
Restricted cash and investments	6,748	3,896	10,644	136,412
Property taxes receivable	9,474	—	9,474	—
Assessments receivable, short-term portion	38	96	134	—
Accounts receivable	22,145	532	22,677	17,905
Accrued interest receivable	5,928	—	5,928	—
Housing Authority loan receivable, short term portion-internal balance	35	(35)	—	—
Contract receivable, short-term portion	830	(52)	778	—
Connection charges receivable	—	—	—	759
Supply inventory	549	—	549	1,240
Other current assets	651	29	680	1,406
Total current assets	229,222	11,473	240,695	315,892
Noncurrent assets:				
Long-term investments	434,249	—	434,249	—
Long-term assessments receivable	189	262	451	203
Contracts receivable, net - long-term portion	29,212	(1,315)	27,897	—
Investments in joint venture	—	799	799	2,418
Other noncurrent assets	—	—	—	423
Total noncurrent assets	463,650	(254)	463,396	3,044
Capital assets:				
Land, CIP and other assets not being depreciated	1,106,437	8,593	1,115,030	121,004
Buildings and equipment, infrastructure and other assets net of depreciation	972,038	16,537	988,575	561,340
Capital assets, net	2,078,475	25,130	2,103,605	682,344
Total noncurrent assets	2,542,125	24,876	2,567,001	685,388
Total assets	2,771,347	36,349	2,807,696	1,001,280
Deferred outflows of resources:				
Deferred charge on refunding	3,229	1,983	5,212	4,018
Pension related	131,600	—	131,600	19,800
Total deferred outflows of resources	134,829	1,983	136,812	23,818
Current liabilities:				
Accounts payable	28,084	419	28,503	13,453
Accrued payroll liabilities	8,114	—	8,114	5,396
Accrued self insurance, current portion	4,287	—	4,287	99
Amounts held in trust	363	—	363	—
Unearned revenue	31,068	9	31,077	—
Tenant and other deposits	12,631	807	13,438	—
Accrued interest payable	2,884	622	3,506	2,418
Pollution remediation obligation, current portion	220	—	220	—
Capital lease obligations, current portion	265	—	265	—
Other long-term obligations, current portion, net of discount	24,667	461	25,128	13,916
Total current liabilities	112,583	2,318	114,901	35,282
Noncurrent liabilities:				
Accrued self insurance	—	—	—	375
Pollution remediation obligation	4,620	—	4,620	—
Capital lease obligations	270	—	270	—
Bond and bond anticipation notes payable, net of discount	84,448	—	84,448	200,419
Noncurrent portion of other long term obligations, net of discount	163,086	28,514	191,600	—
PERS net pension liability	250,283	—	250,283	38,730
Other postemployment benefits obligation	5,265	—	5,265	569
Total noncurrent portion of long-term obligations	507,972	28,514	536,486	240,093
Total liabilities	620,555	30,832	651,387	275,375
Deferred inflows of resources:				
Pension related	10,386	—	10,386	1,283
Net position:				
Net investment in capital assets	1,971,357	(1,713)	1,969,644	477,185
Restricted for:				
Law enforcement	37,414	—	37,414	—
Community support programs	3,247	—	3,247	—
Road maintenance, repair and improvement	37,516	—	37,516	—
Building inspection	18,588	—	18,588	—
Economic development	139	—	139	—
Land development	5,716	—	5,716	—
Community health programs	29,165	—	29,165	—
County fair, parks and tourism	3,027	—	3,027	—
Captive insurance	—	—	—	250
Debt service	44	3,089	3,133	19,504
Capital projects	140,028	—	140,028	107,270
Total restricted	274,884	3,089	277,973	127,024
Unrestricted	28,994	6,124	35,118	144,231
Total net position	\$ 2,275,235	7,500	2,282,735	748,440

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Activities

For the fiscal year ended June 30, 2017

(Dollars in thousands)

	Net Revenue (Expense) and Changes in Net Position							Component Unit Clean Water Services of Washington County (District)
	Program Revenue				Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities		
Functions/Programs:								
Primary Government:								
Governmental activities:								
General government	\$ 51,157	2,402	2,341	—	(46,414)	—	(46,414)	—
Public safety and justice	139,761	9,542	22,831	78	(107,310)	—	(107,310)	—
Land use and transportation	139,231	15,706	49,025	—	(74,500)	—	(74,500)	—
Housing, health and human services	71,283	21,033	40,216	—	(10,034)	—	(10,034)	—
Culture, education and recreation	37,597	1,655	578	—	(35,364)	—	(35,364)	—
Non-operating functional area	20,928	31,833	6,627	10,973	28,505	—	28,505	—
Interest	5,855	—	—	—	(5,855)	—	(5,855)	—
Total governmental activities	<u>465,812</u>	<u>82,171</u>	<u>121,618</u>	<u>11,051</u>	<u>(250,972)</u>	<u>—</u>	<u>(250,972)</u>	<u>—</u>
Business-type activities:								
Housing authority	34,683	8,997	26,818	319	—	1,451	1,451	—
Street lighting	1,953	1,619	—	—	—	(334)	(334)	—
Total business-type activities	<u>36,636</u>	<u>10,616</u>	<u>26,818</u>	<u>319</u>	<u>—</u>	<u>1,117</u>	<u>1,117</u>	<u>—</u>
Total primary government	<u>502,448</u>	<u>92,787</u>	<u>148,436</u>	<u>11,370</u>	<u>(250,972)</u>	<u>1,117</u>	<u>(249,855)</u>	<u>—</u>
Component Unit:								
Sanitation and surface water	\$ <u>114,698</u>	<u>137,186</u>	<u>—</u>	<u>37,499</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>59,987</u>
General revenues:								
Taxes:								
Property taxes, levied for general purposes					195,772	—	195,772	—
Property taxes, levied for debt service					4,077	—	4,077	—
Other taxes:								
Transient lodging tax					9,841	—	9,841	—
Real property transfer tax					7,108	—	7,108	—
County fuel tax					911	—	911	—
Other tax					66	—	66	—
Total taxes					<u>217,775</u>	<u>—</u>	<u>217,775</u>	<u>—</u>
Interest income					4,069	88	4,157	1,364
Miscellaneous revenues					3,022	—	3,022	—
Gain (loss) on equity in limited partnership/joint venture					—	371	371	(73)
Total general revenues					<u>224,866</u>	<u>459</u>	<u>225,325</u>	<u>1,291</u>
Transfers in (out)					<u>(163)</u>	<u>163</u>	<u>—</u>	<u>—</u>
Change in net position					<u>(26,269)</u>	<u>1,739</u>	<u>(24,530)</u>	<u>61,278</u>
Net position July 1, 2016					<u>2,301,504</u>	<u>5,761</u>	<u>2,307,265</u>	<u>687,162</u>
Net position June 30, 2017	\$ <u>2,275,235</u>	<u>7,500</u>	<u>2,282,735</u>	<u>748,440</u>				

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Balance Sheet

Governmental Funds

June 30, 2017

(Dollars in thousands)

Assets	General	HOME	Human	Road	Emergency	Major Streets	Other	Total
	Fund	Fund	Services	Fund	Communications	Transportation	Governmental	
			Fund		System	Program III	Funds	
Cash and investments	\$ 76,728	—	37,314	36,535	86,397	123,631	233,793	594,398
Restricted cash and investments	—	—	—	—	—	—	6,567	6,567
Property taxes receivable	6,366	—	—	—	—	—	3,108	9,474
Assessments receivable	—	—	—	126	—	—	101	227
Accounts receivable	4,992	10	411	3,086	—	3,891	9,733	22,123
Accrued interest receivable	2,578	3,103	—	—	—	—	247	5,928
Contracts receivable	—	25,489	—	—	—	—	4,553	30,042
Due from other funds	1,087	—	—	—	—	—	—	1,087
Inventory	93	—	—	121	—	—	—	214
Other assets	133	—	37	8	—	—	465	643
Total assets	91,977	28,602	37,762	39,876	86,397	127,522	258,567	670,703
Liabilities								
Accounts payable	2,876	—	2,074	3,630	197	8,588	7,795	25,160
Accrued payroll liabilities	4,882	4	236	685	—	—	2,235	8,042
Deposits payable	1,876	—	—	9,603	—	—	1,152	12,631
Amounts held in trust	335	—	—	8	—	—	20	363
Due to other funds	—	6	—	—	—	—	1,081	1,087
Unearned revenue	204	—	28,378	90	—	—	2,396	31,068
Total liabilities	10,173	10	30,688	14,016	197	8,588	14,679	78,351
Deferred Inflows of Resources								
Unavailable revenue	5,921	28,592	89	198	—	248	10,018	45,066
Total deferred inflows of resources	5,921	28,592	89	198	—	248	10,018	45,066
Fund Balances (Deficit)								
Nonspendable	93	—	—	121	—	—	—	214
Restricted	—	—	6,985	25,541	86,200	—	156,158	274,884
Committed	—	—	—	—	—	118,686	73,542	192,228
Assigned	7,718	—	—	—	—	—	4,183	11,901
Unassigned	68,072	—	—	—	—	—	(13)	68,059
Total fund balances	75,883	—	6,985	25,662	86,200	118,686	233,870	547,286
Total liabilities, deferred inflows of resources, and fund balances	\$ 91,977	28,602	37,762	39,876	86,397	127,522	258,567	670,703

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, 2017

(Dollars in thousands)

Fund balances - total governmental funds		\$ 547,286
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.		2,068,472
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		35
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		45,066
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	\$ 3,229	
Accrued interest payable	(2,884)	
Pollution remediation obligation	(4,840)	
Capital lease obligations	(535)	
Long-term obligations	(272,112)	
Other postemployment benefits obligation	<u>(5,198)</u>	(282,340)
The PERS net pension liability is not a financial obligation in the governmental funds, but is reported in the Statement of Net Position		(247,079)
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.		119,663
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>24,132</u>
Net Position of governmental activities		\$ <u><u>2,275,235</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, 2017

(Dollars in thousands)

	General Fund	HOME Fund	Human Services Fund	Road Fund	Emergency Communications System Fund	Major Streets Transportation Improvement Program III Fund	Other Governmental Funds	Total
Revenues:								
Taxes	\$ 140,129	—	—	911	—	—	75,424	216,464
Licenses and permits	7,546	—	—	248	—	—	6,446	14,240
Intergovernmental revenues	26,608	658	17,304	30,971	—	10,197	44,298	130,036
Charges for services	27,717	—	6	1,068	—	—	29,604	58,395
Fines and forfeitures	2,443	—	—	—	—	—	516	2,959
Special assessments	—	—	—	25	—	—	129	154
Miscellaneous revenues	4,841	1,111	213	595	691	2,752	31,303	41,506
Interfund revenues	24,516	—	119	7,647	—	—	3,656	35,938
Total revenues	233,800	1,769	17,642	41,465	691	12,949	191,376	499,692
Expenditures:								
Current:								
General government	47,026	—	—	—	—	—	—	47,026
Public safety and justice	69,106	—	—	—	—	—	94,317	163,423
Land use and transportation	4,129	—	—	36,985	—	50,014	32,207	123,335
Housing, health and human services	18,785	1,769	20,686	—	—	—	30,437	71,677
Culture, education and recreation	1,249	—	—	—	—	—	35,516	36,765
Nonoperating	2,948	—	—	—	805	—	467	4,220
Total current	143,243	1,769	20,686	36,985	805	50,014	192,944	446,446
Capital outlay	498	—	96	373	1,952	4,861	22,162	29,942
Debt service:								
Principal	219	—	—	—	—	—	6,526	6,745
Interest	17	—	—	—	—	—	4,698	4,715
Debt issuance costs	—	—	—	—	377	216	278	871
Total debt service	236	—	—	—	377	216	11,502	12,331
Total expenditures	143,977	1,769	20,782	37,358	3,134	55,091	226,608	488,719
Revenues over (under) expenditures	89,823	—	(3,140)	4,107	(2,443)	(42,142)	(35,232)	10,973
Other financing sources (uses):								
Proceeds from debt	—	—	—	—	88,643	53,579	67,918	210,140
Transfers in from other funds	1,767	—	4,355	1,082	—	40,041	52,305	99,550
Transfers out to other funds	(83,020)	—	—	(3,515)	—	(1,271)	(11,907)	(99,713)
Total other financing sources (uses)	(81,253)	—	4,355	(2,433)	88,643	92,349	108,316	209,977
Net changes in fund balances	8,570	—	1,215	1,674	86,200	50,207	73,084	220,950
Fund balances July 1, 2016	67,313	—	5,770	23,988	—	68,479	160,786	326,336
Fund balances June 30, 2017	\$ 75,883	—	6,985	25,662	86,200	118,686	233,870	547,286

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, 2017

(Dollars in thousands)

Net change in fund balances - Governmental Funds \$ 220,950

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.

Additions net of disposals for capital assets	\$ 73,922	
Current year depreciation expense	<u>(82,050)</u>	(8,128)

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

Issuance of long-term debt	(184,925)	
Premium on long-term debt	(25,215)	
Repayment of long-term debt and capital lease obligations	6,745	
Amortization of premiums and related deferred charges	<u>1,494</u>	(201,901)

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. (7,694)

Change in other long-term assets not available to pay for current period expenditures (99)

Change in accrued interest payable (2,634)

Change in PERS net pension liability and related deferred items (23,276)

Change in other postemployment benefits obligation 264

Change in pollution remediation obligation (3,937)

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. 186

Change in net position \$ (26,269)

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Net Position - Proprietary Funds

June 30, 2017

(Dollars in thousands)

	Enterprise Funds			Internal Service Funds
	Housing Authority of Washington County	Service District for Lighting No. 1	Total	
Assets				
Current assets:				
Cash and investments	\$ 5,825	1,182	7,007	22,675
Restricted cash and investments	3,896	—	3,896	181
Assessments receivable	—	96	96	—
Accounts receivable - net of allowance for uncollectibles	532	—	532	22
Short-term portion of contracts receivable	4	—	4	—
Supply inventory	—	—	—	335
Other current assets	29	—	29	8
Total current assets	10,286	1,278	11,564	23,221
Noncurrent assets:				
Long-term portion of contracts receivable	262	—	262	—
Capital assets:				
Land, artwork, CIP, and other assets not being depreciated	8,593	—	8,593	—
Buildings and equipment and infrastructure, net of depreciation	16,537	—	16,537	10,003
Investment in limited partnership	799	—	799	—
Total noncurrent assets	26,191	—	26,191	10,003
Total assets	36,477	1,278	37,755	33,224
Deferred Outflows of Resources				
Deferred charge on refunding Pension related	1,983	—	1,983	—
	—	—	—	1,684
Total deferred outflows of resources	1,983	—	1,983	1,684
Liabilities				
Current liabilities:				
Accounts payable	268	151	419	2,924
Accrued payroll liabilities	—	—	—	161
Accrued self-insurance	—	—	—	4,287
Deposits	807	—	807	—
Unearned revenue	9	—	9	—
Accrued interest payable	622	—	622	—
Long term obligations, current portion, net of discount	552	—	552	—
Total current liabilities	2,258	151	2,409	7,372
Noncurrent liabilities:				
Other long term obligations	29,829	—	29,829	—
PERS net pension liability	—	—	—	3,204
Net other postemployment benefits obligation	—	—	—	67
Total noncurrent liabilities	29,829	—	29,829	3,271
Total liabilities	32,087	151	32,238	10,643
Deferred Inflows of Resources				
Pension related	—	—	—	133
Net Position				
Net position:				
Net investment in capital assets	(1,713)	—	(1,713)	10,003
Restricted for:				
Debt service	3,089	—	3,089	—
Payment of claims	—	—	—	181
Unrestricted	4,997	1,127	6,124	13,948
Total net position	\$ 6,373	1,127	7,500	24,132

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, 2017

(Dollars in thousands)

	Enterprise Funds			Internal Service Funds
	Housing Authority of Washington County	Service District for Lighting No. 1	Total	
Operating revenues:				
Charges for services	\$ —	—	—	41,155
Intergovernmental revenue	26,818	—	26,818	—
Rental income	5,993	—	5,993	—
Street lighting assessments	—	1,619	1,619	—
Other	3,004	—	3,004	1,019
Total operating revenues	35,815	1,619	37,434	42,174
Operating expenses:				
Labor and fringe benefits	—	—	—	2,375
Housing assistance payments	24,028	—	24,028	—
Utilities	681	1,787	2,468	24
Professional services	—	—	—	273
Supplies	—	1	1	2,210
Administrative costs	3,867	165	4,032	1,888
Depreciation and amortization	1,661	—	1,661	1,835
Insurance claims and premiums	—	—	—	32,726
Repairs and maintenance	2,591	—	2,591	859
Other	348	—	348	—
Total operating expenses	33,176	1,953	35,129	42,190
Operating income (loss)	2,639	(334)	2,305	(16)
Nonoperating income (expense):				
Interest income	80	8	88	95
Investment in limited partnership	371	—	371	—
Gain on sale of capital assets	—	—	—	107
Interest expense	(1,507)	—	(1,507)	—
Total nonoperating income (expense)	(1,056)	8	(1,048)	202
Change in net position before contributions and transfers	1,583	(326)	(2,555)	186
Contributions and transfers:				
Capital contributions	319	—	319	—
Transfers in from Governmental Funds	170	—	170	—
Transfers out to Governmental Funds	—	(7)	(7)	—
Total contributions and transfers	489	(7)	482	—
Change in net position	2,072	(333)	1,739	186
Net position July 1, 2016	4,301	1,460	5,761	23,946
Net position June 30, 2017	\$ <u>6,373</u>	<u>1,127</u>	<u>7,500</u>	<u>24,132</u>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON
Statement of Cash Flows - Proprietary Funds
For the fiscal year ended June 30, 2017
(Dollars in thousands)

	Enterprise Funds			Internal Service Funds
	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	\$ 35,813	1,620	37,433	41,200
Cash payments for labor and fringe benefits	(3,655)	—	(3,655)	(2,023)
Cash payments for goods and services	(27,816)	(1,942)	(29,758)	(35,223)
Other operating revenue	—	—	—	1,337
Net cash provided by operating activities	<u>4,342</u>	<u>(322)</u>	<u>4,020</u>	<u>5,291</u>
Cash flows provided by (used in) capital and related financing activities:				
Proceeds of borrowings	72	—	72	—
Acquisition and construction of capital assets	(512)	—	(512)	(2,474)
Proceeds from sale of capital assets	—	—	—	273
Proceeds from contracts receivable	52	—	52	—
Principal paid on notes payable	(526)	—	(526)	—
Interest paid on bonds and notes payable	(1,352)	—	(1,352)	—
Capital grants	319	—	319	—
Net cash used in capital and related financing activities	<u>(1,947)</u>	<u>—</u>	<u>(1,947)</u>	<u>(2,201)</u>
Cash flows provided by investing activities:				
Interest on investments	80	8	88	95
Net increase (decrease) in cash and investments	<u>2,475</u>	<u>(314)</u>	<u>2,161</u>	<u>3,185</u>
Cash and investments, July 1, 2016	<u>7,246</u>	<u>1,496</u>	<u>8,742</u>	<u>19,671</u>
Cash and investments, June 30, 2017 ⁽¹⁾	<u><u>9,721</u></u>	<u><u>1,182</u></u>	<u><u>10,903</u></u>	<u><u>22,856</u></u>
Reconciliation of operating income to net cash from operating activities:				
Operating income (loss)	2,639	(334)	2,305	(16)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	1,661	—	1,661	1,835
Transfers in (out) to governmental funds	170	(7)	163	—
Changes in assets and liabilities:				
Increase (decrease) in accounts receivable	(126)	—	(126)	364
Decrease in assessments receivable	—	1	1	—
Decrease in supply inventory	—	—	—	3
Increase in other current assets	—	—	—	(1,395)
Increase (decrease) in accounts payable	(32)	18	(14)	2,504
Increase in deposits	77	—	77	—
Decrease in unearned revenue	(47)	—	(47)	—
Increase in accrued liabilities	—	—	—	1,996
Net cash provided by operating activities	<u><u>4,342</u></u>	<u><u>(322)</u></u>	<u><u>4,020</u></u>	<u><u>5,291</u></u>

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

Current assets - Cash and investments	5,825	1,182	7,007	22,675
Current assets - Restricted cash and investments	<u>3,896</u>	<u>—</u>	<u>3,896</u>	<u>181</u>
	<u>\$ 9,721</u>	<u>1,182</u>	<u>10,903</u>	<u>22,856</u>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Fiduciary Net Position

June 30, 2017

(Dollars in thousands)

	Private- Purpose Trust Funds	Agency Funds
Assets		
Cash and investments	\$ 150	6,071
Accounts receivable	—	1,287
Property taxes receivable	—	37,324
Total assets	<u>150</u>	<u>44,682</u>
Liabilities		
Accounts payable	—	1,739
Amounts due to other jurisdictions	—	5,619
Undistributed taxes	—	37,324
Total liabilities	<u>—</u>	<u>44,682</u>
Net position		
Amounts held in trust and other purposes	<u>\$ 150</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, 2017
(Dollars in thousands)

	<u>Private- Purpose Trust Funds</u>
Additions:	
Intergovernmental revenues	\$ 1,198
Contributions	242
Interest earnings	<u>1</u>
Total additions	<u>1,441</u>
Deductions:	
Distributions	<u>1,540</u>
Change in net position	(99)
Net position July 1, 2016	<u>249</u>
Net position June 30, 2017	<u><u>\$ 150</u></u>

See accompanying notes to basic financial statements.

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WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(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, 2017

(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). The General Manager of the District currently serves as the Executive Director for CWI. One of the District's Board Members currently serves on CWI's Board.

CWI is a nonprofit 501(c)(3) formed to advance watershed restoration and resource recovery through innovative strategies and to promote scientific research, education, and environmental protection activities that benefit watersheds throughout the country and around the world. For the fiscal year ended June 30, 2017, 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, 2017

(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 of the non-fiduciary activities of the County and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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 to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

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

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

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

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

The *Emergency Communications System Fund* accounts for the proceeds from the general obligation bonds, approved by voters in the May 2016 election, for the Emergency Communications System project.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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 *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 particular functions or activities.

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

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

Internal Service Funds account for fleet, insurance, central mail and printing services provided to other organizational units of the County on a cost reimbursement basis. Charges to other County operating departments are made to support these activities. For budgetary purposes the County accounts for certain expenditures on the modified accrual basis of accounting. For financial reporting purposes, the accrual basis of accounting is used. The differences relate primarily to the methods of accounting for depreciation, capital outlay, PERS net pension liability, and OPEB obligations. Effects of these transactions are substantially eliminated in the government-wide statements because the net operating income is proportionately distributed back to each of the funds' customers.

The *Private Purpose Trust Funds* account for all trust agreement transactions, under which all principal and income benefit individuals, private organizations, or other governments.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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

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

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

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

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

Deposits and investments

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Receivables and payables

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

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

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

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

Inventories and prepaid items

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Capital assets

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

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

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

Capital asset items purchased, by the District, are valued at estimated historical cost if actual historical cost is not available. Contributed capital assets are recorded at 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.

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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

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

Investment in joint ventures - District

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

Deferred outflows/inflows of resources

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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

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

Pension related. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. Pension related deferred outflows of resources relate to the County's pension plan 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. Pension related deferred inflows of resources consist of differences between employer contributions and the County's proportionate share of contributions and changes in proportionate share.

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, 2017

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

The County is fully self-insured for unemployment, workers' compensation benefits, and losses resulting from torts, errors and omissions. The County carries excess workers' compensation coverage for individual claims exceeding \$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, 2017

(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.
- 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 nonspendable, restricted, or committed by formal written notice. Authority to assign fund balance is granted by the Board of County Commissioners to the County Administrator, Chief Finance Officer, or their designee, and such authority may only be established, modified, or rescinded by the Board.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any residual fund deficits as unassigned.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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

Fund balances by classification for the year ended June 30, 2017 were as follows:

	General Fund	Human Services Fund	Road Fund	Emergency Communications System Fund	Major Streets Transportation Improvement Program III Fund	Other Governmental Funds	Total
Fund balances (deficit):							
Nonspendable:							
Inventory	\$ 93	—	121	—	—	—	214
Total nonspendable fund balances	93	—	121	—	—	—	214
Restricted for:							
Law enforcement	—	—	—	—	—	37,414	37,414
Community support programs	—	—	—	—	—	3,247	3,247
Road maintenance, repair and improvement	—	—	25,541	—	—	11,975	37,516
Building inspection	—	—	—	—	—	18,588	18,588
Economic development	—	—	—	—	—	139	139
Land development	—	—	—	—	—	5,716	5,716
Community health programs	—	6,985	—	—	—	22,180	29,165
County fair, parks and tourism	—	—	—	—	—	3,027	3,027
Debt service	—	—	—	—	—	44	44
Capital projects	—	—	—	86,200	—	53,828	140,028
Total restricted fund balances	—	6,985	25,541	86,200	—	156,158	274,884
Committed to:							
Air quality	—	—	—	—	—	462	462
Library operations	—	—	—	—	—	9,382	9,382
Capital projects	—	—	—	—	118,686	63,698	182,384
Total committed fund balances	—	—	—	—	118,686	73,542	192,228
Assigned to:							
Land development	1,086	—	—	—	—	—	1,086
PERS rate stabilization	6,632	—	—	—	—	—	6,632
Capital projects	—	—	—	—	—	4,183	4,183
Total assigned fund balances	7,718	—	—	—	—	4,183	11,901
Unassigned	68,072	—	—	—	—	(13)	68,059
Total fund balances	<u>75,883</u>	<u>6,985</u>	<u>25,662</u>	<u>86,200</u>	<u>118,686</u>	<u>233,870</u>	<u>547,286</u>
Fund balances (deficit) summary:							
Nonspendable	93	—	121	—	—	—	214
Restricted	—	6,985	25,541	86,200	—	156,158	274,884
Committed	—	—	—	—	118,686	73,542	192,228
Assigned	7,718	—	—	—	—	4,183	11,901
Unassigned	68,072	—	—	—	—	(13)	68,059
Total fund balances	<u>\$ 75,883</u>	<u>6,985</u>	<u>25,662</u>	<u>86,200</u>	<u>118,686</u>	<u>233,870</u>	<u>547,286</u>

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

2. Stewardship, compliance, and accountability

Budgetary information

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

3. Detailed notes on all accounts

Deposits and investments

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

County, Blended Component Units and Fiduciary Funds

Cash and investments are comprised of the following at June 30, 2017:

Petty cash	\$	40
Deposits		3,977
Investments		<u>636,928</u>
		<u>640,945</u>

Cash and investments are reported as follows:

Unrestricted:		
Cash and investments		624,080
Restricted for:		
Contractor working capital, construction, and payment of bond debt service		<u>10,644</u>
Primary government cash and investments		634,724
Fiduciary Funds		<u>6,221</u>
	\$	<u>640,945</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

District – Discretely Presented Component Unit

Cash and investments are comprised of the following at June 30, 2017:

Petty cash	\$	4
Deposits		669
Deposits with CWIC		678
Investments		<u>293,231</u>
		<u><u>294,582</u></u>

Cash and investments are reported as follows:

Unrestricted:		
Cash and investments		158,170
Restricted for:		
Contractor working capital, construction, and payment of bond debt service		<u>136,412</u>
	\$	<u><u>294,582</u></u>

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

Governmental Funds	\$	600,965
Internal Service Funds		22,856
Enterprise Funds		10,903
District		294,582
Fiduciary Funds		<u>6,221</u>
	\$	<u><u>935,527</u></u>

Deposits custodial credit risk – County and Blended Component Units

This is the risk that in the event of a bank failure, deposits of the County and its blended component units' deposits may not be returned to them. At June 30, 2017, the carrying amount of the County and its blended component units' deposits was \$3,977 and the bank balance was \$12,810. \$470 of the bank balance was covered by the Federal Depository Insurance Corporation (FDIC). As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result the County and blended component units' remaining deposits in excess of FDIC insurance are considered to be fully collateralized.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(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, 2017, the carrying amount of the District’s deposits (including CWIC) was \$1,347 and the bank balance was \$4,339. \$317 of the bank balance was covered by the Federal Depository Insurance Corporation (FDIC). As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds, except for the deposits held by CWIC. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result, the District had \$3,594 in deposits in excess of FDIC insurance considered fully collateralized and \$428 not insured or collateralized.

Interest rate risk – County and Blended Component Units

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

Maturity	Minimum Allowed	Actual
Less than 90 days	10%	10%
Less than 1 year	25%	30%
5 years or less	100%	100%
	Maximum Allowed	Actual
Weighted Average Maturity	2.5 years	1.8 years
Callable Agency Securities	25%	8%

Interest rate risk – District

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

Investment credit risk – County and Blended Component Units

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Services = minimum Aa3. The following information includes Fiduciary Funds investments of \$6,221. 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>
Federal agency coupon securities	\$ -	255,755	122,441	-	-	-	378,196	60%
Corporate notes	4,060	10,256	-	13,716	3,399	-	31,431	5%
Treasury coupon securities	-	180,650	-	-	-	-	180,650	28%
State of Oregon Local Government Investment Pool (LGIP)	-	-	-	-	-	46,651	46,651	7%
Total Investments	\$ 4,060	446,661	122,441	13,716	3,399	46,651	636,928	100%

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, 2017:

- Federal agency coupon securities of \$378,196 are valued using quoted market prices (Level 1 inputs)
- Corporate notes of \$31,431 are valued using quoted market prices (Level 1 inputs)
- Treasury coupon securities of \$180,650 are valued using quoted market prices (Level 1 inputs)

The State of Oregon Local Government Investment Pool (LGIP) is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the LGIP's investment policies. The State Treasurer is the investment officer for the LGIP and is responsible for all funds in the LGIP. These funds must be invested and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-term Fund Board. The following table outlines the LGIP's investment maturities at June 30, 2017.

<u>LGIP Maturity</u>	<u>per Policy</u>	<u>Actual</u>
Up to 93 days	Minimum of 50%	65%
94 days to 1 year	Maximum of 25%	20%
1 to 3 years	Maximum of 25%	15%

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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:

Rating by Standard & Poor's Investment Service	AAA	AA+	AA+	AA+	AA+	Not Rated	Total Invested Value	Percent Allocation
Federal agency coupon securities	\$ -	117,784	56,357	-	-	-	174,141	60%
Corporate notes	1,869	4,720	-	6,313	1,565	-	14,467	5%
Treasury coupon securities	-	83,150	-	-	-	-	83,150	28%
State of Oregon Local Government Investment Pool (LGIP)	-	-	-	-	-	21,473	21,473	7%
Total Investments	\$ 1,869	205,654	56,357	6,313	1,565	21,473	293,231	100%

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, 2017:

- Federal agency coupon securities of \$174,141 are valued using quoted market prices (Level 1 inputs)
- Corporate notes of \$14,467 are valued using quoted market prices (Level 1 inputs)
- Treasury coupon securities of \$83,150 are valued using quoted market prices (Level 1 inputs)

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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, 2017:

	<u>Accounts Receivable</u>	<u>Intergovernmental Revenues Receivable</u>	<u>Total</u>
General Fund	\$ 2,409	2,583	4,992
HOME Fund	10	-	10
Human Services Fund	-	411	411
Road Fund	378	2,708	3,086
MSTIP III Fund	3,891	-	3,891
Other Governmental Funds	5,844	3,889	9,733
Total governmental funds	12,532	9,591	22,123
Internal Service Funds	21	1	22
Fiduciary Funds	592	695	1,287
Total accounts receivable	\$ 13,145	10,287	23,432

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, 2017, the allowance was \$340.

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, 2017, the total deferred charge on refunding for the County was \$5,212.

Pension related. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

System (OPERS), and additions to/deductions from OPERS’s fiduciary net position have been determined on the same basis as they are reported by OPERS. Investments are reported at fair value. At June 30, 2017, the County reported pension related deferred outflows of resources of \$131,600 and pension related deferred inflows of resources of \$10,386.

Unavailable revenue. The item that qualifies in this category is the unavailable revenue reported in the governmental funds balance sheet. Unavailable revenue is largely made up of property taxes and contracts and is deferred and recognized as an inflow of resources in the period that the amounts become available. The various components of unavailable revenue reported in the governmental funds balance sheet is as of June 30, 2017, were as follows:

	<u>Property</u>		<u>Contracts</u>	<u>Accounts</u>	
	<u>Taxes</u>	<u>Assessments</u>	<u>Receivable</u>	<u>Receivable</u>	<u>Total</u>
General Fund	\$ 5,883	-	-	38	5,921
HOME Fund	-	-	28,592	-	28,592
Human Services Fund	-	-	-	89	89
Road Fund	-	126	-	72	198
MSTIP III	-	-	-	248	248
Other Governmental Funds	2,863	96	4,829	2,230	10,018
Total unavailable revenue \$	<u>8,746</u>	<u>222</u>	<u>33,421</u>	<u>2,677</u>	<u>45,066</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, 2017, the total deferred charge on refunding for the District was \$4,018.

Pension related. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS’s fiduciary net position have been determined on the same basis as they are reported by OPERS. Investments are reported at fair value. At June 30, 2017, the District reported pension related deferred outflows of resources of \$19,800 and pension related deferred inflows of resources of \$1,283.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Capital assets

Capital asset activity for governmental activities for the year ended June 30, 2017 was as follows:

	<u>Governmental Activities</u>				
	<u>Balance July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	
Capital assets not being depreciated:					
Land	\$ 981,113	9,668	(3,445)	-	987,336
Artwork	351	13	-	-	364
Construction in progress	91,062	57,021	(261)	(29,085)	118,737
Total capital assets not being depreciated	<u>1,072,526</u>	<u>66,702</u>	<u>(3,706)</u>	<u>(29,085)</u>	<u>1,106,437</u>
Capital assets being depreciated:					
Land improvements	5,061	-	-	-	5,061
Buildings and improvements	160,196	5,772	-	-	165,968
Machinery and equipment	53,960	4,068	(1,979)	-	56,049
Road network	1,865,576	3,251	(515)	25,084	1,893,396
Bridge network	106,532	-	-	-	106,532
Culverts	16,804	-	-	1,142	17,946
Signals	65,636	549	-	2,859	69,044
Total capital assets being depreciated	<u>2,273,765</u>	<u>13,640</u>	<u>(2,494)</u>	<u>29,085</u>	<u>2,313,996</u>
Less accumulated depreciation for:					
Land improvements	(4,138)	(179)	-	-	(4,317)
Building and improvements	(67,245)	(4,063)	-	-	(71,308)
Machinery and equipment	(37,489)	(3,997)	1,798	-	(39,688)
Road network	(1,055,362)	(68,718)	290	-	(1,123,790)
Bridge network	(37,530)	(2,033)	-	-	(39,563)
Culverts	(6,472)	(376)	-	-	(6,848)
Signals	(51,925)	(4,519)	-	-	(56,444)
Total accumulated depreciation	<u>(1,260,161)</u>	<u>(83,885)</u>	<u>2,088</u>	<u>-</u>	<u>(1,341,958)</u>
Total capital assets being depreciated, net	<u>1,013,604</u>	<u>(70,245)</u>	<u>(406)</u>	<u>29,085</u>	<u>972,038</u>
Governmental activities capital assets, net	\$ <u>2,086,130</u>	<u>(3,543)</u>	<u>(4,112)</u>	<u>-</u>	<u>2,078,475</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 2,401
Public safety and justice	4,174
Land use and transportation	76,739
Housing, health and human services	185
Culture, education, and recreation	386
Total depreciation expense	\$ <u>83,885</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Capital asset activity for business-type activities for the year ended June 30, 2017 was as follows:

	<u>Business-type Activities</u>		
	<u>Balance</u>		<u>Balance</u>
	<u>July 1, 2016</u>	<u>Increases</u>	<u>June 30, 2017</u>
Capital assets not being depreciated:			
Land	\$ 8,296	284	8,580
Construction in progress	7	6	13
Total capital assets not being depreciated	<u>8,303</u>	<u>290</u>	<u>8,593</u>
Capital assets being depreciated:			
Buildings and improvements	48,262	202	48,464
Vehicles	286	20	306
Office equipment	108	-	108
Total capital assets being depreciated	<u>48,656</u>	<u>222</u>	<u>48,878</u>
Less accumulated depreciation for:			
Buildings and improvements	(30,365)	(1,640)	(32,005)
Vehicles	(207)	(21)	(228)
Office equipment	(108)	-	(108)
Total accumulated depreciation	<u>(30,680)</u>	<u>(1,661)</u>	<u>(32,341)</u>
Total capital assets being depreciated, net	<u>17,976</u>	<u>(1,439)</u>	<u>16,537</u>
Business-type activities capital assets, net	<u>\$ 26,279</u>	<u>(1,149)</u>	<u>25,130</u>
Depreciation expense was charged to functions as follows:			
Business-type activities:			
Housing		\$ <u>1,661</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Capital asset activity for the District for the year ended June 30, 2017 was as follows:

	District activities				
	Balance				Balance
	July 1, 2016	Increases	Decreases	Transfers	June 30, 2017
Capital assets not being depreciated:					
Land	\$ 25,362	2,845	(5)	432	28,634
Construction in progress	107,482	56,653	(1,363)	(70,402)	92,370
Total capital assets not being depreciated	<u>132,844</u>	<u>59,498</u>	<u>(1,368)</u>	<u>(69,970)</u>	<u>121,004</u>
Capital assets being depreciated:					
Buildings and improvements	250,926	4,642	(19)	9,471	265,020
Treatment plants	617,097	-	-	39,031	656,128
Sewer lines	239,495	1,961	(115)	6,305	247,646
Plant equipment	88,300	-	-	13,652	101,952
Automotive equipment	11,100	-	(68)	1,142	12,174
Plans and studies	15,969	-	-	1	15,970
Office equipment	13,018	-	-	326	13,344
Total capital assets being depreciated	<u>1,235,905</u>	<u>6,603</u>	<u>(202)</u>	<u>69,928</u>	<u>1,312,234</u>
Less accumulated depreciation for:					
Buildings and improvements	(143,126)	(8,137)	18	-	(151,245)
Treatment plants	(386,537)	(20,338)	-	-	(406,875)
Sewer lines	(84,559)	(4,865)	-	-	(89,424)
Plant equipment	(61,277)	(6,329)	106	-	(67,500)
Automotive equipment	(9,673)	(618)	68	-	(10,223)
Plans and studies	(12,997)	(143)	-	42	(13,098)
Office equipment	(12,165)	(364)	-	-	(12,529)
Total accumulated depreciation	<u>(710,334)</u>	<u>(40,794)</u>	<u>192</u>	<u>42</u>	<u>(750,894)</u>
Total capital assets being depreciated, net	<u>525,571</u>	<u>(34,191)</u>	<u>(10)</u>	<u>69,970</u>	<u>561,340</u>
Component-type activities capital assets, net	\$ <u>658,415</u>	<u>25,307</u>	<u>(1,378)</u>	<u>-</u>	<u>682,344</u>
Depreciation expense was charged to functions as follows:					
Component activities:					
Sanitation	\$ 35,285				
Surface Water Management	5,509				
Total depreciation expense	<u>40,794</u>				
Decrease in construction in progress is comprised of:					
Items ineligible for capitalization		<u>(1,363)</u>			
Total decrease in construction in progress	\$ <u>(1,363)</u>				

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Investment in Partnership – Authority

The investment in partnership for the Authority represents the Authority's equity interest in the Quatama Housing Limited Partnership (Partnership). This investment is 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. The investment in the Partnership of \$799 was recorded as of December 31, 2016, which is the latest available audited financial statements of the Partnership.

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 \$2,418.

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, 2017

(Dollars in thousands)

Long-term obligations

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

	<u>Balance</u>			<u>Balance</u>	<u>Due In</u>	<u>Long-term</u>
	<u>July 1, 2016</u>	<u>Increase</u>	<u>Decreases</u>	<u>June 30, 2017</u>	<u>One Year</u>	<u>portion</u>
Governmental activities:						
Compensated absences	\$ 9,526	10,161	9,526	10,161	10,161	-
Contracts Payable						
US Dept of Interior	290	-	22	268	22	246
Subtotal Contracts Payable	290	-	22	268	22	246
Notes Payable						
State of Oregon, Econ. Dev. Dept.	705	-	127	578	133	445
City of Cornelius	50	-	50	-	-	-
Full Faith & Credit Obligations						
Series 2004	1,010	-	325	685	335	350
Series 2013 - Refunding	18,525	-	1,580	16,945	1,600	15,345
Series 2016 - Refunding	31,600	-	2,635	28,965	2,870	26,095
Series 2016 B	-	107,925	-	107,925	5,820	102,105
Subtotal Notes and FFCO	51,890	107,925	4,717	155,098	10,758	144,340
General Obligation Bonds						
Series 2016 A (Taxable)	-	5,000	1,600	3,400	1,405	1,995
Series 2016 B (Tax-Exempt)	-	72,000	-	72,000	-	72,000
Subtotal GO	-	77,000	1,600	75,400	1,405	73,995
Total Contracts, Notes, FFCO and GO	52,180	184,925	6,339	230,766	12,185	218,581
Total governmental activities	\$ 61,706	195,086	15,865	240,927	22,346	218,581
				Unamortized bond premium		
				31,274	2,321	28,953
				<u>272,201</u>	<u>24,667</u>	<u>247,534</u>
From the Statement of Net Position:						
Other long-term obligations, current portion, net of premium				24,667		
Bond and bond anticipation notes payable, net of premium				84,448		
Noncurrent portion of other long term obligations, net of premium				<u>163,086</u>		
Total governmental activities				<u>272,201</u>		

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(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, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>	<u>One Year</u>	<u>portion</u>
Business-type activities:						
Notes Payable						
Farmers Home Administration	\$ 319	-	5	314	5	309
State of Oregon	18	-	11	7	7	-
Office of Community Development ⁽¹⁾	649	-	-	649	-	649
HOME Contracts ⁽¹⁾	1,104	-	382	722	56	666
Washington County IGA ⁽¹⁾	134	-	99	35	35	-
Berkadia Bank Mortgage 2014	2,059	-	29	2,030	30	2,000
Community Housing Fund	-	72	-	72	-	72
Subtotal notes payable	<u>4,283</u>	<u>72</u>	<u>526</u>	<u>3,829</u>	<u>133</u>	<u>3,696</u>
Housing Authority FFCO						
Series 2009 - Refunding	26,740	-	-	26,740	435	26,305
Total Notes and FFCO	<u>31,023</u>	<u>72</u>	<u>526</u>	<u>30,569</u>	<u>568</u>	<u>30,001</u>
Total business-type activities	\$ <u>31,023</u>	<u>72</u>	<u>526</u>	30,569	568	30,001
				<u>(188)</u>	<u>(16)</u>	<u>(172)</u>
				<u>30,381</u>	<u>552</u>	<u>29,829</u>
Housing Authority Notes Payable to County, current portion ⁽¹⁾				91		
Other long-term obligations, current portion, net of discount				<u>461</u>		
Total long term obligations, current portion, net of discount				<u>552</u>		
Housing Authority Notes Payable to County, noncurrent portion ⁽¹⁾				1,315		
Noncurrent portion of other long term obligations, net of discount				<u>28,514</u>		
Total other long term obligations, noncurrent portion				<u>29,829</u>		
Total business-type activities				<u>30,381</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, 2017

(Dollars in thousands)

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

	<u>Balance</u> <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Due In</u> <u>One Year</u>	<u>Long-term</u> <u>portion</u>
District activities:						
Compensated absences	\$ 2,329	2,276	2,329	2,276	2,276	-
Sewer Revenue Bonds						
2004 Refunding of 1996 Bonds	3,860	-	3,860	-	-	-
Series A 2009	50,860	-	41,465	9,395	2,975	6,420
Series B 2010	90,260	-	3,300	86,960	3,385	83,575
Series A 2011	19,820	-	2,915	16,905	3,060	13,845
Series B 2011	44,890	-	1,815	43,075	1,890	41,185
Series A 2016	-	33,225	-	33,225	-	33,225
Revenue Pension Bonds						
Series 2004	14,000	-	565	13,435	660	12,775
Total bonds	<u>223,690</u>	<u>33,225</u>	<u>53,920</u>	<u>202,995</u>	<u>11,970</u>	<u>191,025</u>
Total district activities	\$ <u>226,019</u>	<u>35,501</u>	<u>56,249</u>	205,271	14,246	191,025
				Unamortized bond premium		
				11,340	1,946	9,394
				<u>216,611</u>	<u>16,192</u>	<u>200,419</u>
District compensated absences (recorded in business-type activities as an accrued payroll liability)				2,276		
Other long-term obligations, current portion, net of discount				<u>13,916</u>		
Total current				16,192		
Noncurrent portion of other long term obligations, net of discount				<u>200,419</u>		
Total district activities				<u>216,611</u>		

Governmental Activities

Contract Payable

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2018	\$ 22	9	3.500%
2019	22	9	3.500%
2020	22	8	3.500%
2021	22	7	3.500%
2022	22	6	3.500%
2023 - 2027	111	20	3.500%
2028 - 2029	47	2	3.500%
	\$ <u>268</u>	<u>61</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(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>
2018	\$	133	31	5.280%
2019		139	24	5.280%
2020		150	17	5.280%
2021		156	9	5.280%
	\$	<u>578</u>	<u>81</u>	

City of Cornelius - In July 2014, the County acquired six patrol cars from the City of Cornelius as a part of an intergovernmental agreement for the Sheriff’s Office to provide law enforcement services to the City. In order to purchase the patrol cars, the County issued a note with the City for \$150. This loan was paid in full in during fiscal year 2017.

Full Faith and Credit Obligations

Series 2004 - In May 2004, Full Faith & Credit obligations were issued for \$3,925. These obligations were issued to refinance the 1993 Certificates of Participation originally issued to provide funding for the completion of the Juvenile Justice/Law Library building, construction of a new animal shelter, and completion of several information services projects. The final maturity is in July 2018. Detail obligation and interest rates follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>
2018	\$	335	24
2019		350	8
	\$	<u>685</u>	<u>32</u>

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:

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2018	\$ 1,600	616	1.500%
2019	1,620	592	1.500%
2020	1,710	511	5.000%
2021	1,795	425	5.000%
2022	1,885	336	5.000%
2023 - 2026	8,335	533	2.125 - 5.000%
	<u>\$ 16,945</u>	<u>3,013</u>	

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>
2018	\$ 2,870	1,448	5.000%
2019	3,155	1,305	5.000%
2020	3,460	1,147	5.000%
2021	3,790	974	5.000%
2022	2,525	785	5.000%
2023 - 2026	13,165	1,728	5.000%
	<u>\$ 28,965</u>	<u>7,387</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>
2018	\$ 5,820	6,217	5.000%
2019	7,240	4,843	5.000%
2020	7,650	4,481	5.000%
2021	8,085	4,098	5.000%
2022	8,545	3,694	5.000%
2023 - 2027	49,740	11,349	4.000 - 5.000%
2028 - 2032	20,845	2,685	4.000 - 5.000%
	<u>\$ 107,925</u>	<u>37,367</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

General Obligation Bonds

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2018	\$ 1,405	126	1.000%
2019	1,585	75	1.000%
2020	410	15	1.200%
	\$ <u>3,400</u>	<u>216</u>	

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>
2018	\$ -	2,662	5.000%
2019	-	2,698	5.000%
2020	1,370	2,742	5.000%
2021	2,030	2,684	5.000%
2022	2,320	2,582	5.000%
2023 - 2027	16,790	10,841	5.000%
2028 - 2032	27,395	6,215	2.000 - 5.000%
2033 - 2035	22,095	1,471	3.250%
	\$ <u>72,000</u>	<u>31,895</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:

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2018	\$ 5	30	9.000 - 9.500%
2019	6	29	9.000 - 9.500%
2020	6	28	9.000 - 9.500%
2021	7	28	9.000 - 9.500%
2022	8	27	9.000 - 9.500%
2023 - 2027	51	123	9.000 - 9.500%
2028 - 2032	81	92	9.000 - 9.500%
2033 - 2037	131	43	9.000 - 9.500%
2038	19	1	9.000 - 9.500%
	\$ <u>314</u>	<u>401</u>	

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2018	\$ <u>7</u>	<u>-</u>	0.000 - 8.97%

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	\$ <u>649</u>	<u>-</u>	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:

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2018	\$ 56	15	3.000%
2019	56	15	3.000%
2020	56	15	3.000%
2021	54	15	3.000%
2022	-	15	3.000%
2023 - 2027	-	75	3.000%
2028 - 2029	500	30	3.000%
	<u>\$ 722</u>	<u>180</u>	

Washington County IGA - In June 2003, the Authority and County entered into an intergovernmental agreement for a \$1,300 note to finance improvements to the Bonita Villa affordable housing property. The variable interest rate is based on the annualized return of the County’s pooled investments and the final maturity is in June 2020. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2018	\$ 35	-	Variable

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>
2018	\$ 30	84	4.180%
2019	32	83	4.180%
2020	33	81	4.180%
2021	35	80	4.180%
2022	36	79	4.180%
2023 - 2027	204	369	4.180%
2028 - 2032	252	321	4.180%
2033 - 2037	310	262	4.180%
2038 - 2042	382	190	4.180%
2043 - 2047	470	101	4.180%
2048 - 2050	246	12	4.180%
	<u>\$ 2,030</u>	<u>1,662</u>	

Community Housing Fund Loan - In November 2016, the Authority entered into a predevelopment loan agreement with the Community Housing Fund for a total of \$365. Of that total, \$72 was drawn down in fiscal year 2017 with the remainder to be drawn down in fiscal year 2018. The note is due and payable at the close of construction funding.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2018	\$ -	-	4.500%
2019	72	10	4.500%
	\$ <u>72</u>	<u>10</u>	

Housing Authority Full Faith & Credit Obligations

Series 2009 Refunding - In November 2009, Full Faith & Credit obligations were issued for \$28,985. These obligations were issued on behalf of the Housing Authority of Washington County to provide for the current refunding of the Series 1999A, 2001A, 2001B, and 2002A Housing Authority Revenue Bond issues. Final maturity date is in July 2044.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2018	\$ 435	1,176	3.250%
2019	450	1,161	3.500%
2020	515	1,144	3.500%
2021	590	1,123	4.000%
2022	615	1,096	5.000%
2023 - 2027	3,525	5,035	4.000 - 5.000%
2028 - 2032	3,790	4,314	4.000 - 4.500%
2033 - 2037	5,345	3,284	4.500%
2038 - 2042	6,700	1,931	4.500 - 4.625%
2043 - 2045	4,775	356	4.625 - 5.000%
	\$ <u>26,740</u>	<u>20,620</u>	

District-type activities

Sewer Revenue Bonds

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

2004 Refunding of 1996 Bonds - Issued July 2004 for \$26,455 to refund bonds which were issued in 1996. This obligation was paid in full in fiscal year 2017.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2018	\$	2,975	395	5.000%
2019		3,130	243	5.000%
2020		3,290	82	5.000%
	\$	<u>9,395</u>	<u>720</u>	

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>
2018	\$	3,385	4,591	4.428%
2019		3,475	4,444	4.528%
2020		3,575	4,287	4.628%
2021		3,680	4,120	4.728%
2022		3,790	3,946	4.828%
2023 - 2027		20,835	16,738	4.628%
2028 - 2032		24,815	10,452	4.978% - 5.701%
2033 - 2036		23,405	2,777	5.801%
	\$	<u>86,960</u>	<u>51,357</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>
2018	\$	3,060	769	5.000%
2019		3,210	612	5.000%
2020		3,375	447	5.000%
2021		3,540	275	5.000%
2022		3,720	93	5.000%
	\$	<u>16,905</u>	<u>2,196</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(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>
2018	\$ 1,890	1,803	4.000%
2019	1,965	1,726	4.000%
2020	2,060	1,635	5.000%
2021	2,165	1,530	5.000%
2022	2,275	1,419	5.000%
2023 - 2027	13,020	5,450	4.000 - 5.000%
2028 - 2032	16,080	2,383	4.000%
2033	3,620	73	4.000%
	\$ <u>43,075</u>	<u>16,019</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>
2018	\$ -	1,661	5.000%
2019	-	1,661	5.000%
2020	-	1,661	5.000%
2021	3,180	1,582	5.000%
2022	3,340	1,419	5.000%
2023 - 2027	19,455	4,341	5.000%
2028 - 2029	7,250	319	5.000%
	\$ <u>33,225</u>	<u>12,644</u>	

Pension Revenue Bonds

Series 2004 - In May 2004, the District issued \$16,000 of pension revenue bonds to pay its unfunded pension liability with PERS. The pension revenue bonds are payable from gross sewer revenues. Final maturity is in June 2028. Detail obligation and interest rates follow:

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2018	\$ 660	814	5.941%
2019	760	775	6.015%
2020	870	729	6.015%
2021	990	677	6.015%
2022	1,125	617	6.015%
2023 - 2027	7,990	1,883	6.015 - 6.095%
2028	1,040	62	6.095%
	<u>\$ 13,435</u>	<u>5,557</u>	

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, 2017, prior years' refunded revenue bonds defeased totaled \$58,185.

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, 2017, there were two series of multi-family Housing Revenue Bonds outstanding, with an aggregate principal amount payable of \$33,419.

Capital Lease Obligations - County

The following is a schedule, by fiscal year, of future minimum lease payments with the present value of the future minimum lease payments as of June 30, 2017:

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

<u>Fiscal Year</u>	<u>Capital Lease Future Minimum Payments</u>
2018	\$ 276
2019	275
Future minimum lease payments	551
Less amounts representing interest	(16)
Present value of future minimum lease payments	<u>535</u>
Current portion	265
Long-term portion	270
	\$ <u>535</u>

Changes in the capital lease obligations for the year ended June 30, 2017, are as follows:

	<u>Outstanding July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding June 30, 2017</u>
Capital lease obligations \$	<u>941</u>	<u>-</u>	<u>(406)</u>	<u>535</u>

Multnomah County - 1997 - In 1997 the County entered into a capital lease obligation with Multnomah County for the purchase of juvenile detention facility space for the amount of \$1,862. This facility space has an estimated useful life of 20 years and this year \$152 was included in depreciation expense, leaving a remaining net book value of \$215. This is a non-cancelable lease agreement. This lease obligation was paid in full in fiscal year 2017.

Motorola Solutions 2011 Lease - In 2011 the County entered into a capital lease obligation with Motorola Solutions for the purchase of a Zone Controller Tower at Washington County Consolidated Communication Agency in the amount of \$2,284. This equipment has an estimated useful life of 7 years and this year \$326 was included in depreciation expense, leaving a remaining net book value of \$707. This is a non-cancelable lease agreement. Final maturity is in October 2018. Detail obligation and interest rates follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2018	\$	265	11	1.989%
2019		270	5	1.989%
	\$	<u>535</u>	<u>16</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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 \$752 for the year ended June 30, 2017.

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

<u>Fiscal Year</u>	\$	<u>Amount</u>
2018		877
2019		526
2020		503
2021		498
2022		443
2023 - 2027		<u>1,906</u>
	\$	<u><u>4,753</u></u>

Operating Leases - District

The District leases various equipment, buildings and land for use in their operations under cancelable and non-cancelable operating leases. Total costs for such leases were approximately \$63 for the year ended June 30, 2017.

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

<u>Fiscal Year</u>	\$	<u>Amount</u>
2018		61
2019		61
2020		58
2021		<u>58</u>
	\$	<u><u>238</u></u>

Due To/From Other funds

Interfund accounts at June 30, 2017, consist of:

<u>Fund</u>	<u>Due to other funds</u>	<u>Due from other funds</u>
Major governmental funds:		
General Fund	\$ —	1,087
HOME Fund	6	—
Other Governmental Funds	<u>1,081</u>	<u>—</u>
	\$ <u><u>1,087</u></u>	<u><u>1,087</u></u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Interfund receivables of the General Fund consist of \$6 in cash loaned to the HOME Fund and \$1,081 in cash loaned to the non-major funds to cover negative cash balances at year end. These loans are one day in duration and will be repaid on July 1, 2017.

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

<u>Description</u>	<u>Interest Rate</u>	<u>Outstanding July 1, 2016</u>	<u>Decrease</u>	<u>Outstanding June 30, 2017</u>
Washington County IGA	variable	\$ <u>134</u>	<u>(99)</u>	<u>35</u>

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

4. Other information

Pension Plan – County

Description

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Benefits Provided

Tier One/Tier Two Retirement Benefit

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

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

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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

OPSRP Pension Program

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

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

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2013 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2015, and include a required percentage contribution for retiree healthcare. The County's contribution rates for the period were 17.75% of covered employees' salaries for Tier One/Tier Two members, 11.11% for OPSRP general service members, and 15.22% for OPSRP police members. The County's total contributions were \$18,755. 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, 2017, the County reported a liability of \$250,283 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to June 30, 2016. 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, 2016, the County's proportion was 1.67%, which is 0.13% less than its proportion of 1.80% measured as of June 30, 2015.

The Oregon Supreme Court (Court) ruled (Moro decision) on April 30, 2015 that certain provisions of Senate Bill (SB) 861, signed into law in October 2013, were unconstitutional. SB 861 included provisions that limited post-retirement COLA on benefits accrued prior to the signing of the law. The Court ruled that benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

For the year ended June 30, 2017, the County recognized pension expense of \$42,611 for the defined benefit portion of the pension plan as a result of the adoption of GASB Statement No. 68. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,280	—
Changes of assumptions	53,379	—
Net difference between projected and actual earnings on investments	49,445	—
Changes in proportionate share	80	7,349
Differences between employer contributions and employer's proportionate share of system contributions	<u>1,661</u>	<u>3,037</u>
Subtotal	112,845	10,386
Contributions subsequent to the measurement date	<u>18,755</u>	—
Total	<u>\$ 131,600</u>	<u>10,386</u>

Deferred outflows of resources related to pensions of \$18,755 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, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension income as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ (17,758)
2019	(17,758)
2020	(36,064)
2021	(27,252)
2022	<u>(3,627)</u>
	<u>\$ (102,459)</u>

Actuarial Methods and Assumptions

The employer contribution rates effective July 1, 2015 through June 30, 2017 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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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, 2014 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2014
Measurement Date	June 30, 2016
Experience Study	2014, published September 2015
Actuarial Assumptions:	
Inflation Rate	2.50% (reduced from 2.75%)
Long-term Expected Rate of Return ⁽¹⁾	7.50% (reduced from 7.75%)
Discount Rate	7.50% (reduced from 7.75%)
Projected Salary Increases	3.50% (reduced from 3.75%)
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-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. <i>Active members:</i> Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. <i>Disabled retirees:</i> Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

⁽¹⁾ At its September 25, 2015 meeting, the PERS Board reduced the assumed rate of return on investments from 7.75% to 7.50%.

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 2014 experience study which reviewed experience for the four-year period ending on December 31, 2014.

After completion of this review and subsequent to the measurement date, the PERS Board adopted several assumption changes on July 28, 2017, including lowering the investment return assumption to 7.20% effective January 1, 2018, which will be used for rates beginning July 1, 2019. The Board revises the assumed rate based on the long-term projection of investment returns that can be expected from the asset allocations of the Oregon Investment

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Council and related capital market expectations. An estimate of the result of this change is not readily available at this time.

Long-Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>		
	<u>Low Range</u>	<u>High Range</u>	<u>Target</u>
Cash	0.00%	3.00%	0.00%
Debt Securities	15.00%	25.00%	20.00%
Public Equity	32.50%	42.50%	37.50%
Real Estate	9.50%	15.50%	12.50%
Private Equity	13.50%	21.50%	17.50%
Alternative Equity	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, 2017

(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%	4.10%	4.00%	4.68%
Short-Term Bonds	8.00%	3.65%	3.61%	2.74%
Bank/Leveraged Loans	3.00%	5.69%	5.42%	7.82%
High Yield Bonds	1.00%	6.67%	6.20%	10.28%
Large/Mid Cap US Equities	15.75%	7.96%	6.70%	17.07%
Small Cap US Equities	1.31%	8.93%	6.99%	21.35%
Micro Cap US Equities	1.31%	9.37%	7.01%	23.72%
Developed Foreign Equities	13.13%	8.34%	6.73%	19.40%
Emerging Market Equities	4.12%	10.56%	7.25%	28.45%
Non-US Small Cap Equities	1.88%	9.01%	7.22%	20.55%
Private Equity	17.48%	11.60%	7.97%	30.00%
Real Estate (Property)	10.00%	6.48%	5.84%	12.00%
Real Estate (REITS)	2.50%	8.74%	6.69%	22.02%
Hedge Fund of Funds - Diversified	2.50%	4.94%	4.64%	8.09%
Hedge Fund - Event-driven	0.63%	7.07%	6.72%	8.90%
Timber	1.88%	6.60%	5.85%	13.00%
Farmland	1.88%	7.11%	6.37%	13.00%
Infrastructure	3.75%	8.31%	7.13%	16.50%
Commodities	1.88%	6.07%	4.58%	18.40%
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 December 3, 2014. The revised allocation was adopted at the June 3, 2015 OIC meeting.

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(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 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, 2017, the County’s payable to OPERS for defined benefit contributions was \$1,055. 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 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease	Current	1% Increase
	6.50%	Discount Rate	8.50%
	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
County's proportionate share of the net pension liability	\$ <u>404,124</u>	<u>250,283</u>	<u>121,700</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.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Individual Account Program

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

Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. 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 \$7,838 for the year ended June 30, 2017, of which approximately \$6,155 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).

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WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Benefits Provided

Tier One/Tier Two Retirement Benefit

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

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

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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

OPSRP Pension Program

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

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

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2013 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2015, and include a required percentage contribution for retiree healthcare. The District's contribution rates for the period were 12.29% for Tier One/Tier Two member and 5.96% for OPSRP General Service members. The District's total contributions were \$2,544. Covered employees are required to contribute 6% of their annual covered salary to the Plan.

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

At June 30, 2017, the District reported a liability of \$38,730 for its proportionate share of the OPERS net pension asset. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to June 30, 2016. 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, 2016, the District's proportion was 0.26%, which is substantially unchanged from its proportion measured as of June 30, 2015.

The Oregon Supreme Court (Court) ruled (Moro decision) on April 30, 2015 that certain provisions of Senate Bill (SB) 861, signed into law in October 2013, were unconstitutional. SB 861 included provisions that limited post-retirement COLA on benefits accrued prior to the signing of the law. The Court ruled that benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

For the year ended June 30, 2017, the District recognized pension expense of \$6,570 for the deferred benefit portion of the pension plan. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,281	—
Changes of assumptions	8,260	—
Net difference between projected and actual earnings on investments	7,652	—
Changes in proportionate share	63	179
Differences between employer contributions and employer's proportionate share of system contributions	—	<u>1,104</u>
Subtotal	<u>17,256</u>	<u>1,283</u>
Contributions subsequent to the measurement date	<u>2,544</u>	—
Total	<u>\$ 19,800</u>	<u>1,283</u>

Deferred outflows of resources related to pensions of \$254 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, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension income as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ (2,724)
2019	(2,724)
2020	(5,592)
2021	(4,328)
2022	<u>(604)</u>
	<u>\$ (15,972)</u>

Actuarial Methods and Assumptions

The employer contribution rates effective July 1, 2015 through June 30, 2017 were set using the entry age actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial methods and assumptions:

County & CWS - Pension Related Actuarial Methods and Assumptions

Valuation Date	December 31, 2014
Measurement Date	June 30, 2016
Experience Study	2014, published September 2015
Actuarial Assumptions:	
Inflation Rate	2.50% (reduced from 2.75%)
Long-term Expected Rate of Return ⁽¹⁾	7.50% (reduced from 7.75%)
Discount Rate	7.50% (reduced from 7.75%)
Projected Salary Increases	3.50% (reduced from 3.75%)
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-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. <i>Active members:</i> Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. <i>Disabled retirees:</i> Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

⁽¹⁾ At its September 25, 2015 meeting, the PERS Board reduced the assumed rate of return on investments from 7.75% to 7.50%.

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 2014 experience study which reviewed experience for the four-year period ending on December 31, 2014.

After completion of this review and subsequent to the measurement date, the PERS Board adopted several assumption changes on July 28, 2017, including lowering the investment return assumption to 7.20% effective January 1, 2018, which will be used for rates beginning July 1, 2019. The Board revises the assumed rate based on the long-term projection of investment returns that can be expected from the asset allocations of the Oregon Investment Council and related capital market expectations. An estimate of the result of this change is not readily available at this time.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Long-Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>		
	<u>Low Range</u>	<u>High Range</u>	<u>Target</u>
Cash	0.00%	3.00%	0.00%
Debt Securities	15.00%	25.00%	20.00%
Public Equity	32.50%	42.50%	37.50%
Real Estate	9.50%	15.50%	12.50%
Private Equity	13.50%	21.50%	17.50%
Alternative Equity	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, 2017

(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%	4.10%	4.00%	4.68%
Short-Term Bonds	8.00%	3.65%	3.61%	2.74%
Bank/Leveraged Loans	3.00%	5.69%	5.42%	7.82%
High Yield Bonds	1.00%	6.67%	6.20%	10.28%
Large/Mid Cap US Equities	15.75%	7.96%	6.70%	17.07%
Small Cap US Equities	1.31%	8.93%	6.99%	21.35%
Micro Cap US Equities	1.31%	9.37%	7.01%	23.72%
Developed Foreign Equities	13.13%	8.34%	6.73%	19.40%
Emerging Market Equities	4.12%	10.56%	7.25%	28.45%
Non-US Small Cap Equities	1.88%	9.01%	7.22%	20.55%
Private Equity	17.48%	11.60%	7.97%	30.00%
Real Estate (Property)	10.00%	6.48%	5.84%	12.00%
Real Estate (REITS)	2.50%	8.74%	6.69%	22.02%
Hedge Fund of Funds - Diversified	2.50%	4.94%	4.64%	8.09%
Hedge Fund - Event-driven	0.63%	7.07%	6.72%	8.90%
Timber	1.88%	6.60%	5.85%	13.00%
Farmland	1.88%	7.11%	6.37%	13.00%
Infrastructure	3.75%	8.31%	7.13%	16.50%
Commodities	1.88%	6.07%	4.58%	18.40%
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 December 3, 2014. The revised allocation was adopted at the June 3, 2015 OIC meeting.

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(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 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, 2017, the District’s payable to OPERS for defined benefit contributions was \$160. This amount represents legally required contributions to the plan for services incurred in the current fiscal year.

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 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease	Current	1% Increase
	6.50%	Discount Rate	8.50%
	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
District's proportionate share of the net pension liability (asset)	\$ <u>62,536</u>	\$ <u>38,730</u>	\$ <u>18,832</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.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Individual Account Program

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

Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. The District makes this contribution on behalf of its employees. The District contributed approximately \$1,743 for the year ended June 30, 2017.

Other Post-Employment Benefits - County

Plan Description

The County is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. Government Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, (GASB 45) is applicable to the County due to the resulting implicit rate subsidy. The County's post-employment benefit plan is a single-employer plan and is substantially the same plan that is provided to current employees. This is not a stand-alone plan and there are no separately issued financial statements.

Funding Policy

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

For fiscal year 2016-17, the County contributed \$580 and retirees made payments of \$1,096. The County has elected to not pre-fund the actuarially determined future cost amount of \$429.

Below are the required monthly contributions of the plan members for the year ended June 30, 2017. The rates are established through negotiation with the County's insurance carrier each year and approved by the Board of County Commissioners.

(Not in \$1,000's)	Health Insurance			
	Kaiser Permanente HMO		Providence Open Option	
	High Deductible	Low Deductible	High Deductible	Low Deductible
Retiree	\$ 556	602	582	606
Retiree + Spouse	1,113	1,205	1,164	1,212
Retiree + Children	1,001	1,084	1,048	1,091
Retiree + Family	1,669	1,807	1,747	1,819

(Not in \$1,000's)	Dental, Vision, and EAP Insurance			
	Delta	Wilamette	VSP Vision	Reliant Behavioral
	Dental	Dental		Health EAP
Retiree	\$ 54	39	8	2
Retiree + Spouse	107	75	16	2
Retiree + Children	111	109	18	2
Retiree + Family	169	146	28	2

Annual OPEB Cost and Net OPEB Obligation

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Annual required contribution (ARC)	\$ 429	435	646
Interest on net OPEB obligation	167	170	172
Adjustment to ARC	<u>(282)</u>	<u>(291)</u>	<u>(291)</u>
Annual OPEB cost	314	314	527
Contributions made	<u>(580)</u>	<u>(486)</u>	<u>(550)</u>
Increase in net OPEB obligation	(266)	(172)	(23)
Net OPEB obligation, beginning of year	<u>5,531</u>	<u>5,703</u>	<u>5,726</u>
Net OPEB obligation, end of year	<u>\$ 5,265</u>	<u>5,531</u>	<u>5,703</u>
Percent of annual OPEB cost contributed	184.71%	154.78%	104.36%

Funding Status and Funding Progress

As of the most recent actuarial valuation date, the plan was funded on a pay-as-you-go basis and therefore had no assets. The County's actuarial accrued liability for benefits was \$4,534, which also equaled the unfunded actuarial accrued liability (UAAL). The annual payroll of active employees covered by the plan (covered payroll) for 2016-17 was \$135,596 the ratio of the UAAL to the covered payroll was 3.34%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

Actuarial Methods and Assumptions

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

In the June 30, 2016 valuation, the entry age normal actuarial cost method was used. Under this method, the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level percent of pay basis over the service of the active employee. The investment return for the County was assumed to be 3.0% to reflect the rate of return on the county's investment portfolio. Health care cost trends (net of inflation) were assumed to be 6.5% for Providence and 6.0% for Kaiser initially, then declining to 5.0%.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

It is assumed that the future cost of the retiree health plan will retain its current relationship to the active plan, and that the active plan cost will maintain a reasonable relationship to direct compensation. The UAAL is being amortized over an open period of 30 years.

The most significant change in assumptions from the prior valuation was a decrease in the assumed rate at which eligible employees elect to self-pay for health coverage upon retirement. This rate decreased from 30% to 20% based on recent County experience. This assumption change led to a decrease in liabilities of approximately 33% for active employees.

Other Post Employment Benefits - District

Plan Description

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

Funding Policy

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

For fiscal year 2016-17, the District contributed \$111 consisting of retiree payments. The District has elected to not pre-fund the actuarially determined future cost amount of \$569. The required monthly contributions of the plan members were as follows for the year ended June 30, 2017:

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

(Not in \$1,000's)	Health Insurance		
	Providence	Providence	Kaiser
	<u>Open Option</u>	<u>Connect</u>	<u>Permanente HMO</u>
Retiree	\$ 508	417	655
Retiree + 1	1,031	846	1,336
Retiree + Family	1,448	1,188	1,866

Annual OPEB Cost and Net OPEB Obligation

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

	June 30, 2017	June 30, 2016	June 30, 2015
Annual required contribution (ARC)	\$ 144	140	138
Interest on net OPEB obligation	23	22	22
Adjustment to ARC	(49)	(47)	(47)
Annual OPEB cost	118	115	113
Contributions made	(112)	(103)	(115)
Increase in net OPEB obligation	6	12	(2)
Net OPEB obligation, beginning of year	563	551	553
Net OPEB obligation, end of year	\$ 569	563	551
Percent of Annual OPEB cost contributed	94.92%	89.57%	101.77%

Funding Status and Funding Progress

As of the most recent actuarial valuation date, the plan was funded on a pay-as-you-go basis and therefore had no assets. The District’s actuarial accrued liability for benefits was \$1,407, which also equaled the unfunded actuarial accrued liability (UAAL). The annual payroll of active employees covered by the plan (covered payroll) for 2016-17 was \$25,650 the ratio of the UAAL to the covered payroll was 5.5%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Actuarial Methods and Assumptions

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

In the July 1, 2015 valuation, the projected unit credit actuarial cost method was used, with accrued benefits allocated in equal proportion over the participant's years of service from hire to expected retirement. The actuarial assumptions included (a) a 4% accrued liability discount rate, (b) a 2.5% inflation component, and (c) healthcare cost trend rate of 7.0% for 2017 grading down over seventeen years to 5.0%. The UAAL is being amortized over an open period of 30 years as a level percentage of payroll for Non-Represented Retirees and over a closed period of four years as a flat dollar amount for Represented Retirees.

Retirement Health Insurance Account (RHIA) - County

Plan Description

As members of Oregon Public Employees Retirement System (OPERS), the County contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefits other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefits provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating municipal corporations are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.53% of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The County's contributions to RHIA for the years ended June 30, 2015, 2016 and 2017 were \$724, \$677 and \$719, respectively, which equaled the required contributions each year.

Retirement Health Insurance Account (RHIA) - District

Plan Description

As members of Oregon Public Employees Retirement System (OPERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefits other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefits provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating municipal corporations are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.53% of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2015, 2016 and 2017 were \$125, \$122, and \$130, respectively, which equaled the required contributions each year.

Insured Risks - County

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

As required by an agreement with the third-party administrator of Medicaid funds received from the State, the County has set aside \$6,567 in restricted cash in its non-major governmental funds to cover approximately four months' worth of operating expenses should the Health Share of Oregon program unexpectedly end and the flow of revenue stop.

Liabilities for the County are recorded when it is both probable that a loss has occurred and 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:

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

<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>
2014-15	\$ 3,598	1,344	(1,247)	3,695
2015-16	3,695	4,145	(3,808)	4,032
2016-17	4,032	4,946	(4,691)	4,287

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

Insured Risks and Captive Insurance - District

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

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

Liabilities for the District are recorded when it is both probable that a loss has occurred and 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:

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

<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>
2014-15	\$ 304	111	(105)	310
2015-16	310	130	(98)	342
2016-17	342	607	(475)	474

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.

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, 2017, CWIC was in compliance with the minimum capital and surplus requirements of the State of Hawaii.

Solid Waste Landfill Closure and Postclosure Care Costs

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

The County operated the Shadybrook Landfill from 1955 to 1971. The County Sheriff's Office operated a pistol range on the edge of the landfill from 1971 to 1988. An erosion control fence was constructed along the perimeter of the site and grass seed was placed over the landfill in 2002. In April 2004, the County met with the Department of Environmental Quality (DEQ) to discuss environmental concerns and enter into 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* (GASB 49) addresses accounting and financial reporting standards for pollution (including contamination) and remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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.

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, 2017 for the ongoing monitoring, maintenance, and DEQ reporting costs is \$4,840.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Transfers

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

Transfers in:		
General Fund	\$ 1,767	2%
Human Services Fund	4,355	4%
Road Fund	1,082	1%
Major Streets Transportation Improvement Program III Fund	40,041	40%
Non-major funds	52,305	53%
Total governmental funds	99,550	100%
Housing Authority of Washington County	170	0%
	99,720	100%
Transfers out:		
General Fund	83,020	83%
Road Fund	3,515	4%
Major Streets Transportation Improvement Program III Fund	1,271	1%
Non-major funds	11,907	12%
Total governmental funds	99,713	100%
Service District for Lighting No. 1	7	0%
	\$ 99,720	100%

The following are the major reasons for the above transfers:

Major streets improvement programs and the Cooperative Library Services operated on fixed-rate serial levies until 1998-99. With the passage of Measures 47 and 50, those fixed-rate serial levies were combined with the County's permanent tax rate and now receive a majority of their funding directly from the County's General Fund. These transfers comprise approximately \$40,041 to major streets improvement programs and \$19,022 to Cooperative Library Services. These transfers are responsible for 59% of all transfers. Transfers between the other operating departments are a result of normal course of operations.

Tax Abatements

GASB Statement No. 77, *Tax Abatement Disclosures* was implemented in the 2016-17 fiscal year. This Statement 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 five tax abatement programs for the fiscal year ended June 30, 2017.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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 \$1,490.

Construction in Process in Enterprise Zone

Oregon's construction in process enterprise zone abatement allows unfinished facility improvements to 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 \$4.

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 \$96 for this program.

Strategic Investment Program

The Strategic Investment Program (SIP) was adopted by the Oregon Legislature in 1993. It allows business and local governments to negotiate alternative property tax agreements if these business are willing to invest at least \$100,000 at an urban site or at least \$25,000 at a rural location in Oregon, particularly in 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 \$38,389.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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 \$67.

Related Party Transactions – County

Washington County performs certain fiscal and accounting services, partnering in capital projects and provides certain facility related services, for which the District was charged approximately \$209 during fiscal year 2016-17.

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 \$7 for such services under the Operating Agreement for fiscal year ended June 30, 2017.

On October 26, 2010, the District entered into a loan agreement with CWI. The agreement allows for loans and/or advances from the District to CWI of up to \$400 through fiscal year 2014-15. Interest on outstanding loan balances due from CWI to the District are calculated monthly and based on 1.1 times the average monthly Oregon Local Government Investment Pool (LGIP) rates. During fiscal year 2017, CWI received additional loan proceeds of \$50, was charged \$2 in interest, and made payments totaling \$44, leaving a loan balance of \$214 as of June 30, 2017.

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

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 2016-17 which were applied against the loan balance referenced above. CWI billed the District approximately \$22 for professional services during fiscal year 2016-17.

Clean Water Insurance Company began operations on July 1, 2016. The District transferred an additional \$47 from self-insured dental plan reserves in April 2017. The District also paid dental premiums of \$249, and auto, general liability, and property insurance premiums totaling \$335 during fiscal year 2017. CWIC reimbursed the District for claims filed totaling \$4 as of June 30, 2017.

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.

Contingency - District

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

Commitments - County

The County has committed over \$103,755 to fund certain specific road construction projects over the next four to five years; \$13,781 for jail inmate health care services over the next three years; \$96,348 for Countywide library services over the next four years; \$432 for kitchen services at the jail through July, 2017; and \$58 for entrance security services for the state courts in County buildings for next year.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

(Dollars in thousands)

Facilities has committed \$23,291 for seismic retrofit and upgrades to several county buildings over the next two years; architectural services of \$2,973 for the new Events Center at the fairgrounds; and architectural and engineering services of \$1,287 for the Washington County Consolidated Communication Agency (WCCCA) new headquarters

The Community Corrections Center has contracted for pharmacy and psychiatric nurse practitioner services, batterer treatment for domestic violence offenders, and sex offender treatment services and mentoring to assist in the reintegration of substance abuse offenders in the combined amount of approximately \$2,263. Juvenile detention services at the Donald E. Long facility have been contracted with Multnomah County for approximately \$4,193 over the next year.

The County has contracted for fuel for all County vehicles and equipment of \$2,287 and \$1,722 for janitorial services for all County facilities over the next two years. The County has also contracted various building lease agreements for approximately \$7,167 over the next five to ten years.

Commitments – District

The District is committed for approximately \$39,300 for various construction projects and other significant commitments at June 30, 2017.

Subsequent Events - County

On July 28, 2017, the PERS Board lowered the assumed investment rate of return from 7.5% to 7.2% effective on January 1, 2018. This rate will be used for the determination of contribution rates beginning July 1, 2019. The Board revises the assumed rate based on the long-term projection of investment returns that can be expected from the asset allocations of the Oregon Investment Council and related capital market expectations. An estimate of the result of this change on rates is not readily available at this time.

Subsequent Events – District

On July 28, 2017, the PERS Board lowered the assumed investment rate of return from 7.5% to 7.2% effective on January 1, 2018. This rate will be used for the determination of contribution rates beginning July 1, 2019. The Board revises the assumed rate based on the long-term projection of investment returns that can be expected from the asset allocations of the Oregon Investment Council and related capital market expectations. An estimate of the result of this change on rates is not readily available at this time.

REQUIRED SUPPLEMENTARY INFORMATION

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WASHINGTON COUNTY, OREGON

Budgetary Comparison

General Fund

For the fiscal year ended June 30, 2017

(Dollars in thousands)

	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:				
Taxes	\$ 139,585	139,585	140,129	544
Licenses and permits	7,614	7,614	7,546	(68)
Intergovernmental revenues	17,084	17,084	16,795	(289)
Charges for services	8,450	8,450	8,477	27
Fines and forfeitures	2,935	2,935	2,443	(492)
Miscellaneous revenues	4,553	4,553	4,653	100
Interfund revenues	6,807	6,807	6,324	(483)
Total revenues	187,028	187,028	186,367	(661)
Expenditures:				
General government:				
Board of County Commissioners	484	484	461	23
County administrative office	2,127	2,127	2,140	(13)
Community network	567	567	566	1
Community engagement	600	600	447	153
County counsel	2,213	2,213	2,080	133
County auditor	418	418	414	4
County emergency management	789	789	737	52
Elections	2,093	2,093	1,831	262
Assessment and taxation	9,953	9,953	8,758	1,195
County communications	1,065	1,065	877	188
Financial management	2,428	2,428	2,325	103
Human resources	2,635	2,635	2,433	202
Information services	14,328	14,328	12,696	1,632
Purchasing	432	432	413	19
Facilities management	9,903	9,903	9,696	207
Subtotal	50,035	50,035	45,874	4,161
Public safety and justice:				
Law enforcement services	18,727	18,727	17,364	1,363
Jail operations	24,815	24,815	23,589	1,226
Sheriff's office administration	5,195	5,195	4,984	211
Jail health care	4,520	5,170	5,151	19
District Attorney	11,455	11,455	10,503	952
Washington County justice court	792	792	690	102
Juvenile	6,532	6,532	5,866	666
Juvenile administration	1,340	1,340	1,271	69
Subtotal	73,376	74,026	69,418	4,608
Land use and transportation				
Planning	4,358	4,358	3,347	1,011
Water Master	197	197	181	16
Subtotal	4,555	4,555	3,528	1,027
Housing, health and human services:				
Public health	15,118	15,118	14,072	1,046
Health and human services administration	1,570	1,570	1,529	41
Animal services	2,738	2,738	2,389	349
Veterans services	924	924	862	62
Subtotal	20,350	20,350	18,852	1,498
Culture, education and recreation:				
Agriculture activities	449	449	438	11
Parks	1,017	1,017	845	172
Subtotal	1,466	1,466	1,283	183
Non-operating:				
Miscellaneous	1,565	1,565	1,225	340
Subtotal	1,565	1,565	1,225	340
Operating contingency	27,712	27,062	—	27,062
Total expenditures	179,059	179,059	140,180	38,879
Revenues over expenditures	7,969	7,969	46,187	38,218
Other financing sources (uses):				
Transfers in from other funds	28,740	28,740	32,257	3,517
Transfers out to other funds	(72,673)	(72,673)	(70,008)	2,665
Total other financing uses	(43,933)	(43,933)	(37,751)	6,182
Net change in fund balance	(35,964)	(35,964)	8,436	44,400
Fund balance July 1, 2016	(35,964)	(35,964)	40,348	76,312
Fund balance June 30, 2017	\$ <u>(71,928)</u>	<u>(71,928)</u>	<u>48,784</u>	<u>120,712</u>
Certain governmental funds are reported in the General Fund on a GAAP basis:				
PERS Rate Stabilization Fund			6,632	
Strategic Investment Program and Gain Share Fund			19,381	
Survey Fund			1,086	
Fund balance, GAAP basis, June 30, 2017			\$ <u>75,883</u>	

WASHINGTON COUNTY, OREGON
 Budgetary Comparison
 Major Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	HOME Fund				Human Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Intergovernmental revenues	\$ 2,803	2,803	658	(2,145)	41,264	41,264	17,304	(23,960)
Charges for services	—	—	—	—	13	13	6	(7)
Miscellaneous revenues	415	415	1,111	696	170	170	195	25
Interfund revenues	—	—	—	—	149	149	119	(30)
Total revenues	<u>3,218</u>	<u>3,218</u>	<u>1,769</u>	<u>(1,449)</u>	<u>41,596</u>	<u>41,596</u>	<u>17,624</u>	<u>(23,972)</u>
Expenditures:								
Current:								
Housing, health and human services	3,218	3,218	1,769	1,449	43,199	43,199	20,176	23,023
Operating contingency	—	—	—	—	3,675	3,675	—	3,675
Total current	<u>3,218</u>	<u>3,218</u>	<u>1,769</u>	<u>1,449</u>	<u>46,874</u>	<u>46,874</u>	<u>20,176</u>	<u>26,698</u>
Capital outlay	—	—	—	—	—	—	96	(96)
Total expenditures	<u>3,218</u>	<u>3,218</u>	<u>1,769</u>	<u>1,449</u>	<u>46,874</u>	<u>46,874</u>	<u>20,272</u>	<u>26,602</u>
Revenues under expenditures	—	—	—	—	(5,278)	(5,278)	(2,648)	2,630
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	1,707	1,707	1,655	(52)
Transfers out to other funds	—	—	—	—	(400)	(400)	(400)	—
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,307</u>	<u>1,307</u>	<u>1,255</u>	<u>(52)</u>
Net change in fund balances	—	—	—	—	(3,971)	(3,971)	(1,393)	2,578
Fund balances July 1, 2016	—	—	—	—	3,971	3,971	4,265	294
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,872</u>	<u>2,872</u>

Certain governmental funds are reported in the Human Services Fund on a GAAP basis:
 Human Services HB 2145 Fund 1,667
 Mental Health Crisis Services Fund 2,446
 Fund balance, GAAP basis, June 30, 2017 \$ 6,985

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

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Major Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	Road Fund			Variance positive (negative)
	Adopted budget	Revised budget	Actual	
Revenues:				
Taxes	\$ 860	860	911	51
Licenses and permits	167	167	248	81
Intergovernmental revenues	30,658	30,658	30,971	313
Charges for services	806	806	1,068	262
Special assessments	65	65	25	(40)
Miscellaneous revenues	316	316	595	279
Interfund revenues	8,345	8,345	7,647	(698)
Total revenues	<u>41,217</u>	<u>41,217</u>	<u>41,465</u>	<u>248</u>
Expenditures:				
Current:				
Land use and transportation:				
Administration	7,304	7,304	6,456	848
Engineering services	4,333	4,333	3,599	734
Capital projects management	6,349	6,349	5,362	987
Operations and maintenance	25,458	25,458	21,568	3,890
Operating contingency	11,728	11,728	—	11,728
Total current	<u>55,172</u>	<u>55,172</u>	<u>36,985</u>	<u>18,187</u>
Capital outlay	803	803	373	430
Total expenditures	<u>55,975</u>	<u>55,975</u>	<u>37,358</u>	<u>18,617</u>
Revenues over (under) expenditures	<u>(14,758)</u>	<u>(14,758)</u>	<u>4,107</u>	<u>18,865</u>
Other financing sources (uses):				
Transfers in from other funds	1,082	1,082	1,082	—
Transfers out to other funds	(6,816)	(6,816)	(3,515)	3,301
Total other financing uses	<u>(5,734)</u>	<u>(5,734)</u>	<u>(2,433)</u>	<u>3,301</u>
Net change in fund balance	<u>(20,492)</u>	<u>(20,492)</u>	<u>1,674</u>	<u>22,166</u>
Fund balance July 1, 2016	20,492	20,492	23,988	3,496
Fund balance June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>25,662</u>	<u>25,662</u>

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

County

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
6/30/15	\$ —	6,711	6,711	0%	122,731	5.47%
6/30/16	—	4,782	4,782	0%	127,667	3.75%
6/30/17	—	4,534	4,534	0%	135,596	3.34%

District

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
7/1/11	\$ —	1,548	1,548	0%	\$ 21,609	7.16%
7/1/13	—	1,369	1,369	0%	23,363	5.86%
7/1/15	—	1,407	1,407	0%	25,650	5.49%

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%	250,283	127,667	196.04%	80.53%

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%

⁽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%

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	1,793	—	25,570	7.01%
2016	2,373	2,373	—	27,124	8.75%
2017	2,544	2,544	—	29,042	8.76%

⁽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

Notes to Required Supplementary Information

June 30, 2017

(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 \$125,536.

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 four supplemental budgets and two contingency transfers during the year ended June 30, 2017. 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 - Pensions

A summary of key changes implemented with the December 31, 2014 actuarial valuation which was used in the pension calculations and amounts reported for the fiscal year ended June 30, 2017, along with additional detail and a comprehensive list of changes in methods and assumptions from the December 31, 2013 actuarial valuation can be found at:

<http://www.oregon.gov/pers/EMP/Documents/GASB/2016/Oregon-PERS-GASB-68-Report.pdf>

WASHINGTON COUNTY, OREGON

Notes to Required Supplementary Information (continued)

June 30, 2017

(Dollars in thousands)

3. Subsequent Events - Pensions

On July 28, 2017 the PERS Board lowered the assumed investment rate of return from 7.5% to 7.2% effective on January 1, 2018. This rate will be used for the determination of contribution rates beginning July 1, 2019. The Board revises the assumed rate based on the long-term projection of investment returns that can be expected from the asset allocations of the Oregon Investment Council and related capital market expectations. An estimate of the result of this change is not readily available at this time.

OTHER SUPPLEMENTARY INFORMATION

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WASHINGTON COUNTY, OREGON

Budgetary Comparison

Major Capital Projects Funds

For the fiscal year ended June 30, 2017

(Dollars in thousands)

	Emergency Communications System Fund				Major Streets Transportation Improvement Program III Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	13,407	13,407	10,197	(3,210)
Miscellaneous revenues	77	77	691	614	257	257	2,520	2,263
Total revenues	77	77	691	614	13,664	13,664	12,717	(947)
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	104,205	104,205	50,014	54,191
Nonoperating	—	—	805	(805)	—	—	—	—
Operating contingency	7,700	7,700	—	7,700	—	—	—	—
Total current	7,700	7,700	805	6,895	104,205	104,205	50,014	54,191
Capital outlay	68,541	68,541	1,952	66,589	14,516	14,516	4,861	9,655
Debt service:								
Debt issuance costs	836	836	377	—	—	—	—	—
Total expenditures	77,077	77,077	3,134	73,943	118,721	118,721	54,875	63,846
Revenues under expenditures	(77,000)	(77,000)	(2,443)	74,557	(105,057)	(105,057)	(42,158)	62,899
Other financing sources (uses):								
Proceeds from debt	77,000	77,000	88,643	11,643	—	—	—	—
Transfers in from other funds	—	—	—	—	42,672	42,672	76,899	34,227
Transfers out to other funds	—	—	—	—	(589)	(589)	(1,271)	(682)
Total other financing sources	77,000	77,000	88,643	11,643	42,083	42,083	75,628	33,545
Net change in fund balances	—	—	86,200	86,200	(62,974)	(62,974)	33,470	96,444
Fund balances July 1, 2016	—	—	—	—	62,974	62,974	67,769	4,795
Fund balances June 30, 2017	\$ —	—	86,200	86,200	—	—	101,239	101,239

Certain governmental funds are reported in
the Major Streets Improvement Program III
Fund on a GAAP basis:

2016 FF&C MSTIP Capital Projects Fund 17,447
Fund balance, GAAP basis, June 30, 2017 \$ 118,686

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

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BUDGETARY FUND FINANCIAL STATEMENTS

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WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2017

SPECIAL REVENUE FUNDS

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

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

WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2017

- Development Services Fund – This fund accounts for activities pertaining to land development in the unincorporated areas of the County, and provides for development compliance/code enforcement activities as they relate to enforcement of the County's community development code and related ordinances.
- District Patrol Fund – This fund accounts for the contracted responsibility of providing enhanced patrol and related services to the Enhanced Sheriff's Patrol District.
- Emergency Medical Services Fund – This fund accounts for the coordination of ambulance services in the County.
- Enhanced Sheriff's Patrol District Fund (Component Unit) – The District provides an enhanced level of sheriff patrol in the urban unincorporated areas of the County funded by a permanent tax rate and voter approved five-year operating levies. A replacement five-year levy was approved by voters in November 2012 that became effective July 1, 2013. The District contracts with Washington County to provide the required police patrols.
- Health Share of Oregon Fund – This fund accounts for monies received from the State to manage the physical, mental, dental, and addictions benefits for Oregon Health Plan members that reside within the County.
- Human Services OHP Fund – This fund accounts for monies received from the Oregon Health Plan to provide mental health services to County residents enrolled in the plan. OHP Mental Health provides overall management of the program; including administration, reporting, quality assurance, and oversight of the contracted service providers and third-party claims administrators.
- ITS Systems Replacement Fund – This fund provides for the systematic replacement of key information technology assets.
- Jail Commissary Fund – This fund accounts for the goods, services and monies associated with the jail commissary.
- Juvenile Conciliation Services Fund – This fund accounts for custody service fees collected and dedicated to conciliation services by state law. The monies provide custody studies to circuit court, counseling services concerning marriage and divorce, and mediation services in dissolution proceedings involving child custody issues.

WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2017

- 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.
- Metzger Park LID Fund – This fund accounts for the maintenance and administration of programs at Metzger Park.
- North Bethany County Service District for Roads Fund (Component Unit) – The District provides a portion of resources for transportation projects in the recently established North Bethany subarea. Voters approved funding for the District in May of 2011, in the form of additional property taxes levied on properties within the North Bethany subarea.
- Office of Community Development Block Grant Fund – This fund accounts for the management, on behalf of the County and eleven participating city consortium members of the Urban County Entitlement Grant.

WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2017

- 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.
- Surveyor – Public Land Corner Fund – This fund accounts for activities related to the remonumentation of government survey corners funded through the public land corner preservation fee.
- Tourism Dedicated Lodging Tax Fund – This fund accounts for revenues generated by the three-ninths portion of the Washington County lodging tax that is tourism-dedicated.
- Urban Road Maintenance District Fund (Component Unit) – The District provides an enhanced level of maintenance services to local, minor collector, and public roads in the urban unincorporated areas of Washington County and is funded by an established permanent rate. The District contracts with private firms and with Washington County to provide the required road maintenance services.
- Washington County Fair Fund – This fund accounts for the operation and management of the fairground facilities which provide various services to the public, including the annual County fair.
- West Slope Library Fund – This fund accounts for the provision of public library services for County residents in the unincorporated West Slope/Raleigh Hills area, including circulation of library materials, basic reference service, and children's programs.

WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2017

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 125 and 140.

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

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 126 and 141.

- 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.

WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2017

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 135 and 150.

- 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.

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.
- Event Center Fund – This fund accounts for the build out of the new Event Center at the Fair Complex.

WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2017

- 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.
- 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 139 and 154.

- 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.

The following fund is presented individually for budgetary purposes. For reporting purposes this fund is combined with the Major Streets Transportation Improvement Program III Fund in accordance with GASB Statement No. 54. See combining schedules on pages 127 and 142.

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

WASHINGTON COUNTY, OREGON

Fund Descriptions

Budgetary Funds

June 30, 2017

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

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

General Fund

June 30, 2017

(Dollars in thousands)

Assets	General Fund	Indirect Cost Reimburse- ment Fund	PERS Rate Stabilization Fund	Strategic Investment Program and Gain Share Fund	Survey Fund	Total General Fund
Cash and investments	\$ 48,702	—	6,631	19,381	2,014	76,728
Property taxes receivable	6,366	—	—	—	—	6,366
Accounts receivable	4,936	—	—	—	56	4,992
Investment interest receivable	2,578	—	—	—	—	2,578
Due from other funds	1,087	—	—	—	—	1,087
Inventory	93	—	—	—	—	93
Other assets	132	—	1	—	—	133
Total assets	<u>63,894</u>	<u>—</u>	<u>6,632</u>	<u>19,381</u>	<u>2,070</u>	<u>91,977</u>
Liabilities						
Accounts payable	2,870	—	—	—	6	2,876
Accrued payroll liabilities	4,870	—	—	—	12	4,882
Deposits payable	911	—	—	—	965	1,876
Amounts held in trust	334	—	—	—	1	335
Unearned revenue	204	—	—	—	—	204
Total liabilities	<u>9,189</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>984</u>	<u>10,173</u>
Deferred Inflows of Resources						
Unavailable revenue	5,921	—	—	—	—	5,921
Fund Balances						
Nonspendable	93	—	—	—	—	93
Assigned	—	—	6,632	—	1,086	7,718
Unassigned	48,691	—	—	19,381	—	68,072
Total fund balances	<u>48,784</u>	<u>—</u>	<u>6,632</u>	<u>19,381</u>	<u>1,086</u>	<u>75,883</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 63,894</u>	<u>—</u>	<u>6,632</u>	<u>19,381</u>	<u>2,070</u>	<u>91,977</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Human Services Fund

June 30, 2017

(Dollars in thousands)

	Human Services Fund	Human Services HB-2145 Fund	Mental Health Crisis Services Fund	Total Human Services Fund
Assets				
Cash and investments	\$ 33,215	1,667	2,432	37,314
Accounts receivable	411	—	—	411
Other assets	21	—	16	37
Total assets	<u>33,647</u>	<u>1,667</u>	<u>2,448</u>	<u>37,762</u>
Liabilities				
Accounts payable	2,072	—	2	2,074
Accrued payroll liabilities	236	—	—	236
Unearned revenue	28,378	—	—	28,378
Total liabilities	<u>30,686</u>	<u>—</u>	<u>2</u>	<u>30,688</u>
Deferred Inflows of Resources				
Unavailable revenue	89	—	—	89
Total deferred inflows of resources	<u>89</u>	<u>—</u>	<u>—</u>	<u>89</u>
Fund Balances				
Restricted	2,872	1,667	2,446	6,985
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 33,647</u>	<u>1,667</u>	<u>2,448</u>	<u>37,762</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Major Streets Transportation Improvement Program III Fund
June 30, 2017
(Dollars in thousands)

	2016 FF&C MSTIP Capital Projects Fund	Major Streets Transportation Improvement Program III Fund	Total Major Streets Transportation Improvement Program III Fund
Assets			
Cash and investments	\$ 17,448	106,183	123,631
Accounts receivable	—	3,891	3,891
Advances to other funds	—	—	—
Total assets	<u>17,448</u>	<u>110,074</u>	<u>127,522</u>
Liabilities			
Accounts payable	<u>1</u>	<u>8,587</u>	<u>8,588</u>
Deferred Inflows of Resources			
Unavailable revenue	<u>—</u>	<u>248</u>	<u>248</u>
Fund Balances			
Committed	<u>17,447</u>	<u>101,239</u>	<u>118,686</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,448</u>	<u>110,074</u>	<u>127,522</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Summary
June 30, 2017
(Dollars in thousands)

Assets	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Non-major Funds
Cash and investments	\$ 110,694	34	123,065	233,793
Restricted cash	6,567	—	—	6,567
Property taxes receivable	3,040	68	—	3,108
Assessments receivable	5	—	96	101
Accounts receivable	5,850	—	3,883	9,733
Investment interest receivable	247	—	—	247
Contracts receivable	4,553	—	—	4,553
Other assets	464	1	—	465
Total assets	<u>131,420</u>	<u>103</u>	<u>127,044</u>	<u>258,567</u>
Liabilities				
Accounts payable	3,822	—	3,973	7,795
Accrued payroll liabilities	2,235	—	—	2,235
Deposits payable	1,152	—	—	1,152
Amounts held in trust	20	—	—	20
Due to other funds	1,080	1	—	1,081
Unearned revenue	2,396	—	—	2,396
Total liabilities	<u>10,705</u>	<u>1</u>	<u>3,973</u>	<u>14,679</u>
Deferred Inflows of Resources				
Unavailable revenue	7,748	58	2,212	10,018
Total deferred inflows of resources	<u>7,748</u>	<u>58</u>	<u>2,212</u>	<u>10,018</u>
Fund Balances (Deficit)				
Restricted	102,286	44	53,828	156,158
Committed	10,694	—	62,848	73,542
Assigned	—	—	4,183	4,183
Unassigned	(13)	—	—	(13)
Total fund balances	<u>112,967</u>	<u>44</u>	<u>120,859</u>	<u>233,870</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 131,420</u>	<u>103</u>	<u>127,044</u>	<u>258,567</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Non-major Governmental Funds - Special Revenue Funds

June 30, 2017

(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	\$ 820	552	663	19,563	2	3,292
Accounts receivable	379	—	—	33	1,789	51
Other assets	8	—	—	6	—	17
Total assets	<u>1,207</u>	<u>552</u>	<u>663</u>	<u>19,602</u>	<u>1,791</u>	<u>3,360</u>
Liabilities						
Accounts payable	142	36	—	34	875	288
Accrued payroll liabilities	45	4	—	209	15	305
Deposits payable	—	—	—	767	—	—
Amounts held in trust	1	—	—	4	—	14
Unearned revenue	377	50	361	—	433	1,042
Total liabilities	<u>565</u>	<u>90</u>	<u>361</u>	<u>1,014</u>	<u>1,323</u>	<u>1,649</u>
Fund Balances						
Restricted	642	—	302	18,588	468	1,711
Committed	—	462	—	—	—	—
Total fund balances	<u>642</u>	<u>462</u>	<u>302</u>	<u>18,588</u>	<u>468</u>	<u>1,711</u>
Total liabilities and fund balances	<u>\$ 1,207</u>	<u>552</u>	<u>663</u>	<u>19,602</u>	<u>1,791</u>	<u>3,360</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2017
(Dollars in thousands)

	Cooperative Library Services Fund	Court Security Fund	Department of Housing Services Fund	Development Services Fund	District Patrol Fund	Emergency Medical Services Fund
Assets						
Cash and investments	\$ 8,695	900	431	4,335	603	1,302
Property taxes receivable	513	—	—	—	—	—
Accounts receivable	7	23	112	5	5	(21)
Other assets	385	—	2	—	1	2
Total assets	<u>9,600</u>	<u>923</u>	<u>545</u>	<u>4,340</u>	<u>609</u>	<u>1,283</u>
Liabilities						
Accounts payable	160	29	140	9	16	22
Accrued payroll liabilities	104	—	110	60	593	11
Deposits payable	—	—	—	382	—	—
Total liabilities	<u>264</u>	<u>29</u>	<u>250</u>	<u>451</u>	<u>609</u>	<u>33</u>
Deferred Inflows of Resources						
Unavailable revenue	469	—	—	—	—	—
Total deferred inflows of resources	<u>469</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund Balances						
Restricted	—	894	295	3,889	—	1,250
Committed	8,867	—	—	—	—	—
Total fund balances	<u>8,867</u>	<u>894</u>	<u>295</u>	<u>3,889</u>	<u>—</u>	<u>1,250</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,600</u>	<u>923</u>	<u>545</u>	<u>4,340</u>	<u>609</u>	<u>1,283</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2017
(Dollars in thousands)

Assets	Enhanced Sheriff's Patrol District Fund (Component Unit)	Health Share of Oregon Fund	Human Services OHP Fund	ITS Systems Replacement Fund	Jail Commissary Fund	Juvenile Conciliation Services Fund
Cash and investments	\$ 14,741	9,855	5,142	850	517	193
Restricted cash	—	6,567	—	—	—	—
Property taxes receivable	1,155	—	—	—	—	—
Accounts receivable	—	34	—	—	27	—
Other assets	—	1	—	—	—	—
Total assets	<u>15,896</u>	<u>16,457</u>	<u>5,142</u>	<u>850</u>	<u>544</u>	<u>193</u>
Liabilities						
Accounts payable	—	599	—	—	—	—
Accrued payroll liabilities	—	70	—	—	3	17
Total liabilities	<u>—</u>	<u>669</u>	<u>—</u>	<u>—</u>	<u>3</u>	<u>17</u>
Deferred Inflows of Resources						
Unavailable revenue	1,065	—	—	—	—	—
Total deferred inflows of resources	<u>1,065</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund Balances						
Restricted	14,831	15,788	5,142	—	541	176
Committed	—	—	—	850	—	—
Total fund balances	<u>14,831</u>	<u>15,788</u>	<u>5,142</u>	<u>850</u>	<u>541</u>	<u>176</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,896</u>	<u>16,457</u>	<u>5,142</u>	<u>850</u>	<u>544</u>	<u>193</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2017
(Dollars in thousands)

Assets	Juvenile Grants Fund	Juvenile High Risk Prevention Fund	Law Library Fund	Local Option Levy Fund	Lottery Fund	Maintenance Improvement District Fund
Cash and investments	\$ —	441	979	18,485	—	245
Property taxes receivable	—	—	—	1,148	—	—
Accounts receivable	257	763	—	51	598	—
Other assets	—	13	2	3	—	—
Total assets	<u>257</u>	<u>1,217</u>	<u>981</u>	<u>19,687</u>	<u>598</u>	<u>245</u>
Liabilities						
Accounts payable	—	84	2	56	—	—
Accrued payroll liabilities	19	29	8	537	—	—
Due to other funds	143	—	—	—	459	—
Unearned revenue	—	11	—	—	—	—
Total liabilities	<u>162</u>	<u>124</u>	<u>10</u>	<u>593</u>	<u>459</u>	<u>—</u>
Deferred Inflows of Resources						
Unavailable revenue	—	100	—	1,059	—	—
Fund Balances						
Restricted	<u>95</u>	<u>993</u>	<u>971</u>	<u>18,035</u>	<u>139</u>	<u>245</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 257</u>	<u>1,217</u>	<u>981</u>	<u>19,687</u>	<u>598</u>	<u>245</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2017
(Dollars in thousands)

Assets	Metzger Park LID Fund	North Bethany County Service District for Roads Fund (Component Unit)	Office of Community Development Block Grant Fund	Sheriff's Office Contract Services Fund	Sheriff's Office Forfeitures Fund	Sheriff's Office Grants & Donations Fund
Cash and investments	\$ 134	406	135	—	440	184
Property taxes receivable	—	6	—	—	—	—
Assessments receivable	5	—	—	—	—	—
Accounts receivable	—	—	627	501	—	94
Investment interest receivable	—	—	247	—	—	—
Contracts receivable	—	—	4,553	—	—	—
Other assets	—	—	—	—	3	2
Total assets	<u>139</u>	<u>412</u>	<u>5,562</u>	<u>501</u>	<u>443</u>	<u>280</u>
Liabilities						
Accounts payable	3	—	439	2	7	278
Accrued payroll liabilities	1	—	18	20	—	—
Deposits payable	3	—	—	—	—	—
Due to other funds	—	—	—	478	—	—
Unearned revenue	—	—	—	—	6	—
Total liabilities	<u>7</u>	<u>—</u>	<u>457</u>	<u>500</u>	<u>13</u>	<u>278</u>
Deferred Inflows of Resources						
Unavailable revenue	4	5	4,829	—	—	15
Total deferred inflows of resources	<u>4</u>	<u>5</u>	<u>4,829</u>	<u>—</u>	<u>—</u>	<u>15</u>
Fund Balances (Deficit)						
Restricted	128	407	276	1	430	—
Unassigned	—	—	—	—	—	(13)
Total fund balances (deficit)	<u>128</u>	<u>407</u>	<u>276</u>	<u>1</u>	<u>430</u>	<u>(13)</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 139</u>	<u>412</u>	<u>5,562</u>	<u>501</u>	<u>443</u>	<u>280</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2017
(Dollars in thousands)

	Surveyor - Public Land Corner Fund	Tourism Dedicated Lodging Tax Fund	Urban Road Maintenance District Fund (Component Unit)	Washington County Fair Fund	West Slope Library Fund	Total Special Revenue Funds
Assets						
Cash and investments	\$ 1,833	1,364	11,515	1,537	540	110,694
Restricted cash	—	—	—	—	—	6,567
Property taxes receivable	—	—	218	—	—	3,040
Assessments receivable	—	—	—	—	—	5
Accounts receivable	4	349	—	162	—	5,850
Investment interest receivable	—	—	—	—	—	247
Contracts receivable	—	—	—	—	—	4,553
Other assets	—	—	—	17	2	464
Total assets	<u>1,837</u>	<u>1,713</u>	<u>11,733</u>	<u>1,716</u>	<u>542</u>	<u>131,420</u>
Liabilities						
Accounts payable	—	354	209	32	6	3,822
Accrued payroll liabilities	10	—	—	26	21	2,235
Deposits payable	—	—	—	—	—	1,152
Amounts held in trust	—	—	—	1	—	20
Due to other funds	—	—	—	—	—	1,080
Unearned revenue	—	—	—	116	—	2,396
Total liabilities	<u>10</u>	<u>354</u>	<u>209</u>	<u>175</u>	<u>27</u>	<u>10,705</u>
Deferred Inflows of Resources						
Unavailable revenue	—	—	201	1	—	7,748
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>201</u>	<u>1</u>	<u>—</u>	<u>7,748</u>
Fund Balances (Deficit)						
Restricted	1,827	1,359	11,323	1,540	—	102,286
Committed	—	—	—	—	515	10,694
Unassigned	—	—	—	—	—	(13)
Total fund balances	<u>1,827</u>	<u>1,359</u>	<u>11,323</u>	<u>1,540</u>	<u>515</u>	<u>112,967</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,837</u>	<u>1,713</u>	<u>11,733</u>	<u>1,716</u>	<u>542</u>	<u>131,420</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Health Share of Oregon Fund
June 30, 2017
(Dollars in thousands)

	Health Share of Oregon Fund	Tri-County Risk Reserve Fund	Total Health Share of Oregon Fund
Assets			
Cash and investments	\$ 6,355	3,500	9,855
Restricted cash	6,567	—	6,567
Accounts receivable	34	—	34
Other assets	1	—	1
Total assets	<u>12,957</u>	<u>3,500</u>	<u>16,457</u>
Liabilities			
Accounts payable	599	—	599
Accrued payroll liabilities	70	—	70
Total liabilities	<u>669</u>	<u>—</u>	<u>669</u>
Fund Balances			
Restricted	<u>12,288</u>	<u>3,500</u>	<u>15,788</u>
Total liabilities and fund balances	<u>\$ 12,957</u>	<u>3,500</u>	<u>16,457</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Debt Service Funds
June 30, 2017
(Dollars in thousands)

	General Obligation Debt Service Fund	Miscellaneous Debt Service Fund	Total Debt Service Funds
Assets			
Cash and investments	\$ —	34	34
Property taxes receivable	68	—	68
Other assets	1	—	1
Total assets	<u>69</u>	<u>34</u>	<u>103</u>
Liabilities			
Due to other funds	1	—	1
Deferred Inflows of Resources			
Unavailable revenue	58	—	58
Fund Balance			
Restricted	10	34	44
Total fund balances	<u>10</u>	<u>34</u>	<u>44</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 69</u>	<u>34</u>	<u>103</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Capital Projects Funds
June 30, 2017
(Dollars in thousands)

Assets	Building Equipment Replacement Fund	Countywide Traffic Impact Fee Fund	Event Center Fund	Facilities General Capital Projects Fund	Facilities Park (THPRD) SDC Fund
Cash and investments	\$ 3,917	2,064	37,835	22,467	65
Assessments receivable	—	27	—	—	—
Accounts receivable	—	—	100	1,082	—
Total assets	<u>3,917</u>	<u>2,091</u>	<u>37,935</u>	<u>23,549</u>	<u>65</u>
Liabilities					
Accounts payable	16	—	47	2,490	—
Deferred Inflows of Resources					
Unavailable revenue	—	27	—	—	—
Fund Balances					
Restricted	—	2,064	—	—	65
Committed	3,901	—	37,888	21,059	—
Total fund balances	<u>3,901</u>	<u>2,064</u>	<u>37,888</u>	<u>21,059</u>	<u>65</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,917</u>	<u>2,091</u>	<u>37,935</u>	<u>23,549</u>	<u>65</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Non-major Governmental Funds - Capital Projects Funds, Continued

June 30, 2017

(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	\$ 4,214	8,508	2,102	272	41,621	123,065
Assessments receivable	—	—	—	—	69	96
Accounts receivable	—	2,696	—	—	5	3,883
Total assets	<u>4,214</u>	<u>11,204</u>	<u>2,102</u>	<u>272</u>	<u>41,695</u>	<u>127,044</u>
Liabilities						
Accounts payable	302	1,086	—	1	31	3,973
Deferred Inflows of Resources						
Unavailable revenue	—	2,116	—	—	69	2,212
Fund Balances						
Restricted	—	8,002	2,102	—	41,595	53,828
Committed	—	—	—	—	—	62,848
Assigned	3,912	—	—	271	—	4,183
Total fund balances	<u>3,912</u>	<u>8,002</u>	<u>2,102</u>	<u>271</u>	<u>41,595</u>	<u>120,859</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>4,214</u>	<u>11,204</u>	<u>2,102</u>	<u>272</u>	<u>41,695</u>	<u>127,044</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Non-major Governmental Funds - Facilities General Capital Projects Fund

June 30, 2017

(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	\$ 20,917	1,550	22,467
Accounts receivable	—	1,082	1,082
Total assets	<u>20,917</u>	<u>2,632</u>	<u>23,549</u>
Liabilities			
Accounts payable	<u>80</u>	<u>2,410</u>	<u>2,490</u>
Total liabilities	<u>80</u>	<u>2,410</u>	<u>2,490</u>
Fund Balances			
Committed	<u>20,837</u>	<u>222</u>	<u>21,059</u>
Total fund balances	<u>20,837</u>	<u>222</u>	<u>21,059</u>
Total liabilities and fund balances	<u>\$ 20,917</u>	<u>2,632</u>	<u>23,549</u>

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

General Fund

For the fiscal year ended June 30, 2017

(Dollars in thousands)

	General Fund	Indirect Cost Reimburse- ment Fund	PERS Rate Stabilization Fund	Strategic Investment Program and Gain Share Fund	Survey Fund	Net Consolidation Adjustments	Total General Fund
Revenues:							
Taxes	\$ 140,129	—	—	—	—	—	140,129
Licenses and permits	7,546	—	—	—	—	—	7,546
Intergovernmental revenues	16,795	69	—	9,744	—	—	26,608
Charges for services	8,477	—	—	18,579	661	—	27,717
Fines and forfeitures	2,443	—	—	—	—	—	2,443
Miscellaneous revenues	4,653	—	31	147	10	—	4,841
Interfund revenues	6,324	18,231	—	—	33	(72)	24,516
Total revenues	186,367	18,300	31	28,470	704	(72)	233,800
Expenditures:							
Current:							
General government	47,026	—	—	—	—	—	47,026
Public safety and justice	69,106	—	—	—	—	—	69,106
Land use and transportation	3,530	—	—	—	671	(72)	4,129
Housing, health and human services	18,785	—	—	—	—	—	18,785
Culture, education and recreation	1,249	—	—	—	—	—	1,249
Nonoperating	—	2,798	—	150	—	—	2,948
Total current	139,696	2,798	—	150	671	(72)	143,243
Capital outlay	248	—	—	250	—	—	498
Debt service:							
Principal	218	—	—	—	—	—	218
Interest	18	—	—	—	—	—	18
Total debt service	236	—	—	—	—	—	236
Total expenditures	140,180	2,798	—	400	671	(72)	143,977
Revenues over expenditures	46,187	15,502	31	28,070	33	—	89,823
Other financing sources (uses):							
Transfers in	32,257	—	—	—	73	(30,563)	1,767
Transfers out	(70,008)	(15,502)	—	(28,042)	(31)	30,563	(83,020)
Total other financing sources (uses)	(37,751)	(15,502)	—	(28,042)	42	—	(81,253)
Net change in fund balances	8,436	—	31	28	75	—	8,570
Fund balances July 1, 2016	40,348	—	6,601	19,353	1,011	—	67,313
Fund balances June 30, 2017	\$ 48,784	—	6,632	19,381	1,086	—	75,883

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

Human Services Fund

For the fiscal year ended June 30, 2017

(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	\$ 17,304	—	—	—	17,304
Charges for services	6	—	—	—	6
Miscellaneous revenues	195	—	18	—	213
Interfund revenues	119	162	—	(162)	119
Total revenues	17,624	162	18	(162)	17,642
Expenditures:					
Current:					
Housing, health and human services	20,176	—	672	(162)	20,686
Total current	20,176	—	672	(162)	20,686
Capital outlay	96	—	—	—	96
Total expenditures	20,272	—	672	(162)	20,782
Revenues over (under) expenditures	(2,648)	162	(654)	—	(3,140)
Other financing sources:					
Transfers in	1,655	—	3,100	(400)	4,355
Transfers out	(400)	—	—	400	—
Total other financing sources	1,255	—	3,100	—	4,355
Net change in fund balances	(1,393)	162	2,446	—	1,215
Fund balances July 1, 2016	4,265	1,505	—	—	5,770
Fund balances June 30, 2017	\$ <u>2,872</u>	<u>1,667</u>	<u>2,446</u>	<u>—</u>	<u>6,985</u>

WASHINGTON COUNTY, OREGON

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances

Major Streets Transportation Improvement Program III Fund

For the fiscal year ended June 30, 2017

(Dollars in thousands)

	2016 FF&C MSTIP Capital Projects Fund	Major Streets Transportation Improvement Program III Fund	Net Consolidation Adjustments	Total Major Streets Transportation Improvement Program III Fund
Revenues:				
Intergovernmental revenues	\$ —	10,197	—	10,197
Miscellaneous revenues	232	2,520	—	2,752
Total revenues	232	12,717	—	12,949
Expenditures:				
Current:				
Land use and transportation	—	50,014	—	50,014
Total current	—	50,014	—	50,014
Capital outlay	—	4,861	—	4,861
Debt service:				
Debt issuance costs	216	—	—	216
Total expenditures	216	54,875	—	55,091
Revenues over (under) expenditures	16	(42,158)	—	(42,142)
Other financing sources:				
Proceeds from debt	53,579	—	—	53,579
Transfers in	—	76,899	(36,148)	40,751
Transfers out	(36,148)	(1,271)	36,148	(1,271)
Total other financing sources	17,431	75,628	—	93,059
Net change in fund balances	17,447	33,470	—	50,917
Fund balances July 1, 2016	—	67,769	—	67,769
Fund balances June 30, 2017	\$ 17,447	101,239	—	118,686

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, 2017

(Dollars in thousands)

	Total Special Revenue Funds	Miscellaneous Debt Service Fund	Total Capital Projects Funds	Total Non-major Funds
Revenues:				
Taxes	\$ 70,416	4,020	988	75,424
Licenses and permits	6,446	—	—	6,446
Intergovernmental revenues	36,689	—	7,609	44,298
Charges for services	21,562	—	8,042	29,604
Fines and forfeitures	516	—	—	516
Special assessments	122	—	7	129
Miscellaneous revenues	30,702	1	600	31,303
Interfund revenues	761	—	2,895	3,656
Total revenues	167,214	4,021	20,141	191,376
Expenditures:				
Current:				
Public safety and justice	94,317	—	—	94,317
Land use and transportation	15,846	—	16,361	32,207
Housing, health and human services	30,437	—	—	30,437
Culture, education and recreation	35,516	—	—	35,516
Nonoperating	301	1	165	467
Total current	176,417	1	16,526	192,944
Capital outlay	710	—	21,452	22,162
Debt service:				
Principal	260	6,266	—	6,526
Interest	17	4,681	—	4,698
Debt issuance costs	—	—	278	278
Total debt service	277	10,947	278	11,502
Total expenditures	177,404	10,948	38,256	226,608
Revenues under expenditures	(10,190)	(6,927)	(18,115)	(35,232)
Other financing sources (uses):				
Proceeds from debt issuance	—	—	67,918	67,918
Transfers in	24,498	6,939	20,868	52,305
Transfers out	(7,801)	—	(4,106)	(11,907)
Total other financing sources	16,697	6,939	84,680	108,316
Net change in fund balances	6,507	12	66,565	73,084
Fund balances July 1, 2016	106,460	32	54,294	160,786
Fund balances June 30, 2017	\$ <u>112,967</u>	<u>44</u>	<u>120,859</u>	<u>233,870</u>

WASHINGTON COUNTY, OREGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Non-major Governmental Funds - Special Revenue Funds

For the fiscal year ended June 30, 2017

(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	\$ —	—	—	5,932	—	—
Intergovernmental revenues	3,284	75	—	143	5,653	14,883
Charges for services	—	—	—	4,662	—	830
Fines and forfeitures	—	—	—	4	—	—
Miscellaneous revenues	21	456	3	88	22	84
Interfund revenues	—	—	—	181	99	93
Total revenues	3,305	531	3	11,010	5,774	15,890
Expenditures:						
Current:						
Public safety and justice	—	—	—	—	—	18,094
Land use and transportation	—	—	—	8,497	—	—
Housing, health and human services	3,358	678	51	—	5,657	—
Total current	3,358	678	51	8,497	5,657	18,094
Capital outlay	—	—	—	47	—	26
Total expenditures	3,358	678	51	8,544	5,657	18,120
Revenues over (under) expenditures	(53)	(147)	(48)	2,466	117	(2,230)
Other financing sources (uses):						
Transfers in	315	281	—	—	83	1,437
Transfers out	—	—	—	(361)	—	—
Total other financing sources (uses)	315	281	—	(361)	83	1,437
Net change in fund balances	262	134	(48)	2,105	200	(793)
Fund balances July 1, 2016	380	328	350	16,483	268	2,504
Fund balances June 30, 2017	\$ <u>642</u>	<u>462</u>	<u>302</u>	<u>18,588</u>	<u>468</u>	<u>1,711</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, 2017
(Dollars in thousands)

	Cooperative Library Services Fund	Court Security Fund	Department of Housing Services Fund	Development Services Fund	District Patrol Fund	Emergency Medical Services Fund
Revenues:						
Taxes	\$ 12,503	—	—	—	—	—
Licenses and permits	—	—	—	—	—	480
Intergovernmental revenues	37	—	2,870	138	—	—
Charges for services	6	—	—	2,338	58	6
Fines and forfeitures	—	512	—	—	—	—
Miscellaneous revenues	91	5	3,978	24	23,641	43
Interfund revenues	—	2	—	24	6	10
Total revenues	12,637	519	6,848	2,524	23,705	539
Expenditures:						
Current:						
Public safety and justice	—	357	—	—	23,240	—
Land use and transportation	—	—	—	2,451	—	—
Housing, health and human services	—	—	7,389	—	—	668
Culture, education and recreation	29,003	—	—	—	—	—
Total current	29,003	357	7,389	2,451	23,240	668
Capital outlay	41	—	—	—	465	—
Total expenditures	29,044	357	7,389	2,451	23,705	668
Revenues over (under) expenditures	(16,407)	162	(541)	73	—	(129)
Other financing sources (uses):						
Transfers in	19,022	—	834	363	—	—
Transfers out	(809)	—	(184)	(132)	—	—
Total other financing sources	18,213	—	650	231	—	—
Net change in fund balances	1,806	162	109	304	—	(129)
Fund balances July 1, 2016	7,061	732	186	3,585	—	1,379
Fund balances June 30, 2017	\$ 8,867	894	295	3,889	—	1,250

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, 2017
(Dollars in thousands)

	Enhanced Sheriff's Patrol District Fund (Component Unit)	Health Share of Oregon Fund	Human Services OHP Fund	ITS Systems Replacement Fund	Jail Commissary Fund	Juvenile Conciliation Services Fund
Revenues:						
Taxes	\$ 24,295	—	—	—	—	—
Licenses and permits	—	—	—	—	—	34
Intergovernmental revenues	75	—	—	—	—	585
Charges for services	9	9,067	—	—	—	5
Miscellaneous revenues	104	23	25	6	273	15
Total revenues	24,483	9,090	25	6	273	639
Expenditures:						
Current:						
Public safety and justice	23,602	—	—	—	139	552
Housing, health and human services	—	9,239	—	—	—	—
Total current	23,602	9,239	—	—	139	552
Revenues over (under) expenditures	881	(149)	25	6	134	87
Other financing sources (uses):						
Transfers in	—	—	—	680	—	—
Transfers out	—	(500)	(2,000)	(2,024)	—	—
Total other financing uses	—	(500)	(2,000)	(1,344)	—	—
Net change in fund balances	881	(649)	(1,975)	(1,338)	134	87
Fund balances July 1, 2016	13,950	16,437	7,117	2,188	407	89
Fund balances June 30, 2017	\$ 14,831	15,788	5,142	850	541	176

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, 2017

(Dollars in thousands)

	Juvenile Grants Fund	Juvenile High Risk Prevention Fund	Law Library Fund	Local Option Levy Fund	Lottery Fund	Maintenance Improvement District Fund
Revenues:						
Taxes	\$ —	—	—	23,925	—	—
Intergovernmental revenues	802	2,070	—	464	2,075	—
Charges for services	—	—	393	39	—	—
Special assessments	—	—	—	—	—	35
Miscellaneous revenues	8	12	5	132	78	1
Total revenues	810	2,082	398	24,560	2,153	36
Expenditures:						
Current:						
Public safety and justice	800	1,630	443	21,774	—	—
Land use and transportation	—	—	—	—	—	36
Nonoperating	—	—	—	—	301	—
Total current	800	1,630	443	21,774	301	36
Capital outlay	—	—	—	47	—	—
Total expenditures	800	1,630	443	21,821	301	36
Revenues over (under) expenditures	10	452	(45)	2,739	1,852	—
Other financing uses:						
Transfers out	—	—	(17)	—	(1,713)	(1)
Net change in fund balances	10	452	(62)	2,739	139	(1)
Fund balances July 1, 2016	85	541	1,033	15,296	—	246
Fund balances June 30, 2017	\$ 95	993	971	18,035	139	245

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, 2017
(Dollars in thousands)

	Metzger Park LID Fund	North Bethany County Service District for Roads Fund (Component Unit)	Office of Community Development Block Grant Fund	Sheriff's Office Contract Services Fund	Sheriff's Office Forfeitures Fund	Sheriff's Office Grants & Donations Fund
Revenues:						
Taxes	\$ —	252	—	—	—	—
Intergovernmental revenues	—	—	3,300	—	—	178
Charges for services	—	—	—	2,949	—	—
Special assessments	87	—	—	—	—	—
Miscellaneous revenues	19	1	181	244	216	314
Interfund revenues	—	—	—	42	—	—
Total revenues	106	253	3,481	3,235	216	492
Expenditures:						
Current:						
Public safety and justice	—	—	—	3,235	243	208
Land use and transportation	—	7	—	—	—	—
Housing, health and human services	—	—	3,397	—	—	—
Culture, education and recreation	63	—	—	—	—	—
Total current	63	7	3,397	3,235	243	208
Capital outlay	—	—	—	—	66	—
Debt service:						
Principal	—	—	—	—	—	260
Interest	—	1	—	—	—	16
Total debt service	—	1	—	—	—	276
Total expenditures	63	8	3,397	3,235	309	484
Revenues over (under) expenditures	43	245	84	—	(93)	8
Other financing sources (uses):						
Transfers in	—	674	—	—	—	—
Transfers out	—	(4)	—	—	—	—
Total other financing sources	—	670	—	—	—	—
Net change in fund balances (deficit)	43	915	84	—	(93)	8
Fund balances (deficit) July 1, 2016	85	(508)	192	1	523	(21)
Fund balances (deficit) June 30, 2017	\$ 128	407	276	1	430	(13)

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, 2017
(Dollars in thousands)

	Surveyor - Public Land Corner Fund	Tourism Dedicated Lodging Tax Fund	Urban Road Maintenance District Fund (Component Unit)	Washington County Fair Fund	West Slope Library Fund	Total Special Revenue Funds
Revenues:						
Taxes	\$ —	3,436	4,533	1,472	—	70,416
Licenses and permits	—	—	—	—	—	6,446
Intergovernmental revenues	—	—	—	54	3	36,689
Charges for services	522	—	18	660	—	21,562
Fines and forfeitures	—	—	—	—	—	516
Special assessments	—	—	—	—	—	122
Miscellaneous revenues	8	9	61	484	27	30,702
Interfund revenues	304	—	—	—	—	761
Total revenues	834	3,445	4,612	2,670	30	167,214
Expenditures:						
Current:						
Public safety and justice	—	—	—	—	—	94,317
Land use and transportation	500	—	4,355	—	—	15,846
Housing, health and human services	—	—	—	—	—	30,437
Culture, education and recreation	—	3,434	—	2,205	811	35,516
Nonoperating	—	—	—	—	—	301
Total current	500	3,434	4,355	2,205	811	176,417
Capital outlay	—	—	11	7	—	710
Debt service:						
Principal	—	—	—	—	—	260
Interest	—	—	—	—	—	17
Total debt service	—	—	—	—	—	277
Total expenditures	500	3,434	4,366	2,212	811	177,404
Revenues over (under) expenditures	334	11	246	458	(781)	(10,190)
Other financing sources (uses):						
Transfers in	—	—	—	—	809	24,498
Transfers out	(32)	—	(24)	—	—	(7,801)
Total other financing sources (uses)	(32)	—	(24)	—	809	16,697
Net change in fund balances	302	11	222	458	28	6,507
Fund balances July 1, 2016	1,525	1,348	11,101	1,082	487	106,460
Fund balances June 30, 2017	\$ 1,827	1,359	11,323	1,540	515	112,967

WASHINGTON COUNTY, OREGONCombining 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, 2017

(Dollars in thousands)

	Health Share of Oregon Fund	Tri-County Risk Reserve Fund	Net Consolidation Adjustments	Total Health Share of Oregon Fund
Revenues:				
Charges for services	\$ 9,067	—	—	9,067
Miscellaneous revenues	23	—	—	23
Total revenues	<u>9,090</u>	<u>—</u>	<u>—</u>	<u>9,090</u>
Expenditures:				
Current:				
Housing, health and human services	<u>9,239</u>	<u>—</u>	<u>—</u>	<u>9,239</u>
Revenues under expenditures	<u>(149)</u>	<u>—</u>	<u>—</u>	<u>(149)</u>
Other financing sources (uses):				
Transfers in	—	3,500	(3,500)	—
Transfers out	<u>(4,000)</u>	<u>—</u>	<u>3,500</u>	<u>(500)</u>
Total other financing sources (uses)	<u>(4,000)</u>	<u>3,500</u>	<u>—</u>	<u>(500)</u>
Net change in fund balances	(4,149)	3,500	—	(649)
Fund balances July 1, 2016	<u>16,437</u>	<u>—</u>	<u>—</u>	<u>16,437</u>
Fund balances June 30, 2017	<u>\$ 12,288</u>	<u>3,500</u>	<u>—</u>	<u>15,788</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, 2017

(Dollars in thousands)

	<u>General Obligation Debt Service Fund</u>	<u>Miscellaneous Debt Service Fund</u>	<u>Total Debt Service Funds</u>
Revenues:			
Taxes	\$ 4,020	—	4,020
Miscellaneous revenues	<u>1</u>	<u>—</u>	<u>1</u>
Total revenues	<u>4,021</u>	<u>—</u>	<u>4,021</u>
Expenditures:			
Current:			
Nonoperating	<u>—</u>	<u>1</u>	<u>1</u>
Debt service:			
Principal	1,600	4,666	6,266
Interest	<u>2,411</u>	<u>2,270</u>	<u>4,681</u>
Total debt service	<u>4,011</u>	<u>6,936</u>	<u>10,947</u>
Total expenditures	<u>4,011</u>	<u>6,937</u>	<u>10,948</u>
Revenues over (under) expenditures	<u>10</u>	<u>(6,937)</u>	<u>(6,927)</u>
Other financing sources:			
Transfers in	<u>—</u>	<u>6,939</u>	<u>6,939</u>
Net change in fund balances	10	2	12
Fund balances July 1, 2016	<u>—</u>	<u>32</u>	<u>32</u>
Fund balances June 30, 2017	<u>\$ 10</u>	<u>34</u>	<u>44</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, 2017

(Dollars in thousands)

	Building Equipment Replacement Fund	Countywide Traffic Impact Fee Fund	Event Center Fund	Facilities General Capital Projects Fund	Facilities Park (THPRD) SDC Fund
Revenues:					
Taxes	—	—	988	—	—
Intergovernmental revenues	\$ —	—	—	1,273	—
Charges for services	—	—	—	—	12
Special assessments	—	7	—	—	—
Miscellaneous revenues	19	16	151	159	—
Interfund revenues	—	—	—	1,790	—
Total revenues	19	23	1,139	3,222	12
Expenditures:					
Current:					
Land use and transportation	—	14	—	—	—
Nonoperating	—	—	—	107	—
Total current	—	14	—	107	—
Capital outlay	671	—	337	16,886	—
Debt service:					
Debt issuance costs	—	—	143	135	—
Total expenditures	671	14	480	17,128	—
Revenues over (under) expenditures	(652)	9	659	(13,906)	12
Other financing sources (uses):					
Proceeds from debt issuance	—	—	35,023	32,895	—
Transfers in	2,067	—	2,206	3,665	—
Transfers out	—	(652)	—	(1,900)	—
Total other financing sources	2,067	(652)	37,229	34,660	—
Net change in fund balances	1,415	(643)	37,888	20,754	12
Fund balances July 1, 2016	2,486	2,707	—	305	53
Fund balances June 30, 2017	\$ 3,901	2,064	37,888	21,059	65

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, 2017

(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:						
Taxes	—	—	—	—	—	988
Intergovernmental revenues	\$ —	6,336	—	—	—	7,609
Charges for services	—	—	1,512	—	6,518	8,042
Special assessments	—	—	—	—	—	7
Miscellaneous revenues	16	34	6	2	197	600
Interfund revenues	1,105	—	—	—	—	2,895
Total revenues	1,121	6,370	1,518	2	6,715	20,141
Expenditures:						
Current:						
Land use and transportation	—	15,848	50	—	449	16,361
Nonoperating	52	—	—	6	—	165
Total current	52	15,848	50	6	449	16,526
Capital outlay	3,495	50	—	13	—	21,452
Debt service:						
Debt issuance costs	—	—	—	—	—	278
Total expenditures	3,547	15,898	50	19	449	38,256
Revenues over (under) expenditures	(2,426)	(9,528)	1,468	(17)	6,266	(18,115)
Other financing sources (uses):						
Proceeds from debt issuance	—	—	—	—	—	67,918
Transfers in	4,612	8,318	—	—	—	20,868
Transfers out	—	(97)	(674)	—	(783)	(4,106)
Total other financing sources (uses)	4,612	8,221	(674)	—	(783)	84,680
Net change in fund balances	2,186	(1,307)	794	(17)	5,483	66,565
Fund balances July 1, 2016	1,726	9,309	1,308	288	36,112	54,294
Fund balances June 30, 2017	\$ 3,912	8,002	2,102	271	41,595	120,859

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, 2017

(Dollars in thousands)

	2016 FF&C Facilities Capital Projects Fund	Facilities General Capital Projects Fund	Total Facilities General Capital Projects Fund
Revenues:			
Intergovernmental revenues	\$ —	1,273	1,273
Miscellaneous revenues	159	—	159
Interfund revenues	—	1,790	1,790
	<hr/>	<hr/>	<hr/>
Total revenues	159	3,063	3,222
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Nonoperating	—	107	107
	<hr/>	<hr/>	<hr/>
Capital outlay	10,182	6,704	16,886
	<hr/>	<hr/>	<hr/>
Debt service:			
Debt issuance costs	135	—	135
	<hr/>	<hr/>	<hr/>
Total expenditures	10,317	6,811	17,128
	<hr/>	<hr/>	<hr/>
Revenues under expenditures	(10,158)	(3,748)	(13,906)
	<hr/>	<hr/>	<hr/>
Other financing sources:			
Proceeds from debt issuance	32,895	—	32,895
Transfers in	—	3,665	3,665
Transfers out	(1,900)	—	(1,900)
	<hr/>	<hr/>	<hr/>
Total other financing sources	30,995	3,665	34,660
	<hr/>	<hr/>	<hr/>
Net change in fund balances	20,837	(83)	20,754
	<hr/>	<hr/>	<hr/>
Fund balances July 1, 2016	—	305	305
	<hr/>	<hr/>	<hr/>
Fund balances June 30, 2017	\$ <u>20,837</u>	<u>222</u>	<u>21,059</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (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	\$ 3,912	3,912	3,284	(628)	—	75	75	—
Miscellaneous revenues	1	1	21	20	—	502	456	(46)
Total revenues	<u>3,913</u>	<u>3,913</u>	<u>3,305</u>	<u>(608)</u>	<u>—</u>	<u>577</u>	<u>531</u>	<u>(46)</u>
Expenditures:								
Current:								
Housing, health and human services	4,301	4,301	3,358	943	592	1,178	678	500
Operating contingency	208	208	—	208	—	—	—	—
Total current	<u>4,509</u>	<u>4,509</u>	<u>3,358</u>	<u>1,151</u>	<u>592</u>	<u>1,178</u>	<u>678</u>	<u>500</u>
Revenues under expenditures	<u>(596)</u>	<u>(596)</u>	<u>(53)</u>	<u>543</u>	<u>(592)</u>	<u>(601)</u>	<u>(147)</u>	<u>454</u>
Other financing sources:								
Transfers in from other funds	315	315	315	—	273	273	281	8
Net change in fund balances	<u>(281)</u>	<u>(281)</u>	<u>262</u>	<u>543</u>	<u>(319)</u>	<u>(328)</u>	<u>134</u>	<u>462</u>
Fund balances July 1, 2016	<u>281</u>	<u>281</u>	<u>380</u>	<u>99</u>	<u>319</u>	<u>328</u>	<u>328</u>	<u>—</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>642</u>	<u>642</u>	<u>—</u>	<u>—</u>	<u>462</u>	<u>462</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (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	\$ —	—	—	—	5,450	5,450	5,932	482
Intergovernmental revenues	327	327	—	(327)	112	112	143	31
Charges for services	—	—	—	—	3,979	3,979	4,662	683
Fines and forfeitures	—	—	—	—	—	—	4	4
Miscellaneous revenues	3	3	3	—	153	153	88	(65)
Interfund revenues	—	—	—	—	161	161	181	20
Total revenues	<u>330</u>	<u>330</u>	<u>3</u>	<u>(327)</u>	<u>9,855</u>	<u>9,855</u>	<u>11,010</u>	<u>1,155</u>
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	9,930	9,930	8,497	1,433
Housing, health and human services	427	427	51	376	—	—	—	—
Operating contingency	154	154	—	154	14,824	14,824	—	14,824
Total current	<u>581</u>	<u>581</u>	<u>51</u>	<u>530</u>	<u>24,754</u>	<u>24,754</u>	<u>8,497</u>	<u>16,257</u>
Capital outlay	—	—	—	—	58	58	47	11
Total expenditures	<u>581</u>	<u>581</u>	<u>51</u>	<u>530</u>	<u>24,812</u>	<u>24,812</u>	<u>8,544</u>	<u>16,268</u>
Revenues over (under) expenditures	<u>(251)</u>	<u>(251)</u>	<u>(48)</u>	<u>203</u>	<u>(14,957)</u>	<u>(14,957)</u>	<u>2,466</u>	<u>17,423</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	25	25	—	(25)
Transfers out to other funds	—	—	—	—	(361)	(361)	(361)	—
Total other financing uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(336)</u>	<u>(336)</u>	<u>(361)</u>	<u>(25)</u>
Net change in fund balances	<u>(251)</u>	<u>(251)</u>	<u>(48)</u>	<u>203</u>	<u>(15,293)</u>	<u>(15,293)</u>	<u>2,105</u>	<u>17,398</u>
Fund balances July 1, 2016	<u>251</u>	<u>251</u>	<u>350</u>	<u>99</u>	<u>15,293</u>	<u>15,293</u>	<u>16,483</u>	<u>1,190</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>302</u>	<u>302</u>	<u>—</u>	<u>—</u>	<u>18,588</u>	<u>18,588</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (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	\$ 7,070	7,070	5,653	(1,417)	15,241	15,241	14,883	(358)
Charges for services	50	50	—	(50)	868	868	830	(38)
Miscellaneous revenues	2	2	22	20	39	39	84	45
Interfund revenues	90	90	99	9	100	100	93	(7)
Total revenues	<u>7,212</u>	<u>7,212</u>	<u>5,774</u>	<u>(1,438)</u>	<u>16,248</u>	<u>16,248</u>	<u>15,890</u>	<u>(358)</u>
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	20,211	20,211	18,094	2,117
Housing, health and human services	7,301	7,301	5,657	1,644	—	—	—	—
Operating contingency	100	100	—	100	314	314	—	314
Total current	<u>7,401</u>	<u>7,401</u>	<u>5,657</u>	<u>1,744</u>	<u>20,525</u>	<u>20,525</u>	<u>18,094</u>	<u>2,431</u>
Capital outlay	—	—	—	—	29	29	26	3
Total expenditures	<u>7,401</u>	<u>7,401</u>	<u>5,657</u>	<u>1,744</u>	<u>20,554</u>	<u>20,554</u>	<u>18,120</u>	<u>2,434</u>
Revenues over (under) expenditures	<u>(189)</u>	<u>(189)</u>	<u>117</u>	<u>306</u>	<u>(4,306)</u>	<u>(4,306)</u>	<u>(2,230)</u>	<u>2,076</u>
Other financing sources:								
Transfers in from other funds	83	83	83	—	1,437	1,437	1,437	—
Net change in fund balances	<u>(106)</u>	<u>(106)</u>	<u>200</u>	<u>306</u>	<u>(2,869)</u>	<u>(2,869)</u>	<u>(793)</u>	<u>2,076</u>
Fund balances July 1, 2016	<u>106</u>	<u>106</u>	<u>268</u>	<u>162</u>	<u>2,869</u>	<u>2,869</u>	<u>2,504</u>	<u>(365)</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>468</u>	<u>468</u>	<u>—</u>	<u>—</u>	<u>1,711</u>	<u>1,711</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	Cooperative Library Services Fund				Court Security Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 12,665	12,665	12,503	(162)	—	—	—	—
Intergovernmental revenues	41	41	37	(4)	—	—	—	—
Charges for services	5	5	6	1	—	—	—	—
Fines and forfeitures	—	—	—	—	500	500	512	12
Miscellaneous revenues	159	159	91	(68)	—	—	5	5
Interfund revenues	—	—	—	—	—	—	2	2
Total revenues	12,870	12,870	12,637	(233)	500	500	519	19
Expenditures:								
Current:								
General government	—	—	—	—	—	—	—	—
Public safety and justice	—	—	—	—	622	622	357	265
Culture, education and recreation	30,463	30,463	29,003	1,460	—	—	—	—
Operating contingency	6,814	6,814	—	6,814	411	411	—	411
Total current	37,277	37,277	29,003	8,274	1,033	1,033	357	676
Capital outlay	202	202	41	161	65	65	—	65
Total expenditures	37,479	37,479	29,044	8,435	1,098	1,098	357	741
Revenues over (under) expenditures	(24,609)	(24,609)	(16,407)	8,202	(598)	(598)	162	760
Other financing sources (uses):								
Transfers in from other funds	19,022	19,022	19,022	—	—	—	—	—
Transfers out to other funds	(796)	(796)	(809)	(13)	—	—	—	—
Total other financing sources	18,226	18,226	18,213	(13)	—	—	—	—
Net change in fund balances	(6,383)	(6,383)	1,806	8,189	(598)	(598)	162	760
Fund balances July 1, 2016	6,383	6,383	7,061	678	598	598	732	134
Fund balances June 30, 2017	\$ —	—	8,867	8,867	—	—	894	894

* 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, 2017
 (Dollars in thousands)

	Department of Housing Services Fund				Development Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 3,113	3,113	2,870	(243)	90	90	138	48
Charges for services	—	—	—	—	2,228	2,228	2,338	110
Miscellaneous revenues	4,185	4,185	3,978	(207)	30	30	24	(6)
Interfund revenues	—	—	—	—	25	25	24	(1)
Total revenues	<u>7,298</u>	<u>7,298</u>	<u>6,848</u>	<u>(450)</u>	<u>2,373</u>	<u>2,373</u>	<u>2,524</u>	<u>151</u>
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	3,110	3,110	2,451	659
Housing, health and human services	7,944	7,944	7,389	555	—	—	—	—
Operating contingency	157	157	—	157	2,418	2,418	—	2,418
Total current	<u>8,101</u>	<u>8,101</u>	<u>7,389</u>	<u>712</u>	<u>5,528</u>	<u>5,528</u>	<u>2,451</u>	<u>3,077</u>
Revenues over (under) expenditures	<u>(803)</u>	<u>(803)</u>	<u>(541)</u>	<u>262</u>	<u>(3,155)</u>	<u>(3,155)</u>	<u>73</u>	<u>3,228</u>
Other financing sources (uses):								
Transfers in from other funds	901	901	834	(67)	329	329	363	34
Transfers out to other funds	(250)	(250)	(184)	66	(132)	(132)	(132)	—
Total other financing sources	<u>651</u>	<u>651</u>	<u>650</u>	<u>(1)</u>	<u>197</u>	<u>197</u>	<u>231</u>	<u>34</u>
Net change in fund balances	<u>(152)</u>	<u>(152)</u>	<u>109</u>	<u>261</u>	<u>(2,958)</u>	<u>(2,958)</u>	<u>304</u>	<u>3,262</u>
Fund balances July 1, 2016	<u>152</u>	<u>152</u>	<u>186</u>	<u>34</u>	<u>2,958</u>	<u>2,958</u>	<u>3,585</u>	<u>627</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>295</u>	<u>295</u>	<u>—</u>	<u>—</u>	<u>3,889</u>	<u>3,889</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (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	\$ —	—	—	—	520	520	480	(40)
Charges for services	165	165	58	(107)	3	3	6	3
Miscellaneous revenues	24,873	24,873	23,641	(1,232)	42	42	43	1
Interfund revenues	—	—	6	6	2	2	10	8
Total revenues	<u>25,038</u>	<u>25,038</u>	<u>23,705</u>	<u>(1,333)</u>	<u>567</u>	<u>567</u>	<u>539</u>	<u>(28)</u>
Expenditures:								
Current:								
Public safety and justice	24,400	24,400	23,240	1,160	—	—	—	—
Housing, health and human services	—	—	—	—	798	798	668	130
Operating contingency	—	—	—	—	1,076	1,076	—	1,076
Total current	<u>24,400</u>	<u>24,400</u>	<u>23,240</u>	<u>1,160</u>	<u>1,874</u>	<u>1,874</u>	<u>668</u>	<u>1,206</u>
Capital outlay	638	638	465	173	—	—	—	—
Total expenditures	<u>25,038</u>	<u>25,038</u>	<u>23,705</u>	<u>1,333</u>	<u>1,874</u>	<u>1,874</u>	<u>668</u>	<u>1,206</u>
Revenues under expenditures	—	—	—	—	(1,307)	(1,307)	(129)	1,178
Fund balances July 1, 2016	—	—	—	—	1,307	1,307	1,379	72
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,250</u>	<u>1,250</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	Enhanced Sheriff's Patrol District Fund (Component Unit)				Health Share of Oregon Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 24,261	24,261	24,295	34	—	—	—	—
Intergovernmental revenues	70	70	75	5	—	—	—	—
Charges for services	10	10	9	(1)	10,403	10,403	9,067	(1,336)
Miscellaneous revenues	132	132	104	(28)	72	72	23	(49)
Total revenues	<u>24,473</u>	<u>24,473</u>	<u>24,483</u>	<u>10</u>	<u>10,475</u>	<u>10,475</u>	<u>9,090</u>	<u>(1,385)</u>
Expenditures:								
Current:								
Public safety and justice	26,103	26,103	23,602	2,501	—	—	—	—
Housing, health and human services	—	—	—	—	12,674	12,674	9,239	3,435
Operating contingency	11,280	11,280	—	11,280	12,264	8,764	—	8,764
Total current	<u>37,383</u>	<u>37,383</u>	<u>23,602</u>	<u>13,781</u>	<u>24,938</u>	<u>21,438</u>	<u>9,239</u>	<u>12,199</u>
Revenues over (under) expenditures	<u>(12,910)</u>	<u>(12,910)</u>	<u>881</u>	<u>13,791</u>	<u>(14,463)</u>	<u>(10,963)</u>	<u>(149)</u>	<u>10,814</u>
Other financing uses:								
Transfers out to other funds	—	—	—	—	(1,000)	(4,500)	(4,000)	500
Net change in fund balances	<u>(12,910)</u>	<u>(12,910)</u>	<u>881</u>	<u>13,791</u>	<u>(15,463)</u>	<u>(15,463)</u>	<u>(4,149)</u>	<u>11,314</u>
Fund balances July 1, 2016	<u>12,910</u>	<u>12,910</u>	<u>13,950</u>	<u>1,040</u>	<u>15,463</u>	<u>15,463</u>	<u>16,437</u>	<u>974</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>14,831</u>	<u>14,831</u>	<u>—</u>	<u>—</u>	<u>12,288</u>	<u>12,288</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	Human Services HB-2145 Fund				Human Services OHP Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Miscellaneous revenues	\$ —	—	—	—	19	19	25	6
Interfund revenues	—	—	162	162	—	—	—	—
Total revenues	—	—	162	162	19	19	25	6
Expenditures:								
Current:								
Operating contingency	1,072	1,072	—	1,072	558	558	—	558
Total current	1,072	1,072	—	1,072	558	558	—	558
Revenues over (under) expenditures	(1,072)	(1,072)	162	1,234	(539)	(539)	25	564
Other financing uses:								
Transfers out to other funds	(52)	(52)	—	52	(6,500)	(6,500)	(2,000)	4,500
Net change in fund balances	(1,124)	(1,124)	162	1,286	(7,039)	(7,039)	(1,975)	5,064
Fund balances July 1, 2016	1,124	1,124	1,505	381	7,039	7,039	7,117	78
Fund balances June 30, 2017	\$ —	—	1,667	1,667	—	—	5,142	5,142

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	Indirect Cost Reimbursement Fund				ITS Systems Replacement Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 69	69	69	—	—	—	—	—
Miscellaneous revenues	—	—	—	—	19	19	6	(13)
Interfund revenues	18,231	18,231	18,231	—	—	—	—	—
Total revenues	18,300	18,300	18,300	—	19	19	6	(13)
Expenditures:								
Current:								
Nonoperating	2,798	2,798	2,798	—	—	—	—	—
Operating contingency	—	—	—	—	854	854	—	854
Total current	2,798	2,798	2,798	—	854	854	—	854
Revenues over (under) expenditures	15,502	15,502	15,502	—	(835)	(835)	6	841
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	680	680	680	—
Transfers out to other funds	(15,502)	(15,502)	(15,502)	—	(2,024)	(2,024)	(2,024)	—
Total other financing uses	(15,502)	(15,502)	(15,502)	—	(1,344)	(1,344)	(1,344)	—
Net change in fund balances	—	—	—	—	(2,179)	(2,179)	(1,338)	841
Fund balances July 1, 2016	—	—	—	—	2,179	2,179	2,188	9
Fund balances June 30, 2017	\$ —	—	—	—	—	—	850	850

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	<u>Jail Commissary Fund</u>				<u>Juvenile Conciliation 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	\$ —	—	—	—	36	36	34	(2)
Intergovernmental revenues	—	—	—	—	528	528	585	57
Charges for services	—	—	—	—	4	4	5	1
Miscellaneous revenues	<u>138</u>	<u>138</u>	<u>273</u>	<u>135</u>	<u>7</u>	<u>7</u>	<u>15</u>	<u>8</u>
Total revenues	<u>138</u>	<u>138</u>	<u>273</u>	<u>135</u>	<u>575</u>	<u>575</u>	<u>639</u>	<u>64</u>
Expenditures:								
Current:								
Public safety and justice	165	165	139	26	678	678	552	126
Operating contingency	<u>317</u>	<u>317</u>	<u>—</u>	<u>317</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total current	<u>482</u>	<u>482</u>	<u>139</u>	<u>343</u>	<u>678</u>	<u>678</u>	<u>552</u>	<u>126</u>
Revenues over (under) expenditures	<u>(344)</u>	<u>(344)</u>	<u>134</u>	<u>478</u>	<u>(103)</u>	<u>(103)</u>	<u>87</u>	<u>190</u>
Fund balances July 1, 2016	<u>344</u>	<u>344</u>	<u>407</u>	<u>63</u>	<u>103</u>	<u>103</u>	<u>89</u>	<u>(14)</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>541</u>	<u>541</u>	<u>—</u>	<u>—</u>	<u>176</u>	<u>176</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	<u>Juvenile Grants Fund</u>				<u>Juvenile High Risk Prevention 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	\$ 750	750	802	52	1,923	1,923	2,070	147
Miscellaneous revenues	9	9	8	(1)	11	11	12	1
Total revenues	<u>759</u>	<u>759</u>	<u>810</u>	<u>51</u>	<u>1,934</u>	<u>1,934</u>	<u>2,082</u>	<u>148</u>
Expenditures:								
Current:								
Public safety and justice	848	848	800	48	2,413	2,413	1,630	783
Revenues over (under) expenditures	<u>(89)</u>	<u>(89)</u>	<u>10</u>	<u>99</u>	<u>(479)</u>	<u>(479)</u>	<u>452</u>	<u>931</u>
Fund balances July 1, 2016	<u>89</u>	<u>89</u>	<u>85</u>	<u>(4)</u>	<u>479</u>	<u>479</u>	<u>541</u>	<u>62</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>95</u>	<u>95</u>	<u>—</u>	<u>—</u>	<u>993</u>	<u>993</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	Law Library Fund				Local Option Levy Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ —	—	—	—	23,919	23,919	23,925	6
Intergovernmental revenues	—	—	—	—	437	437	464	27
Charges for services	360	360	393	33	71	71	39	(32)
Miscellaneous revenues	5	5	5	—	146	146	132	(14)
Total revenues	365	365	398	33	24,573	24,573	24,560	(13)
Expenditures:								
Current:								
Public safety and justice	496	496	443	53	—	—	—	—
County administration	—	—	—	—	1,056	1,056	1,035	21
Sheriff's office administration	—	—	—	—	1,276	1,276	1,118	158
Law enforcement services	—	—	—	—	10,446	10,446	9,798	648
Sheriff's Office - jail	—	—	—	—	2,552	2,552	2,394	158
District Attorney	—	—	—	—	2,889	2,889	2,645	244
Community corrections	—	—	—	—	1,453	1,453	1,147	306
Juvenile services	—	—	—	—	4,110	4,110	3,637	473
Operating contingency	866	866	—	866	14,100	13,444	—	13,444
Total current	1,362	1,362	443	919	37,882	37,226	21,774	15,452
Capital outlay	—	—	—	—	178	178	47	131
Total expenditures	1,362	1,362	443	919	38,060	37,404	21,821	15,583
Revenues over (under) expenditures	(997)	(997)	(45)	952	(13,487)	(12,831)	2,739	15,570
Other financing uses:								
Transfers out to other funds	(17)	(17)	(17)	—	—	(656)	—	656
Net change in fund balances	(1,014)	(1,014)	(62)	952	(13,487)	(13,487)	2,739	16,226
Fund balances July 1, 2016	1,014	1,014	1,033	19	13,487	13,487	15,296	1,809
Fund balances June 30, 2017	\$ —	—	971	971	—	—	18,035	18,035

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	<u>Lottery Fund</u>				<u>Maintenance Improvement District 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	\$ 1,996	1,996	2,075	79	—	—	—	—
Special assessments	—	—	—	—	35	35	35	—
Miscellaneous revenues	18	18	78	60	3	3	1	(2)
Total revenues	<u>2,014</u>	<u>2,014</u>	<u>2,153</u>	<u>139</u>	<u>38</u>	<u>38</u>	<u>36</u>	<u>(2)</u>
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	102	102	36	66
Nonoperating	312	312	301	11	—	—	—	—
Operating contingency	—	—	—	—	189	189	—	189
Total current	<u>312</u>	<u>312</u>	<u>301</u>	<u>11</u>	<u>291</u>	<u>291</u>	<u>36</u>	<u>255</u>
Revenues over (under) expenditures	<u>1,702</u>	<u>1,702</u>	<u>1,852</u>	<u>150</u>	<u>(253)</u>	<u>(253)</u>	<u>—</u>	<u>253</u>
Other financing uses:								
Transfers out to other funds	(1,702)	(1,702)	(1,713)	(11)	(1)	(1)	(1)	—
Net change in fund balances	<u>—</u>	<u>—</u>	<u>139</u>	<u>139</u>	<u>(254)</u>	<u>(254)</u>	<u>(1)</u>	<u>253</u>
Fund balances July 1, 2016	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>254</u>	<u>254</u>	<u>246</u>	<u>(8)</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>139</u>	<u>139</u>	<u>—</u>	<u>—</u>	<u>245</u>	<u>245</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, 2017
 (Dollars in thousands)

	<u>Mental Health Crisis Services Fund</u>				<u>Metzger Park LID Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Special assessments	\$ —	—	—	—	88	88	87	(1)
Miscellaneous revenues	—	—	18	18	16	16	19	3
Total revenues	<u>—</u>	<u>—</u>	<u>18</u>	<u>18</u>	<u>104</u>	<u>104</u>	<u>106</u>	<u>2</u>
Expenditures:								
Current:								
Housing, health and human services	8,100	8,100	672	7,428	—	—	—	—
Culture, education and recreation	—	—	—	—	121	121	63	58
Operating contingency	—	—	—	—	40	40	—	40
Total current	<u>8,100</u>	<u>8,100</u>	<u>672</u>	<u>7,428</u>	<u>161</u>	<u>161</u>	<u>63</u>	<u>98</u>
Revenues over (under) expenditures	<u>(8,100)</u>	<u>(8,100)</u>	<u>(654)</u>	<u>7,446</u>	<u>(57)</u>	<u>(57)</u>	<u>43</u>	<u>100</u>
Other financing sources:								
Transfers in from other funds	8,100	8,100	3,100	(5,000)	—	—	—	—
Net change in fund balances	<u>—</u>	<u>—</u>	<u>2,446</u>	<u>2,446</u>	<u>(57)</u>	<u>(57)</u>	<u>43</u>	<u>100</u>
Fund balances July 1, 2016	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>57</u>	<u>57</u>	<u>85</u>	<u>28</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>2,446</u>	<u>2,446</u>	<u>—</u>	<u>—</u>	<u>128</u>	<u>128</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (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	\$ 150	150	252	102	—	—	—	—
Intergovernmental revenues	—	—	—	—	4,625	4,625	3,300	(1,325)
Miscellaneous revenues	2	2	1	(1)	230	230	181	(49)
Total revenues	<u>152</u>	<u>152</u>	<u>253</u>	<u>101</u>	<u>4,855</u>	<u>4,855</u>	<u>3,481</u>	<u>(1,374)</u>
Expenditures:								
Current:								
Land use and transportation	55	55	7	48	—	—	—	—
Housing, health and human services	—	—	—	—	4,955	4,955	3,397	1,558
Operating contingency	253	253	—	253	—	—	—	—
Total current	<u>308</u>	<u>308</u>	<u>7</u>	<u>301</u>	<u>4,955</u>	<u>4,955</u>	<u>3,397</u>	<u>1,558</u>
Debt service:								
Interest	—	—	1	(1)	—	—	—	—
Total debt service	<u>—</u>	<u>—</u>	<u>1</u>	<u>(1)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>308</u>	<u>308</u>	<u>8</u>	<u>300</u>	<u>4,955</u>	<u>4,955</u>	<u>3,397</u>	<u>1,558</u>
Revenues over (under) expenditures	<u>(156)</u>	<u>(156)</u>	<u>245</u>	<u>401</u>	<u>(100)</u>	<u>(100)</u>	<u>84</u>	<u>184</u>
Other financing sources (uses):								
Transfers in from other funds	674	674	674	—	—	—	—	—
Transfers out to other funds	(681)	(681)	(714)	(33)	—	—	—	—
Total other financing uses	<u>(7)</u>	<u>(7)</u>	<u>(40)</u>	<u>(33)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(163)</u>	<u>(163)</u>	<u>205</u>	<u>368</u>	<u>(100)</u>	<u>(100)</u>	<u>84</u>	<u>184</u>
Fund balances July 1, 2016	<u>163</u>	<u>163</u>	<u>202</u>	<u>39</u>	<u>100</u>	<u>100</u>	<u>192</u>	<u>92</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>407</u>	<u>407</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, 2017
 (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	\$ —	—	—	—	2,966	2,966	2,949	(17)
Miscellaneous revenues	50	50	31	(19)	550	550	244	(306)
Interfund revenues	—	—	—	—	60	60	42	(18)
Total revenues	50	50	31	(19)	3,576	3,576	3,235	(341)
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	3,576	3,576	3,235	341
Nonoperating	6,644	6,644	—	6,644	—	—	—	—
Total current	6,644	6,644	—	6,644	3,576	3,576	3,235	341
Revenues over (under) expenditures	(6,594)	(6,594)	31	6,625	—	—	—	—
Fund balances July 1, 2016	6,594	6,594	6,601	7	—	—	1	1
Fund balances June 30, 2017	\$ —	—	6,632	6,632	—	—	1	1

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	Sheriff's Office Forfeitures Fund				Sheriff's Office Grants & Donations Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	2,003	2,003	178	(1,825)
Miscellaneous revenues	384	384	216	(168)	286	286	314	28
Total revenues	384	384	216	(168)	2,289	2,289	492	(1,797)
Expenditures:								
Current:								
Public safety and justice	758	758	243	515	2,013	2,013	208	1,805
Capital outlay	—	—	66	(66)	—	—	—	—
Debt service:								
Principal	—	—	—	—	245	245	260	(15)
Interest	—	—	—	—	31	31	16	15
Total debt service	—	—	—	—	276	276	276	—
Total expenditures	758	758	309	449	2,289	2,289	484	1,805
Revenues over (under) expenditures	(374)	(374)	(93)	281	—	—	8	8
Fund balance (deficit) July 1, 2016	374	374	523	149	—	—	(21)	(21)
Fund balance (deficit) June 30, 2017	\$ —	—	430	430	—	—	(13)	(13)

* 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, 2017
 (Dollars in thousands)

	Strategic Investment Program and Gain Share Fund				Survey Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 9,753	9,753	9,744	(9)	—	—	—	—
Charges for services	15,146	15,596	18,579	2,983	534	534	661	127
Miscellaneous revenues	200	200	147	(53)	15	15	10	(5)
Interfund revenues	—	—	—	—	20	20	33	13
Total revenues	25,099	25,549	28,470	2,921	569	569	704	135
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	801	801	671	130
Nonoperating	—	—	150	(150)	—	—	—	—
Operating contingency	—	—	—	—	604	604	—	604
Total current	—	—	150	(150)	1,405	1,405	671	734
Capital outlay	3,440	3,440	250	3,190	—	—	—	—
Total expenditures	3,440	3,440	400	3,040	1,405	1,405	671	734
Revenues over (under) expenditures	21,659	22,109	28,070	5,961	(836)	(836)	33	869
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	73	73	73	—
Transfers out to other funds	(41,899)	(42,349)	(28,042)	14,307	(31)	(31)	(31)	—
Total other financing sources (uses)	(41,899)	(42,349)	(28,042)	14,307	42	42	42	—
Net change in fund balances	(20,240)	(20,240)	28	20,268	(794)	(794)	75	869
Fund balances July 1, 2016	20,240	20,240	19,353	(887)	794	794	1,011	217
Fund balances June 30, 2017	\$ —	—	19,381	19,381	—	—	1,086	1,086

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WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	Surveyor-Public Land Corner Fund				Tourism Dedicated Lodging Tax Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ —	—	—	—	4,247	4,247	3,436	(811)
Charges for services	520	520	522	2	—	—	—	—
Miscellaneous revenues	7	7	8	1	13	13	9	(4)
Interfund revenues	350	350	304	(46)	—	—	—	—
Total revenues	<u>877</u>	<u>877</u>	<u>834</u>	<u>(43)</u>	<u>4,260</u>	<u>4,260</u>	<u>3,445</u>	<u>(815)</u>
Expenditures:								
Current:								
Land use and transportation	698	698	500	198	—	—	—	—
Culture, education and recreation	—	—	—	—	5,586	5,586	3,434	2,152
Operating contingency	1,760	1,760	—	1,760	—	—	—	—
Total current	<u>2,458</u>	<u>2,458</u>	<u>500</u>	<u>1,958</u>	<u>5,586</u>	<u>5,586</u>	<u>3,434</u>	<u>2,152</u>
Revenues over (under) expenditures	<u>(1,581)</u>	<u>(1,581)</u>	<u>334</u>	<u>1,915</u>	<u>(1,326)</u>	<u>(1,326)</u>	<u>11</u>	<u>1,337</u>
Other financing uses:								
Transfers out to other funds	(32)	(32)	(32)	—	—	—	—	—
Total other financing uses	<u>(32)</u>	<u>(32)</u>	<u>(32)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(1,613)</u>	<u>(1,613)</u>	<u>302</u>	<u>1,915</u>	<u>(1,326)</u>	<u>(1,326)</u>	<u>11</u>	<u>1,337</u>
Fund balances July 1, 2016	<u>1,613</u>	<u>1,613</u>	<u>1,525</u>	<u>(88)</u>	<u>1,326</u>	<u>1,326</u>	<u>1,348</u>	<u>22</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>1,827</u>	<u>1,827</u>	<u>—</u>	<u>—</u>	<u>1,359</u>	<u>1,359</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	Tri-County Risk Reserve Fund			Urban Road Maintenance District Fund (Component Unit)			
	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:							
Taxes	\$ —	—	—	4,481	4,481	4,533	52
Intergovernmental revenues	—	—	—	50	50	—	(50)
Charges for services	—	—	—	2	2	18	16
Miscellaneous revenues	—	—	—	106	106	61	(45)
Total revenues	—	—	—	4,639	4,639	4,612	(27)
Expenditures:							
Current:							
Land use and transportation	—	—	—	6,421	6,421	4,355	2,066
Housing, health and human services	3,500	—	3,500	—	—	—	—
Operating contingency	—	—	—	8,964	8,964	—	8,964
Total current	3,500	—	3,500	15,385	15,385	4,355	11,030
Capital outlay	—	—	—	—	—	11	(11)
Total expenditures	3,500	—	3,500	15,385	15,385	4,366	11,019
Revenues over (under) expenditures	(3,500)	—	3,500	(10,746)	(10,746)	246	10,992
Other financing sources (uses):							
Transfers in from other funds	3,500	3,500	—	—	—	—	—
Transfers out to other funds	—	—	—	(24)	(24)	(24)	—
Total other financing sources (uses)	3,500	3,500	—	(24)	(24)	(24)	—
Net change in fund balances	—	3,500	3,500	(10,770)	(10,770)	222	10,992
Fund balances July 1, 2016	—	—	—	10,770	10,770	11,101	331
Fund balances June 30, 2017	\$ —	3,500	3,500	—	—	11,323	11,323

* 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, 2017
 (Dollars in thousands)

	Washington County Fair Fund				West Slope Library Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 1,415	1,415	1,472	57	—	—	—	—
Intergovernmental revenues	54	54	54	—	3	3	3	—
Charges for services	643	643	660	17	—	—	—	—
Miscellaneous revenues	410	410	484	74	35	35	27	(8)
Total revenues	<u>2,522</u>	<u>2,522</u>	<u>2,670</u>	<u>148</u>	<u>38</u>	<u>38</u>	<u>30</u>	<u>(8)</u>
Expenditures:								
Current:								
Culture, education and recreation	2,199	2,199	2,205	(6)	916	916	811	105
Operating contingency	1,184	1,184	—	1,184	374	374	—	374
Total current	<u>3,383</u>	<u>3,383</u>	<u>2,205</u>	<u>1,178</u>	<u>1,290</u>	<u>1,290</u>	<u>811</u>	<u>479</u>
Capital outlay	110	110	7	103	—	—	—	—
Total expenditures	<u>3,493</u>	<u>3,493</u>	<u>2,212</u>	<u>1,281</u>	<u>1,290</u>	<u>1,290</u>	<u>811</u>	<u>479</u>
Revenues over (under) expenditures	<u>(971)</u>	<u>(971)</u>	<u>458</u>	<u>1,429</u>	<u>(1,252)</u>	<u>(1,252)</u>	<u>(781)</u>	<u>471</u>
Other financing sources:								
Transfers in from other funds	—	—	—	—	796	796	809	13
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>796</u>	<u>796</u>	<u>809</u>	<u>13</u>
Net change in fund balances	<u>(971)</u>	<u>(971)</u>	<u>458</u>	<u>1,429</u>	<u>(456)</u>	<u>(456)</u>	<u>28</u>	<u>484</u>
Fund balances July 1, 2016	<u>971</u>	<u>971</u>	<u>1,082</u>	<u>111</u>	<u>456</u>	<u>456</u>	<u>487</u>	<u>31</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>1,540</u>	<u>1,540</u>	<u>—</u>	<u>—</u>	<u>515</u>	<u>515</u>

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

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Debt Service Funds
 For the fiscal year ended June 30, 2017
 (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	\$ 5,000	5,000	4,020	(980)	—	—	—	—
Miscellaneous revenues	13	13	1	(12)	—	—	—	—
Total revenues	<u>5,013</u>	<u>5,013</u>	<u>4,021</u>	<u>(992)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Expenditures:								
Current:								
Nonoperating	—	—	—	—	3	3	1	2
Operating contingency	445	445	—	445	28	28	—	28
Total current	<u>445</u>	<u>445</u>	<u>—</u>	<u>445</u>	<u>31</u>	<u>31</u>	<u>1</u>	<u>30</u>
Debt service:								
Principal	1,380	1,380	1,600	(220)	4,666	4,666	4,666	—
Interest	3,188	3,188	2,411	777	2,270	2,270	2,270	—
Total debt service	<u>4,568</u>	<u>4,568</u>	<u>4,011</u>	<u>557</u>	<u>6,936</u>	<u>6,936</u>	<u>6,936</u>	<u>—</u>
Total expenditures	<u>5,013</u>	<u>5,013</u>	<u>4,011</u>	<u>1,002</u>	<u>6,967</u>	<u>6,967</u>	<u>6,937</u>	<u>30</u>
Revenues over (under) expenditures	<u>—</u>	<u>—</u>	<u>10</u>	<u>10</u>	<u>(6,967)</u>	<u>(6,967)</u>	<u>(6,937)</u>	<u>30</u>
Other financing sources:								
Transfers in from other funds	—	—	—	—	6,939	6,939	6,939	—
Net change in fund balance	<u>—</u>	<u>—</u>	<u>10</u>	<u>10</u>	<u>(28)</u>	<u>(28)</u>	<u>2</u>	<u>30</u>
Fund balances July 1, 2016	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>28</u>	<u>28</u>	<u>32</u>	<u>4</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>10</u>	<u>10</u>	<u>—</u>	<u>—</u>	<u>34</u>	<u>34</u>

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

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	<u>2016 FF&C Facilities Capital Projects Fund</u>			<u>2016 FF&C MSTIP Capital Projects Fund</u>		
	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)*</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)*</u>
Revenues:						
Miscellaneous revenues	\$ —	159	159	—	232	232
Total revenues	<u>—</u>	<u>159</u>	<u>159</u>	<u>—</u>	<u>232</u>	<u>232</u>
Expenditures:						
Capital outlay	<u>—</u>	<u>10,182</u>	<u>(10,182)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Debt service:						
Debt issuance costs	<u>—</u>	<u>135</u>	<u>(135)</u>	<u>—</u>	<u>216</u>	<u>(216)</u>
Total expenditures	<u>—</u>	<u>10,317</u>	<u>(10,317)</u>	<u>—</u>	<u>216</u>	<u>(216)</u>
Revenues over (under) expenditures	<u>—</u>	<u>(10,158)</u>	<u>(10,158)</u>	<u>—</u>	<u>16</u>	<u>16</u>
Other financing sources (uses):						
Proceeds from debt issuance	32,895	32,895	—	53,579	53,579	—
Transfers out to other funds	<u>(32,895)</u>	<u>(1,900)</u>	<u>30,995</u>	<u>(53,579)</u>	<u>(36,148)</u>	<u>17,431</u>
Total other financing sources	<u>—</u>	<u>30,995</u>	<u>30,995</u>	<u>—</u>	<u>17,431</u>	<u>17,431</u>
Net change in fund balances	<u>—</u>	<u>20,837</u>	<u>20,837</u>	<u>—</u>	<u>17,447</u>	<u>17,447</u>
Fund balances July 1, 2016	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>20,837</u>	<u>20,837</u>	<u>—</u>	<u>17,447</u>	<u>17,447</u>

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

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	<u>Bonny Slope West Transportation SDC Fund</u>				<u>Building Equipment Replacement Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Charges for services	\$ 773	773	—	(773)	—	—	—	—
Miscellaneous revenues	—	—	—	—	20	20	19	(1)
Total revenues	<u>773</u>	<u>773</u>	<u>—</u>	<u>(773)</u>	<u>20</u>	<u>20</u>	<u>19</u>	<u>(1)</u>
Expenditures:								
Current:								
Land use and transportation	773	773	—	773	—	—	—	—
Operating contingency	—	—	—	—	991	991	—	991
Total current	<u>773</u>	<u>773</u>	<u>—</u>	<u>773</u>	<u>991</u>	<u>991</u>	<u>—</u>	<u>991</u>
Capital outlay	—	—	—	—	3,145	3,145	671	2,474
Total expenditures	<u>773</u>	<u>773</u>	<u>—</u>	<u>773</u>	<u>4,136</u>	<u>4,136</u>	<u>671</u>	<u>3,465</u>
Revenues under expenditures	—	—	—	—	(4,116)	(4,116)	(652)	3,464
Other financing sources:								
Transfers in from other funds	—	—	—	—	2,068	2,068	2,067	(1)
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,068</u>	<u>2,068</u>	<u>2,067</u>	<u>(1)</u>
Net change in fund balances	—	—	—	—	(2,048)	(2,048)	1,415	3,463
Fund balances July 1, 2016	—	—	—	—	2,048	2,048	2,486	438
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,901</u>	<u>3,901</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	Countywide Traffic Impact Fee Fund				Event Center Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Taxes	\$ —	—	—	—	—	—	988	988
Special assessments	6	6	7	1	—	—	—	—
Miscellaneous revenues	13	13	16	3	—	—	151	151
Total revenues	19	19	23	4	—	—	1,139	1,139
Expenditures:								
Current:								
Land use and transportation	2,703	2,703	14	2,689	—	—	—	—
Culture, education and recreation	—	—	—	—	2,122	2,122	—	2,122
Total current	2,703	2,703	14	2,689	2,122	2,122	—	2,122
Capital outlay	—	—	—	—	—	35,023	337	34,686
Debt service:								
Debt issuance costs	—	—	—	—	—	—	143	(143)
Total debt service	—	—	—	—	—	—	143	(143)
Total expenditures	2,703	2,703	14	2,689	2,122	37,145	480	36,665
Revenues over (under) expenditures	(2,684)	(2,684)	9	2,693	(2,122)	(37,145)	659	37,804
Other financing sources (uses):								
Proceeds from debt issuance	—	—	—	—	—	35,023	35,023	—
Transfers in from other funds	—	—	—	—	2,122	2,122	2,206	84
Transfers out to other funds	(2)	(2)	(652)	(650)	—	—	—	—
Total other financing sources (uses)	(2)	(2)	(652)	(650)	2,122	37,145	37,229	84
Net change in fund balances	(2,686)	(2,686)	(643)	2,043	—	—	37,888	37,888
Fund balances July 1, 2016	2,686	2,686	2,707	21	—	—	—	—
Fund balances June 30, 2017	\$ —	—	2,064	2,064	—	—	37,888	37,888

* 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, 2017
 (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	\$ 30	30	1,273	1,243	—	—	—	—
Charges for services	—	—	—	—	25	25	12	(13)
Miscellaneous revenues	150	150	—	(150)	1	1	—	(1)
Interfund revenues	9,790	9,790	1,790	(8,000)	—	—	—	—
Total revenues	<u>9,970</u>	<u>9,970</u>	<u>3,063</u>	<u>(6,907)</u>	<u>26</u>	<u>26</u>	<u>12</u>	<u>(14)</u>
Expenditures:								
Current:								
Nonoperating	—	—	107	(107)	87	87	—	87
Total current	—	—	107	(107)	87	87	—	87
Capital outlay	33,736	33,736	6,704	27,032	—	—	—	—
Total expenditures	<u>33,736</u>	<u>33,736</u>	<u>6,811</u>	<u>26,925</u>	<u>87</u>	<u>87</u>	<u>—</u>	<u>87</u>
Revenues over (under) expenditures	<u>(23,766)</u>	<u>(23,766)</u>	<u>(3,748)</u>	<u>20,018</u>	<u>(61)</u>	<u>(61)</u>	<u>12</u>	<u>73</u>
Other financing sources:								
Transfers in from other funds	23,508	23,508	3,665	(19,843)	—	—	—	—
Total other financing sources	<u>23,508</u>	<u>23,508</u>	<u>3,665</u>	<u>(19,843)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(258)</u>	<u>(258)</u>	<u>(83)</u>	<u>175</u>	<u>(61)</u>	<u>(61)</u>	<u>12</u>	<u>73</u>
Fund balances July 1, 2016	<u>258</u>	<u>258</u>	<u>305</u>	<u>47</u>	<u>61</u>	<u>61</u>	<u>53</u>	<u>(8)</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>222</u>	<u>222</u>	<u>—</u>	<u>—</u>	<u>65</u>	<u>65</u>

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

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2017
 (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	\$ —	—	—	—	3,192	3,192	6,336	3,144
Miscellaneous revenues	—	—	16	16	54	54	34	(20)
Interfund revenues	2,758	2,758	1,105	(1,653)	—	—	—	—
Total revenues	2,758	2,758	1,121	(1,637)	3,246	3,246	6,370	3,124
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	19,258	19,258	15,848	3,410
Nonoperating	48	48	52	(4)	—	—	—	—
Total current	48	48	52	(4)	19,258	19,258	15,848	3,410
Capital outlay	8,643	8,643	3,495	5,148	—	—	50	(50)
Total expenditures	8,691	8,691	3,547	5,144	19,258	19,258	15,898	3,360
Revenues under expenditures	(5,933)	(5,933)	(2,426)	3,507	(16,012)	(16,012)	(9,528)	6,484
Other financing sources (uses):								
Transfers in from other funds	4,612	4,612	4,612	—	8,496	8,496	8,318	(178)
Transfers out to other funds	—	—	—	—	(62)	(62)	(97)	(35)
Total other financing sources	4,612	4,612	4,612	—	8,434	8,434	8,221	(213)
Net change in fund balances	(1,321)	(1,321)	2,186	3,507	(7,578)	(7,578)	(1,307)	6,271
Fund balances July 1, 2016	1,321	1,321	1,726	405	7,578	7,578	9,309	1,731
Fund balances June 30, 2017	\$ —	—	3,912	3,912	—	—	8,002	8,002

* 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, 2017
 (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	\$ 1,555	1,555	1,512	(43)	—	—	—	—
Miscellaneous revenues	2	2	6	4	3	3	2	(1)
Total revenues	1,557	1,557	1,518	(39)	3	3	2	(1)
Expenditures:								
Current:								
Land use and transportation	1,494	1,494	50	1,444	—	—	—	—
Nonoperating	—	—	—	—	—	—	6	(6)
Total current	1,494	1,494	50	1,444	—	—	6	(6)
Capital outlay	—	—	—	—	299	299	13	286
Debt service:								
Total expenditures	1,494	1,494	50	1,444	299	299	19	280
Revenues over (under) expenditures	63	63	1,468	1,405	(296)	(296)	(17)	279
Other financing uses:								
Transfers out to other funds	(674)	(674)	(674)	—	—	—	—	—
Total other financing uses	(674)	(674)	(674)	—	—	—	—	—
Net change in fund balances	(611)	(611)	794	1,405	(296)	(296)	(17)	279
Fund balances July 1, 2016	611	611	1,308	697	296	296	288	(8)
Fund balances June 30, 2017	\$ —	—	2,102	2,102	—	—	271	271

* 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, 2017
 (Dollars in thousands)

	Transportation Development Tax Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:				
Charges for services	\$ 7,801	7,801	6,518	(1,283)
Miscellaneous revenues	93	93	197	104
Total revenues	7,894	7,894	6,715	(1,179)
Expenditures:				
Current:				
Land use and transportation	30,898	30,898	449	30,449
Total current	30,898	30,898	449	30,449
Revenues over (under) expenditures	(23,004)	(23,004)	6,266	29,270
Other financing uses:				
Transfers out to other funds	(2,595)	(2,595)	(783)	1,812
Total other financing uses	(2,595)	(2,595)	(783)	1,812
Net change in fund balance	(25,599)	(25,599)	5,483	31,082
Fund balance July 1, 2016	25,599	25,599	36,112	10,513
Fund balance June 30, 2017	\$ —	—	41,595	41,595

WASHINGTON COUNTY, OREGON
Combining Statement of Net Position
Internal Service Funds
June 30, 2017
(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	\$ 601	10,434	104	4,050	211
Accounts receivable	2	—	18	2	—
Supply inventory	299	—	36	—	—
Total current assets	<u>902</u>	<u>10,434</u>	<u>158</u>	<u>4,052</u>	<u>211</u>
Noncurrent assets:					
Capital assets, net of accumulated depreciation	—	9,774	229	—	—
Total noncurrent assets	<u>—</u>	<u>9,774</u>	<u>229</u>	<u>—</u>	<u>—</u>
Total assets	<u>902</u>	<u>20,208</u>	<u>387</u>	<u>4,052</u>	<u>211</u>
Deferred Outflows of Resources					
Pension related	1,212	—	472	—	—
Total deferred outflows of resources	<u>1,212</u>	<u>—</u>	<u>472</u>	<u>—</u>	<u>—</u>
Liabilities					
Current liabilities:					
Accounts payable	139	261	37	33	35
Accrued payroll liabilities	135	—	26	—	—
Accrued self-insurance	—	—	—	2,290	—
Total current liabilities	<u>274</u>	<u>261</u>	<u>63</u>	<u>2,323</u>	<u>35</u>
Noncurrent liabilities:					
Net OPEB obligation	48	—	19	—	—
PERS net pension liability	2,307	—	897	—	—
Total noncurrent liabilities	<u>2,355</u>	<u>—</u>	<u>916</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>2,629</u>	<u>261</u>	<u>979</u>	<u>2,323</u>	<u>35</u>
Deferred Inflows of Resources					
Pension related	96	—	37	—	—
Total deferred inflows of resources	<u>96</u>	<u>—</u>	<u>37</u>	<u>—</u>	<u>—</u>
Net Position (Deficits)					
Net investment in capital assets	—	9,774	229	—	—
Unrestricted (deficit)	(611)	10,173	(386)	1,729	176
Total net position (deficits)	<u>\$ (611)</u>	<u>19,947</u>	<u>(157)</u>	<u>1,729</u>	<u>176</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Net Position, Continued
Internal Service Funds
June 30, 2017
(Dollars in thousands)

Assets	Medical Insurance Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total Internal Service Funds
Current assets:				
Cash and investments	\$ 2,872	883	3,520	22,675
Restricted cash	100	—	81	181
Accounts receivable	—	—	—	22
Other assets	8	—	—	8
Supply inventory	—	—	—	335
Total current assets	<u>2,980</u>	<u>883</u>	<u>3,601</u>	<u>23,221</u>
Noncurrent assets:				
Capital assets, net of accumulated depreciation	—	—	—	10,003
Total noncurrent assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>10,003</u>
Total assets	<u>2,980</u>	<u>883</u>	<u>3,601</u>	<u>33,224</u>
Deferred Outflows of Resources				
Pension related	—	—	—	1,684
Total deferred outflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,684</u>
Liabilities				
Current liabilities:				
Accounts payable	2,352	27	40	2,924
Accrued payroll liabilities	—	—	—	161
Accrued self-insurance	62	—	1,935	4,287
Total current liabilities	<u>2,414</u>	<u>27</u>	<u>1,975</u>	<u>7,372</u>
Noncurrent liabilities:				
Net OPEB obligation	—	—	—	67
PERS net pension liability	—	—	—	3,204
Total noncurrent liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,271</u>
Total liabilities	<u>2,414</u>	<u>27</u>	<u>1,975</u>	<u>10,643</u>
Deferred Inflows of Resources				
Pension related	—	—	—	133
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>133</u>
Net Position				
Net investment in capital assets	—	—	—	10,003
Restricted for payment of claims	100	—	81	181
Unrestricted	466	856	1,545	13,948
Total net position	<u>\$ 566</u>	<u>856</u>	<u>1,626</u>	<u>24,132</u>

WASHINGTON COUNTY, OREGON

Combining Statement of Revenues, Expenses
and Changes in Net Position

Internal Service Funds

For the fiscal year ended June 30, 2017

(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	\$ 3,862	2,998	1,561	2,843	435
Other	—	315	149	136	—
Total operating revenues	3,862	3,313	1,710	2,979	435
Operating expenses:					
Labor and fringe benefits	1,740	—	635	—	—
Utilities	24	—	—	—	—
Professional services	11	5	—	45	—
Supplies	1,527	—	683	—	—
Administrative costs	313	104	220	834	6
Depreciation and amortization	—	1,715	120	—	—
Insurance claims and premiums	—	—	—	2,074	414
Repairs and maintenance	302	30	178	349	—
Total operating expenses	3,917	1,854	1,836	3,302	420
Operating income (loss)	(55)	1,459	(126)	(323)	15
Nonoperating income:					
Interest income	1	41	—	18	1
Gain on sale of capital assets	—	107	—	—	—
Total nonoperating income	1	148	—	18	1
Change in net position (deficits)	(54)	1,607	(126)	(305)	16
Net position (deficits) July 1, 2016	(557)	18,340	(31)	2,034	160
Net position (deficits) June 30, 2017	\$ (611)	19,947	(157)	1,729	176

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenses
and Changes in Net Position, Continued
Internal Service Funds
For the fiscal year ended June 30, 2017
(Dollars in thousands)

	Medical Insurance Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total Internal Service Funds
Operating revenues:				
Charges for services	\$ 27,623	91	1,742	41,155
Other	361	—	58	1,019
Total operating revenues	<u>27,984</u>	<u>91</u>	<u>1,800</u>	<u>42,174</u>
Operating expenses:				
Labor and fringe benefits	—	—	—	2,375
Utilities	—	—	—	24
Professional services	200	4	8	273
Supplies	—	—	—	2,210
Administrative costs	136	5	270	1,888
Depreciation and amortization	—	—	—	1,835
Insurance claims and premiums	28,803	146	1,289	32,726
Repairs and maintenance	—	—	—	859
Total operating expenses	<u>29,139</u>	<u>155</u>	<u>1,567</u>	<u>42,190</u>
Operating income (loss)	<u>(1,155)</u>	<u>(64)</u>	<u>233</u>	<u>(16)</u>
Nonoperating income:				
Interest income	14	4	16	95
Gain on sale of capital assets	—	—	—	107
Total nonoperating income	<u>14</u>	<u>4</u>	<u>16</u>	<u>202</u>
Change in net position	<u>(1,141)</u>	<u>(60)</u>	<u>249</u>	<u>186</u>
Net position July 1, 2016	<u>1,707</u>	<u>916</u>	<u>1,377</u>	<u>23,946</u>
Net position June 30, 2017	<u>\$ 566</u>	<u>856</u>	<u>1,626</u>	<u>24,132</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the fiscal year ended June 30, 2017
(Dollars in thousands)

	Fleet Services Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/ Casualty Insurance Fund	Life Insurance Fund
Cash provided by (used in) operating activities:					
Cash received for services provided	\$ 3,230	3,368	1,561	3,111	434
Cash payments for labor and fringe benefits	(1,523)	—	(500)	—	—
Cash payments for goods and services	(2,161)	(12)	(1,094)	(3,062)	(384)
Other operating revenue	633	—	149	136	—
Net cash provided by operating activities	<u>179</u>	<u>3,356</u>	<u>116</u>	<u>185</u>	<u>50</u>
Cash flows provided by (used in) capital and related financing activities:					
Acquisition of capital assets	—	(2,407)	(67)	—	—
Proceeds from sale of capital assets	—	273	—	—	—
Net cash used in capital and related financing activities	<u>—</u>	<u>(2,134)</u>	<u>(67)</u>	<u>—</u>	<u>—</u>
Cash flows from investing activities:					
Interest on investments	1	41	—	18	1
Net cash provided by investing activities	<u>1</u>	<u>41</u>	<u>—</u>	<u>18</u>	<u>1</u>
Net increase in cash and investments	180	1,263	49	203	51
Cash and investments, July 1, 2016	<u>421</u>	<u>9,171</u>	<u>55</u>	<u>3,847</u>	<u>160</u>
Cash and investments, June 30, 2017	<u>601</u>	<u>10,434</u>	<u>104</u>	<u>4,050</u>	<u>211</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	(55)	1,459	(126)	(323)	15
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	—	1,715	120	—	—
Changes in assets and liabilities:					
Increase (decrease) in accounts payable	(2)	127	—	29	35
Increase in accrued liabilities	1,207	—	532	211	—
Decrease in accounts receivable	2	55	1	268	—
Decrease (increase) in inventory	16	—	(13)	—	—
Increase in other assets	(989)	—	(398)	—	—
Net cash provided by operating activities	<u>\$ 179</u>	<u>3,356</u>	<u>116</u>	<u>185</u>	<u>50</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Cash Flows, Continued
Internal Service Funds
For the fiscal year ended June 30, 2017
(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	\$ 27,630	91	1,775	41,200
Cash payments for labor and fringe benefits	—	—	—	(2,023)
Cash payments for goods and services	(26,857)	(152)	(1,501)	(35,223)
Other operating revenue	361	—	58	1,337
Net cash provided by (used in) operating activities	<u>1,134</u>	<u>(61)</u>	<u>332</u>	<u>5,291</u>
Cash flows provided by (used in) capital and related financing activities:				
Acquisition of capital assets	—	—	—	(2,474)
Proceeds from sale of capital assets	—	—	—	273
Net cash used in capital and related financing activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,201)</u>
Cash flows from investing activities:				
Interest on investments	14	4	16	95
Net cash provided by investing activities	<u>14</u>	<u>4</u>	<u>16</u>	<u>95</u>
Net increase (decrease) in cash and investments	1,148	(57)	348	3,185
Cash and investments, July 1, 2016	<u>1,824</u>	<u>940</u>	<u>3,253</u>	<u>19,671</u>
Cash and investments, June 30, 2017 ⁽¹⁾	<u><u>2,972</u></u>	<u><u>883</u></u>	<u><u>3,601</u></u>	<u><u>22,856</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	(1,155)	(64)	233	(16)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	—	—	—	1,835
Changes in assets and liabilities:				
Increase in accounts payable	2,293	3	19	2,504
Increase (decrease) in accrued liabilities	(2)	—	48	1,996
Decrease in accounts receivable	6	—	32	364
Decrease in inventory	—	—	—	3
Increase in other assets	(8)	—	—	(1,395)
Net cash provided by (used in) operating activities	<u>1,134</u>	<u>(61)</u>	<u>332</u>	<u>5,291</u>

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

Current assets - Cash and investments	2,872	883	3,520	22,675
Current assets - Restricted cash	<u>100</u>	<u>—</u>	<u>81</u>	<u>181</u>
	<u><u>\$ 2,972</u></u>	<u><u>883</u></u>	<u><u>3,601</u></u>	<u><u>22,856</u></u>

WASHINGTON COUNTY, OREGON
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis)
Internal Service Funds
For the fiscal year ended June 30, 2017
(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	\$ 3,925	3,925	3,862	(63)	3,945	3,945	3,318	(627)
Miscellaneous revenues	3	3	1	(2)	366	366	356	(10)
Interfund revenues	38	38	—	(38)	—	—	—	—
Total revenues	<u>3,966</u>	<u>3,966</u>	<u>3,863</u>	<u>(103)</u>	<u>4,311</u>	<u>4,311</u>	<u>3,674</u>	<u>(637)</u>
Expenditures:								
Current:								
General government	3,911	3,911	3,714	197	—	—	—	—
Nonoperating	—	—	—	—	1,476	1,476	595	881
Operating contingency	370	370	—	370	9,002	9,002	—	9,002
Total current	<u>4,281</u>	<u>4,281</u>	<u>3,714</u>	<u>567</u>	<u>10,478</u>	<u>10,478</u>	<u>595</u>	<u>9,883</u>
Capital outlay	—	—	3	(3)	4,395	4,395	1,999	2,396
Total expenditures	<u>4,281</u>	<u>4,281</u>	<u>3,717</u>	<u>564</u>	<u>14,873</u>	<u>14,873</u>	<u>2,594</u>	<u>12,279</u>
Revenues over (under) expenditures	(315)	(315)	146	461	(10,562)	(10,562)	1,080	11,642
Fund balances July 1, 2016	<u>315</u>	<u>315</u>	<u>483</u>	<u>168</u>	<u>10,562</u>	<u>10,562</u>	<u>9,093</u>	<u>(1,469)</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>629</u>	<u>629</u>	<u>—</u>	<u>—</u>	<u>10,173</u>	<u>10,173</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
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis)

Internal Service Funds

For the fiscal year ended June 30, 2017

(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	\$ 1,495	1,495	1,561	66	2,827	2,827	2,843	16
Miscellaneous revenues	215	215	150	(65)	93	93	335	242
Total revenues	1,710	1,710	1,711	1	2,920	2,920	3,178	258
Expenditures:								
Current:								
General government	1,610	1,610	1,543	67	—	—	—	—
Nonoperating	—	—	—	—	3,796	3,796	3,302	494
Operating contingency	13	13	—	13	1,261	1,261	—	1,261
Total current	1,623	1,623	1,543	80	5,057	5,057	3,302	1,755
Capital outlay	102	102	105	(3)	—	—	—	—
Total expenditures	1,725	1,725	1,648	77	5,057	5,057	3,302	1,755
Revenues over (under) expenditures	(15)	(15)	63	78	(2,137)	(2,137)	(124)	2,013
Fund balances July 1, 2016	15	15	32	17	2,137	2,137	1,853	(284)
Fund balances June 30, 2017	\$ —	—	95	95	—	—	1,729	1,729

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

Internal Service Funds

For the fiscal year ended June 30, 2017
 (Dollars in thousands)

	Life Insurance Fund				Medical Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ —	—	—	—	32,486	32,486	27,623	(4,863)
Miscellaneous revenues	442	442	436	(6)	308	308	375	67
Total revenues	<u>442</u>	<u>442</u>	<u>436</u>	<u>(6)</u>	<u>32,794</u>	<u>32,794</u>	<u>27,998</u>	<u>(4,796)</u>
Expenditures:								
Current:								
Nonoperating	445	445	420	25	34,388	34,388	29,139	5,249
Operating contingency	133	133	—	133	—	—	—	—
Total current	<u>578</u>	<u>578</u>	<u>420</u>	<u>158</u>	<u>34,388</u>	<u>34,388</u>	<u>29,139</u>	<u>5,249</u>
Revenues over (under) expenditures	<u>(136)</u>	<u>(136)</u>	<u>16</u>	<u>152</u>	<u>(1,594)</u>	<u>(1,594)</u>	<u>(1,141)</u>	<u>453</u>
Fund balances July 1, 2016	<u>136</u>	<u>136</u>	<u>160</u>	<u>24</u>	<u>1,594</u>	<u>1,594</u>	<u>1,707</u>	<u>113</u>
Fund balances June 30, 2017	<u>\$ —</u>	<u>—</u>	<u>176</u>	<u>176</u>	<u>—</u>	<u>—</u>	<u>566</u>	<u>566</u>

WASHINGTON COUNTY, OREGON
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis)
Internal Service Funds
For the fiscal year ended June 30, 2017
(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	\$ 180	180	91	(89)	1,782	1,782	1,742	(40)
Miscellaneous revenues	8	8	4	(4)	130	130	74	(56)
Total revenues	188	188	95	(93)	1,912	1,912	1,816	(96)
Expenditures:								
Current:								
Nonoperating	260	260	155	105	1,905	1,905	1,567	338
Operating contingency	699	699	—	699	1,247	1,247	—	1,247
Total current	959	959	155	804	3,152	3,152	1,567	1,585
Revenues over (under) expenditures	(771)	(771)	(60)	711	(1,240)	(1,240)	249	1,489
Fund balances July 1, 2016	771	771	916	145	1,240	1,240	1,377	137
Fund balances June 30, 2017	\$ —	—	856	856	—	—	1,626	1,626

WASHINGTON COUNTY, OREGON

Reconciliation of Fund Balance to Net Position

Internal Service Funds

June 30, 2017

(Dollars in thousands)

	<u>Fleet Services Fund</u>	<u>Fleet Replacement Fund</u>	<u>Internal Support Services Fund</u>
Fund balance	\$ 629	10,173	95
Add capital assets reported on combining statement of net position	—	9,774	229
Less OPEB obligation	(49)	—	(19)
Less PERS net pension liability	(2,307)	—	(897)
Add deferred outflows of resources - pension related	1,212	—	472
Less deferred inflows of resources - pension related	(96)	—	(37)
Total net position (deficit)	<u>\$ (611)</u>	<u>19,947</u>	<u>(157)</u>

WASHINGTON COUNTY, OREGON
Statement of Changes in Assets and Liabilities
Agency Fund
For the fiscal year ended June 30, 2017
(Dollars in thousands)

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
Assets:				
Cash and investments	\$ 5,294	12,959,021	12,958,244	6,071
Accounts receivable	3,232	37,695	39,640	1,287
Property taxes receivable ⁽¹⁾	<u>34,083</u>	<u>37,324</u>	<u>34,083</u>	<u>37,324</u>
Total assets	<u>42,609</u>	<u>13,034,040</u>	<u>13,031,967</u>	<u>44,682</u>
Liabilities:				
Accounts payable	1,807	778,688	778,756	1,739
Amounts due to other jurisdictions	6,719	1,088,628	1,089,728	5,619
Uncollected taxes	<u>34,083</u>	<u>37,324</u>	<u>34,083</u>	<u>37,324</u>
Total liabilities	<u>42,609</u>	<u>1,904,640</u>	<u>1,902,567</u>	<u>44,682</u>

⁽¹⁾ Property taxes receivable is comprised of the following

Property taxes receivable	34,082	37,324	34,082	37,324
Payment in lieu of taxes receivable	<u>1</u>	<u>—</u>	<u>1</u>	<u>—</u>
Total property taxes receivable	<u>\$ 34,083</u>	<u>37,324</u>	<u>34,083</u>	<u>37,324</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, 2017

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, 2017

(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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 2,135,921	2,134,940	2,108,850	2,098,666	2,079,264	2,054,249	2,022,435	2,001,443	2,028,976	1,971,357
Restricted	239	911	6,530	93,002	95,942	96,945	112,861	152,101	176,076	274,884
Unrestricted	245,409	230,574	219,822	140,655	144,559	156,368	177,482	180,047	96,452	28,994
Total governmental activities net position	2,381,569	2,366,425	2,335,202	2,332,323	2,319,765	2,307,562	2,312,778	2,333,591	2,301,504	2,275,235
Business-type activities⁽¹⁾										
Net investment in capital assets	395,163	389,728	395,461	384,397	2,206	1,652	1,131	(18)	(798)	(1,713)
Restricted	27,582	52,406	57,052	69,936	6,156	4,532	3,070	3,978	2,894	3,089
Unrestricted	55,872	52,806	48,554	54,673	801	929	912	995	3,665	6,124
Total business-type activities net position	478,617	494,940	501,067	509,006	9,163	7,113	5,113	4,955	5,761	7,500
Primary government⁽¹⁾										
Net investment in capital assets	2,531,084	2,524,668	2,504,311	2,477,889	2,076,818	2,055,901	2,023,566	2,001,425	2,028,178	1,969,644
Restricted	27,821	53,317	63,582	162,938	102,098	101,477	115,931	156,079	178,970	277,973
Unrestricted	301,281	283,380	268,376	200,502	150,012	157,297	178,394	181,042	100,117	35,118
Total primary government net position	2,860,186	2,861,365	2,836,269	2,841,329	2,328,928	2,314,675	2,317,891	2,338,546	2,307,265	2,282,735
Component unit⁽¹⁾										
Net investment in capital assets	—	—	—	—	388,941	391,886	383,718	406,700	436,636	477,185
Restricted	—	—	—	—	68,909	96,441	119,140	127,787	131,179	127,024
Unrestricted	—	—	—	—	64,777	79,630	100,907	103,503	119,347	144,231
Total component unit net position	\$ —	—	—	—	522,627	567,957	603,765	637,990	687,162	748,440

⁽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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Primary Government										
Governmental activities:										
General government	\$ 41,833	42,319	42,869	39,318	38,677	46,517	51,051	35,191	66,480	51,157
Public safety and justice	101,859	97,512	98,562	104,664	109,222	111,808	115,730	92,801	160,300	139,761
Land use and transportation	111,906	106,306	108,616	115,096	119,714	110,622	123,464	103,196	128,019	139,231
Housing, health and human services	51,555	56,474	58,467	59,013	58,443	59,979	61,068	52,051	90,559	71,283
Culture, education and recreation	23,218	25,728	26,261	26,882	28,476	29,435	30,172	30,009	36,422	37,597
Non-operating expense	21,078	11,663	10,653	9,225	9,234	14,273	5,542	8,465	7,842	20,928
Interest	6,818	5,665	5,013	4,599	4,202	3,430	3,235	2,932	2,071	5,855
Total governmental activities	358,267	345,667	350,441	358,797	367,968	376,064	390,262	324,645	491,693	465,812
Business-type activities:										
Housing authority	27,112	27,421	28,132	28,400	28,496	28,581	29,198	31,287	31,537	34,683
Sanitation and surface water	87,319	91,279	97,252	100,941	—	—	—	—	—	—
Street lighting	1,775	1,856	1,842	1,803	1,839	1,838	1,918	1,917	1,945	1,953
Total business-type activities expenses	116,206	120,556	127,226	131,144	30,335	30,419	31,116	33,204	33,482	36,636
Total primary government expenses	474,473	466,223	477,667	489,941	398,303	406,483	421,378	357,849	525,175	502,448
Component unit:										
Sanitation and surface water	—	—	—	—	97,604	102,309	108,897	99,272	117,728	114,698
Total component unit expenses	—	—	—	—	97,604	102,309	108,897	99,272	117,728	114,698
Program Revenues										
Governmental activities:										
Charges for services:										
General government	24,551	6,363	5,371	4,797	5,334	5,833	4,728	1,603	2,095	2,402
Public safety and justice	1,683	5,536	5,719	7,140	8,048	7,410	8,031	9,867	10,362	9,542
Land use and transportation	33,387	10,837	10,568	11,974	13,636	16,934	23,187	27,097	43,858	15,706
Housing, health and human services	11,526	19,671	21,800	26,420	23,308	24,727	28,179	36,395	37,156	21,033
Culture, education and recreation	1,030	1,488	1,241	1,309	1,497	1,471	1,384	1,519	1,265	1,655
Non-operating revenue	24,628	16,387	16,604	20,013	17,777	18,051	19,015	24,099	25,412	31,833
Operating grants and contributions	88,512	91,902	92,531	97,640	100,922	97,116	101,600	112,651	111,190	121,618
Capital grants and contributions	1,690	1,851	686	1,462	1,608	12,130	12,278	18,625	9,862	11,051
Total governmental activities program revenue	187,007	154,035	154,520	170,755	172,130	183,672	198,402	231,856	241,200	214,840
Business-type activities:										
Charges for services:										
Housing authority	5,212	5,099	5,779	5,790	5,994	6,130	6,384	6,863	7,718	8,997
Sanitation and surface water	84,754	89,585	96,329	103,374	—	—	—	—	—	—
Street lighting	1,840	1,828	1,725	1,746	1,929	1,787	1,709	2,237	2,125	1,619
Operating grants and contributions	19,801	20,141	20,855	21,574	19,885	19,906	20,918	23,788	23,473	26,818
Capital grants and contributions	22,442	16,629	6,803	5,053	165	509	111	34	340	319
Total business-type activities program revenue	134,049	133,282	131,491	137,537	27,973	28,332	29,122	32,922	33,656	37,753
Total primary government program revenue	321,056	287,317	286,011	308,292	200,103	212,004	227,524	264,778	274,856	252,593
Component unit:										
Charges for services:										
Sanitation and surface water	—	—	—	—	107,029	117,098	121,680	125,449	130,052	137,186
Operating grants and contributions	—	—	—	—	—	—	—	—	—	—
Capital grants and contributions	—	—	—	—	14,296	33,875	23,194	29,004	34,606	37,499
Total component unit program revenue	—	—	—	—	121,325	150,973	144,874	154,453	164,658	174,685
Net Revenue (Expense)										
Governmental activities	(171,260)	(191,632)	(195,921)	(188,042)	(195,838)	(192,392)	(191,860)	(92,789)	(250,493)	(250,972)
Business-type activities	17,843	12,726	4,265	6,393	(2,362)	(2,087)	(1,994)	(282)	174	1,117
Total primary government net revenues (expenses)	(153,417)	(178,906)	(191,656)	(181,649)	(198,200)	(194,479)	(193,854)	(93,071)	(250,319)	(249,855)
Component unit	\$ —	—	—	—	23,721	48,664	35,977	55,181	46,930	59,987

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total primary government net revenues (expenses) (brought forward)	\$ (153,417)	(178,906)	(191,656)	(181,649)	(198,200)	(194,479)	(193,854)	(93,071)	(250,319)	(249,855)
Total component unit net revenues (brought forward)	—	—	—	—	23,721	48,664	35,977	55,181	46,930	59,987
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	135,409	142,298	147,250	152,065	157,586	158,919	167,160	174,441	185,477	195,772
Property taxes, levied for debt service	7,770	6,137	6,335	6,407	6,389	6,260	6,398	—	—	4,077
Other taxes	10,253	7,775	7,497	8,450	9,094	10,323	11,390	13,708	15,902	17,926
Interest income	10,377	8,247	3,197	1,984	2,575	1,264	2,833	3,330	4,147	4,069
Miscellaneous revenue	641	13,024	419	16,257	7,636	3,416	9,703	7,583	13,016	3,022
Transfers in from proprietary funds	—	—	—	—	—	7	31	(91)	(136)	(163)
Total governmental activities revenue	164,450	177,481	164,698	185,163	183,280	180,189	197,515	198,971	218,406	224,703
Business-type activities:										
Interest income	3,475	2,636	1,514	1,568	52	19	25	33	55	88
Gain on sale of capital assets	2,724	1,031	418	54	—	25	—	—	13	—
Gain (loss) on equity in limited partnership	(82)	(70)	(70)	(76)	—	—	—	—	428	371
Miscellaneous revenue	—	—	—	—	—	—	—	—	—	—
Transfers in (out) to governmental funds	—	—	—	—	—	(7)	(31)	91	136	163
Total business-type activities revenue	6,117	3,597	1,862	1,546	52	37	(6)	124	632	622
Total primary government	170,567	181,078	166,560	186,709	183,332	180,226	197,509	199,095	219,038	225,325
Component unit: ⁽¹⁾										
Interest income	—	—	—	—	1,562	517	1,653	1,888	2,319	1,364
Gain on sale of capital assets	—	—	—	—	(116)	(3,774)	—	—	—	—
Loss on equity in joint venture	—	—	—	—	(73)	(77)	(78)	(75)	(77)	(73)
Total component unit	—	—	—	—	1,373	(3,334)	1,575	1,813	2,242	1,291
Change in Net Position										
Governmental activities	(6,810)	(14,151)	(31,223)	(2,879)	(12,558)	(12,203)	5,655	106,182	(32,087)	(26,269)
Restatement	—	(993)	—	—	—	—	(439)	(85,369)	—	—
Total Governmental activities	(6,810)	(15,144)	(31,223)	(2,879)	(12,558)	(12,203)	5,216	20,813	(32,087)	(26,269)
Business-type activities	23,960	16,323	6,127	7,939	(2,310)	(2,050)	(2,000)	(158)	806	1,739
Restatement	(1,935)	—	—	—	(497,533)	—	—	—	—	—
Total Business-type activities	22,025	16,323	6,127	7,939	(499,843)	(2,050)	(2,000)	(158)	806	1,739
Total primary government	15,215	1,179	(25,096)	5,060	(512,401)	(14,253)	3,216	20,655	(31,281)	(24,530)
Component unit	—	—	—	—	25,094	45,330	37,552	56,994	49,172	61,278
Restatement	—	—	—	—	497,533	—	(1,744)	(22,769)	—	—
Total component unit	\$ —	—	—	—	522,627	45,330	35,808	34,225	49,172	61,278

⁽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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 4,000	2,000	177	—	—	—	—	—	—	—
Nonspendable	—	—	—	155	134	122	116	109	106	93
Assigned	—	—	—	527	530	646	809	791	7,612	7,718
Unreserved/unassigned	37,522	30,806	33,874	32,513	29,642	33,321	39,828	54,397	59,595	68,072
Total General Fund	41,522	32,806	34,051	33,195	30,306	34,089	40,753	55,297	67,313	75,883
All other governmental funds										
Reserved	1,321	320	295	—	—	—	—	—	—	—
Nonspendable	—	—	—	127	135	2,416	2,414	1,886	128	121
Restricted	—	—	—	93,002	95,942	96,945	112,861	152,101	176,076	274,884
Committed	—	—	—	55,278	62,637	67,972	81,821	97,063	81,334	192,228
Assigned	—	—	—	773	149	2,992	841	2,133	2,014	4,183
Unreserved/unassigned	149,012	146,267	142,105	(203)	(32)	(225)	(2,317)	(1,684)	(529)	(13)
Total all other governmental funds	150,333	146,587	142,400	148,977	158,831	170,100	195,620	251,499	259,023	471,403
Total governmental funds	\$ 191,855	179,393	176,451	182,172	189,137	204,189	236,373	306,796	326,336	547,286

⁽¹⁾ Years prior to 2011 not restated for reporting of fund balances under GASB #54

Source: Current and prior years financial statements.

WASHINGTON COUNTY, OREGON

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Dollars in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Taxes	\$ 149,442	154,379	160,234	166,766	170,704	175,520	183,966	188,103	199,949	216,464
Licenses and permits	9,213	8,126	8,200	8,482	9,167	10,895	11,350	12,438	13,445	14,240
Intergovernmental revenues	85,993	89,839	90,197	96,237	100,540	106,863	111,339	120,523	118,912	130,036
Charges for services	41,039	39,625	41,180	48,865	46,053	49,400	55,618	74,043	84,006	58,395
Fines and forfeitures	3,533	2,826	3,058	3,431	3,658	3,044	3,077	3,330	3,243	2,959
Special assessments	224	241	190	188	134	232	181	175	173	154
Miscellaneous revenues	37,069	34,534	28,256	30,784	30,466	30,178	34,214	43,849	36,295	41,506
Interfund revenues	28,283	28,423	29,160	29,619	27,924	28,494	29,764	29,906	32,551	35,938
Total revenues	354,796	357,993	360,475	384,372	388,646	404,626	429,509	472,367	488,574	499,692
Expenditures:										
Current:										
General government	32,609	36,136	34,265	35,019	36,912	36,874	39,030	40,953	43,039	47,026
Public safety and justice	114,416	120,744	121,021	129,651	134,389	137,305	144,170	149,900	155,493	163,423
Land use and transportation	94,595	99,590	92,495	97,662	95,019	94,605	94,749	90,023	123,864	123,335
Housing, health and human services	52,605	58,405	60,313	60,975	59,989	61,495	63,072	61,804	79,232	71,677
Culture, education and recreation	23,081	25,774	26,353	27,193	29,526	29,305	30,356	31,702	34,114	36,765
Nonoperating	7,902	7,372	5,673	6,153	5,736	10,773	2,717	3,790	3,843	4,220
Capital outlay	9,360	8,739	9,288	8,097	10,066	6,923	9,146	15,895	28,000	29,942
Debt service:										
Principal	44,049	8,452	8,908	9,340	10,181	10,552	10,807	4,967	42,204	6,745
Interest	6,186	5,748	5,098	4,683	4,267	6,164	3,309	2,969	3,840	4,715
Issuance costs	—	—	—	—	—	199	—	—	142	871
Total expenditures	384,803	370,960	363,414	378,773	386,085	394,195	397,356	402,003	513,771	488,719
Excess (deficiency) of revenues over (under) expenditures	(30,007)	(12,967)	(2,939)	5,599	2,561	10,431	32,153	70,364	(25,197)	10,973
Other financing sources (uses):										
Proceeds from issuance of debt	34,125	—	—	—	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	69,224	73,738	79,801	61,538	69,330	80,020	75,945	82,826	90,071	99,550
Transfers out to other funds	(69,224)	(73,234)	(81,795)	(61,416)	(67,210)	(78,084)	(75,914)	(82,917)	(90,207)	(99,713)
Total other financing sources (uses)	34,125	504	(1,994)	122	4,404	4,621	31	59	38,193	209,977
Net change in fund balances	\$ 4,118	(12,463)	(4,933)	5,721	6,965	15,052	32,184	70,423	12,996	220,950
Debt service as a percentage of noncapital expenditures	14.49%	4.49%	4.20%	4.26%	4.24%	4.75%	3.84%	2.25%	11.15%	2.97%

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			
2008	\$ 38,669,431	1,760,359	1,266,893	41,696,683	3.03	76,919,205	54.21 %
2009	40,540,532	1,911,303	1,411,287	43,863,122	2.99	79,498,937	55.17
2010	41,974,973	1,833,195	1,591,315	45,399,483	2.99	75,512,292	60.12
2011	43,397,583	1,781,436	1,622,849	46,801,868	2.98	71,983,750	65.02
2012	44,863,711	1,818,743	1,554,328	48,236,782	2.98	69,045,256	69.86
2013	45,951,024	1,873,616	1,531,019	49,355,659	2.97	67,614,912	73.00
2014	47,642,930	1,961,029	1,576,282	51,180,241	2.97	75,755,731	67.56
2015	49,735,366	2,083,823	1,696,673	53,515,862	2.84	84,758,607	63.14
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

⁽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
2008	\$ 2.25	0.59	0.19	3.03
2009	2.25	0.59	0.15	2.99
2010	2.25	0.59	0.15	2.99
2011	2.25	0.59	0.14	2.98
2012	2.25	0.59	0.14	2.98
2013	2.25	0.59	0.13	2.97
2014	2.25	0.59	0.13	2.97
2015	2.25	0.59	—	2.84
2016	2.25	0.59	—	2.84
2017	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⁽¹⁾ County	Component⁽²⁾ Units of Washington County	School Districts	Fire Districts
2008	\$ 690,048	125,988	19,988	310,212	59,800
2009	715,850	130,338	23,855	313,624	61,864
2010	766,167	135,477	24,234	334,352	65,439
2011	783,036	140,212	24,614	341,593	67,422
2012	800,942	144,382	25,198	350,927	70,828
2013	817,382	147,070	25,505	353,922	72,173
2014	876,877	152,306	27,748	386,896	74,193
2015	915,947	152,359	29,213	411,644	76,789
2016	962,850	161,901	30,699	432,959	89,169
2017	1,020,652	175,783	31,736	453,494	92,505

(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>	<u>Other</u>
98,422	23,818	6,145	2,894	20,771	19,848	2,162
108,078	25,139	6,652	3,040	21,738	19,398	2,124
112,334	31,528	7,180	3,145	28,367	21,948	2,163
120,524	33,394	913	3,269	29,567	21,528	—
125,758	34,105	1,022	3,371	28,649	16,702	—
124,802	34,955	4,429	3,446	32,538	18,542	—
131,051	36,124	5,554	3,570	37,265	22,170	—
137,563	37,286	6,173	3,732	38,397	22,791	—
148,174	36,981	5,344	3,970	33,097	20,556	—
153,330	38,730	8,965	4,132	40,025	21,952	—

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
2008 \$	93,588	45,498	139,086	132,062	94.95 %	\$ 3,394	135,456	97.39 %
2009	98,297	56,017	154,314	145,503	94.29	4,907	150,410	97.47
2010	102,210	57,501	159,711	150,799	94.42	4,248	155,047	97.08
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	2,578	163,916	96.66
2013	111,611	60,964	172,575	164,775	95.48	3,037	167,812	97.24
2014	115,908	64,145	180,053	171,302	95.14	2,827	174,129	96.71
2015	121,112	60,460	181,572	173,583	95.60	1,852	175,435	96.62
2016	128,654	63,947	192,601	184,069	95.57	1,521	185,590	96.36
2017	133,800 ⁽¹⁾	73,720	207,520	198,099	95.46	—	198,099	95.46

⁽¹⁾ Includes small levies paid off early to other jurisdictions by the General Fund totaling \$445 in FY 2016-17.

Source: Washington County Finance Division

WASHINGTON COUNTY, OREGON

Principal Taxpayers Within the County
Current Year and Nine Years Ago

(Dollars in Thousands)

	2017				2008		
	Rank	Assessed valuation	Percent of total		Rank	Assessed valuation	Percent of total
Private enterprises:							
Intel Corporation	1	\$ 2,185,035	3.7 %	1	\$ 1,073,118	2.6 %	
Nike, Inc.	2	771,795	1.3	2	348,297	0.8	
Comcast Corporation	4	417,022	0.7			—	
Pacific Realty Associates	5	352,596	0.6	6	261,692	0.6	
Solarworld Industries America, Inc.	7	208,615	0.4		—	—	
Frontier Communications	8	190,901	0.3			—	
Verizon Communications	9	187,423	0.3	3	345,285	0.8	
Genentech, Inc.	10	179,135	0.3		—	—	
Maxim Integrated Products, Inc.		—	—	7	169,355	0.4	
Sprint Nextel Corporation		—	—	9	133,617	0.3	
Tektronix, Inc.		—	—	8	137,507	0.3	
ERP Operating, LP		—	—	10	112,051	0.3	
Public utilities:							
Portland General Electric	3	512,980	0.9	4	330,800	0.8	
Northwest Natural Gas	6	329,744	0.6	5	275,284	0.7	
All other taxpayers		<u>54,111,452</u>	<u>90.9</u>		<u>38,509,677</u>	<u>92.4</u>	
Total		<u>\$ 59,446,698</u>	<u>100.0</u>		<u>\$ 41,696,683</u>	<u>100.0</u>	

Source: Washington County Department of Assessment and Taxation

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DEBT CAPACITY

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WASHINGTON COUNTY, OREGON

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

County

<u>Fiscal Year</u>	<u>Governmental Activities GO Bonds Payable</u>	<u>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>
2008	\$ 33,570	—	248	33,818	41,696,683	0.1 %	\$ 66
2009	28,570	—	201	28,771	43,863,122	0.1	55
2010	23,325	—	155	23,480	45,399,483	0.1	45
2011	17,845	—	109	17,954	46,801,868	—	34
2012	12,140	—	62	12,202	48,236,782	—	23
2013	6,195	—	16	6,211	49,355,659	—	11
2014	—	—	—	—	51,180,241	—	—
2015	—	—	—	—	53,515,862	—	—
2016	—	—	—	—	56,910,892	—	—
2017	75,400	—	11,074	86,474	59,446,698	0.1	148

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
2008	\$ 33,570	88,121	149	555	1,525
2009	28,570	84,930	115	505	1,343
2010	23,325	81,510	79	454	1,160
2011	17,845	77,897	45	402	964
2012	12,140	74,149	3	380	2,586
2013	6,195	70,352	(308)	357	2,092
2014	—	66,133	3,551	334	1,715
2015	—	61,719	3,222	312	1,334
2016	—	51,890	7,918	290	941
2017	75,400	155,098	31,274	268	535

District⁽¹⁾

Fiscal Year	Component Unit				
	General Obligation Bonds Payable	Other Bonds & Notes Payable	Premiums, Discounts, & Adjustments	Contracts Payable	Capital Lease Obligations
2008	\$ —	—	—	—	—
2009	—	—	—	—	—
2010	—	—	—	—	—
2011	—	—	—	—	—
2012	—	287,865	9,631	—	—
2013	—	265,260	8,179	—	—
2014	—	251,990	7,827	—	—
2015	—	238,175	6,557	—	—
2016	—	223,690	5,448	—	—
2017	—	202,995	11,340	—	—

(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

General Obligation Bonds Payable	FFC & Notes Payable	Premiums, Discounts, & Adjustments	Contracts Payable	Total Primary Government	Percentage of Personal Income	Outstanding Debt Per Capita
—	196,366	(471)	—	319,815	1.6 %	\$ 626
—	236,201	1,592	—	353,256	1.7	679
—	316,078	(83)	—	422,523	2.0	802
—	295,506	(340)	—	392,319	1.8	736
—	31,124	(2,524)	—	117,858	0.5	220
—	30,577	(2,376)	—	106,889	0.5	197
—	30,043	(236)	—	101,540	0.4	184
—	31,572	(220)	—	97,939	0.4	175
—	31,023	(204)	—	91,858	0.3	161
—	30,569	(188)	—	292,956	N/A	502

Total Component Unit	Percentage of Personal Income	Outstanding Debt Per Capita
—	— %	\$ —
—	—	—
—	—	—
—	—	—
297,496	1.3	555
273,439	1.1	504
259,817	1.1	472
244,732	0.9	436
229,138	0.8	401
214,335	N/A	367

WASHINGTON COUNTY, OREGON

Legal Debt Margin Information

Last Ten Fiscal Years

(Dollars in thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</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	\$ 101,500,233	90,947,469	84,758,607	75,755,731	67,614,912
<i>Debt limit rate</i>	2.00%	2.00%	2.00%	2.00%	2.00%
Debt limit	2,030,005	1,818,949	1,695,172	1,515,115	1,352,298
Less general obligation debt at June 30 ⁽¹⁾	86,474	—	—	—	6,211
Legal debt margin	<u>1,943,531</u>	<u>1,818,949</u>	<u>1,695,172</u>	<u>1,515,115</u>	<u>1,346,087</u>
 Total net debt applicable to the limit as a percentage of debt limit	 4.26%	 —	 —	 —	 0.46%

-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>101,500,233</u>	<u>90,947,469</u>	<u>84,758,607</u>	<u>75,755,731</u>	<u>67,614,912</u>
<i>Debt limit rate</i>	1.00%	1.00%	1.00%	1.00%	1.00%
Debt limit	1,015,002	909,475	847,586	757,557	676,149
Less full faith and credit obligations at June 30 ⁽¹⁾	174,720	59,053	63,992	68,646	68,806
Legal debt margin	<u>840,282</u>	<u>850,422</u>	<u>783,594</u>	<u>688,911</u>	<u>607,343</u>
 Total net debt applicable to the limit as a percentage of debt limit	 17.21%	 6.49%	 7.55%	 9.06%	 10.18%

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>101,500,233</u>	<u>90,947,469</u>	<u>84,758,607</u>	<u>75,755,731</u>	<u>67,614,912</u>
<i>Debt limit rate</i>	13.00%	13.00%	13.00%	13.00%	13.00%
Debt limit	13,195,030	11,823,171	11,018,619	9,848,245	8,789,939
Less general obligation debt at June 30 ⁽¹⁾	—	—	—	—	—
Legal debt margin	<u>13,195,030</u>	<u>11,823,171</u>	<u>11,018,619</u>	<u>9,848,245</u>	<u>8,789,939</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>93,028,765</u>	<u>77,171,791</u>	<u>77,171,791</u>	<u>68,905,327</u>	<u>60,917,987</u>
<i>Debt limit rate</i>	13.00%	13.00%	13.00%	13.00%	13.00%
Debt limit	12,093,739	10,032,333	10,032,333	8,957,693	7,919,338
Less general obligation debt at June 30 ⁽¹⁾	—	—	—	—	—
Legal debt margin	\$ <u>12,093,739</u>	<u>10,032,333</u>	<u>10,032,333</u>	<u>8,957,693</u>	<u>7,919,338</u>
 Total net debt applicable to the limit as a percentage of debt limit	 —	 —	 —	 —	 —

(Continued)

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

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>69,045,256</u>	<u>71,983,750</u>	<u>75,512,292</u>	<u>79,498,937</u>	<u>76,919,205</u>
2.00%	2.00%	2.00%	2.00%	2.00%
1,380,905	1,439,675	1,510,246	1,589,979	1,538,384
<u>12,202</u>	<u>17,954</u>	<u>23,480</u>	<u>28,771</u>	<u>33,818</u>
<u>1,368,703</u>	<u>1,421,721</u>	<u>1,486,766</u>	<u>1,561,208</u>	<u>1,504,566</u>
0.88%	1.25%	1.55%	1.81%	2.20%
<u>69,045,256</u>	<u>71,983,750</u>	<u>75,512,292</u>	<u>79,498,937</u>	<u>76,919,205</u>
1.00%	1.00%	1.00%	1.00%	1.00%
690,453	719,838	755,123	794,989	769,192
<u>72,686</u>	<u>76,236</u>	<u>79,639</u>	<u>82,834</u>	<u>85,806</u>
<u>617,767</u>	<u>643,602</u>	<u>675,484</u>	<u>712,155</u>	<u>683,386</u>
10.53%	10.59%	10.55%	10.42%	11.16%
<u>69,045,256</u>	<u>71,983,750</u>	<u>75,512,292</u>	<u>79,498,937</u>	<u>76,919,205</u>
13.00%	13.00%	13.00%	13.00%	13.00%
8,975,883	9,357,888	9,816,598	10,334,862	9,999,497
—	—	—	—	—
<u>8,975,883</u>	<u>9,357,888</u>	<u>9,816,598</u>	<u>10,334,862</u>	<u>9,999,497</u>
—	—	—	—	—
<u>61,998,156</u>	<u>64,712,780</u>	<u>67,333,674</u>	<u>67,466,438</u>	<u>65,485,068</u>
13.00%	13.00%	13.00%	13.00%	13.00%
8,059,760	8,412,661	8,753,378	8,770,637	8,513,059
—	—	—	—	—
<u>8,059,760</u>	<u>8,412,661</u>	<u>8,753,378</u>	<u>8,770,637</u>	<u>8,513,059</u>
—	—	—	—	—

WASHINGTON COUNTY, OREGON

Direct and Overlapping Governmental Activities Debt

June 30, 2017

(Dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable to County</u>
Debt repaid with property taxes:			
Overlapping debt outstanding:			
Banks Fire District #13	\$ 170	100.0 %	\$ 170
City of Banks	1,437	100.0	1,437
City of Beaverton	34,567	100.0	34,567
City of Cornelius	1,791	100.0	1,791
City of Durham	330	100.0	330
City of Hillsboro	45,250	100.0	45,250
City of Lake Oswego	11	0.1	—
City of North Plains	1,317	100.0	1,317
City of Portland	288	0.2	1
City of Sherwood	25,324	100.0	25,324
City of Tigard	22,427	100.0	22,427
City of Tualatin	5,195	85.8	4,457
City of Wilsonville	—	9.8	—
Clackamas County Education Service District	107	0.5	1
Clackamas County School District 3J (West Linn - Wilsonville)	3,579	1.6	57
Clackamas County School District 7J (Lake Oswego)	816	0.9	7
Columbia County School District 1J (Scappoose)	129	0.5	1
Columbia County School District 47J (Vernonia)	346	1.9	7
Metro	54,864	29.9	16,404
Multnomah County School District 1J (Portland)	3,303	0.5	17
Multnomah Education Service District	—	0.4	—
Northwest Regional Education Service District	—	79.7	—
Port of Portland	—	29.5	—
Portland Community College	120,825	40.0	48,330
Rivergrove Water District 14J	8	1.3	—
Tualatin Hills Parks & Recreation District	82,519	100.0	82,519
Tualatin Valley Fire & Rescue District	40,199	82.3	33,084
Washington County Enhanced Patrol District	76	100.0	76
Washington County School District 13 (Banks)	13,667	100.0	13,667
Washington County School District 15 (Forest Grove)	95,134	100.0	95,134
Washington County School District 1J (Hillsboro 7 Bond)	4,007	100.0	4,007
Washington County School District 1J (Hillsboro)	238,805	100.0	238,805
Washington County School District 23J (Tigard - Tualatin)	257,566	95.5	245,976
Washington County School District 48J (Beaverton)	1,061,527	99.6	1,057,281
Washington County School District 511J (Gaston)	11,973	82.3	9,854
Washington County School District 88J (Sherwood)	206,312	93.5	192,902
Willamette Education Service District	33	0.3	—
Yamhill County School District 29J (Newberg)	1,616	3.4	55
Total overlapping debt outstanding	2,335,518		2,175,255
Direct debt outstanding:			
Washington County ⁽¹⁾	262,575	100.00	262,575
Total direct and overlapping debt outstanding	\$ 2,598,093		\$ 2,437,830

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

Contracts, notes, and bonds outstanding	230,766
Unamortized bond premiums and discounts	31,274
Capital lease obligations	535
Total direct debt outstanding	262,575

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>
2008	511	\$	19,945	39	4.8 %
2009	520		21,186	41	10.2
2010	527		21,205	40	8.4
2011	533		21,587	41	7.6
2012	536		23,043	43	6.8
2013	543		24,314	45	6.3
2014	551		24,840	45	5.7
2015	561		26,299	47	4.6
2016	571		29,813	52	4.1
2017	584		N/A	N/A	3.1

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

	2017*		2008	
	Annual Average Positions	% of Total	Annual Average Positions	% of Total
Construction	14,806	5%	14,242	6%
Manufacturing:				
Wood products	1,023		1,395	
Fabricated metal products	3,455		3,029	
Food	1,928		1,655	
Plastics and rubber products	2,117		1,919	
Computer and electronic products	28,390		26,046	
Machinery	4,275		3,451	
Other	7,315		7,444	
Total Manufacturing	48,503	17%	44,939	18%
Trade, Transportation, and Utilities:				
Wholesale	13,359		17,240	
Retail	31,139		29,612	
Transportation, Warehousing, and Utilities	4,567		3,810	
Total Trade, Transportation, and Utilities	49,065	17%	50,662	20%
Information:				
Publishing	2,986		3,428	
Telecommunications	2,216		2,130	
Other (broadcasting, ISP's, etc.)	2,236		2,439	
Total Information	7,438	3%	7,997	3%
Financial Activities:				
Finance and Insurance	10,699		10,367	
Real Estate	3,698		3,522	
Total Financial Activities	14,397	5%	13,889	6%
Professional and Business Services	54,004	19%	35,091	14%
Educational Services	5,160	2%	4,425	2%
Healthcare and Social Assistance	28,036	10%	22,246	9%
Leisure and Hospitality	25,593	9%	20,760	8%
Other Services (agriculture, repairs, private homes, misc.)	13,228	5%	11,428	5%
Government (federal, state, and local)	22,949	8%	22,063	9%
Total Employment	<u>283,179</u>	<u>100%</u>	<u>247,742</u>	<u>100%</u>

*Fiscal year 2017 information includes data through December 31, 2016.

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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government	292.8	299.8	297.0	297.3	297.0	297.8	299.1	304.0	318.0	331.0
Public safety and justice	815.3	834.3	836.9	833.4	823.4	824.9	824.3	941.0	945.0	950.0
Land use and transportation	426.0	423.9	391.8	357.4	348.8	336.5	335.7	324.0	286.0	297.0
Housing, health and human services	231.8	240.2	239.4	250.0	253.5	255.2	251.8	260.0	322.0	322.0
Culture, education and recreation	40.0	44.3	45.3	44.3	47.3	47.3	48.3	50.0	53.0	53.0
Total	<u>1,805.9</u>	<u>1,842.5</u>	<u>1,810.3</u>	<u>1,782.4</u>	<u>1,770.0</u>	<u>1,761.7</u>	<u>1,759.2</u>	<u>1,879.0</u>	<u>1,924.0</u>	<u>1,953.0</u>

Source: Washington County Support Services Department

WASHINGTON COUNTY, OREGON

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011
General Government:				
Assessment & Taxation:				
Real property accounts	173,542	177,155	177,924	178,440
Personal property accounts	23,791	24,100	24,591	24,077
Mobile home accounts	5,569	5,336	5,239	5,205
Utility property accounts	977	940	1,026	1,167
County Counsel:				
Hours booked for General Fund programs	6,023	6,072	8,376	6,102
Hours booked for Special Revenue funds and miscellaneous	6,938	7,081	5,639	6,223
Hours booked for internal work	2,406	2,087	2,187	2,066
Support Services:				
Number of budgeted permanent FTE positions within the County	1,806	1,843	1,810	1,782
Number of collective bargaining units	5	5	5	5
Public Safety & Justice:				
Sheriff (measured in calendar years):				
Citizen generated calls for service	52,481	49,296	48,343	47,050
Officer-initiated calls for service (including traffic responses)	72,432	88,239	96,182	94,258
Bookings per year at jail	18,560	18,698	17,967	17,761
Average length of stay in jail (in days)	10	19	18	48
Average daily jail population	545	613	579	568
Case numbers issued (all documented law enforcement actions taken)	21,536	20,657	20,386	19,249
Juvenile (measured in calendar years):				
Total referrals to juvenile department	4,646	4,087	4,106	3,738
Percent of youth with no new offenses	71%	74%	74%	75%
Total admissions to secure detention	632	724	727	715
Total admissions to shelter care evaluation	165	163	160	134
Community Corrections:				
Number of offenders residing at the Community Corrections Center	2,100	2,026	2,040	2,044
Average daily Community Corrections Center population	190	194	198	195
Average length of stay in Community Corrections Center (in days)	36	33	36	36
Number of offenders on supervision	4,205	4,162	4,123	4,035
Law Library:				
Total in-library users	9,214	9,797	9,630	5,569
Items checked out	800	802	865	867
Land Use & Transportation:				
Land Use & Transportation:				
Total land use case files	434	413	380	357
Total land use actions	549	488	456	431
New subdivisions	14	4	8	5
Building permits issued (single family residential & remodels/additions)	1,212	988	1,110	1,053
Housing, Health & Human Services:				
Housing Services:				
Rent subsidies (units)	2,581	2,610	2,810	2,810
Affordable housing (units)	2,684	2,684	2,005	2,086
Public housing (units)	265	257	255	255
Homeownership (units)	7	6	4	4
Homeless services (beds)	548	544	604	594
Community Development:				
Number of people served by all CDBG programs	24,767	19,978	14,509	16,763
Number of households served by all CDBG programs	468	341	523	491
Health & Human Services:				
Swimming pool inspections, reviews, investigations	1,156	1,328	1,264	1,196
Solid waste and recycling phone calls received	3,187	3,442	3,502	3,600
Health clinic - communicable disease client visits	11,683	10,378	11,169	13,257
Birth certificates received	4,172	N/A	N/A	N/A
Emergency Medical Services:				
CPR/AED people trained (measured in calendar years)	1,002	605	556	468
Ambulance licenses issued	103	98	99	97
Total ambulances inspected	—	7	10	—
Wheelchair car licenses issued	131	134	135	144
Culture, Education, & Recreation:				
Cooperative Library Services:				
Total library materials circulated	8,442,266	9,776,585	11,143,345	12,711,299
New users registered	41,715	44,797	38,108	40,374
Attendance at summer reading programs and events	38,966	41,234	48,136	46,846
Items delivered to member libraries via WCCLS couriers	2,714,141	3,170,517	3,721,876	4,138,471

N/A: Information not available

(Continued)

Source: Washington County Support Services Department

2012	2013	2014	2015	2016	2017
178,971	179,843	180,705	181,985	183,721	186,353
23,893	24,210	23,614	23,672	22,673	22,728
5,188	5,142	5,118	5,101	5,096	5,068
1,278	1,443	1,492	1,458	1,477	1,321
6,945	5,851	6,536	7,127	7,087	7,003
6,200	7,915	7,204	6,417	6,456	6,650
2,269	2,710	2,489	2,902	2,757	2,900
1,770	1,762	1,759	1,818	1,872	1,951
5	5	5	5	5	5
49,109	48,058	52,041	56,186	57,446	N/A
94,258	89,252	88,551	96,321	90,139	N/A
17,761	18,020	17,944	17,173	17,111	N/A
48	18	17	19	19	N/A
568	565	547	538	534	N/A
19,249	19,344	20,374	20,802	21,035	N/A
3,539	3,309	2,975	2,822	2,165	2,225
74%	72%	75%	72%	78%	N/A
597	650	644	574	498	501
121	127	108	111	105	105
1,953	1,765	2,060	2,169	2,044	1,976
181	170	182	179	181	186
34	35	32	32	32	34
3,694	3,540	3,725	3,797	3,286	3,357
4,833	8,529	9,115	9,892	8,140	6,028
796	1,405	1,437	1,502	1,909	1,211
394	432	495	456	519	521
476	529	584	568	652	634
7	22	29	31	27	33
1,254	1,183	1,511	1,735	2,081	1,960
2,823	2,823	2,882	2,981	2,981	2,669
1,135	1,138	1,138	1,138	1,139	1,818
255	255	255	255	255	243
4	5	5	4	4	4
739	796	940	905	881	863
21,184	14,727	20,051	27,121	73,550	11,275
435	283	306	314	280	273
1,130	1,145	1,083	1,190	1,183	1,018
4,200	3,672	4,100	3,900	3,470	3,707
8,943	9,866	7,857	7,672	2,917	2,861
N/A	N/A	N/A	N/A	N/A	N/A
N/A	505	346	637	420	755
111	149	121	140	158	146
4	4	28	39	13	8
174	192	190	196	226	247
13,047,677	13,070,159	12,742,087	12,240,066	11,872,665	11,149,410
35,770	32,951	32,788	31,981	31,659	33,313
51,009	50,157	58,233	59,506	63,358	76,782
4,108,984	3,978,705	3,649,568	3,704,098	3,616,203	3,444,670

WASHINGTON COUNTY, OREGON

Capital Assets

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government:										
Facilities:										
Number of buildings - owned	23	23	23	23	23	24	24	25	25	27
Number of buildings - leased	8	9	9	8	7	9	9	10	12	15
Square feet - owned space	1,304,265	1,304,265	1,304,265	1,304,265	1,304,265	1,304,265	1,304,265	1,378,190	1,378,190	1,403,944
Square feet - leased space	24,282	24,722	24,722	24,079	19,867	21,659	18,652	27,252	37,207	78,833
Fleet:										
Number of units maintained	559	564	561	562	557	562	572	605	626	654
Gallons of fuel dispensed	443,112	433,119	426,712	445,207	436,180	422,455	416,709	415,547	407,414	414,582
Miles driven	4,705,659	4,554,668	4,565,634	4,613,964	4,485,547	4,510,196	4,434,719	4,593,052	4,467,139	4,585,838
Number of work orders	4,187	4,440	3,837	4,145	4,059	3,930	4,024	4,034	3,975	4,127
Information Technology Services:										
Computers supported	2,028	2,127	2,116	2,116	2,385	2,173	2,149	2,372	2,425	2,496
Applications supported	630	665	698	709	783	844	851	1,028	1,320	1,299
Land Use and Transportation:										
County road system:										
Total miles maintained	1,271	1,271	1,280	1,300	1,279	1,279	1,286	1,286	1,290	1,297
Paved miles	1,035	1,035	1,055	1,075	1,062	1,062	1,068	1,073	1,073	1,079
Gravel miles	236	236	225	225	217	217	218	218	217	218
Urban miles	630	630	639	639	650	650	657	657	661	668
Rural miles	641	641	641	661	629	629	629	629	629	629
Bridges	187	187	189	189	188	188	186	186	186	183
Traffic signals	369	379	404	445	470	470	472	505	515	518

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, 2017, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 18, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our report includes a reference to other auditors. We did not audit the financial statements of Clean Water Services (CWS), the discretely presented component unit of the County. The financial statements of CWS were not audited in accordance with Government Auditing Standards. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditors.

COMPLIANCE

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

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

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



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

COMPLIANCE (Continued)

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

- Under ORS 294.471(3)(b), when a supplemental budget changes estimated expenditures by less than 10%, then a notice of a regular meeting in which the changes will be considered, is required to be published prior to the meeting date. The County published a notice of meeting dates related to one such supplemental budget; however, documentation evidencing the publication was not retained.
- Under ORS 294.473(1)(b), when a supplemental budget changes estimated expenditures by more than 10%, then a notice of public hearing and a summary of proposed changes must be published prior to the public hearing date. The County published notices and proposed changes for three such supplemental budgets; however, documentation evidencing the publication was not retained.
- The Sheriff's Office Grants and Donations Fund reported a deficit fund balance of \$13,000.
- The Internal Support Services Fund reported a deficit net position of \$157,000 on a GAAP basis.
- The Fleet Services Fund reported a deficit net position of \$611,000 on a GAAP basis.
- The General Fund reported an over expenditure of \$13,000 of appropriations in County administrative office expenditures.

OAR 162-10-0230 INTERNAL CONTROL

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the Washington County, Oregon's Federal Grant Programs reporting of the Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency described in the Washington County, Oregon's Federal Grant Programs reporting of the Schedule of Findings and Questioned Costs as finding 2017-001 to be a material weakness.

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. We consider the deficiency described in the Washington County, Oregon's Federal Grant Programs reporting of the Schedule of Findings and Questioned Costs as finding 2017-002 to be a significant deficiency.

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

PURPOSE OF THIS REPORT

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

Talbot, Kivola & Dawson, LLP

Lake Oswego, Oregon
December 18, 2017

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