



Comprehensive Annual Financial Report

Year ended June 30, 2013



Working Toward a Sustainable Tomorrow

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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, 2013

Prepared by:
Washington County Finance Division

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WASHINGTON COUNTY, OREGON

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**WASHINGTON COUNTY,
OREGON**

**INTRODUCTORY
SECTION**

SECTION I

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WASHINGTON COUNTY, OREGON

Principal Officials

Commissioners as of June 30, 2013

<u>Name</u>	<u>Term Expires</u>
Andy Duyck, Chair Commissioner-At-Large	December 31, 2014
Dick Schouten District 1	December 31, 2016
Greg Malinowski, Vice Chair District 2	December 31, 2014
Roy Rogers District 3	December 31, 2016
Bob Terry District 4	December 31, 2014

Administrative Staff

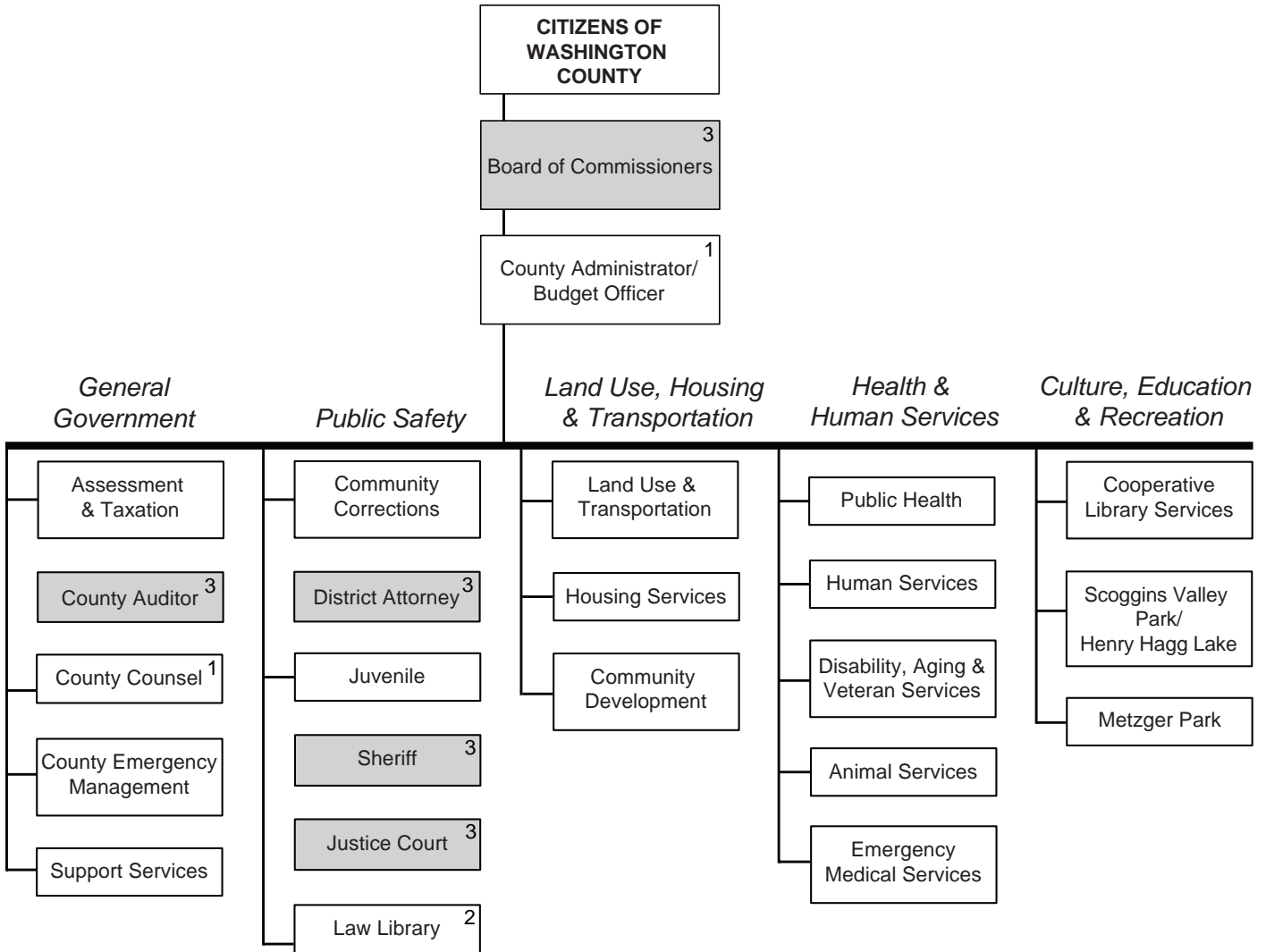
Robert Davis, County Administrator
Don Bohn, Assistant County Administrator
Rob Massar, Assistant County Administrator
Mary Gruss, Chief Finance Officer
Roger Dawes, Controller
Josh Salaets, Chief Accountant

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 19, 2013

To the Board of 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, 2013.

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, 2013. The independent auditor's report is located at the front of the financial section of this report.

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

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

Profile of the County

Washington County was incorporated in 1849 and is located in the northwestern part of Oregon, south of the Columbia River and immediately to the west of Portland, the state's largest city. The County is the second largest county in the state, encompasses 727 square miles, and serves a population of approximately 536,000. There are 16 incorporated cities in the County. The three largest cities, Hillsboro, Beaverton and Tigard account for 43% of the overall population; the unincorporated area has 41% of the County's population. This unincorporated area would be the second largest city in the state after Portland if it were incorporated. Most local governments, including the County, have permanent authority to levy property taxes for operations at a maximum tax rate (permanent tax rate). All property tax levies exceeding the permanent tax rate require voter approval at a general election; levies funding operations are limited to five years, levies dedicated to capital expenditures are limited to ten years, and levies to pay general obligation bonds are limited by the debt service requirements of the bonds.

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

Washington County provides a full range of County services including general government, public safety & justice, land use & transportation, housing, health & human services and culture, education & recreational services. This report includes all funds of the County as well as all of its component units, which are legally separate units for which the County has the authority to exercise influence over their operations and include the Housing Authority of Washington County, Service District for Lighting No. 1, Enhanced Sheriff Patrol District, Urban Road Maintenance Service District and North Bethany County Service District for Roads. Because there is no fiscal benefit/burden relationship with Clean Water Services (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 organization unit level. Department management may transfer resources within an organization unit as they see fit. Transfers between organization 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, Safeway, Oregon Health & Sciences University, Fred Meyer, Kaiser Foundation Health Plan, Legacy Health System and Nike.

Currently, manufacturing accounts for 18% of the total non-farm employment in the Portland PMSA, while trade, transportation and utilities accounts for 20%, government jobs 9%, professional and business services 15%, education and health services 12% and leisure and hospitality 8%.

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

Company	Products/Services	Location	Number of Employees
Intel Corporation	Semiconductor integrated circuits	Hillsboro	17,000
Nike, Inc.	Athletic footwear and apparel	Beaverton	8,671
Providence St. Vincent Hospital	Health Care	various	5,541
Beaverton School District	Education	Beaverton	4,073
Hillsboro School District	Education	Hillsboro	2,408
Home Depot	Home improvement	Tigard	2,000
Fred Meyer	Retail	Portland	1,900
Washington County	Government	Hillsboro	1,750
Xerox Office Business Group	Technology and services enterprise vendor	Wilsonville	1,404
Target Stores	Retail chain	Tualatin	1,378
Tuality Healthcare	Health Care	Hillsboro	1,351
Tektronix	Technology	Beaverton	1,227
IBM	Technology	Beaverton	1,200
Solar World	Solar	Hillsboro	800
TriQuint Semiconductor	Semiconductors	Hillsboro	970
Kaiser Permanente	Health Care	various	646

Source: Westside Economic Alliance, 2012 Data

The Strategic Investments 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 ends in 2013-14. 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.

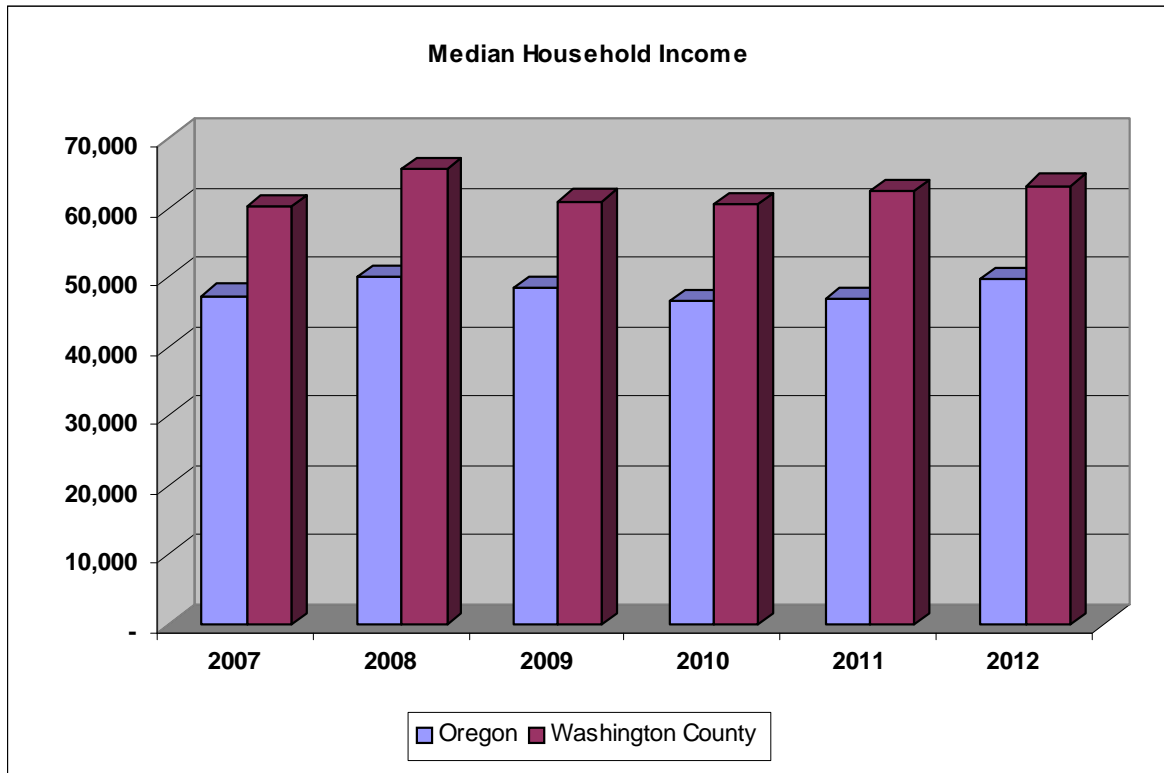
The following shows the SIP payments received and how much is retained by the County (dollars in thousands):

Agreements	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
1994/96 Intel	\$ 1,416	1,635	1,412	1,316	1,103	-	-
1999 Intel	8,978	9,670	9,200	9,332	9,066	8,715	8,482
2005 Intel	-	-	-	-	2,115	2,316	2,692
2006 Genentech	-	-	-	-	500	500	547
Totals	10,394	11,305	10,612	10,648	12,784	11,531	11,721
Distributed to:							
Washington County	5,820	6,076	5,756	5,846	7,752	7,644	7,790
Other agencies	4,574	5,229	4,856	4,802	5,032	3,887	3,931
Totals	\$ 10,394	11,305	10,612	10,648	12,784	11,531	11,721

Source: Washington County Finance Division

Gain Share is a relatively new addition to the SIP. Approved in 2007, Gain Share 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 the SIP. Gain Share provides the state a vehicle to distribute tax dollars back to communities where local property tax abatement helped create the jobs. In January 2013 Washington County received 96.5% of the Gain Share monies distributed by the state or \$11.57 million. The Gain Share program will continue to be scrutinized by the legislature as they wrestle to find solutions to fund Oregon schools. The state projects disbursing \$56 million in Gain Share monies in the next biennium, 2013-15. The Board has been discussing capital projects that will be funded by Gain Share revenue. Transfers of Gain Share revenue to those funds housing these projects will be considered by the Board in the 2013-14 fiscal year.

Historic personal median household income levels for the County and state are shown below:



Source: United States Census 2012 (table S1901)

Long term financial planning

The 2013-14 adopted budget includes General Fund reserves of \$18 million or 18% of the adopted General Fund revenues. In March 2007 the Board adopted a policy to maintain a reserve of 20% or more and not less than 15% of General Fund revenues. With guidance from the Budget Committee during the 2013-14 budget process, 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 will work with departments periodically to meet the upper reserve amount at each fiscal year end. The Board will be 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 2013-14 budget includes \$32 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 Commissioners. County funds are pooled for investment purposes; investment instruments may include U.S. Treasury securities, Government Sponsored Enterprises, and the State of Oregon Local Government Investment Pool.

Debt Management

The County has the following outstanding obligations – general obligation (GO) bonds, limited tax bonded indebtedness, notes, contracts, and revenue bonds. The County's current GO rating from Moody's and S&P (Standard & Poor's) are Aaa1 and AA+, respectively; and Aa2 by Moody's for limited tax bonded indebtedness (backed by the full faith and credit of the County). The revenue bond rating for the County's component unit – Clean Water Services – was Aa2 from Moody's and AA from S&P. After December 31, 2013 the County will no longer have any GO debt. The Finance Division manages the County's debt and is responsible for evaluating funding needs and determining the appropriate means to raise necessary funds.

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, 2013.

Risk Management

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

Major initiatives

A transportation development tax (TDT) approved by voters in November 2008 is dedicated to road and transit projects that increase the transportation system capacity within the County. The TDT rates were scheduled to be phased over a 4-year time period ending June 30, 2015. Because of the recession, the Board of County Commissioners adopted an Ordinance (A-Engrossed No 746) which delayed the final step-increase of the TDT rate phase-in schedule to June 30, 2015. This delay was reviewed and continued in the spring of 2013 and will be reviewed again in the spring of 2014. The final step increase would otherwise have taken effect on July 1, 2012.

In November 2012 voters approved a \$0.68 fixed rate levy for the Enhanced Sheriff's Patrol District; the levy will cover the period July 1, 2013 – June 30, 2018 and is expected to generate an estimated \$47 million over the five years.

Voters renewed the fixed rate County-wide public safety (\$0.42) and library (\$0.17) local option tax levies in November 2010. The public safety levy was expected to generate an estimated \$106 million over the five years. Funds are used for enhanced public safety activities and include continued funding for an estimated 132 positions including patrol, corrections, and district attorney. The County-wide library levy was expected to generate an estimated \$42 million over the five years. The renewed levies began July 1, 2011 and expire June 30, 2016.

Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to Washington County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. This was the twenty-seventh 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 one year only. We believe our current CAFR continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

Mary E. Gruss
Chief Finance Officer

Roger Dawes
Controller



Government Finance Officers Association

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

Presented to

**Washington County
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

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
in Oregon

1800 Meadows Road, Suite 200
Lake Oswego, Oregon 97035-4293

P 503.274.2849
F 503.274.2853

www.tkw.com

INDEPENDENT AUDITOR'S REPORT

December 19, 2013

Board of Commissioners
Washington County, Oregon
Hillsboro, Oregon

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washington County, Oregon, (the County) as of and for the year ended June 30, 2013, 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. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Clean Water Services, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

Board of Commissioners
Washington County, Oregon
December 19, 2013

AUDITOR'S RESPONSIBILITY (Continued)

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

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

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, 2013, 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 and Schedules of Funding Progress, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying budgetary comparisons for the General Fund and major special revenue funds, listed in the Table of Contents as Required Supplementary Information, is not a required part of the basic financial statements and is presented for purposes of additional analysis as required by the Governmental Accounting Standards Board, who considers it to be an essential part of basic financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Such information is the responsibility of management and was

INDEPENDENT AUDITOR'S REPORT (Continued)

Board of Commissioners
Washington County, Oregon
December 19, 2013

OTHER MATTERS (Continued)

Required Supplementary Information (Continued)

derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The Required Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Required Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules, and other schedules, collectively presented as Other Supplementary Information, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial 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, based on our audit, and the procedures performed as described above, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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 19, 2013, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

INDEPENDENT AUDITOR'S REPORT (Continued)

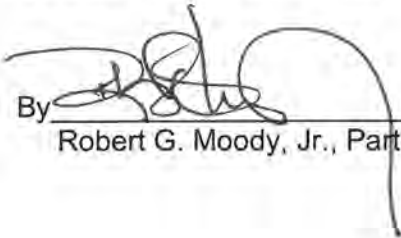
Board of Commissioners
Washington County, Oregon
December 19, 2013

REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS (Continued)

Other Reporting Required by Oregon Minimum Standards

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 19, 2013, 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
Certified Public Accountants

By  _____
Robert G. Moody, Jr., Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

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WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

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, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 through 8 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

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

Financial Highlights

- The assets of Washington County exceeded its liabilities at June 30, 2013 by \$2,314,675. Net investment in capital assets was \$2,047,417 and account for 88% of total net position. Of the remaining net position, \$165,781 may be used to meet the County's ongoing obligations to citizens and creditors.
- As of June 30, 2013, Washington County's governmental funds reported combined unassigned ending fund balances of \$33,096.
- Unassigned fund balance for the General Fund was \$33,321 at June 30, 2013, amounting to 26% of total General Fund expenditures for 2013.
- Committed fund balance for the Major Streets Transportation Improvement Program III Fund (MSTIP III) was \$60,741 at June 30, 2013, amounting to 248% of total MSTIP III expenditures. Restricted fund balance for the Road Fund was \$15,526 at June 30, 2013, amounting to 48% of total Road Fund expenditures. Restricted fund balance for the Human Services Fund was \$4,437 or 21% of fund expenditures.
- Washington County has issued general obligation bonds for capital construction, capital acquisition and refunding bonds to refund prior bond issuances with higher interest rates. The bonds are payable through fiscal year 2014. All the general obligation bonds and refunding bonds will be paid with property tax revenues.
- Washington County's governmental activities total general obligation debt at June 30, 2013 was \$6,195, with a remaining capacity for voter-approved debt at \$1,346,103. Total non-voter approved full faith and credit debt at June 30, 2013 was \$69,130, with remaining capacity for this type of debt at \$607,019.
- Full faith and credit obligations were issued on behalf of the Component Unit – the Authority to provide for the current refunding and consolidation of several revenue bond issues. The obligations were issued to reduce the annual debt service incurred by the Authority through lower interest rates and a longer maturity. The obligations are payable through fiscal year 2044 and will be paid with revenues from the Authority's Affordable Housing program.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

- Component Unit – the District has issued sewer revenue bonds for capital expansion of the sewer treatment plants and collection system. The bonds are payable through fiscal year 2036. All the sewer revenue bonds will be paid with the District's net revenue as defined in the bond indenture agreements.

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.

The *statement of net position* presents information on all of the County's assets and liabilities, with the difference between the two 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; health and human services; culture, education and recreation; and other non-departmental activities. The business-type activities include housing, sanitation, surface water 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.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

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.

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

The basic governmental fund financial statements can be found on pages 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 Lighting District. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for self-insurance funds, fleet operations and other functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 31 through 33 of this report.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

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 90 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Washington County's major governmental funds and schedules of funding progress related to other postemployment benefits. Required supplementary information can be found beginning on page 91 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 105 through 167 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 exceeded liabilities by \$2,314,675 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	
		2013	2012	2013	2012	2013	2012	2013	2012
Current assets	\$	122,602	36,245	8,465	10,500	131,067	46,745	218,945	210,564
Noncurrent assets		195,135	264,504	561	529	195,696	265,033	19,012	18,229
Capital assets (net of depreciation)		<u>2,132,407</u>	<u>2,167,886</u>	<u>29,853</u>	<u>30,807</u>	<u>2,162,260</u>	<u>2,198,693</u>	<u>623,315</u>	<u>613,722</u>
Total assets		<u>2,450,144</u>	<u>2,468,635</u>	<u>38,879</u>	<u>41,836</u>	<u>2,489,023</u>	<u>2,510,471</u>	<u>861,272</u>	<u>842,515</u>
Current liabilities		68,084	63,518	4,311	4,900	72,395	68,418	33,575	45,914
Noncurrent liabilities		<u>74,498</u>	<u>85,352</u>	<u>27,455</u>	<u>27,773</u>	<u>101,953</u>	<u>113,125</u>	<u>259,740</u>	<u>273,974</u>
Total liabilities		<u>142,582</u>	<u>148,870</u>	<u>31,766</u>	<u>32,673</u>	<u>174,348</u>	<u>181,543</u>	<u>293,315</u>	<u>319,888</u>
Net position:									
Net investment in capital assets		2,045,765	2,074,612	1,652	2,206	2,047,417	2,076,818	391,886	388,941
Restricted		96,945	95,942	4,532	6,156	101,477	102,098	96,441	68,909
Unrestricted		<u>164,852</u>	<u>149,211</u>	<u>929</u>	<u>801</u>	<u>165,781</u>	<u>150,012</u>	<u>79,630</u>	<u>64,777</u>
Total net position	\$	<u><u>2,307,562</u></u>	<u><u>2,319,765</u></u>	<u><u>7,113</u></u>	<u><u>9,163</u></u>	<u><u>2,314,675</u></u>	<u><u>2,328,928</u></u>	<u><u>567,957</u></u>	<u><u>522,627</u></u>

WASHINGTON COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

By far the largest portion of the County's net position (88%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Washington County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$165,781) 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, both for the County as a whole and for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The County's net position decreased by \$14,253 during the current fiscal year; the result of a \$2,050 decrease in business-type activity net position and a \$12,203 decrease in governmental activity net position.

Business Type – The Authority's restricted net position decreased by \$1,624, which is attributable to a change in reserve requirements on the Authority's outstanding debt service agreements and the cash restrictions imposed on the Authority by the Department of Housing and Urban Development (HUD) through various contracts and agreements.

Component Unit – The District's restricted net position increased by \$27,532, which is primarily the result of additional funds being restricted for debt service reserve requirements as well as for capital asset construction.

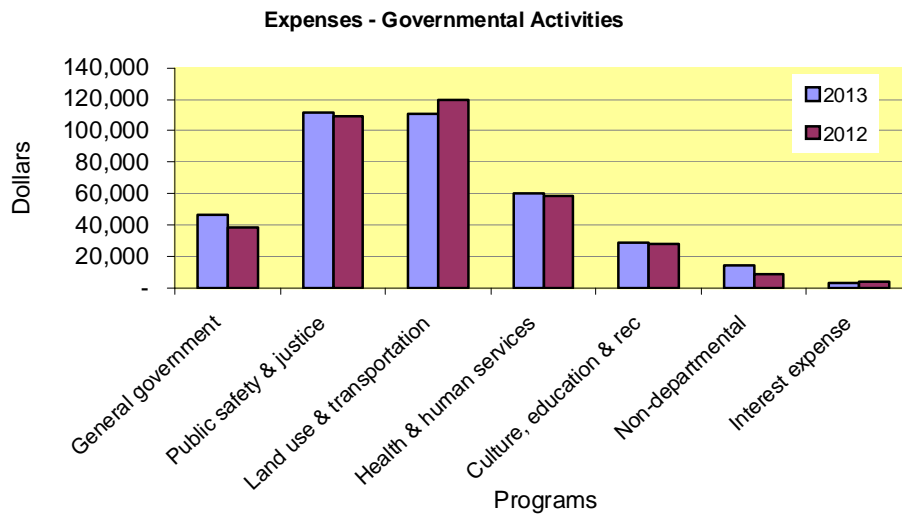
Governmental activities. Governmental activities decreased the County's net position by \$12,203. Key elements of this decrease are as follows:

- Overall program expenses increased \$8,096 during the fiscal year primarily due to a \$7,840 increase in expenses in the general government functional area that was due to the loss incurred on the retirement and disposal of infrastructure assets during the current year.
- Program income increased overall by \$11,542 while general revenues decreased \$3,091 compared to the prior year. Land Use and Transportation increased \$3,298 in charges for services while the Non-operating functional area increased \$10,542. The decreases in general revenue were due mostly to miscellaneous revenues decreasing by over \$4,220.

WASHINGTON COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS

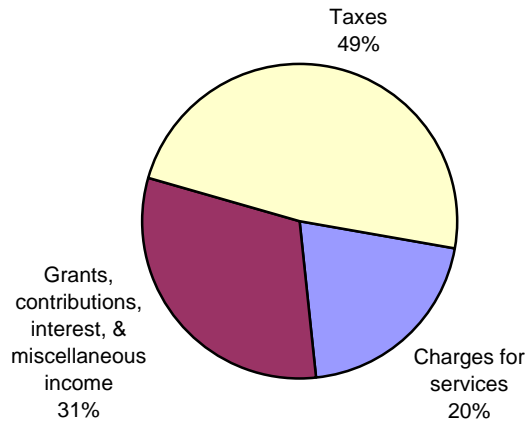
JUNE 30, 2013

	Changes in Net Position						Discretely Presented Component Unit	
	Washington County - Primary Government						District	
	Government activities		Business-type activities		County Total			
	2013	2012	2013	2012	2013	2012	2013	2012
Revenues								
Program Revenues								
Charges for services	\$ 74,426	69,600	7,917	7,924	82,343	77,524	117,098	107,029
Operating grants and contributions	97,116	100,922	19,906	19,885	117,022	120,807	-	-
Capital grants and contributions	12,130	1,608	509	164	12,639	1,772	33,875	14,296
General Revenues								
Taxes	175,502	173,069	-	-	175,502	173,069	-	-
Interest income	1,264	2,575	19	52	1,283	2,627	517	1,562
Miscellaneous revenue	3,416	7,636	-	-	3,416	7,636	-	-
Gain (Loss) on disposal of capital assets	-	-	25	-	25	-	(3,774)	(116)
Transfer in (out)	7	-	(7)	-	-	-	-	-
Loss on equity in joint venture	-	-	-	-	-	-	(77)	(73)
Total revenues	363,861	355,410	28,369	28,025	392,230	383,435	147,639	122,698
Program Expenses								
General government	46,517	38,677	-	-	46,517	38,677	-	-
Public safety and justice	111,808	109,222	-	-	111,808	109,222	-	-
Land use, housing and transportation	110,622	119,714	28,581	28,496	139,203	148,210	-	-
Health and human services	59,979	58,443	-	-	59,979	58,443	-	-
Culture, education and recreation	29,435	28,476	-	-	29,435	28,476	-	-
Sanitation and surface water	-	-	-	-	-	-	102,309	97,604
Street lighting	-	-	1,838	1,839	1,838	1,839	-	-
Non-operating	14,273	9,234	-	-	14,273	9,234	-	-
Interest expense	3,430	4,202	-	-	3,430	4,202	-	-
Total expenses	376,064	367,968	30,419	30,335	406,483	398,303	102,309	97,604
Change in net position	(12,203)	(12,558)	(2,050)	(2,310)	(14,253)	(14,868)	45,330	25,094
Net position July 1, 2012	2,319,765	2,332,323	9,163	11,473	2,328,928	2,343,796	522,627	497,533
Net position June 30, 2013	\$ 2,307,562	2,319,765	7,113	9,163	2,314,675	2,328,928	567,957	522,627



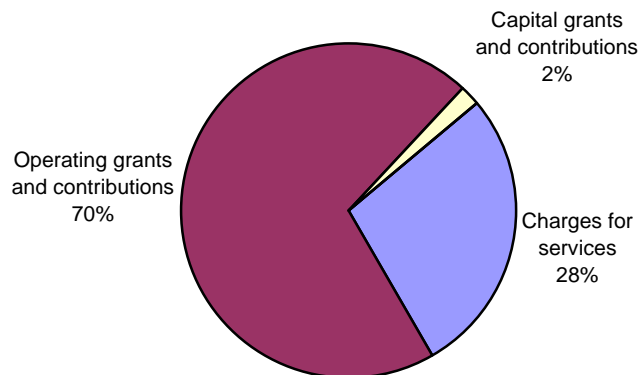
WASHINGTON COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Revenues by Source - Governmental Activities



Business-type activities – Business-type activities net position decreased by \$2,050. The Authority's total net position decreased by \$1,997, due to total operating expenses exceeding total operating revenues by \$1,071, nonoperating expenses exceeding nonoperating revenues \$1,435, and capital contributions of \$509. The Street Lighting District's net position decreased \$53, with operating expenses exceeding operating revenues by \$51 and nonoperating interest income of \$5.

Revenues by Source - Business-type Activities

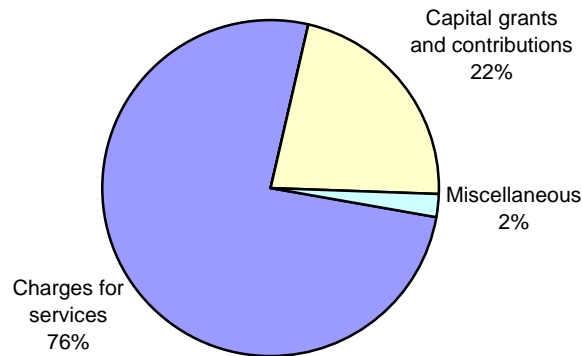


WASHINGTON COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

Component unit – District - Total net position increased by \$45,330 during fiscal year 2013, due to total revenues exceeding total expenses by \$11,455 and capital contributions from developers of \$33,875.

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 \$204,189; an increase of \$15,052 in comparison with the prior year. Of this amount, \$33,096 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 \$33,321. As a measure of the General Fund's liquidity it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Both unassigned and total fund balance represents approximately 26% of total General Fund expenditures.

WASHINGTON COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

The fund balance of the County's General Fund increased by \$3,783 during the current fiscal year; key factors in this increase are as follows:

- Total revenues increased by \$17,685.
- Transfers out to other funds increased by \$7,223.
- The remaining increase is mainly attributable to increased total expenditures of \$2,712; \$4,332 of which is the result of increased costs in the nonoperating functional area, \$1,569 in increased costs in the public safety and justice functional area, \$2,295 in decreased costs in capital outlay and \$894 in decreased costs in other functional areas.

The Major Streets Transportation Improvement Program III fund has a total committed fund balance of \$60,741; all of which has been committed to road improvements within the County.

Proprietary funds. The County's proprietary funds provide the same type of information in 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 \$1,155 and the Housing Authority deficit was \$226. The total decrease in net position for these two funds was \$53 and \$1,997 respectively.

General Fund Budgetary Highlights

During the year there was a \$40 increase in appropriations between the adopted and revised budget. Following are the main components of the increase:

- \$30 in supplemental appropriations related to the payout of vacation accruals for a retiree and higher than expected fuel and oil costs in the Parks program of the Culture, Education, and Recreation functional area.
- \$10 in supplemental appropriations related to higher than expected health care costs in the Purchasing program of the General Government functional area.

Total expenditures in the General Fund were \$31,773 or 21% under the final revised budget for the year. Key factors in this savings include:

- \$20,973 in operating contingency that was not utilized during the fiscal year.
- \$3,902 in total cost savings across all programs in the General Government functional area; \$1,021 of which is attributable to savings in the Assessment and Taxation program area.
- \$3,643 in savings recognized in the Public Safety and Justice functional area.
- \$2,190 in savings recognized in the Health and Human Services functional area during the fiscal year; \$1,923 of which is due to expenditures being lower than anticipated in the Public Health program area.
- The remaining \$1,065 reduction is from savings recognized in other functional areas of the General Fund, including \$975 from Land Use Housing, and Transportation, and \$29 from Culture, Education, and Recreation, and \$61 for miscellaneous expenditures from the Nonoperating functional area.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

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, 2013, amounts to \$2,162,260 (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 1.4% was held by the County's business-type activities, with the balance being held by the County's governmental activities.

	Washington County - Primary Government						Discretely Presented Component Unit District	
	Governmental activities		Business-type Activities		County Total		2013	2012
	2013	2012	2013	2012	2013	2012		
Land and Artwork	\$ 945,692	944,880	8,169	8,014	953,861	952,894	17,344	13,653
Land improvements	1,182	1,257	-	-	1,182	1,257	-	-
Buildings and improvements	98,686	102,510	21,624	22,600	120,310	125,110	97,304	99,995
Sewer lines	-	-	-	-	-	-	136,240	135,221
Treatment plants	-	-	-	-	-	-	249,990	209,235
Machinery and equipment	15,078	15,902	40	32	15,118	15,934	31,077	35,375
Infrastructure	1,004,024	1,053,629	-	-	1,004,024	1,053,629	-	-
Construction in progress	67,745	49,708	20	161	67,765	49,869	91,360	120,243
	<u>\$ 2,132,407</u>	<u>2,167,886</u>	<u>29,853</u>	<u>30,807</u>	<u>2,162,260</u>	<u>2,198,693</u>	<u>623,315</u>	<u>613,722</u>

Additional information on the County's capital assets can be found in the Capital Assets note on pages 54 through 56 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$103,250. Of this amount \$97,055 comprises debt backed by the full faith and credit of the County.

Component unit – District - At the end of the current fiscal year, the District had \$265,260 in revenue bonds secured solely by specified revenue sources by the District.

	Washington County - Primary Government						Discretely Presented Component Unit District	
	Governmental activities		Business-type Activities		County Total		2013	2012
	2013	2012	2013	2012	2013	2012		
General obligation bonds	\$ 6,195	12,140	-	-	6,195	12,140	-	-
Full Faith & Credit bonds	69,130	72,745	27,925	28,300	97,055	101,045	-	-
Revenue bonds	-	-	-	-	-	-	265,260	287,865
	<u>\$ 75,325</u>	<u>84,885</u>	<u>27,925</u>	<u>28,300</u>	<u>103,250</u>	<u>113,185</u>	<u>265,260</u>	<u>287,865</u>

The County maintains an Aa1 rating from Moody's Investor Services and AA+ from Standard & Poor's (S&P) for general obligation debt and Aa2 from Moody's for limited tax bonded indebtedness. The revenue bonds of the County's discretely presented component unit, Clean Water Services, maintain an Aa2 rating from Moody's and AA rating from S&P.

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 \$1,346,087, which is significantly in excess of the County outstanding general obligation debt.

Additional information on the County's long-term debt can be found on pages 57 through 70 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County is currently 6.3%, which is a decrease from a rate of 6.8% a year ago. This compares favorably to the State's average unemployment rate of 7.8% and to the national average rate of 7.6%.

WASHINGTON COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

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

Over the past several years, the County funded an enhanced level of public safety and library services through local option levies approved by the voters. In November 2010 voters approved the renewal of both levies for an additional five years with an expiration date of June 30, 2016. In November 2012 voters approved an Enhanced Sheriff Patrol District levy with an expiration date of June 30, 2018. Property tax revenues are still increasing. Real estate transfer tax revenue increased over 23% from 2011-12 due to the upturn in the real estate market. The real estate transfer tax is a General Fund discretionary revenue source.

All of these factors were considered in preparing the County's budget for the 2013-14 fiscal year.

During the current fiscal year, the unassigned fund balance in the General Fund increased to \$33,321. This increase will need to be taken into account as the County works through fiscal year 2013-14 and begins the budget process for the 2014-15 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, 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, 2013

(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	\$ 95,160	2,136	97,296	58,130
Restricted cash	76	5,967	6,043	139,933
Property taxes receivable	7,739	—	7,739	—
Assessments receivable, short-term portion	309	87	396	—
Accounts receivable	13,773	306	14,079	16,416
Prepays	—	—	—	583
Accrued interest receivable	3,419	—	3,419	—
Housing Authority Loan receivable, short term portion-internal balance	98	(98)	—	—
Contract receivable, short-term portion	371	4	375	—
Connection charges receivable	—	—	—	1,558
Supply inventory	577	—	577	962
Prepaid pension obligation, short-term portion	678	—	678	584
Prepaid bond issuance costs, short-term portion	54	32	86	124
Other current assets	348	31	379	655
Total current assets	122,602	8,465	131,067	218,945
Noncurrent assets:				
Long-term investments	159,858	—	159,858	—
Long-term assessments receivable	118	405	523	286
Contracts receivable, net - long-term portion	25,415	—	25,415	—
Housing Authority loan receivable, net - internal balance long-term portion	330	(330)	—	—
Investments in Joint Venture	—	—	—	2,721
Other noncurrent assets	—	—	—	3,009
Prepaid bond issuance costs, long-term portion	385	486	871	1,620
Prepaid pension obligation, net	9,029	—	9,029	11,376
Non-capital assets	195,135	561	195,696	19,012
Capital assets:				
Land, CIP and other assets not being depreciated	1,013,437	8,189	1,021,626	108,704
Buildings and equipment, infrastructure and other assets net of depreciation	1,118,970	21,664	1,140,634	514,611
Capital assets, net	2,132,407	29,853	2,162,260	623,315
Total noncurrent assets	2,327,542	30,414	2,357,956	642,327
Total assets	2,450,144	38,879	2,489,023	861,272
Current liabilities:				
Overdraft	—	2,353	2,353	—
Accounts payable	13,504	384	13,888	11,966
Accrued payroll liabilities	5,554	—	5,554	4,021
Accrued self insurance, current portion	3,801	—	3,801	11
Accrued OHP payable	3,000	—	3,000	—
Amounts held in trust	522	—	522	—
Unearned revenue	14,486	8	14,494	—
Tenant and other deposits	7,543	574	8,117	—
Accrued interest payable	393	674	1,067	3,075
Pollution remediation obligation, current portion	39	—	39	—
Capital lease obligations, current portion	377	—	377	—
Other long-term obligations, current portion, net of discount	18,865	318	19,183	14,502
Total current liabilities	68,084	4,311	72,395	33,575
Noncurrent liabilities:				
Accrued self insurance	—	—	—	250
Pollution remediation obligation	982	—	982	—
Capital lease obligations	1,715	—	1,715	—
Bond and bond anticipation notes payable, net of discount	—	—	—	258,937
Noncurrent portion of other long term obligations, net of discount	66,140	27,455	93,595	—
Net other postemployment benefits obligation	5,661	—	5,661	553
Total noncurrent portion of long-term obligations	74,498	27,455	101,953	259,740
Total liabilities	142,582	31,766	174,348	293,315
Net position:				
Net investment in capital assets	2,045,765	1,652	2,047,417	391,886
Restricted for:				
Public safety and justice	28,844	—	28,844	—
Land use, housing, and transportation	34,574	—	34,574	—
Health and human services	18,667	—	18,667	—
Culture, education, and recreation	1,842	—	1,842	—
Debt service	33	4,532	4,565	13,749
Capital projects	12,985	—	12,985	82,692
Total restricted	96,945	4,532	101,477	96,441
Unrestricted	164,852	929	165,781	79,630
Total net position	\$ 2,307,562	7,113	2,314,675	567,957

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Activities

For the fiscal year ended June 30, 2013

(Dollars in thousands)

	Net Revenue (Expense) and Changes in Net Position							Component Unit Clean Water Services of Washington County (District)
	Expenses	Program Income			Primary Government		Total	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities		
Functions/Programs:								
Primary Government:								
Governmental activities:								
General government	\$ 46,517	5,833	2,271	—	(38,413)	—	(38,413)	—
Public safety and justice	111,808	7,410	16,522	88	(87,788)	—	(87,788)	—
Land use, housing and transportation	110,622	16,934	40,086	379	(53,223)	—	(53,223)	—
Health and human services	59,979	24,727	31,020	—	(4,232)	—	(4,232)	—
Culture, education and recreation	29,435	1,471	418	—	(27,546)	—	(27,546)	—
Non-operating functional area	14,273	18,051	6,799	11,663	22,240	—	22,240	—
Interest expense	3,430	—	—	—	(3,430)	—	(3,430)	—
Total governmental activities	376,064	74,426	97,116	12,130	(192,392)	—	(192,392)	—
Business-type activities:								
Housing authority	28,581	6,130	19,906	509	—	(2,036)	(2,036)	—
Street lighting	1,838	1,787	—	—	—	(51)	(51)	—
Total business-type activities	30,419	7,917	19,906	509	—	(2,087)	(2,087)	—
Total primary government	406,483	82,343	117,022	12,639	(192,392)	(2,087)	(194,479)	—
Component Unit:								
Clean Water Services of Washington County	\$ 102,309	117,098	—	33,875	—	—	—	48,664
General revenues:								
Taxes:								
Property taxes, levied for general purposes					158,919	—	158,919	—
Property taxes, levied for debt service					6,260	—	6,260	—
Other taxes:								
Transient lodging					6,056	—	6,056	—
Real property transfer tax					3,409	—	3,409	—
County fuel tax					805	—	805	—
Other tax					53	—	53	—
Total taxes					175,502	—	175,502	—
Interest income					1,264	19	1,283	517
Miscellaneous revenues					3,416	—	3,416	—
Gain on disposal of capital assets					—	25	25	(3,774)
Transfers in (out)					7	(7)	—	—
Loss on equity in joint venture					—	—	—	(77)
Total general revenues					180,189	37	180,226	(3,334)
Change in net position					(12,203)	(2,050)	(14,253)	45,330
Net position July 1, 2012					2,319,765	9,163	2,328,928	522,627
Net position June 30, 2013					\$ 2,307,562	7,113	2,314,675	567,957

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Balance Sheet
Governmental Funds
June 30, 2013
(Dollars in thousands)

Assets	General Fund	HOME Fund	Human Services Fund	Major Streets	Road Fund	Other Governmental Funds	Total
				Transportation Improvement Program III Fund			
Cash and investments	\$ 32,965	—	20,449	63,636	20,489	95,582	233,121
Property taxes receivable ⁽¹⁾	5,062	—	—	—	—	2,677	7,739
Assessments receivable	—	—	—	—	286	141	427
Accounts receivable	4,988	333	517	277	2,517	5,042	13,674
Accrued interest receivable	979	2,201	—	—	—	239	3,419
Contracts receivable	—	20,959	—	—	—	4,827	25,786
Due from other funds	1,565	—	—	—	—	—	1,565
Advances to other funds	—	—	—	2,300	—	—	2,300
Inventory	122	—	—	—	115	1	238
Other assets	266	—	3	—	49	27	345
Total assets	45,947	23,493	20,969	66,213	23,456	108,536	288,614
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	1,713	34	2,949	3,172	798	4,434	13,100
Accrued payroll liabilities	4,183	2	83	—	304	950	5,522
Deposits payable	615	—	—	—	6,166	762	7,543
Amounts held in trust	493	—	—	—	11	18	522
Accrued HSO IBNR reserve	—	—	—	—	—	3,000	3,000
Due to other funds	—	297	—	—	—	1,268	1,565
Advances from other funds	—	—	—	—	—	2,300	2,300
Unearned revenue	4,854	23,160	13,500	—	536	8,823	50,873
Total liabilities	11,858	23,493	16,532	3,172	7,815	21,555	84,425
Fund balances (deficit):							
Nonspendable	122	—	—	2,300	115	1	2,538
Restricted	—	—	4,437	—	15,526	76,982	96,945
Committed	—	—	—	60,741	—	7,231	67,972
Assigned	646	—	—	—	—	2,992	3,638
Unassigned	33,321	—	—	—	—	(225)	33,096
Total fund balances	34,089	—	4,437	63,041	15,641	86,981	204,189
Total liabilities and fund balances	45,947	23,493	20,969	66,213	23,456	108,536	288,614

⁽¹⁾ Property taxes receivable is comprised of the following

Property taxes receivable	5,060	—	—	—	—	2,677	7,737
Payment in lieu of taxes receivable	2	—	—	—	—	—	2
Total property taxes receivable	\$ 5,062	—	—	—	—	2,677	7,739

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, 2013

(Dollars in thousands)

Fund balances - total governmental funds	\$ 204,189
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.	2,125,545
Prepaid pension obligations are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net unamortized value.	9,707
Bond issuance costs are recognized in the period paid in governmental funds, but are deferred and amortized in the Statement of Net Position.	439
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.	428
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	36,387
Long-term liabilities, including bonds payable, are not due and payable in the current period, and; therefore, are not reported in the governmental funds.	(94,026)
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>24,893</u>
Net Position of governmental activities	<u>\$ 2,307,562</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, 2013

(Dollars in thousands)

	General Fund	HOME Fund	Human Services Fund	Major Streets Transportation Improvement Program III Fund	Road Fund	Other Governmental Funds	Total
Revenues:							
Taxes	\$ 113,738	—	—	—	805	60,977	175,520
Licenses and permits	6,985	—	—	—	273	3,637	10,895
Intergovernmental revenues	28,578	653	19,192	5,792	25,686	26,962	106,863
Charges for services	19,758	—	22	—	326	29,294	49,400
Fines and forfeitures	2,378	—	—	—	—	666	3,044
Special assessments	—	—	—	—	118	114	232
Miscellaneous revenues	3,951	349	162	323	301	25,092	30,178
Interfund revenues	19,669	—	148	—	7,459	1,218	28,494
Total revenues	195,057	1,002	19,524	6,115	34,968	147,960	404,626
Expenditures:							
Current:							
General government	36,874	—	—	—	—	—	36,874
Public safety and justice	60,608	—	—	—	—	76,697	137,305
Land use, housing and transportation	3,142	1,042	—	22,799	32,519	35,103	94,605
Health and human services	17,252	—	21,272	—	—	22,971	61,495
Culture, education and recreation	994	—	—	—	—	28,311	29,305
Nonoperating	10,058	—	—	—	—	715	10,773
Total current	128,928	1,042	21,272	22,799	32,519	163,797	370,357
Capital outlay	103	—	—	1,694	64	5,062	6,923
Debt service:							
Principal	318	—	—	—	—	10,234	10,552
Interest	65	—	—	—	—	6,099	6,164
Refunding obligation issuance costs	—	—	—	—	—	199	199
Total debt service	383	—	—	—	—	16,532	16,915
Total expenditures	129,414	1,042	21,272	24,493	32,583	185,391	394,195
Revenues over (under) expenditures	65,643	(40)	(1,748)	(18,378)	2,385	(37,431)	10,431
Other financing sources (uses):							
Proceeds from refunding obligations	—	—	—	—	—	18,860	18,860
Premium on refunding obligations	—	—	—	—	—	2,355	2,355
Payment to refunded bond escrow agent	—	—	—	—	—	(18,530)	(18,530)
Transfers in from other funds	2,253	—	1,809	31,549	797	43,612	80,020
Transfers out to other funds	(64,113)	—	—	(5,948)	(2,312)	(5,711)	(78,084)
Total other financing sources (uses)	(61,860)	—	1,809	25,601	(1,515)	40,586	4,621
Net changes in fund balances	3,783	(40)	61	7,223	870	3,155	15,052
Fund balances July 1, 2012	30,306	40	4,376	55,818	14,771	83,826	189,137
Fund balances June 30, 2013	\$ 34,089	—	4,437	63,041	15,641	86,981	204,189

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, 2013

(Dollars in thousands)

Net change in fund balances - Governmental Funds \$ 15,251

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

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

Expenditures for capital assets	\$ 38,127		
Current year depreciation expense	<u>(72,854)</u>		(34,727)

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 issuance costs, 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	(18,860)		
Premium on long-term debt	(2,355)		
Repayment of long-term debt	29,082		
Amortization of premiums, discounts and related deferrals	<u>2,468</u>		10,335

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 571

Prepaid pension obligation -- current year amortization (678)

Change in net OPEB obligation (397)

Change in net pollution remediation obligation 39

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 expenses in excess of revenues reported in the Statement of Activities (2,597)

Change in net position \$ (12,203)

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Net Position - Proprietary Funds

June 30, 2013

(Dollars in thousands)

	Enterprise Funds			Internal Service Funds
	Housing Authority of Washington County	Washington County Service District for Lighting No. 1	Total	
Assets				
Current assets:				
Cash and investments	\$ 932	1,204	2,136	21,897
Restricted cash	5,967	—	5,967	76
Assessments receivable	—	87	87	—
Accounts receivable - net of allowance for uncollectibles	306	—	306	99
Short-term portion of contracts receivable	4	—	4	—
Connection charges receivable	—	—	—	—
Supply inventory	—	—	—	339
Current portion of prepaid pension	—	—	—	—
Current portion of bond issuance costs	32	—	32	—
Other current assets	31	—	31	3
Total current assets	<u>7,272</u>	<u>1,291</u>	<u>8,563</u>	<u>22,414</u>
Noncurrent assets:				
Long-term assessments and contracts receivable	405	—	405	—
Capital assets:				
Land, artwork, CIP, and other assets not being depreciated	8,189	—	8,189	—
Buildings and equipment and infrastructure, net of depreciation	21,664	—	21,664	6,862
Bond issuance costs	486	—	486	—
Total noncurrent assets	<u>30,744</u>	<u>—</u>	<u>30,744</u>	<u>6,862</u>
Total assets	<u><u>38,016</u></u>	<u><u>1,291</u></u>	<u><u>39,307</u></u>	<u><u>29,276</u></u>
Liabilities and Net Position				
Current liabilities:				
Overdraft	2,353	—	2,353	—
Accounts payable	248	136	384	404
Accrued payroll liabilities	—	—	—	104
Accrued self insurance, current portion	—	—	—	3,801
Deposits	574	—	574	—
Unearned revenue	8	—	8	—
Accrued interest payable	674	—	674	—
Long term obligations, current portion, net of discount	416	—	416	7
Total current liabilities	<u>4,273</u>	<u>136</u>	<u>4,409</u>	<u>4,316</u>
Noncurrent liabilities:				
Other long-term obligations	27,785	—	27,785	—
Net other postemployment benefits obligation	—	—	—	67
Total noncurrent liabilities	<u>27,785</u>	<u>—</u>	<u>27,785</u>	<u>67</u>
Total liabilities	<u>32,058</u>	<u>136</u>	<u>32,194</u>	<u>4,383</u>
Net position:				
Net investment in capital assets	1,652	—	1,652	6,855
Restricted for:				
Debt service	4,532	—	4,532	—
Unrestricted (deficit)	(226)	1,155	929	18,038
Total net position	<u>5,958</u>	<u>1,155</u>	<u>7,113</u>	<u>24,893</u>
Total liabilities and net position	<u>\$ 38,016</u>	<u>1,291</u>	<u>39,307</u>	<u>29,276</u>

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, 2013

(Dollars in thousands)

	Enterprise Funds			Internal Service Funds
	Housing Authority of Washington County	Washington County Service District for Lighting No. 1	Total	
Operating revenues:				
Charges for services	\$ —	—	—	34,618
Intergovernmental revenue	19,906	—	19,906	—
Rental income	5,294	—	5,294	—
Street lighting assessments	—	1,787	1,787	—
Other	836	—	836	1,963
Total operating revenues	26,036	1,787	27,823	36,581
Operating expenses:				
Labor and fringe benefits	—	—	—	1,829
Housing assistance payments	18,721	—	18,721	—
Utilities	558	1,627	2,185	26
Professional services	—	—	—	237
Supplies	—	—	—	2,727
Administrative costs	3,422	211	3,633	1,818
Depreciation and amortization	1,710	—	1,710	1,797
Insurance claims and premiums	—	—	—	28,298
Repairs and maintenance	2,357	—	2,357	487
Other	339	—	339	—
Total operating expenses	27,107	1,838	28,945	37,219
Operating loss	(1,071)	(51)	(1,122)	(638)
Nonoperating income (expense):				
Interest income	14	5	19	64
Gain (loss) on sale of capital assets	25	—	25	(94)
Interest expense	(1,474)	—	(1,474)	—
Total nonoperating income (expense)	(1,435)	5	(1,430)	(30)
Contributions and transfers:				
Capital contributions	509	—	509	—
Transfers in from Governmental Funds	—	—	—	28
Transfers out to Governmental Funds	—	(7)	(7)	(1,957)
Total contributions and (transfers)	509	(7)	502	(1,929)
Change in net position	(1,997)	(53)	(2,050)	(2,597)
Net position July 1, 2012	7,955	1,208	9,163	27,490
Net position June 30, 2013	\$ 5,958	1,155	7,113	24,893

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON
Statement of Cash Flows - Proprietary Funds
For the fiscal year ended June 30, 2013
(Dollars in thousands)

	Enterprise Funds			
	Housing Authority of Washington County	Washington County Service District for Lighting No. 1	Total	Internal Service Funds
Cash flows provided by (used in) operating activities:				
Cash received for services provided	\$ 25,967	1,795	27,762	34,311
Cash payments for labor and fringe benefits	(3,385)	—	(3,385)	(1,821)
Cash payments for goods and services	(21,945)	(1,847)	(23,792)	(33,581)
Other operating revenue	—	—	—	2,161
Other receipts	—	—	—	52
Net cash provided by (used in) operating activities	<u>637</u>	<u>(52)</u>	<u>585</u>	<u>1,122</u>
Cash flows used in noncapital financing activities:				
PERS rate stabilization subsidy	—	—	—	(1,929)
Net cash used in noncapital financing activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,929)</u>
Cash flows provided by (used in) capital and related financing activities:				
Acquisition and construction of capital assets	(387)	—	(387)	(1,213)
Proceeds from sale of capital assets	25	—	25	73
Decrease in contracts receivable	34	—	34	—
Principal paid on notes payable	(548)	—	(548)	—
Interest paid on bonds and notes payable	(1,279)	—	(1,279)	—
Capital contributed by customers and cities	139	—	139	—
Principal payments on capital lease obligations	—	—	—	(37)
Net cash used in capital and related financing activities	<u>(2,016)</u>	<u>—</u>	<u>(2,016)</u>	<u>(1,177)</u>
Cash flows provided by investing activities:				
Interest on investments	14	5	19	65
Net decrease in cash and investments	<u>(1,365)</u>	<u>(47)</u>	<u>(1,412)</u>	<u>(1,919)</u>
Cash and investments, July 1, 2012	5,911	1,251	7,162	23,892
Cash and investments, June 30, 2013 ⁽¹⁾	<u>4,546</u>	<u>1,204</u>	<u>5,750</u>	<u>21,973</u>
Reconciliation of operating loss to net cash from operating activities:				
Operating loss	(1,071)	(51)	(1,122)	(638)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,710	—	1,710	1,797
Transfers out to governmental funds	—	(7)	(7)	—
Changes in assets and liabilities:				
Increase in accounts receivable	(68)	—	(68)	(58)
Decrease in assessments receivable	—	8	8	—
Increase in supply inventory	—	—	—	(8)
Increase in other assets	(4)	—	(4)	(2)
Increase (decrease) in accounts payable	76	(2)	74	(12)
Decrease in deposits	(5)	—	(5)	—
Decrease in unearned revenue	(1)	—	(1)	—
Increase in accrued liabilities	—	—	—	43
Net cash provided by (used in) operating activities	<u>637</u>	<u>(52)</u>	<u>585</u>	<u>1,122</u>

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

Current assets - Cash and investments	932	1,204	2,136	21,897
Current assets - Restricted cash	5,967	—	5,967	76
Current liabilities - Bank overdraft	(2,353)	—	(2,353)	—
	<u>\$ 4,546</u>	<u>1,204</u>	<u>5,750</u>	<u>21,973</u>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Fiduciary Net Position

June 30, 2013

(Dollars in thousands)

	<u>Private- Purpose Trust Funds</u>	<u>Agency Funds</u>
Assets:		
Cash and investments	\$ 329	5,202
Accounts receivable	—	2,119
Property taxes receivable ⁽¹⁾	—	29,310
Total assets	<u>329</u>	<u>36,631</u>
Liabilities:		
Accounts payable	—	295
Amounts held in trust	—	7,026
Undistributed taxes	—	29,310
Total liabilities	<u>—</u>	<u>36,631</u>
Net position		
Amounts held in trust and other purposes	<u>329</u>	

⁽¹⁾ Property taxes receivable is comprised of the following:

Property taxes receivable	—	29,297
Payment in lieu of taxes receivable	—	13
Total property taxes receivable	<u>\$ —</u>	<u>29,310</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, 2013
(Dollars in thousands)

	Private- Purpose Trust Funds
Additions:	
Intergovernmental revenues	\$ 1,303
Contributions	86
Interest earnings	2
Total additions	1,391
Deductions:	
Distributions	1,306
Change in net position	85
Net position, July 1, 2012	244
Net position, June 30, 2013	\$ 329

See accompanying notes to basic financial statements.

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WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2013

(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 and its five blended component units, and one discretely presented component unit, which are separate legal entities that meet the component unit criteria and whose governing body is the same or substantially the same as the County Board of Commissioners.

Blended Component Units

Housing Authority of Washington County (Authority)

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

Enhanced Sheriff Patrol District (ESPD)

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

Service District for Lighting No. 1 (SDL)

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

North Bethany County Service District for Roads (NBCSD)

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

Urban Road Maintenance Service District (URMD)

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Discretely (separate) Presented Component Unit

Clean Water Services (District)

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

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

District - Reporting Entity

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

CWI is a nonprofit 501(c)(3) formed to advance watershed restoration and resource recovery through innovative strategies and to promote scientific research, education, and environmental protection activities that benefit watersheds throughout the country and around the world. For the fiscal year ended June 30, 2013, the transactions between the District and CWI are deemed to be immaterial, and therefore, CWI is not reported as a component unit of the District.

Complete financial statements for all component units may be obtained from the Washington County Finance Division, 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.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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

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

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

The County reports the following major governmental funds:

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

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

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

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

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

The County reports the following major proprietary funds:

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

The *Washington County 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 earmarked 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).

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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

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

The *Agency Fund* accounts 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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 funds 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.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Assets, liabilities, and net position or equity

Deposits and investments

The County's cash and investments are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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 State Treasurer's LGIP operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and payables

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

Property taxes receivable that are collected within 60 days after year-end are considered measurable and available and, therefore, are recognized as revenue. The remaining balance is recorded as unearned 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 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 unearned revenue and have not been recognized as revenue. An allowance for uncollectible amounts is not deemed necessary as, uncollected assessments, are recoverable through liens.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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

Inventories and prepaid items

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

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

Capital assets

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

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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

The District does not report exhaustible intangible capital assets in the current year. Amortization on exhaustible intangible capital assets would be 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.

Capital asset depreciation for the County, Authority 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
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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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).

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 and are also appropriately recorded as a capital asset at the time of acquisition.

Compensated absences

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

The Authority'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 types in the 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 type statement of net position. Bond premiums and discounts, as well as issuance costs, are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are amortized over the term of the related debt.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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

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

Self-insurance - County

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

The County is fully self-insured for unemployment, workers' compensation benefits, and losses resulting from torts and errors and omissions. The County carries excess workers' compensation coverage for individual claims exceeding \$600.

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 incurred but not reported (IBNR) claims for general liability claims (sewer back-ups and other flooding issues) and employment liability claims. IBNR claims are claims that are incurred through the end of the fiscal year but not reported until after that date.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Fund balance

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

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

When both restricted and unrestricted fund balance 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.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Fund balances by classification for the year ended June 30, 2013 were as follows:

	General Fund	Human Services Fund	Major Streets Transportation Improvement Program III Fund	Road Fund	Other Governmental Funds	Total
Fund balances (deficit):						
Nonspendable:						
Inventory	\$ 122	—	—	115	1	238
Advances and notes receivable	—	—	2,300	—	—	2,300
Total nonspendable fund balances	<u>122</u>	<u>—</u>	<u>2,300</u>	<u>115</u>	<u>1</u>	<u>2,538</u>
Restricted for:						
Public safety and justice	—	—	—	—	28,844	28,844
Land use, housing and transportation	—	—	—	15,526	19,048	34,574
Health and human services	—	4,437	—	—	14,230	18,667
Culture, education and recreation	—	—	—	—	1,842	1,842
Debt service	—	—	—	—	33	33
Capital projects	—	—	—	—	12,985	12,985
Total restricted fund balances	<u>—</u>	<u>4,437</u>	<u>—</u>	<u>15,526</u>	<u>76,982</u>	<u>96,945</u>
Committed to:						
Culture, education, and recreation	—	—	—	—	5,136	5,136
Capital projects	—	—	60,741	—	2,095	62,836
Total committed fund balances	<u>—</u>	<u>—</u>	<u>60,741</u>	<u>—</u>	<u>7,231</u>	<u>67,972</u>
Assigned to:						
Land use, housing and transportation	646	—	—	—	—	646
Capital projects	—	—	—	—	2,992	2,992
Total assigned fund balances	<u>646</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,992</u>	<u>3,638</u>
Unassigned	<u>33,321</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(225)</u>	<u>33,096</u>
Total fund balances	<u><u>34,089</u></u>	<u><u>4,437</u></u>	<u><u>63,041</u></u>	<u><u>15,641</u></u>	<u><u>86,981</u></u>	<u><u>204,189</u></u>
Fund balances (deficit) summary:						
Nonspendable	122	—	2,300	115	1	2,538
Restricted	—	4,437	—	15,526	76,982	96,945
Committed	—	—	60,741	—	7,231	67,972
Assigned	646	—	—	—	2,992	3,638
Unassigned	<u>33,321</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(225)</u>	<u>33,096</u>
Total fund balances	<u>\$ 34,089</u>	<u>4,437</u>	<u>63,041</u>	<u>15,641</u>	<u>86,981</u>	<u>204,189</u>

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

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. All annual appropriations lapse at fiscal year-end.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

3. Detailed notes on all funds

Deposits and investments

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

County, Blended Component Units and Fiduciary Funds

Cash and investments are comprised of the following at June 30, 2013:

Petty cash	\$	43
Deposits		20,481
Investments		245,851
		<u>266,375</u>

Cash and investments are reported as follows:

Unrestricted:		
Cash and investments		257,154
Restricted for:		
Contractor working capital, construction, and payment of bond debt service		6,043
Overdraft		(2,353)
Primary government cash and investments		<u>260,844</u>
Fiduciary Funds		5,531
	\$	<u>266,375</u>

District – Discretely Presented Component Unit

Cash and investments are comprised of the following at June 30, 2013:

Petty cash	\$	4
Deposits		6
Investments		198,053
		<u>198,063</u>

Cash and investments are reported as follows:

Unrestricted:		
Cash and investments		58,130
Restricted for:		
Contractor working capital, construction, and payment of bond debt service		139,933
	\$	<u>198,063</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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

Governmental Funds	\$	233,121
Internal Service Funds		21,973
Enterprise Funds		8,103
Overdraft		(2,353)
District		198,063
Fiduciary Funds		5,531
	\$	<u>464,438</u>

Deposits custodial credit risk – County and Blended Component Units

This is the risk that in the event of a bank failure, the County and its blended component units may not be returned to them. At June 30, 2013, the carrying amount of the County and its blended component units' deposits was \$12,572 and the bank balance was \$15,694. \$438 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.

Deposits custodial credit risk – District

This is the risk that in the event of a bank failure, the District may not be returned to them. At June 30, 2013, the carrying amount of the District's deposits was \$7,915 and the bank balance was \$10,317. \$159 of the bank balance was covered by the Federal Depository Insurance Corporation (FDIC). As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result the District's remaining deposits in excess of FDIC insurance are considered to be fully collateralized.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Interest rate risk – County and Blended Component Units

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

<u>Maturity</u>	<u>Minimum Allowed</u>	<u>Actual</u>
Less than 30 days	10%	24%
Less than 1 year	25%	32%
5 years or less	100%	100%
Weighted Average Maturity	2.0 years	1.8 years

Interest rate risk – District

The District relies upon their treasurer, Washington County, to monitor the interest rate risk inherent in its portfolio by comparing the maturity dates of its investments to the minimum maturity dates outlined in the investment policy.

Maturities of investments as of June 30, 2013 are as follows:

<u>Maturity</u>	<u>Minimum Allowed</u>	<u>Actual</u>
Less than 30 days	10%	24%
Less than 1 year	25%	32%
5 years or less	100%	100%
Weighted Average Maturity	2.0 years	1.8 years

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Investment credit risk – County and Blended Component Units

This is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized rating organization and is minimized by purchasing only those securities, which are rated by three of the nationally recognized credit rating agencies, at the time of purchase. The County's investment policy specifies ratings – Standard & Poor's = minimum AA-, and Moody's Investors Services = minimum Aa3. The following information includes Fiduciary Funds investments of \$5,531. 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>Not Rated</u>	<u>Total Invested Value</u>	<u>Percent Allocation</u>
Federal agency coupon securities	\$ 11,199	176,130	-	187,329	77%
Corporate notes	-	8,581	-	8,581	3%
State of Oregon Local Government Investment Pool (LGIP)	-	-	49,941	49,941	20%
Total Investments	<u>\$ 11,199</u>	<u>184,711</u>	<u>49,941</u>	<u>245,851</u>	<u>100%</u>

The State of Oregon Local Government Investment Pool (Pool) 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 Pool's investment policies. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. 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 following table outlines the LGIP's investment maturity limitations and the actual maturities at June 30, 2013.

<u>LGIP Maturity</u>	<u>per Policy</u>	<u>Actual</u>
Up to 93 days	Minimum of 50%	71%
94 days to 1 year	Maximum of 25%	9%
1 to 3 years	Maximum of 25%	20%

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(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 three of the nationally recognized credit rating agencies, at the time of purchase. The County's investment policy specifies ratings – Standard & Poor's = minimum AA-, and Moody's Investors Services = minimum Aa3. The actual rating at year-end for each investment type is as follows:

<u>Rating by Standard & Poor's Investment Service</u>	<u>AAA</u>	<u>AA</u>	<u>Not Rated</u>	<u>Total Invested Value</u>	<u>Percent Allocation</u>
Federal agency coupon securities	\$ 9,024	141,878	-	150,902	77%
Corporate notes	-	6,914	-	6,914	3%
State of Oregon Local Government Investment Pool (LGIP)	-	-	40,237	40,237	20%
Total Investments	<u>\$ 9,024</u>	<u>148,792</u>	<u>40,237</u>	<u>198,053</u>	<u>100%</u>

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1 to 3 years	Maximum of 25%	20%

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Receivables – County and Blended Component Units

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

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, 2013, the allowance was \$310.

Unearned revenue

Governmental funds report unearned revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. The various components of the unearned revenue reported in the governmental funds as of June 30, 2013 were as follows:

	<u>Property</u>		<u>Contracts</u>	<u>Accounts</u>	<u>Received/</u>	<u>Total</u>
	<u>Taxes</u>	<u>Assessments</u>	<u>Receivable</u>	<u>Receivable</u>	<u>Not Earned</u>	
General Fund	\$ 4,557	-	-	192	105	4,854
HOME Fund	-	-	23,160	-	-	23,160
Human Services Fund	-	-	-	-	13,500	13,500
MSTIP III	-	-	-	-	-	-
Road Fund	-	287	-	49	200	536
Other Governmental Funds	2,413	137	5,096	496	681	8,823
Total unearned revenue \$	<u>6,970</u>	<u>424</u>	<u>28,256</u>	<u>737</u>	<u>14,486</u>	<u>50,873</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Capital assets

Capital asset activity for governmental activities for the year ended June 30, 2013 was as follows:

	Balance				Balance
	July 1, 2012	Increases	Decreases	Transfers	June 30, 2013
Capital assets not being depreciated:					
Land	\$ 944,529	3,665	(2,853)	-	945,341
Artwork	351	-	-	-	351
Construction in progress	49,708	34,087	(1,207)	(14,843)	67,745
Total capital assets not being depreciated	<u>994,588</u>	<u>37,752</u>	<u>(4,060)</u>	<u>(14,843)</u>	<u>1,013,437</u>
Capital assets being depreciated:					
Land improvements	4,707	88	-	-	4,795
Buildings and improvements	154,614	691	(999)	-	154,306
Machinery and equipment	46,682	3,082	(3,106)	-	46,658
Road network	1,764,373	5,040	(6,467)	9,045	1,771,991
Bridge network	97,039	-	(405)	4,149	100,783
Culverts	14,236	-	(38)	1,387	15,585
Signals	59,056	1,245	(189)	262	60,374
Total capital assets being depreciated	<u>2,140,707</u>	<u>10,146</u>	<u>(11,204)</u>	<u>14,843</u>	<u>2,154,492</u>
Less accumulated depreciation for:					
Land improvements	(3,450)	(163)	-	-	(3,613)
Building and improvements	(52,104)	(3,777)	261	-	(55,620)
Machinery and equipment	(30,780)	(3,632)	2,832	-	(31,580)
Road network	(802,456)	(62,240)	2,973	-	(861,723)
Bridge network	(30,375)	(1,894)	372	-	(31,897)
Culverts	(5,276)	(301)	24	-	(5,553)
Signals	(42,968)	(2,644)	76	-	(45,536)
Total accumulated depreciation	<u>(967,409)</u>	<u>(74,651)</u>	<u>6,538</u>	<u>-</u>	<u>(1,035,522)</u>
Total capital assets being depreciated, net	<u>1,173,298</u>	<u>(64,505)</u>	<u>(4,666)</u>	<u>14,843</u>	<u>1,118,970</u>
Governmental activities capital assets, net	<u>2,167,886</u>	<u>(26,753)</u>	<u>(8,726)</u>	<u>-</u>	<u>2,132,407</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	2,106
Public safety and justice	3,610
Land use, housing, and transportation	68,339
Health and human services	145
Culture, education, and recreation	451
Total depreciation expense	<u>\$ 74,651</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Capital asset activity for business-type activities for the year ended June 30, 2013 was as follows:

	Balance July 1, 2012	Increases	Decreases	Transfers	Balance June 30, 2013
Capital assets not being depreciated:					
Land	\$ 8,014	155	-	-	8,169
Construction in progress	161	158	-	(299)	20
Total capital assets not being depreciated	8,175	313	-	(299)	8,189
Capital assets being depreciated:					
Buildings and improvements	46,148	443	-	265	46,856
Automotive equipment	320	-	(72)	34	282
Office equipment	113	-	(6)	-	107
Total capital assets being depreciated	46,581	443	(78)	299	47,245
Less accumulated depreciation for:					
Buildings and improvements	(23,548)	(1,684)	-	-	(25,232)
Automotive equipment	(288)	(27)	74	-	(241)
Office equipment	(113)	-	5	-	(108)
Total accumulated depreciation	(23,949)	(1,711)	79	-	(25,581)
Total capital assets being depreciated, net	22,632	(1,268)	1	299	21,664
Business-type activities capital assets, net	30,807	(955)	1	-	29,853
Depreciation expense was charged to functions as follows:					
Business-type activities:					
Housing	\$ 1,711				

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Capital asset activity for the District for the year ended June 30, 2013 was as follows:

	District activities				Balance June 30, 2013
	Balance July 1, 2012	Increases	Decreases	Transfers	
Capital assets not being depreciated:					
Land	\$ 13,653	705	-	2,986	17,344
Construction in progress	120,243	51,802	(6,679)	(74,006)	91,360
Total capital assets not being depreciated	133,896	52,507	(6,679)	(71,020)	108,704
Capital assets being depreciated:					
Buildings and improvements	208,374	2,491	-	3,351	214,216
Treatment plants	515,768	-	-	60,173	575,941
Sewer lines	202,151	1,133	-	3,974	207,258
Plant equipment	69,154	-	(15)	2,357	71,496
Automotive equipment	9,995	-	(201)	613	10,407
Plans and studies	12,987	-	-	113	13,100
Office equipment	18,893	-	(812)	439	18,520
Total capital assets being depreciated	1,037,322	3,624	(1,028)	71,020	1,110,938
Less accumulated depreciation for:					
Buildings and improvements	(108,379)	(8,533)	-	-	(116,912)
Treatment plants	(306,533)	(19,418)	-	-	(325,951)
Sewer lines	(66,930)	(4,088)	-	-	(71,018)
Plant equipment	(39,866)	(5,032)	7	-	(44,891)
Automotive equipment	(8,386)	(686)	201	-	(8,871)
Plans and studies	(9,453)	(1,592)	-	-	(11,045)
Office equipment	(17,949)	(496)	806	-	(17,639)
Total accumulated depreciation	(557,496)	(39,845)	1,014	-	(596,327)
Total capital assets being depreciated, net	479,826	(36,221)	(14)	71,020	514,611
Component-type activities capital assets, net	613,722	16,286	(6,693)	-	623,315
Depreciation expense was charged to functions as follows:					
Component activities:					
Sanitation	33,383				
Surface Water Management	6,462				
Total depreciation expense	\$ 39,845				

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 District's year-end equity investment in the Commission was \$2,721.

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 (continued)

June 30, 2013

(Dollars in thousands)

Long-term obligations

In the following paragraph 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.

	Balance	Increase	Decreases	Balance	Due In	Long-term
	July 1, 2012			June 30, 2013	One Year	portion
Governmental activities:						
Compensated absences	\$ 8,460	8,409	8,460	8,409	8,409	-
Contracts Payable						
US Dept of Interior	380	-	23	357	23	334
Subtotal Contracts Payable	380	-	23	357	23	334
Notes Payable						
State of Oregon, Dept. of Energy	254	-	80	174	75	99
State of Oregon, Econ. Dev. Dept.	1,150	-	102	1,048	109	939
Full Faith & Credit Obligations						
Series 2004	2,185	-	275	1,910	290	1,620
Series 2006 - Refunding	46,435	-	2,170	44,265	2,340	41,925
Series 2006 - New Money	24,125	-	19,830	4,295	1,360	2,935
Series 2013 - Refunding	-	18,860	200	18,660	45	18,615
Subtotal Notes and FF&C	74,149	18,860	22,657	70,352	4,219	66,133
Obligations						
General Obligation Bonds						
Series 2007 - Refunding	12,140	-	5,945	6,195	6,195	-
Total Notes and Bonds	86,669	18,860	28,625	76,904	10,414	66,133
Total governmental activities	\$ 95,129	27,269	37,085	85,313	18,846	66,467
				Unamortized bond premium	383	3,551
				Deferred amounts on refunding	(364)	(3,878)
				85,005	18,865	66,140
From the Statement of Net Position:						
				Other long-term obligations, current portion, net of discount	18,865	
				Noncurrent portion of other long term obligations, net of discount	66,140	
Total governmental activities				85,005		

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

In the following paragraph 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, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2013</u>	<u>One Year</u>	<u>portion</u>
Business-type activities:						
Notes Payable						
Farmers Home Administration	\$ 334	-	3	331	4	327
State of Oregon	57	-	9	48	10	38
Office of Community Development	652	-	-	652	-	652
HOME Contracts	1,104	-	-	1,104	-	1,104
Washington County IGA	524	-	96	428	98	330
Berkadia Bank Mortgage	153	-	64	89	69	20
Subtotal Notes Payable	<u>2,824</u>	<u>-</u>	<u>172</u>	<u>2,652</u>	<u>181</u>	<u>2,471</u>
Housing Authority FF&C Obligations						
Series 2009 - Refunding	<u>28,300</u>	<u>-</u>	<u>375</u>	<u>27,925</u>	<u>385</u>	<u>27,540</u>
Total notes and bonds	<u>31,124</u>	<u>-</u>	<u>547</u>	<u>30,577</u>	<u>566</u>	<u>30,011</u>
Total business-type activities	<u>\$ 31,124</u>	<u>-</u>	<u>547</u>	<u>30,577</u>	<u>566</u>	<u>30,011</u>
				Unamortized bond discounts (251)	(16)	(235)
				Deferred amounts on refunding (2,125)	(133)	(1,992)
				<u>28,201</u>	<u>417</u>	<u>27,784</u>
				Housing Authority Note Payable to County, current portion* 98		
				Other long-term obligations, current portion, net of discount 318		
				<u>416</u>		
				Housing Authority Note Payable to County, noncurrent portion* 330		
				Noncurrent portion of other long term obligations, net of discount 27,455		
				<u>27,785</u>		
				<u>28,201</u>		

* The Note Payable to the County and Note Receivable from the Authority net each other out on the Statement of Net Position; the Note Payable to the County is correctly included above in the summary of Business-type Activities.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013	Due In One Year	Long-term portion
District activities:						
Compensated absences	\$ 2,075	2,107	2,075	2,107	2,107	-
Sewer Revenue Bonds						
Series A 1997	9,920	-	9,920	-	-	-
Series One 1997	6,850	-	6,850	-	-	-
2004 Refunding of 1996 Bonds	17,450	-	3,140	14,310	3,310	11,000
Series A 2009	58,755	-	-	58,755	2,535	56,220
Series A 2010	8,895	-	-	8,895	2,850	6,045
Series B 2010	90,260	-	-	90,260	-	90,260
Series A 2011	30,255	-	2,430	27,825	2,590	25,235
Series B 2011	50,000	-	-	50,000	1,655	48,345
Revenue Pension Bonds						
Series 2004	15,480	-	265	15,215	330	14,885
Total notes and bonds	<u>287,865</u>	<u>-</u>	<u>22,605</u>	<u>265,260</u>	<u>13,270</u>	<u>251,990</u>
Total district activities	<u>\$ 289,940</u>	<u>2,107</u>	<u>24,680</u>	<u>267,367</u>	<u>15,377</u>	<u>251,990</u>
				Unamortized bond premium	1,506	7,849
				Unamortized bond discounts	(11)	(22)
				Deferred amounts on refunding	(263)	(880)
				<u>275,546</u>	<u>16,609</u>	<u>258,937</u>
District compensated absences (recorded in business-type activities as an accrued payroll liability)				2,107		
Other long-term obligations, current portion, net of discount				<u>14,502</u>		
Total current				16,609		
Noncurrent portion of other long term obligations, net of discount				<u>258,937</u>		
Total district activities				<u>275,546</u>		

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Governmental Activities

Contracts Payable

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 22	12	3.500%
2015	22	12	3.500%
2016	22	11	3.500%
2017	22	10	3.500%
2018	22	9	3.500%
2019 - 2023	112	35	3.500%
2024 - 2028	112	16	3.500%
2029	23	1	3.500%
	<u>\$ 357</u>	<u>106</u>	

Notes Payable

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 9	2	5.750%
2015	10	2	5.750%
2016	10	1	5.750%
2017	11	-	5.750%
2018	3	-	5.750%
	<u>\$ 43</u>	<u>5</u>	

State of Oregon, Department of Energy - In June 2004, the County issued a note with Oregon Department of Energy for County-wide energy measures in the amount of \$605. The final maturity is in June 2015. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 66	5	4.500%
2015	65	2	4.500%
	<u>\$ 131</u>	<u>7</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

State of Oregon, Economic Development Department - In October 2000, the County issued a note with Oregon Economic Development Department was issued in the amount of \$2,000. This was 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 follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 108	56	5.280%
2015	114	51	5.280%
2016	120	45	5.280%
2017	127	38	5.280%
2018	133	31	5.280%
2019-2021	446	49	5.280%
	\$ <u>1,048</u>	<u>270</u>	

Full Faith and Credit Obligations

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 290	79	4.125%
2015	300	66	4.500%
2016	310	52	4.400%
2017	325	38	4.400%
2018	335	24	4.500%
2019	350	8	4.600%
	\$ <u>1,910</u>	<u>267</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 2,340	2,093	5.500%
2015	2,550	1,987	5.500%
2016	2,785	1,880	5.000%
2017	3,010	1,767	5.500%
2018	3,290	1,617	5.000%
2019 - 2023	18,180	5,374	5.000 - 5.125%
2024 - 2026	12,110	1,095	5.000 - 5.125%
	<u>\$ 44,265</u>	<u>15,813</u>	

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 1,360	215	5.000%
2015	1,430	147	5.000%
2016	1,505	75	5.000%
	<u>\$ 4,295</u>	<u>437</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Series 2013 Refunding - In February 2013, Full Faith and Credit obligations were issued for \$18,860 and placed into an irrevocable trust in order to fund the partial advance refunding of the March 2006 - Series 2006 New Money Full Faith & Credit Issue in the amount of \$18,530. As a result, the refunded obligations are considered defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$2,241. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. This transaction was undertaken to reduce total future debt service costs, and resulted in an economic gain of \$1,230 and a reduction of \$1,394 in future debt service payments. 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>
2014	\$ 45	644	2.000%
2015	45	643	3.000%
2016	45	641	4.000%
2017	1,580	640	1.500%
2018	1,600	616	1.500%
2019 - 2023	8,985	2,105	5.000%
2024 - 2026	6,360	292	2.125 - 2.350%
	<u>\$ 18,660</u>	<u>5,581</u>	

General Obligation Bonds

Series 2007 Refunding - The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for capital construction, capital acquisition, and refunding bonds to refund prior bond issuances with higher interest rates. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The bonds are payable through fiscal year 2014. All the general obligation bonds and refunding bonds will be paid with property tax revenues. The Series 2007 – Refunding Bonds were issued for of \$34,270. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 6,195	132	5.000%
	6,195	132	
Deferred amounts on refunding	(38)	-	
Unamortized bond premiums	54	-	
	<u>\$ 6,211</u>	<u>132</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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:

Fiscal Year	Principal	Interest	Interest Rate
2014	\$ 4	31	9.000 - 9.500%
2015	4	31	9.000 - 9.500%
2016	4	30	9.000 - 9.500%
2017	5	30	9.000 - 9.500%
2018	5	30	9.000 - 9.500%
2019 - 2023	35	139	9.000 - 9.500%
2024 - 2028	55	118	9.000 - 9.500%
2029 - 2033	89	84	9.000 - 9.500%
2034 - 2038	130	31	9.000 - 9.500%
	\$ 331	524	

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:

Fiscal Year	Principal	Interest	Interest Rate
2014	\$ 7	3	8.970%
2015	7	2	8.970%
2016	8	2	8.970%
2017	8	1	8.970%
2018	5	-	8.970%
	\$ 35	8	

Fiscal Year	Principal	Interest	Interest Rate
2014	\$ 3	-	0.000%
2015	3	-	0.000%
2016	3	-	0.000%
2017	3	-	0.000%
2018	1	-	0.000%
	\$ 13	-	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Office of Community Development - In June, 2010, the Office of Community Development (OCD) provided funding under the Neighborhood Stabilization Program to acquire properties for low income housing. The note was in the amount of \$652 and is due when the properties are sold. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
Due on sale	\$ <u>652</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 October 2016. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ -	18	3.000%
2015	-	18	3.000%
2016	-	18	3.000%
2017	604	6	3.000%
	\$ <u>604</u>	<u>60</u>	

HOME Contracts - 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 follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ -	15	3.000%
2015	-	15	3.000%
2016	-	15	3.000%
2017	-	15	3.000%
2018	-	15	3.000%
2019 - 2023	-	75	3.000%
2024 - 2028	-	75	3.000%
2029	500	15	3.000%
	\$ <u>500</u>	<u>240</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 98	2	Variable
2015	98	2	Variable
2016	99	1	Variable
2017	99	1	Variable
2018	34	-	Variable
	<u>\$ 428</u>	<u>6</u>	

Berkadia Bank Mortgage - In October, 2010, the Authority purchased Aloha Park Apartments and assumed the existing mortgage from the previous owner. The remaining balance on the note was \$251. The final maturity is in October of 2014. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 69	4	4.590%
2015	20	-	4.590%
	<u>\$ 89</u>	<u>4</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Housing Authority Full Faith & Credit Obligations

Series 2009 – Refunding - In November 2009, Full Faith & Credit obligations were issued for \$28,985. These obligations were issued on behalf of the Housing Authority of Washington County to provide for the current refunding of the Series 1999A, 2001A, 2001B, and 2002A Housing Authority Revenue Bond issues. Final maturity date is in 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. The aggregate difference between the debt service of the refunding debt and the refunded debt is \$10,938. The net present value benefit of the transaction is \$1,909, or 6.7% of the refunded principal. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 385	1,209	2.250%
2015	395	1,199	2.500%
2016	405	1,189	2.750%
2017	-	1,183	2.750%
2018	435	1,176	3.250%
2019 - 2023	2,815	5,590	3.500 - 5.000%
2024 - 2028	3,675	4,888	4.000 - 5.000%
2029 - 2033	3,970	4,147	4.000 - 4.500%
2034 - 2038	5,590	3,038	4.500%
2039 - 2043	7,015	1,618	4.500 - 4.625%
2044 - 2045	3,240	163	4.625 - 5.000%
	<u>\$ 27,925</u>	<u>25,400</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.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 3,310	652	5.000%
2015	3,480	482	5.000%
2016	3,660	299	5.250%
2017	3,860	101	5.250%
	<u>\$ 14,310</u>	<u>1,534</u>	

Series A 2009 - Issued March 2009 in the amount of \$58,755. The final maturity is in October 2028. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 2,535	2,805	3.000%
2015	2,625	2,715	4.000%
2016	2,735	2,608	4.000%
2017	2,845	2,496	4.000%
2018	2,975	2,365	5.000%
2019 - 2023	17,355	9,351	5.000 - 5.250%
2024 - 2028	22,475	4,220	4.750 - 5.250%
2029	5,210	130	5.000%
	<u>\$ 58,755</u>	<u>26,690</u>	

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 2,850	300	4.000%
2015	2,965	198	3.000%
2016	3,080	154	5.000%
	<u>\$ 8,895</u>	<u>652</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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>
2014	\$ -	4,792	3.970%
2015	-	4,792	3.970%
2016	-	4,792	3.970%
2017	3,300	4,726	4.120%
2018	3,385	4,591	4.428%
2019 - 2023	18,425	20,557	4.528 - 4.978%
2024 - 2028	21,540	15,623	5.078 - 5.701%
2029 - 2033	25,735	9,003	5.701 - 5.801%
2034 - 2036	17,875	1,581	5.801%
	<u>\$ 90,260</u>	<u>70,459</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>
2014	\$ 2,590	1,288	2.000%
2015	2,640	1,196	5.000%
2016	2,775	1,060	5.000%
2017	2,915	918	5.000%
2018	3,060	769	5.000%
2019 - 2022	13,845	1,427	5.000%
	<u>\$ 27,825</u>	<u>6,658</u>	

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 1,655	2,038	2.500%
2015	1,700	1,992	3.000%
2016	1,755	1,940	3.000%
2017	1,815	1,877	4.000%
2018	1,890	1,803	4.000%
2019 - 2023	10,845	7,625	4.000 - 5.000%
2024 - 2028	13,605	4,864	4.000 - 5.000%
2029 - 2033	16,735	1,727	4.000%
	<u>\$ 50,000</u>	<u>23,867</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Sewer Pension Revenue Bonds

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 330	916	5.571%
2015	405	898	5.671%
2016	480	875	5.771%
2017	565	847	5.871%
2018	660	814	5.941%
2019 - 2023	5,010	3,346	6.015%
2024 - 2028	7,765	1,397	6.095%
	<u>\$ 15,215</u>	<u>9,093</u>	

Defeased Debt – County

During the current fiscal year, the County defeased certain obligations by placing the proceeds of refunding obligations in an irrevocable trust to provide for all future debt service on the defeased obligations. Accordingly, the trust account assets and the related liability for those defeased obligations are not included in the County's financial statements. As of June 30, 2013, the current year's refunded Full Faith and Credit obligations defeased totaled \$18,530.

Defeased Debt – District

In prior years, the District defeased certain bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service on the defeased bonds. Accordingly, the trust account assets and the related liability for those defeased bonds are not included in the District's financial statements. As of June 30, 2013, prior years' refunded revenue bonds defeased totaled \$46,395.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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, 2013, there were two series of multi-family Housing Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$9,500.

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, 2013:

<u>Fiscal Year</u>	<u>Capital Lease Future Minimum Payments</u>
2014	\$ 436
2015	429
2016	429
2017	429
2018	276
2019	276
Future minimum lease payments	<u>2,275</u>
Less amounts representing interest	<u>(183)</u>
Present value of future minimum lease payments	<u><u>2,092</u></u>
Current portion	377
Long-term portion	1,715
	<u>\$ <u>2,092</u></u>

Changes in the capital lease obligations for the year ended June 30, 2013, are as follows:

	<u>Outstanding July 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding June 30, 2013</u>
Capital lease obligations \$	<u>2,586</u>	<u>-</u>	<u>(494)</u>	<u>2,092</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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 is a non-cancelable lease agreement. Final maturity is in October 2016. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 125	29	5.330%
2015	131	22	5.330%
2016	139	15	5.330%
2017	146	8	5.330%
	<u>\$ 541</u>	<u>74</u>	

IKON Office Solution 2002 - In 2008 the County entered into a capital lease obligation with IKON Office Solutions for the purchase of a copier in the amount of \$159. This is a non-cancelable lease agreement. Final maturity is in October 2013. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 6	-	8.866%

Ricoh Corporation 2009 - In 2009 the County entered into a capital lease obligation with Ricoh Corporation for the purchase of a copier for use at the Fair Complex in the amount of \$7. This is a non-cancelable lease agreement. Final maturity is in October 2013. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2014	\$ 1	-	7.090%

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 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>
2014	\$ 245	31	1.989%
2015	250	26	1.989%
2016	254	21	1.989%
2017	260	16	1.989%
2018	265	10	1.989%
2019	270	5	1.989%
	<u>\$ 1,544</u>	<u>109</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Operating leases - District

The District leases various equipment, buildings and land for use in their operations under cancelable and non-cancelable operating leases. Total costs for such leases were approximately \$66 for the year ended June 30, 2013.

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

<u>Fiscal Year</u>	<u>Amount</u>
2014	\$ 66
2015	69
2016	69
2017	69
	<u>\$ 273</u>

Due To/From and Advances From/To Other funds

Interfund accounts at June 30, 2013, consist of:

<u>Fund</u>	<u>Due to other funds</u>	<u>Due from other funds</u>	<u>Advances from other funds</u>	<u>Advances to other funds</u>
Major governmental funds:				
General Fund	\$ -	1,565	-	-
HOME Fund	297	-	-	-
Major Streets Transportation Improvement Program III Fund	-	-	-	2,300
Other Governmental Funds	1,268	-	2,300	-
	<u>\$ 1,565</u>	<u>1,565</u>	<u>2,300</u>	<u>2,300</u>

Interfund receivables of the General Fund consist of \$297 in cash loaned to the HOME Fund and \$1,268 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, 2013.

Interfund advances of the Major Streets Improvement Program III Fund consist of \$2,300 in cash loaned to the North Bethany County Service District for Roads Fund via an intergovernmental agreement between the County and NBCSD dated September 18, 2012. Proceeds from the loan are to be used towards the construction a neighborhood route within the district's boundaries. NBCSD is obligated to pay off the loan as soon as practicable, with any balance due being paid on or before September 18, 2042. Beginning in FY 2013-14, any outstanding balances under this agreement will bear interest at the Local Government Investment Pool rate, determined once per year on the first day of each fiscal year, and applied to the loan balance as of the first day of the same fiscal year for the remaining duration of the agreement or until the balance is paid in full.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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, 2012</u>	<u>Decrease</u>	<u>Outstanding June 30, 2013</u>
Washington County IGA	variable	\$ <u>524</u>	<u>(96)</u>	<u>428</u>

The County Board of 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

Substantially all County employees, after six months of employment, are participants in the State of Oregon PERS. The County's policy is to fund pension costs as determined by actuarial valuations.

The County contributes to the Oregon Public Employees Retirement System (PERS) and to the Oregon Public Service Retirement Plan (OPSRP). PERS is a cost sharing multi-employer defined benefit public employee retirement system. OPSRP is a hybrid retirement plan with two components: the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan) and the Individual Account Program (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan). A defined benefit plan is benefit-based and uses predictable criteria such as a pension determined by salary multiplied by length of service multiplied by a factor. A defined contribution plan has no guarantee. OPSRP is administered by PERS. PERS acts as a common investment and administrative agent for political subdivisions in the State of Oregon.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

The 2003 Oregon Legislature established OPSRP. Public employees hired on or after August 29, 2003 become part of OPSRP, unless membership was previously established in PERS. The 1995 Oregon Legislature established a different level of benefits for employees who began their six-month waiting period on or after January 1, 1996. This level is called tier two. Benefits generally vest after five years of continuous service. Retirement is allowed at age fifty-eight with unreduced benefits, but retirement is generally available after age fifty-five with reduced benefits. Retirement benefits based on salary and length of service are calculated using a formula and are payable in a lump sum or monthly using several payment options. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes.

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, P.O. Box 23700, Tigard, Oregon 97281-3700 or by calling 1-888-320-7377 or by viewing the PERS website at www.oregon.gov/pers.

Funding Policy - County

The rate of employer contributions to PERS is determined periodically by PERS based on actuarial valuations performed at least every two years. Contributions to PERS have historically been made based on the annual required contribution and were charged to expenses/expenditures as funded.

In fiscal year 2002, the County contributed \$17,617 in excess of the annual required contribution. Pursuant to the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, these contributions in excess of the annual required contributions were recorded as prepaid pension assets which are reported on the Statement of Net Position as prepaid pension obligation. These prepaid pension assets are being amortized over 26 years on a straight-line basis.

The County's annual required contribution rate for fiscal 2013 was 14.46% of covered employees' salaries for PERS and 10.65% for general OPSRP and 13.36% for OPSRP police. The employee contribution rate is 6% for the County.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Annual Pension Cost - County

For fiscal 2013, the County's actual annual pension cost of \$17,252 was equal to their annual required contributions plus current fiscal year amortization of prepaid pension assets. The actual pension cost without amortization of the prepaid pension obligation was \$9,707. The required contribution was determined as part of the actuarial valuation at December 31, 2011 using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation included: (a) rate of return on the investment of present and future assets of 8%; (b) projected salary increases which include 3.75% per year in addition to salary increases due to promotions and longevity that may vary by age and service; (c) post-retirement benefit increases of 2% per year (the maximum allowable); (d) consumer price inflation of 2.75% per year; and (e) thirty-year open amortization of the unfunded actuarial liability as a level percentage of projected annual payroll.

Beginning in 2000, the actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a five-year period. No obligation for retirees is attributed to the County as PERS pools the risk related to retired employees among all employers. PERS assumes the obligation for benefits from the individual entity, as a whole, when benefits become payable.

Three-year trend information for the years ended December 31 is presented as follows:

		Annual pension cost (APC)	Percentage of APC contributed		Prepaid pension obligation
2011	\$	12,838	100 %	\$	11,063
2012		16,822	100		10,385
2013		17,252	100		9,707

Pension Plan - District

Substantially all District employees, after six months of employment, are participants in the State of Oregon PERS. The District's policy is to fund pension costs as determined by actuarial valuations.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

The District contributes to the Oregon Public Employees Retirement System (PERS) and to the Oregon Public Service Retirement Plan (OPSRP). PERS is a cost sharing multiple-employer defined benefit public employee retirement system established under Oregon Revised Statutes 238.600. OPSRP is a hybrid retirement plan with two components: the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan) and the Individual Account Program (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan). A defined benefit plan is benefit-based and uses predictable criteria such as a pension determined by salary multiplied by length of service multiplied by a factor. A defined contribution plan has no guarantee.

OPSRP is administered by PERS. PERS acts as a common investment and administrative agent for public employers in the State of Oregon. Benefits are established by state statute.

The 2003 Oregon Legislature established OPSRP. Public employees hired on or after August 29, 2003 become part of OPSRP, unless membership was previously established in PERS. The 1995 Oregon Legislature established a different level of benefits for employees who began their six-month waiting period on or after January 1, 1996. This level is called tier two.

The defined contribution portion of OPSRP is provided to all members who are PERS or OPSRP eligible. State statute requires that covered employees contribute 6.0% of their annual covered salary to the IAP plan effective January 1, 2004. Those employees who had established a PERS membership prior to the creation of OPSRP will retain their existing PERS accounts, but member contributions made after the beginning of 2004 will be deposited into the members IAP account.

Benefits generally vest after five years of continuous service. Retirement is allowed at age fifty-eight with unreduced benefits but retirement is generally available after age fifty-five with reduced benefits. Retirement benefits based on salary and length of service are calculated using a formula and are payable in a lump sum or monthly using several payment options. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statute.

Both PERS and OPSRP are administered by the Oregon Public Employees Retirement Board (OPERB). The comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to the Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling 1-888-320-7377, or by viewing the PERS website at www.oregon.gov/pers.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Funding Policy - District

The rate of employer contributions to PERS is determined periodically by PERS based on actuarial valuations performed at least every two years. Contributions to PERS have historically been made based on the annual required contribution and were charged to expenses/expenditures as funded.

In fiscal years 2000 and 2004, The District contributed \$2,232 and \$15,278 in excess of the annual required contribution, respectively. Pursuant to the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, these contributions in excess of the annual required contributions were recorded as prepaid pension assets which are reported on the Statement of Net Position as prepaid pension obligation. These prepaid pension assets are being amortized over 30 years on a straight-line basis.

The District's annual contribution rate for fiscal 2011 was 7.65% for PERS and 6.74% for OPSRP. The employee contribution rate is 6% for the District.

Annual Pension Cost - District

For fiscal 2013, the District's actual annual pension cost of \$2,354, which was equal to their annual required contributions plus current fiscal year amortization of prepaid pension assets. The actual pension cost without amortization of the prepaid pension obligation was \$1,770. The required contribution was determined as part of the actuarial valuation at December 31, 2011 using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation included: (a) rate of return on the investment of present and future assets of 8%; (b) projected salary increases which include 3.75% per year in addition to salary increases due to promotions and longevity that may vary by age and service; (c) post-retirement benefit increases of 2% per year (the maximum allowable); (d) consumer price inflation of 2.75% per year; and (e) thirty-year open amortization of the unfunded actuarial liability as a level percentage of projected annual payroll.

Beginning in 2000, the actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a five-year period. No obligation for retirees is attributed to the County as PERS pools the risk related to retired employees among all employers. PERS assumes the obligation for benefits from the individual entity, as a whole, when benefits become payable.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Three-year trend information for the years ended December 31 is presented as follows:

	Annual pension cost (APC)	Percentage of APC contributed	Prepaid pension obligation
2011	902	100	13,127
2012	2,380	100	12,544
2013	2,354	100	11,961

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 (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 prefund future benefits as determined by the actuary.

For fiscal year 2012-13, the County contributed \$573 and retirees made payments of \$1,543. The County has elected to not pre-fund the actuarially determined future cost amount of \$1,074.

Below are the required monthly contributions of the plan members for the year ending June 30, 2013. The rates are established through negotiation with the County's insurance carrier each year and approved by the Board of County Commissioners.

(Not in \$1,000's)	Health Insurance		Dental/Vision Insurance		
	Providence	Kaiser	ODS	ODS Vision	Willamette
Employee	\$ 481	457	51	9	36
Employee + 1	962	914	101	9	69
Full Family	1,443	1,371	160	9	135
Employee + Children	866	823	105	9	101

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Annual OPEB Cost and Net OPEB Obligation

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

	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Annual required contribution (ARC)	\$ 1,074	1,074	1,748
Interest on net OPEB obligation	158	147	134
Adjustment to ARC	(261)	(243)	(140)
Annual OPEB cost	971	978	1,742
Contributions made	(573)	(609)	(673)
Increase in net OPEB obligation	398	369	1,069
Net OPEB obligation, beginning of year	5,264	4,895	3,826
Net OPEB obligation, end of year	\$ <u>5,662</u>	<u>5,264</u>	<u>4,895</u>
Percent of Annual OPEB cost contributed	59.01%	62.27%	38.63%

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 \$10,939, also equaled the unfunded actuarial accrued liability (UAAL). The annual payroll of active employees covered by the plan (covered payroll) for 2012-13 was \$114,537 the ratio of the UAAL to the covered payroll was 9.6%.

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

Actuarial Methods and Assumptions

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

In the June 30, 2012 valuation, the entry age normal actuarial cost method was used. Under this method, the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level dollar basis over the service of the active employee. The investment return for the County was assumed to be 3.0% to reflect the rate of return on the county's investment portfolio. Health care cost trends (net of inflation) were assumed to be 7.6% for Providence and 7.0% for Kaiser initially, then declining to 5.0%. It is assumed that the future cost of the retiree health plan will retain its current relationship to the active plan, and that the active plan cost will maintain a reasonable relationship to direct compensation. The UAAL is being amortized over an open period of 30 years.

Other Post Employment Benefits - District

Plan Description

The District does not have a formal post-employment benefits plan for any employee groups; however 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.

Funding Policy

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

For fiscal year 2012-13, the District contributed \$117 consisting of retiree payments. The District has elected to not pre-fund the actuarially determined future cost amount of \$553. The required monthly contributions of the plan members were as follows for the year ended June 30, 2013.

(Not in \$1,000's)	Health Insurance	
	Providence	Kaiser
Employee	\$ 423	510
Employee + 1	859	1,040
Full Family	1,205	1,452

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

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 annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the respective OPEB obligations to the plan:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Annual required contribution (ARC)	\$ 156	151	192
Interest on net OPEB obligation	22	21	19
Adjustment to ARC	(44)	(42)	(39)
Annual OPEB cost	134	130	172
Contributions made	(117)	(108)	(140)
Increase in net OPEB obligation	17	22	32
Net OPEB obligation, beginning of year	536	514	482
Net OPEB obligation, end of year	\$ <u>553</u>	<u>536</u>	<u>514</u>
Percent of Annual OPEB cost contributed	87.31%	83.08%	81.40%

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 \$1,548, also equaled the unfunded actuarial accrued liability (UAAL). The annual payroll of active employees covered by the plan (covered payroll) for 2012-13 was \$21,609 the ratio of the UAAL to the covered payroll was 7.2%.

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

Actuarial Methods and Assumptions

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

In the July 1, 2011 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 percent accrued liability discount rate, (b) a 3.5 percent inflation component, and (c) healthcare cost trend rate of 8.5 percent for 2012 grading down over nineteen years to 5 percent. The UAAL is being amortized over an open period of 30 years as a level percentage of payrolls for Non-Represented Retirees and over a closed period of eight years as a flat dollar amount for Represented Retirees.

Retirement Health Insurance Account (RHIA) - County

Plan Description

As members of Oregon Public Employees Retirement System (OPERS), the County contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefits other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit 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 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.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Participating municipal corporations are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.59% of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The County's contributions to RHIA for the years ended June 30, 2011, 2012 and 2013 were \$320, \$682 and \$676, 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 benefit 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 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.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Participating municipal corporations are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.59% of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2011, 2012 and 2013 were \$69, \$144, and \$142, respectively, which equaled the required contributions each year.

Insured Risks - County

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

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, based on historical trend analyses of similar injuries and claims and include an amount for claims that have been incurred but not reported and 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:

Fiscal Year	Beginning of fiscal year liability	Current year claims and changes in estimates	Claims payments	Balance at fiscal year-end
2010-11	\$ 4,039	987	(1,393)	3,633
2011-12	3,633	1,229	(1,096)	3,766
2012-13	3,766	2,388	(2,354)	3,800

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Insured Risks - District

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

The District is insured under a retrospective plan for workers' compensation and for costs in excess of insurance policy retention (deductible) limits on fire loss, property damage, and all risk coverage (theft, vandalism, etc.). During the past three fiscal years, there were no settlements which exceeded insurance coverage.

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, based on historical trend analyses of similar injuries and claims and include an amount for claims that have been incurred but not reported and 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:

Fiscal Year	Beginning of fiscal year liability	Current year claims and changes in estimates	Claims payments	Balance at fiscal year-end
2010-11	\$ 284	51	(81)	254
2011-12	254	45	(33)	266
2012-13	266	72	(77)	261

Solid Waste Landfill Closure and Postclosure Care Costs

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

On August 15, 2013 the County received a letter from Oregon Department of Environmental Quality stating that they have determined that not further action is required to address environmental contamination at the form Shadybrook Landfill property provided the engineering and institutional controls installed at the site are maintained.

Pollution Remediation

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (GASB 49) addresses accounting and financial reporting standards for pollution (including contamination) and remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The scope of the statement excludes pollution prevention or control obligations with respect to current operations, and future pollution remediation activities that are required upon retirement of an asset, such as landfill closure and post-closure care and nuclear power plant decommissioning. The County 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.

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

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

In February 2004 DEQ issued a Record of Decision requiring methane gas mitigation as part of the site development. An engineering firm was previously contracted by the County to perform the on-going monitoring and meet DEQ reporting requirements; however County employees took over these responsibilities in 2009-10. The pollution remediation obligation estimate at June 30, 2013 for the on-going monitoring and DEQ reporting costs is \$1,020.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

The second property with estimable pollution remediation obligations is the PacTrust Business Center. This site is adjacent to the Bridgeport Village Development property and had the same pollution remediation issues. In June 2005 Pacific Realty Associates (Pac Trust) and the County entered into a voluntary cleanup program with DEQ. All the cleanup work has been completed and the DEQ has issued a conditional "No Further Action" Record of Decision for the site, requiring only minimal ongoing monitoring.

Transfers

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

Transfers in:		
General fund	\$ 2,253	3%
Human services fund	1,809	2%
Major streets improvement program III fund	31,549	39%
Road fund	797	1%
Non-major funds	<u>43,612</u>	<u>55%</u>
Total governmental funds	80,020	<u>100%</u>
Internal service funds	<u>28</u>	
	<u><u>80,048</u></u>	
Transfers out:		
General fund	64,113	82%
Major streets improvement program III fund	5,948	8%
Road fund	2,312	3%
Non-major funds	<u>5,711</u>	<u>7%</u>
Total governmental funds	78,084	<u>100%</u>
Internal service funds	1,957	
Washington County Service District for Lighting No. 1	<u>7</u>	
	<u><u>\$ 80,048</u></u>	

The following are the major reasons for the above transfers:

Major streets improvement programs and the Cooperative Library Services operated on fixed-rate serial levies until 1998-99. With the passage of Measures 47 and 50, those fixed-rate serial levies were combined with the County's permanent tax rate and now receive a majority of their funding directly from the County's General Fund. These transfers comprise approximately \$31,549 to major streets improvement programs and \$15,765 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.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Related Party Transactions

On September 21, 2010, the District entered into an 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 such services under the Operating Agreement as of June 30, 2013.

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 over the next four fiscal years. 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. As of June 30, 2013 the District had loaned CWI \$350 and CWI was charged \$3 in interest. CWI made payments totaling \$65 leaving a loan balance of \$288 as of June 30, 2013.

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. The District has not received any such revenues as of June 30, 2013.

Clean Water Institute billed the District approximately \$7 for professional services during fiscal year 2012-13.

Contingency - County

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in thousands)

Contingency - District

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

Commitments - County

The County has committed over \$50,174 to fund certain specific road construction projects over the next three to four years; \$8,208 for jail inmate health care services over the next two years, \$58,724 for County-wide library services over the next three years, \$110 for kitchen services at the jail through July, 2013, and \$733 for entrance security services for the state courts in County buildings for the next year.

The Community Corrections Center has contracted for pharmacy and psychiatric nurse practitioner services, batterer treatment for domestic violence offenders, and sex offender treatment services and mentoring to assist in the reintegration of substance abuse offenders in the combined amount of approximately \$1,059.

The County has contracted for fuel for all County vehicles and equipment for \$2,396 for the next two years and \$1,117 for janitorial services for all County facilities over the next year.

Juvenile detention services at the Donald E. Long facility have been contracted for with Multnomah County for approximately \$3,740 over the next two years.

Commitments – District

The District is committed for approximately \$51,000 for various construction projects at June 30, 2013.

Subsequent Events

The Authority has received Board approval to refinance the Aloha Park apartment complex up to \$2,390 in order to help fund improvements to other Authority properties and for other purposes as needed.

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REQUIRED SUPPLEMENTARY INFORMATION

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WASHINGTON COUNTY, OREGON

Budgetary Comparison

General Fund

For the fiscal year ended June 30, 2013

(Dollars in thousands)

	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:				
Taxes	\$ 113,482	113,482	113,738	256
Licenses and permits	6,146	6,146	6,985	839
Intergovernmental revenues	16,901	16,901	16,947	46
Charges for services	7,597	7,597	7,668	71
Fines and forfeitures	2,490	2,490	2,378	(112)
Miscellaneous revenues	4,065	4,065	3,931	(134)
Interfund revenues	6,722	6,722	5,395	(1,327)
Total revenues	<u>157,403</u>	<u>157,403</u>	<u>157,042</u>	<u>(361)</u>
Expenditures:				
General government:				
Board of County Commissioners	428	428	413	15
County administrative office	1,888	1,888	1,835	53
Community network	603	603	603	—
County counsel	1,924	1,924	1,792	132
County auditor	313	313	255	58
Elections division	2,229	2,229	1,562	667
Assessment and taxation	8,681	8,681	7,660	1,021
County communications	758	758	669	89
Financial management	2,324	2,324	2,163	161
Human resources	2,046	2,046	1,775	271
Information services	10,282	10,282	9,551	731
Purchasing	423	433	430	3
Facilities management	8,034	8,034	7,333	701
Subtotal	<u>39,933</u>	<u>39,943</u>	<u>36,041</u>	<u>3,902</u>
Public safety and justice:				
Law enforcement services	17,263	17,263	16,435	828
Jail operations	21,083	21,083	20,322	761
Sheriff's office administration	3,969	3,969	3,722	247
Jail health care	4,704	4,704	3,977	727
District Attorney	9,756	9,756	9,014	742
Washington County justice court	725	725	666	59
Juvenile	5,747	5,747	5,481	266
Juvenile administration	1,313	1,313	1,300	13
Subtotal	<u>64,560</u>	<u>64,560</u>	<u>60,917</u>	<u>3,643</u>
Land use, housing and transportation				
Planning	3,579	3,579	2,635	944
Water Master	181	181	150	31
Subtotal	<u>3,760</u>	<u>3,760</u>	<u>2,785</u>	<u>975</u>
Health and human services:				
Public health	15,537	15,537	13,614	1,923
Health and human services administration	1,118	1,118	955	163
Animal services	2,108	2,108	2,038	70
Veterans' services	705	705	671	34
Subtotal	<u>19,468</u>	<u>19,468</u>	<u>17,278</u>	<u>2,190</u>
Culture, education and recreation:				
Agriculture activities	301	301	301	—
Parks	730	760	731	29
Subtotal	<u>1,031</u>	<u>1,061</u>	<u>1,032</u>	<u>29</u>
Non-operating:				
Miscellaneous	1,007	1,007	946	61
Subtotal	<u>1,007</u>	<u>1,007</u>	<u>946</u>	<u>61</u>
Operating contingency	21,013	20,973	—	20,973
Total expenditures	<u>150,772</u>	<u>150,772</u>	<u>118,999</u>	<u>31,773</u>
Revenues over expenditures	<u>6,631</u>	<u>6,631</u>	<u>38,043</u>	<u>31,412</u>
Other financing sources (uses):				
Transfers in from other funds	19,849	19,849	20,967	1,118
Transfers out to other funds	(58,852)	(58,852)	(57,666)	1,186
Total other financing uses	<u>(39,003)</u>	<u>(39,003)</u>	<u>(36,699)</u>	<u>2,304</u>
Net change in fund balance	<u>(32,372)</u>	<u>(32,372)</u>	1,344	33,716
Fund balance July 1, 2012	<u>32,372</u>	<u>32,372</u>	<u>29,755</u>	<u>(2,617)</u>
Fund balance June 30, 2013	\$ <u>—</u>	<u>—</u>	<u>31,099</u>	<u>31,099</u>
Certain governmental funds are reported in the General Fund on a GAAP basis:				
Strategic Investment Program and Gain Share Fund			2,344	
Survey Fund			646	
Fund balance, GAAP basis, June 30, 2013			\$ <u>34,089</u>	

WASHINGTON COUNTY, OREGON

Budgetary Comparison

Major Special Revenue Funds

For the fiscal year ended June 30, 2013

(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	\$ 2,585	2,585	653	(1,932)	27,512	27,512	19,192	(8,320)
Charges for services	—	—	—	—	29	29	22	(7)
Miscellaneous revenues	252	252	349	97	87	87	162	75
Interfund revenues	—	—	—	—	164	164	148	(16)
Total revenues	<u>2,837</u>	<u>2,837</u>	<u>1,002</u>	<u>(1,835)</u>	<u>27,792</u>	<u>27,792</u>	<u>19,524</u>	<u>(8,268)</u>
Expenditures:								
Current:								
Land use, housing and transportation	2,837	2,837	1,042	1,795	—	—	—	—
Health and human services	—	—	—	—	29,884	29,884	21,272	8,612
Operating contingency	2	2	—	2	3,388	3,388	—	3,388
Total current	<u>2,839</u>	<u>2,839</u>	<u>1,042</u>	<u>1,797</u>	<u>33,272</u>	<u>33,272</u>	<u>21,272</u>	<u>12,000</u>
Total expenditures	<u>2,839</u>	<u>2,839</u>	<u>1,042</u>	<u>1,797</u>	<u>33,272</u>	<u>33,272</u>	<u>21,272</u>	<u>12,000</u>
Revenues under expenditures	<u>(2)</u>	<u>(2)</u>	<u>(40)</u>	<u>(38)</u>	<u>(5,480)</u>	<u>(5,480)</u>	<u>(1,748)</u>	<u>3,732</u>
Other financing sources:								
Transfers in from other funds	2	2	—	(2)	2,069	2,069	1,856	(213)
Total other financing sources	<u>2</u>	<u>2</u>	<u>—</u>	<u>(2)</u>	<u>2,069</u>	<u>2,069</u>	<u>1,856</u>	<u>(213)</u>
Net change in fund balances	—	—	(40)	(40)	(3,411)	(3,411)	108	3,519
Fund balances July 1, 2012	—	—	40	40	3,411	3,411	3,641	230
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,749</u>	<u>3,749</u>

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

	688
Fund balance, GAAP basis, June 30, 2013	\$ <u>4,437</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Major Special Revenue Funds
 For the fiscal year ended June 30, 2013
 (Dollars in thousands)

	Road Fund			Variance positive (negative)*
	Adopted budget	Revised budget	Actual	
Revenues:				
Taxes	\$ 843	843	805	(38)
Licenses and permits	172	172	273	101
Intergovernmental revenues	26,114	26,114	25,686	(428)
Charges for services	271	271	326	55
Special assessments	65	65	118	53
Miscellaneous revenues	147	147	301	154
Interfund revenues	7,456	7,456	7,459	3
Total revenues	<u>35,068</u>	<u>35,068</u>	<u>34,968</u>	<u>(100)</u>
Expenditures:				
Current:				
Land use, housing and transportation:				
Administration	6,341	6,341	6,069	272
Engineering services	3,384	3,384	2,712	672
Capital projects management	4,890	4,890	4,477	413
Operations and maintenance	19,467	19,467	19,261	206
Operating contingency	13,174	13,174	—	13,174
Total current	<u>47,256</u>	<u>47,256</u>	<u>32,519</u>	<u>14,737</u>
Capital outlay	<u>36</u>	<u>36</u>	<u>64</u>	<u>(28)</u>
Total expenditures	<u>47,292</u>	<u>47,292</u>	<u>32,583</u>	<u>14,709</u>
Revenues over (under) expenditures	<u>(12,224)</u>	<u>(12,224)</u>	<u>2,385</u>	<u>14,609</u>
Other financing sources (uses):				
Transfers in from other funds	800	800	797	(3)
Transfers out to other funds	(2,647)	(2,647)	(2,312)	335
Total other financing uses	<u>(1,847)</u>	<u>(1,847)</u>	<u>(1,515)</u>	<u>332</u>
Net change in fund balances	<u>(14,071)</u>	<u>(14,071)</u>	<u>870</u>	<u>14,941</u>
Fund balances July 1, 2012	<u>14,071</u>	<u>14,071</u>	<u>14,771</u>	<u>700</u>
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>15,641</u>	<u>15,641</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

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>
6/30/11	\$ —	17,251	17,251	0%	\$ 110,241	15.6%
6/30/12	—	10,638	10,638	0%	115,644	9.2%
6/30/13	—	10,939	10,939	0%	114,537	9.6%

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>
7/1/07	\$ —	4,641	4,641	0%	\$ 18,702	24.8%
7/1/09	—	1,885	1,885	0%	20,314	9.3%
7/1/11	—	1,548	1,548	0%	21,609	7.2%

WASHINGTON COUNTY, OREGON

Notes to Required Supplementary Information

June 30, 2013

(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 \$38,846.

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 Commissioners may approve supplemental appropriations and appropriation transfers between organizational units or major programs if an occurrence, condition, or need exists which was not known at the time the budget was adopted. The County had two supplemental budgets and four contingency transfers during the year ended June 30, 2013. 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.

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OTHER SUPPLEMENTARY INFORMATION

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WASHINGTON COUNTY, OREGON

Budgetary Comparison

Major Capital Projects Fund

For the fiscal year ended June 30, 2013

(Dollars in thousands)

Major Streets Transportation Improvement Program III Fund				
	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental revenues	\$ 1,370	1,370	5,792	4,422
Miscellaneous revenues	245	245	323	78
Total revenues	<u>1,615</u>	<u>1,615</u>	<u>6,115</u>	<u>4,500</u>
Expenditures:				
Current:				
Land use, housing and transportation:				
Administration	71,906	71,906	22,799	49,107
Total current	<u>71,906</u>	<u>71,906</u>	<u>22,799</u>	<u>49,107</u>
Capital outlay	5,750	5,750	1,694	4,056
Total expenditures	<u>77,656</u>	<u>77,656</u>	<u>24,493</u>	<u>53,163</u>
Revenues under expenditures	<u>(76,041)</u>	<u>(76,041)</u>	<u>(18,378)</u>	<u>57,663</u>
Other financing sources (uses):				
Transfers in from other funds	32,072	32,072	31,549	(523)
Transfers out to other funds	(10,291)	(10,291)	(8,248)	2,043
Total other financing sources	<u>21,781</u>	<u>21,781</u>	<u>23,301</u>	<u>1,520</u>
Net change in fund balances	<u>(54,260)</u>	<u>(54,260)</u>	<u>4,923</u>	<u>59,183</u>
Fund balances July 1, 2012	<u>54,260</u>	<u>54,260</u>	<u>55,818</u>	<u>1,558</u>
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>60,741</u>	<u>60,741</u>
Advances to other funds are recognized as receivables on a GAAP basis			<u>2,300</u>	
Fund balance, GAAP basis, June 30, 2013			<u>\$ 63,041</u>	

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NON-MAJOR FUND FINANCIAL STATEMENTS

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WASHINGTON COUNTY, OREGON

Fund Descriptions

Non-major Funds

June 30, 2013

SPECIAL REVENUE FUNDS

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

- Aging, Disability, & Veteran Services Fund – This fund accounts for various services provided for elderly and disabled persons in the County in conjunction with the state, as well as services to veterans.
- Animal Services Gifts and Donations Fund – This fund accounts for financial contributions from private donors for the animal services program.
- Building Services Fund – This fund provides inspection and plan review services related to conformance with the state building, mechanical, electrical, planning, and mobile home codes and ordinances.
- Child Abuse Multidisciplinary Intervention Fund – This fund provides education and support to victims of child abuse and their families and serves as a liaison for the victim in dealing with police officers, attorneys, and other professionals throughout the investigation and prosecution of the case.
- 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 Housing Authority of Washington County housing programs.

WASHINGTON COUNTY, OREGON

Fund Descriptions

Non-major Funds

June 30, 2013

- 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 Patrol District.
- Emergency Medical Services Fund – This fund accounts for the coordination of ambulance services in the County.
- Enhanced Sheriff Patrol District Fund (Component Unit) – The District provides an enhanced level of sheriff patrol in the urban unincorporated areas of the County funded by a permanent tax rate and voter approved five-year operating levies. A replacement five-year levy was approved by voters in May 2008 that became effective July 1, 2008. 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

Non-major Funds

June 30, 2013

- 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

Non-major Funds

June 30, 2013

- 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 Service District Fund (Component Unit) – The District provides an enhanced level of maintenance services to local, minor collector, and public roads in the urban unincorporated areas of Washington County and is funded by an established permanent rate. The District contracts with private firms and with Washington County to provide the required road maintenance services.
- Washington County Fair Fund – This fund accounts for the operation and management of the fairground facilities which provide various services to the public, including the annual County fair.

WASHINGTON COUNTY, OREGON

Fund Descriptions

Non-major Funds

June 30, 2013

- West Slope Library Fund – This fund accounts for the provision of public library services for County residents in the unincorporated West Slope/Raleigh Hills area, including circulation of library materials, basic reference service, and children’s programs.

The following funds are presented individually for budgetary purposes. For reporting purposes these funds are combined with the General Fund in accordance with Generally Accepted Accounting Principles. See combining schedules on pages 105 and 117.

- Indirect Cost Reimbursement Fund – This fund accounts for the indirect costs that are allocated to and recovered from operating departments in connection with the County-wide cost allocation plan. Monies received in this fund are in turn expended as reimbursements to the fund or cost center that provided the service.
- Strategic Investment Program and Gain Share Fund – This fund accounts for payments and other contributions/payments from companies receiving property tax exemptions under the state’s Strategic Investment Plan (SIP) and revenue from the state’s Gain Share program.
- Survey Fund – This fund encompasses the duties and responsibilities of the County Surveyor, which include documentation, checking and recording subdivisions and plats, performing court-ordered surveys, right-of-way acquisitions, road and easement vacations, road alignment surveying, construction taking, and public assistance.

The following fund is presented individually for budgetary purposes. For reporting purposes this fund is combined with the Human Services Fund in accordance with Generally Accepted Accounting Principles. See combining schedules on pages 106 and 118.

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

WASHINGTON COUNTY, OREGON

Fund Descriptions

Non-major Funds

June 30, 2013

DEBT SERVICE FUNDS

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

- Criminal Justice Bond Fund – This fund is used to pay principal and interest on the Series 2007 refunding of the Criminal Justice Facilities 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. Revenue is derived primarily from issuance of debt and interest income. Funds included in this category are:

- Building Equipment Replacement Fund – This fund accounts for resources to be used to replace various building and equipment components of the County's buildings.
- Countywide Traffic Impact Fee Fund – This fund accounts for traffic impact fees used to finance extra capacity street facilities required by new development.
- Facilities General Capital Projects Fund – This fund accounts for miscellaneous capital improvement projects.
- Facilities Park (THPRD) SDC Fund – This fund is used to account for system development charges in the northeastern part of the County's urban unincorporated area. Charges are to be used for park capital improvements in the area.
- ITS Capital Projects Fund – This fund accounts for the purchase of IT-related capital assets (software and hardware).
- Major Streets Capital Projects Fund – This fund accounts for the activities necessary for installing, constructing, and extending extra capacity street facilities.

WASHINGTON COUNTY, OREGON

Fund Descriptions

Non-major Funds

June 30, 2013

- North Bethany SDC Fund – This fund accounts for the system development charges that will help fund needed infrastructure capacity improvements in the North Bethany subarea.
- OTIA Capital Projects Fund – This fund accounts for resources made available to the County under House Bill 2041 for the creation of the Oregon Transportation Investment Act III (OTIA3) State Bridge Delivery Program. OTIA3 was created to maximize ease of traffic movement, while providing expedient project delivery and economic stimulus through the use of Oregon firms and their employees. Funds received are expended to repair or replace selected County bridge facilities.
- Parks and Open Spaces Opportunity Projects Fund – This fund is used to account for resources set aside for greenspace acquisitions.
- Transportation Development Tax Fund – This fund is used to account for resources provided by the County's transportation tax on development that was approved by voters in November 2008.

INTERNAL SERVICE FUNDS

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

- Fleet Services Fund – This fund accounts for maintenance and repair services provided to County users of the fleet. Costs are billed to the user's department based upon a specified hourly rate.
- Fleet Replacement Fund – This fund provides for the purchase and disposition of fleet vehicles and equipment. Replacement costs are billed to other departments at an amount estimated to cover depreciation on the fleet.
- Internal Support Services Fund – This fund accounts for all departmental costs for postage, office supplies, printing, training, and other support services costs. Actual costs are billed to user departments as services are used.

WASHINGTON COUNTY, OREGON

Fund Descriptions

Non-major Funds

June 30, 2013

- Liability/Casualty Insurance Fund – This fund is a self-insurance fund that provides the funds necessary to cover liability and casualty claims. Costs are billed to user departments at an amount estimated to cover actual and incurred but not reported claims.
- Life Insurance Fund – This fund accounts for collection and payment of life and long-term disability insurance premiums for the various departments of the County.
- Medical Insurance Fund – This fund accounts for all administrative and claims costs associated with the County's medical and dental plans. Costs are billed to the departments based on number of employees.
- PERS Rate Stabilization Fund – This fund is used to account for monies set aside to fund future rate increases. The funds may be used for employer PERS costs, costs of managing and maintaining the fund and costs related to PERS litigation.
- 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, 2013

(Dollars in thousands)

Assets	General Fund	Strategic Investment Program and Gain Share Fund	Survey Fund	Total General Fund
Cash and investments	\$ 29,588	2,344	1,033	32,965
Property taxes receivable ⁽¹⁾	5,062	—	—	5,062
Accounts receivable	4,988	—	—	4,988
Investment interest receivable	979	—	—	979
Due from other funds	1,565	—	—	1,565
Inventory	122	—	—	122
Other assets	266	—	—	266
	<u>42,570</u>	<u>2,344</u>	<u>1,033</u>	<u>45,947</u>
Total assets				
	<u>42,570</u>	<u>2,344</u>	<u>1,033</u>	<u>45,947</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	1,713	—	—	1,713
Accrued payroll liabilities	4,177	—	6	4,183
Deposits payable	234	—	381	615
Amounts held in trust	493	—	—	493
Unearned revenue	4,854	—	—	4,854
	<u>11,471</u>	<u>—</u>	<u>387</u>	<u>11,858</u>
Total liabilities				
	<u>11,471</u>	<u>—</u>	<u>387</u>	<u>11,858</u>
Fund balances:				
Nonspendable	122	—	—	122
Assigned	—	—	646	646
Unassigned	30,977	2,344	—	33,321
	<u>31,099</u>	<u>2,344</u>	<u>646</u>	<u>34,089</u>
Total fund balances				
	<u>31,099</u>	<u>2,344</u>	<u>646</u>	<u>34,089</u>
Total liabilities and fund balances				
	<u>42,570</u>	<u>2,344</u>	<u>1,033</u>	<u>45,947</u>

⁽¹⁾ Property taxes receivable is comprised of the following

Property taxes receivable	5,060	—	—	5,060
Payment in lieu of taxes receivable	2	—	—	2
	<u>5,062</u>	<u>—</u>	<u>—</u>	<u>5,062</u>
Total property taxes receivable	<u>\$ 5,062</u>	<u>—</u>	<u>—</u>	<u>5,062</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Human Services Fund

June 30, 2013

(Dollars in thousands)

Assets	Human Services Fund	Human Services HB-2145 Fund	Total Human Services Fund
Cash and investments	\$ 19,761	688	20,449
Accounts receivable	517	—	517
Other assets	3	—	3
Total assets	<u>20,281</u>	<u>688</u>	<u>20,969</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	2,949	—	2,949
Accrued payroll liabilities	83	—	83
Unearned revenue	13,500	—	13,500
Total liabilities	<u>16,532</u>	<u>—</u>	<u>16,532</u>
Fund balances			
Restricted	<u>3,749</u>	<u>688</u>	<u>4,437</u>
Total fund balances	<u>3,749</u>	<u>688</u>	<u>4,437</u>
Total liabilities and fund balances	<u>\$ 20,281</u>	<u>688</u>	<u>20,969</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Summary
June 30, 2013
(Dollars in thousands)

Assets	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Non-major Funds
Cash and investments	\$ 76,600	25	18,957	95,582
Property taxes receivable	2,373	304	—	2,677
Assessments receivable	4	—	137	141
Accounts receivable	4,683	—	359	5,042
Investment interest receivable	239	—	—	239
Contracts receivable	4,827	—	—	4,827
Inventory	1	—	—	1
Other assets	27	—	—	27
Total assets	88,754	329	19,453	108,536
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	3,381	4	1,049	4,434
Accrued payroll liabilities	950	—	—	950
Deposits payable	762	—	—	762
Amounts held in trust	18	—	—	18
Accrued HSO IBNR reserve	3,000	—	—	3,000
Due to other funds	1,250	18	—	1,268
Advances from other funds	2,300	—	—	2,300
Unearned revenue	8,192	274	357	8,823
Total liabilities	19,853	296	1,406	21,555
Fund balances (deficit):				
Nonspendable	1	—	—	1
Restricted	63,964	33	12,985	76,982
Committed	5,161	—	2,070	7,231
Assigned	—	—	2,992	2,992
Unassigned	(225)	—	—	(225)
Total fund balances	68,901	33	18,047	86,981
Total liabilities and fund balances	\$ 88,754	329	19,453	108,536

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Special Revenue Funds
June 30, 2013
(Dollars in thousands)

Assets	Aging, Disability & Veteran Services Fund	Animal Services Gifts and Donation Fund	Building Services Fund	Children and Youth Services Commission Fund	Community Corrections Fund
Cash and investments	\$ 292	683	7,768	331	1,206
Accounts receivable	335	—	6	680	12
Other assets	—	—	2	—	3
Total assets	627	683	7,776	1,011	1,221
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	122	1	20	629	165
Accrued payroll liabilities	21	—	59	5	116
Deposits payable	—	—	245	—	—
Amounts held in trust	—	—	—	—	16
Unearned revenue	1	292	4	239	—
Total liabilities	144	293	328	873	297
Fund balances:					
Restricted	483	390	7,448	138	924
Total fund balances	483	390	7,448	138	924
Total liabilities and fund balances	\$ 627	683	7,776	1,011	1,221

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2013
(Dollars in thousands)

Assets	Cooperative Library Services Fund	Court Security Fund	Department of Housing Services Fund	Development Services Fund	District Patrol Fund	Emergency Medical Services Fund
Cash and investments	\$ 4,748	424	2	1,870	296	1,459
Property taxes receivable	373	—	—	—	—	—
Accounts receivable	5	57	238	90	—	7
Other assets	2	—	—	—	1	1
Total assets	<u>5,128</u>	<u>481</u>	<u>240</u>	<u>1,960</u>	<u>297</u>	<u>1,467</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	54	31	122	18	29	9
Accrued payroll liabilities	40	—	48	26	268	5
Deposits payable	—	—	—	514	—	—
Unearned revenue	335	—	—	32	—	1
Total liabilities	<u>429</u>	<u>31</u>	<u>170</u>	<u>590</u>	<u>297</u>	<u>15</u>
Fund balances:						
Restricted	—	450	70	1,370	—	1,452
Committed	4,699	—	—	—	—	—
Total fund balances	<u>4,699</u>	<u>450</u>	<u>70</u>	<u>1,370</u>	<u>—</u>	<u>1,452</u>
Total liabilities and fund balances	<u>\$ 5,128</u>	<u>481</u>	<u>240</u>	<u>1,960</u>	<u>297</u>	<u>1,467</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2013
(Dollars in thousands)

Assets	Enhanced Sheriff 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	\$ 14,007	8,266	6,968	25	330	52
Property taxes receivable	901	—	—	—	—	—
Accounts receivable	—	—	—	—	20	—
Other assets	—	2	—	—	—	—
Total assets	<u>14,908</u>	<u>8,268</u>	<u>6,968</u>	<u>25</u>	<u>350</u>	<u>52</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	—	436	6	—	—	16
Accrued payroll liabilities	—	27	—	—	—	6
Amounts held in trust	—	—	—	—	1	—
Accrued HSO IBNR reserve	—	3,000	—	—	—	—
Unearned revenue	811	—	—	—	—	—
Total liabilities	<u>811</u>	<u>3,463</u>	<u>6</u>	<u>—</u>	<u>1</u>	<u>22</u>
Fund balances:						
Restricted	14,097	4,805	6,962	—	349	30
Committed	—	—	—	25	—	—
Total fund balances	<u>14,097</u>	<u>4,805</u>	<u>6,962</u>	<u>25</u>	<u>349</u>	<u>30</u>
Total liabilities and fund balances	<u>\$ 14,908</u>	<u>8,268</u>	<u>6,968</u>	<u>25</u>	<u>350</u>	<u>52</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2013
(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	\$ —	—	1,203	10,821	—	271
Property taxes receivable	—	—	—	921	—	—
Accounts receivable	205	608	—	96	459	—
Inventory	—	1	—	—	—	—
Other assets	—	—	—	5	—	—
Total assets	<u>205</u>	<u>609</u>	<u>1,203</u>	<u>11,843</u>	<u>459</u>	<u>271</u>
Liabilities and Fund Balances (Deficits)						
Liabilities:						
Accounts payable	3	84	1	60	—	—
Accrued payroll liabilities	9	19	4	255	—	—
Due to other funds	96	481	—	—	459	—
Unearned revenue	—	195	—	828	—	—
Total liabilities	<u>108</u>	<u>779</u>	<u>5</u>	<u>1,143</u>	<u>459</u>	<u>—</u>
Fund balances (deficits):						
Nonspendable	—	1	—	—	—	—
Restricted	97	—	1,198	10,700	—	271
Unassigned	—	(171)	—	—	—	—
Total fund balances (deficits)	<u>97</u>	<u>(170)</u>	<u>1,198</u>	<u>10,700</u>	<u>—</u>	<u>271</u>
Total liabilities and fund balances (deficits) \$	<u>205</u>	<u>609</u>	<u>1,203</u>	<u>11,843</u>	<u>459</u>	<u>271</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2013
(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	\$ 50	2,363	—	—	1,002	—
Assessments receivable	4	—	—	—	—	—
Accounts receivable	—	—	704	47	—	192
Investment interest receivable	—	—	239	—	—	—
Contracts receivable	—	—	4,827	—	—	—
Other assets	—	—	—	—	2	—
Total assets	54	2,363	5,770	47	1,004	192
Liabilities and Fund Balances (Deficit)						
Liabilities:						
Accounts payable	1	—	551	1	5	93
Accrued payroll liabilities	1	—	8	2	—	2
Deposits payable	3	—	—	—	—	—
Due to other funds	—	—	76	44	—	94
Advances from other funds	—	2,300	—	—	—	—
Unearned revenue	4	—	5,096	—	—	57
Total liabilities	9	2,300	5,731	47	5	246
Fund balances (deficit):						
Restricted	45	63	39	—	999	—
Unassigned	—	—	—	—	—	(54)
Total fund balances (deficit)	45	63	39	—	999	(54)
Total liabilities and fund balances (deficit) \$	54	2,363	5,770	47	1,004	192

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2013
(Dollars in thousands)

Assets	Surveyor - Public Land Corner Fund	Tourism Dedicated Lodging Tax Fund	Urban Road Maintenance Service District Fund (Component Unit)	Washington County Fair Fund	West Slope Library Fund	Total Special Revenue Funds
Cash and investments	\$ 1,463	1,391	8,315	543	451	76,600
Property taxes receivable	—	—	178	—	—	2,373
Assessments receivable	—	—	—	—	—	4
Accounts receivable	8	684	—	230	—	4,683
Investment interest receivable	—	—	—	—	—	239
Contracts receivable	—	—	—	—	—	4,827
Inventory	—	—	—	—	—	1
Other assets	—	—	—	9	—	27
Total assets	<u>1,471</u>	<u>2,075</u>	<u>8,493</u>	<u>782</u>	<u>451</u>	<u>88,754</u>
Liabilities and Fund Balances (Deficits)						
Liabilities:						
Accounts payable	—	786	9	124	5	3,381
Accrued payroll liabilities	8	—	—	12	9	950
Deposits payable	—	—	—	—	—	762
Amounts held in trust	—	—	—	1	—	18
Accrued HSO IBNR reserve	—	—	—	—	—	3,000
Due to other funds	—	—	—	—	—	1,250
Advances from other funds	—	—	—	—	—	2,300
Unearned revenue	—	—	160	137	—	8,192
Total liabilities	<u>8</u>	<u>786</u>	<u>169</u>	<u>274</u>	<u>14</u>	<u>19,853</u>
Fund balances (deficits):						
Nonspendable	—	—	—	—	—	1
Restricted	1,463	1,289	8,324	508	—	63,964
Committed	—	—	—	—	437	5,161
Unassigned	—	—	—	—	—	(225)
Total fund balances	<u>1,463</u>	<u>1,289</u>	<u>8,324</u>	<u>508</u>	<u>437</u>	<u>68,901</u>
Total liabilities and fund balances	<u>\$ 1,471</u>	<u>2,075</u>	<u>8,493</u>	<u>782</u>	<u>451</u>	<u>88,754</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Debt Service Funds
June 30, 2013
(Dollars in thousands)

	Criminal Justice Bond Fund	Miscellaneous Debt Service Fund	Total Debt Service Funds
Assets			
Cash and investments	\$ —	25	25
Property taxes receivable	304	—	304
	<hr/>	<hr/>	<hr/>
Total assets	<u>304</u>	<u>25</u>	<u>329</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	—	4	4
Due to other funds	18	—	18
Unearned revenue	274	—	274
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>292</u>	<u>4</u>	<u>296</u>
Fund balance:			
Restricted	12	21	33
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>12</u>	<u>21</u>	<u>33</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 304</u>	<u>25</u>	<u>329</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Capital Projects Funds
June 30, 2013
(Dollars in thousands)

Assets	Building Equipment Replace- ment Fund	County- wide Traffic Impact Fee Fund	Facilities General Capital Projects Fund	Facilities Park (THPRD) SDC Fund	ITS Capital Projects Fund	Major Streets Capital Projects Fund
Cash and investments	\$ 1,712	3,554	350	7	3,194	2,861
Assessments receivable	—	137	—	—	—	—
Accounts receivable	—	13	137	—	2	207
Total assets	<u>1,712</u>	<u>3,704</u>	<u>487</u>	<u>7</u>	<u>3,196</u>	<u>3,068</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	35	459	94	—	229	154
Unearned revenue	—	150	—	—	—	207
Total liabilities	<u>35</u>	<u>609</u>	<u>94</u>	<u>—</u>	<u>229</u>	<u>361</u>
Fund balances:						
Restricted	—	3,095	—	7	—	2,707
Committed	1,677	—	393	—	—	—
Assigned	—	—	—	—	2,967	—
Total fund balances	<u>1,677</u>	<u>3,095</u>	<u>393</u>	<u>7</u>	<u>2,967</u>	<u>2,707</u>
Total liabilities and fund balances	<u>\$ 1,712</u>	<u>3,704</u>	<u>487</u>	<u>7</u>	<u>3,196</u>	<u>3,068</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Capital Projects Funds
June 30, 2013
(Dollars in thousands)

Assets	OTIA Capital Projects Fund	Parks and Open Spaces Opportunity Projects Fund	Transportation Development Tax Fund	Total Capital Projects Funds
Cash and investments	\$ 59	25	7,195	18,957
Assessments receivable	—	—	—	137
Accounts receivable	—	—	—	359
Total assets	59	25	7,195	19,453
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	2	—	76	1,049
Unearned revenue	—	—	—	357
Total liabilities	2	—	76	1,406
Fund balances:				
Restricted	57	—	7,119	12,985
Committed	—	—	—	2,070
Assigned	—	25	—	2,992
Total fund balances	57	25	7,119	18,047
Total liabilities and fund balances	\$ 59	25	7,195	19,453

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

General Fund

For the fiscal year ended June 30, 2013

(Dollars in thousands)

	General Fund	Indirect Cost Reimburse- ment Fund	Strategic Investment Program and Gain Share Fund	Survey Fund	Net Consolidation Adjustments	Total General Fund
Revenues:						
Taxes	\$ 113,738	—	—	—	—	113,738
Licenses and permits	6,985	—	—	—	—	6,985
Intergovernmental revenues	16,947	60	11,571	—	—	28,578
Charges for services	7,668	—	11,699	391	—	19,758
Fines and forfeitures	2,378	—	—	—	—	2,378
Miscellaneous revenues	3,931	—	10	10	—	3,951
Interfund revenues	5,395	14,259	—	63	(48)	19,669
Total revenues	157,042	14,319	23,280	464	(48)	195,057
Expenditures:						
Current:						
General government	36,874	—	—	—	—	36,874
Public safety and justice	60,608	—	—	—	—	60,608
Land use, housing and transportation	2,785	—	—	405	(48)	3,142
Health and human services	17,252	—	—	—	—	17,252
Culture, education and recreation	994	—	—	—	—	994
Nonoperating	—	1,677	8,381	—	—	10,058
Total current	118,513	1,677	8,381	405	(48)	128,928
Capital outlay	103	—	—	—	—	103
Debt service:						
Principal	318	—	—	—	—	318
Interest	65	—	—	—	—	65
Total debt service	383	—	—	—	—	383
Total expenditures	118,999	1,677	8,381	405	(48)	129,414
Revenues over expenditures	38,043	12,642	14,899	59	—	65,643
Other financing sources (uses):						
Transfers in	20,967	—	—	72	(18,786)	2,253
Transfers out	(57,666)	(12,642)	(12,576)	(15)	18,786	(64,113)
Total other financing sources (uses)	(36,699)	(12,642)	(12,576)	57	—	(61,860)
Net change in fund balances	1,344	—	2,323	116	—	3,783
Fund balances July 1, 2012	29,755	—	21	530	—	30,306
Fund balances June 30, 2013	\$ 31,099	—	2,344	646	—	34,089

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

Human Services Fund

For the fiscal year ended June 30, 2013

(Dollars in thousands)

	Human Services Fund	Human Services HB-2145 Fund	Net Consolidation Adjustments	Total Human Services Fund
Revenues:				
Intergovernmental revenues	\$ 19,192	—	—	19,192
Charges for services	22	—	—	22
Miscellaneous revenues	162	—	—	162
Interfund revenues	148	—	—	148
Total revenues	19,524	—	—	19,524
Expenditures:				
Current:				
Health and human services	21,272	—	—	21,272
Total current	21,272	—	—	21,272
Total expenditures	21,272	—	—	21,272
Revenues under expenditures	(1,748)	—	—	(1,748)
Other financing sources (uses):				
Transfers in	1,856	—	(47)	1,809
Transfers out	—	(47)	47	—
Total other financing sources (uses)	1,856	(47)	—	1,809
Net change in fund balances	108	(47)	—	61
Fund balances July 1, 2012	3,641	735	—	4,376
Fund balances June 30, 2013	\$ 3,749	688	—	4,437

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, 2013

(Dollars in thousands)

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Non-major Funds
Revenues:				
Taxes	\$ 54,691	6,286	—	60,977
Licenses and permits	3,637	—	—	3,637
Intergovernmental revenues	24,938	—	2,024	26,962
Charges for services	26,043	—	3,251	29,294
Fines and forfeitures	666	—	—	666
Special assessments	106	—	8	114
Miscellaneous revenues	24,928	2	162	25,092
Interfund revenues	593	—	625	1,218
Total revenues	135,602	6,288	6,070	147,960
Expenditures:				
Current:				
Public safety and justice	76,697	—	—	76,697
Land use, housing and transportation	18,238	—	16,865	35,103
Health and human services	22,971	—	—	22,971
Culture, education and recreation	28,311	—	—	28,311
Nonoperating	502	1	212	715
Total current	146,719	1	17,077	163,797
Capital outlay	1,568	—	3,494	5,062
Debt service:				
Principal	242	9,992	—	10,234
Interest	36	6,063	—	6,099
Refunding obligation issuance costs	—	199	—	199
Total debt service	278	16,254	—	16,532
Total expenditures	148,565	16,255	20,571	185,391
Revenues under expenditures	(12,963)	(9,967)	(14,501)	(37,431)
Other financing sources (uses):				
Proceeds from refunding obligations	—	18,860	—	18,860
Premium on refunding obligations	—	2,355	—	2,355
Payment to refunded bond escrow agent	—	(18,530)	—	(18,530)
Transfers in	23,732	7,252	12,628	43,612
Transfers out	(5,612)	—	(99)	(5,711)
Total other financing sources	18,120	9,937	12,529	40,586
Net change in fund balances	5,157	(30)	(1,972)	3,155
Fund balances July 1, 2012	63,744	63	20,019	83,826
Fund balances June 30, 2013	\$ <u>68,901</u>	<u>33</u>	<u>18,047</u>	<u>86,981</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, 2013
(Dollars in thousands)

	Aging, Disability & Veterans Services Fund	Animal Services Gifts and Donation Fund	Building Services Fund	Child Abuse Multidisciplinary Intervention Fund	Children and Youth Services Commission Fund	Community Corrections Fund
Revenues:						
Licenses and permits	\$ —	—	3,134	—	—	—
Intergovernmental revenues	2,431	7	56	—	2,502	8,566
Charges for services	—	—	2,518	—	36	887
Fines and forfeitures	—	—	1	—	—	—
Miscellaneous revenues	3	19	22	—	41	38
Interfund revenues	—	—	156	—	16	202
Total revenues	2,434	26	5,887	—	2,595	9,693
Expenditures:						
Current:						
Public safety and justice	—	—	—	—	—	12,559
Land use, housing and transportation	—	—	4,579	—	—	—
Health and human services	2,871	17	—	—	2,778	—
Total current	2,871	17	4,579	—	2,778	12,559
Total expenditures	2,871	17	4,579	—	2,778	12,559
Revenues over (under) expenditures	(437)	9	1,308	—	(183)	(2,866)
Other financing sources (uses):						
Transfers in	261	—	70	—	91	2,434
Transfers out	—	—	(167)	(11)	—	—
Total other financing sources (uses)	261	—	(97)	(11)	91	2,434
Net change in fund balances	(176)	9	1,211	(11)	(92)	(432)
Fund balances July 1, 2012	659	381	6,237	11	230	1,356
Fund balances June 30, 2013	\$ 483	390	7,448	—	138	924

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, 2013
(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	\$ 8,076	—	—	—	—	—
Licenses and permits	—	—	—	—	—	473
Intergovernmental revenues	30	—	2,321	124	—	—
Charges for services	8	—	—	1,674	21	6
Fines and forfeitures	—	648	—	17	—	—
Miscellaneous revenues	49	2	3,689	7	19,382	5
Interfund revenues	—	3	—	84	4	2
Total revenues	<u>8,163</u>	<u>653</u>	<u>6,010</u>	<u>1,906</u>	<u>19,407</u>	<u>486</u>
Expenditures:						
Current:						
Public safety and justice	—	396	—	—	19,108	—
Land use, housing and transportation	—	—	6,368	2,086	—	—
Health and human services	—	—	—	—	—	508
Culture, education and recreation	22,882	—	—	—	—	—
Total current	<u>22,882</u>	<u>396</u>	<u>6,368</u>	<u>2,086</u>	<u>19,108</u>	<u>508</u>
Capital outlay	<u>117</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>443</u>	<u>—</u>
Total expenditures	<u>22,999</u>	<u>396</u>	<u>6,368</u>	<u>2,086</u>	<u>19,551</u>	<u>508</u>
Revenues over (under) expenditures	<u>(14,836)</u>	<u>257</u>	<u>(358)</u>	<u>(180)</u>	<u>(144)</u>	<u>(22)</u>
Other financing sources (uses):						
Transfers in	15,765	—	362	573	144	3
Transfers out	<u>(690)</u>	<u>—</u>	<u>(7)</u>	<u>(80)</u>	<u>—</u>	<u>—</u>
Total other financing sources	<u>15,075</u>	<u>—</u>	<u>355</u>	<u>493</u>	<u>144</u>	<u>3</u>
Net change in fund balances	239	257	(3)	313	—	(19)
Fund balances July 1, 2012	<u>4,460</u>	<u>193</u>	<u>73</u>	<u>1,057</u>	<u>—</u>	<u>1,471</u>
Fund balances June 30, 2013	<u>\$ 4,699</u>	<u>450</u>	<u>70</u>	<u>1,370</u>	<u>—</u>	<u>1,452</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, 2013

(Dollars in thousands)

	Enhanced Sheriff 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	\$ 19,132	—	—	—	—	—
Licenses and permits	—	—	—	—	—	30
Charges for services	—	15,194	3,261	—	—	494
Miscellaneous revenues	53	22	18	—	119	—
Total revenues	19,185	15,216	3,279	—	119	524
Expenditures:						
Current:						
Public safety and justice	19,629	—	—	—	135	568
Health and human services	—	13,411	3,386	—	—	—
Total current	19,629	13,411	3,386	—	135	568
Total expenditures	19,629	13,411	3,386	—	135	568
Revenues over (under) expenditures	(444)	1,805	(107)	—	(16)	(44)
Other financing sources (uses):						
Transfers in	69	3,000	21	25	—	5
Transfers out	—	—	(3,190)	—	—	—
Total other financing sources (uses)	69	3,000	(3,169)	25	—	5
Net change in fund balances	(375)	4,805	(3,276)	25	(16)	(39)
Fund balances July 1, 2012	14,472	—	10,238	—	365	69
Fund balances June 30, 2013	\$ 14,097	4,805	6,962	25	349	30

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, 2013
(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	\$ —	—	—	19,952	—	—
Intergovernmental revenues	735	1,718	—	445	1,878	—
Charges for services	—	—	348	53	—	—
Special assessments	—	—	—	—	—	18
Miscellaneous revenues	9	19	3	74	33	1
Interfund revenues	—	—	—	25	—	—
Total revenues	<u>744</u>	<u>1,737</u>	<u>351</u>	<u>20,549</u>	<u>1,911</u>	<u>19</u>
Expenditures:						
Current:						
Public safety and justice	741	1,901	351	19,479	—	—
Land use, housing and transportation	—	—	—	—	—	2
Nonoperating	—	—	—	—	502	—
Total current	<u>741</u>	<u>1,901</u>	<u>351</u>	<u>19,479</u>	<u>502</u>	<u>2</u>
Capital outlay	—	—	—	18	—	—
Total expenditures	<u>741</u>	<u>1,901</u>	<u>351</u>	<u>19,497</u>	<u>502</u>	<u>2</u>
Revenues over (under) expenditures	<u>3</u>	<u>(164)</u>	<u>—</u>	<u>1,052</u>	<u>1,409</u>	<u>17</u>
Other financing sources (uses):						
Transfers in	7	16	3	147	—	—
Transfers out	—	—	(18)	—	(1,409)	(1)
Total other financing sources (uses)	<u>7</u>	<u>16</u>	<u>(15)</u>	<u>147</u>	<u>(1,409)</u>	<u>(1)</u>
Net change in fund balances (deficit)	<u>10</u>	<u>(148)</u>	<u>(15)</u>	<u>1,199</u>	<u>—</u>	<u>16</u>
Fund balances (deficit) July 1, 2012	<u>87</u>	<u>(22)</u>	<u>1,213</u>	<u>9,501</u>	<u>—</u>	<u>255</u>
Fund balances (deficit) June 30, 2013	<u>\$ 97</u>	<u>(170)</u>	<u>1,198</u>	<u>10,700</u>	<u>—</u>	<u>271</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Deficit), Continued
Non-major Governmental Funds - Special Revenue Funds
For the fiscal year ended June 30, 2013
(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	\$ —	32	—	—	—	—
Intergovernmental revenues	—	—	2,567	—	—	1,508
Charges for services	—	—	—	401	—	—
Special assessments	88	—	—	—	—	—
Miscellaneous revenues	27	—	151	46	242	421
Interfund revenues	—	—	—	37	—	—
Total revenues	<u>115</u>	<u>32</u>	<u>2,718</u>	<u>484</u>	<u>242</u>	<u>1,929</u>
Expenditures:						
Current:						
Public safety and justice	—	—	—	491	376	963
Land use, housing and transportation	—	14	2,679	—	—	—
Culture, education and recreation	119	—	—	—	—	—
Total current	<u>119</u>	<u>14</u>	<u>2,679</u>	<u>491</u>	<u>376</u>	<u>963</u>
Capital outlay	5	—	—	—	45	737
Debt service:						
Principal	—	—	—	—	—	240
Interest	—	—	—	—	—	36
Total debt service	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>276</u>
Total expenditures	<u>124</u>	<u>14</u>	<u>2,679</u>	<u>491</u>	<u>421</u>	<u>1,976</u>
Revenues over (under) expenditures	<u>(9)</u>	<u>18</u>	<u>39</u>	<u>(7)</u>	<u>(179)</u>	<u>(47)</u>
Other financing sources:						
Transfers in	1	—	—	7	—	2
Total other financing sources	<u>1</u>	<u>—</u>	<u>—</u>	<u>7</u>	<u>—</u>	<u>2</u>
Net change in fund balances (deficit)	<u>(8)</u>	<u>18</u>	<u>39</u>	<u>—</u>	<u>(179)</u>	<u>(45)</u>
Fund balances (deficit) July 1, 2012	53	45	—	—	1,178	(9)
Fund balances (deficit) June 30, 2013	<u>\$ 45</u>	<u>63</u>	<u>39</u>	<u>—</u>	<u>999</u>	<u>(54)</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, 2013

(Dollars in thousands)

	Surveyor - Public Land Corner Fund	Tourism Dedicated Lodging Tax Fund	Urban Road Maintenance Service District Fund (Component Unit)	Washington County Fair Fund	West Slope Library Fund	Total Special Revenue Funds
Revenues:						
Taxes	\$ —	2,757	3,823	919	—	54,691
Licenses and permits	—	—	—	—	—	3,637
Intergovernmental revenues	—	—	—	48	2	24,938
Charges for services	553	—	—	589	—	26,043
Fines and forfeitures	—	—	—	—	—	666
Special assessments	—	—	—	—	—	106
Miscellaneous revenues	5	4	24	369	31	24,928
Interfund revenues	64	—	—	—	—	593
Total revenues	622	2,761	3,847	1,925	33	135,602
Expenditures:						
Current:						
Public safety and justice	—	—	—	—	—	76,697
Land use, housing and transportation	633	—	1,877	—	—	18,238
Health and human services	—	—	—	—	—	22,971
Culture, education and recreation	—	2,756	—	1,844	710	28,311
Nonoperating	—	—	—	—	—	502
Total current	633	2,756	1,877	1,844	710	146,719
Capital outlay	—	—	5	198	—	1,568
Debt service:						
Principal	—	—	—	2	—	242
Interest	—	—	—	—	—	36
Total debt service	—	—	—	2	—	278
Total expenditures	633	2,756	1,882	2,044	710	148,565
Revenues over (under) expenditures	(11)	5	1,965	(119)	(677)	(12,963)
Other financing sources (uses):						
Transfers in	8	—	15	7	696	23,732
Transfers out	(30)	—	(9)	—	—	(5,612)
Total other financing sources (uses)	(22)	—	6	7	696	18,120
Net change in fund balances	(33)	5	1,971	(112)	19	5,157
Fund balances July 1, 2012	1,496	1,284	6,353	620	418	63,744
Fund balances June 30, 2013	\$ 1,463	1,289	8,324	508	437	68,901

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Debt Service Funds
For the fiscal year ended June 30, 2013
(Dollars in thousands)

	Criminal Justice Bond Fund	Miscellaneous Debt Service Fund	Total Debt Service Funds
Revenues:			
Taxes	\$ 6,286	—	6,286
Miscellaneous revenues	2	—	2
Total revenues	<u>6,288</u>	<u>—</u>	<u>6,288</u>
Expenditures:			
Current:			
Nonoperating	—	1	1
Total current	<u>—</u>	<u>1</u>	<u>1</u>
Debt service:			
Principal	5,945	4,047	9,992
Interest	390	5,673	6,063
Refunding obligation issuance costs	—	199	199
Total debt service	<u>6,335</u>	<u>9,919</u>	<u>16,254</u>
Total expenditures	6,335	9,920	16,255
Revenues under expenditures	<u>(47)</u>	<u>(9,920)</u>	<u>(9,967)</u>
Other financing sources (uses):			
Proceeds from refunding obligations	—	18,860	18,860
Premium on refunding obligations	—	2,355	2,355
Payment to refunded bond escrow agent	—	(18,530)	(18,530)
Transfers in	—	7,252	7,252
Total other financing sources	<u>—</u>	<u>9,937</u>	<u>9,937</u>
Net change in fund balances	(47)	17	(30)
Fund balances July 1, 2012	<u>59</u>	<u>4</u>	<u>63</u>
Fund balances June 30, 2013	<u>\$ 12</u>	<u>21</u>	<u>33</u>

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

Capital Projects Funds

For the fiscal year ended June 30, 2013

(Dollars in thousands)

	Building Equipment Replace- ment Fund	County- wide Traffic Impact Fee Fund	Facilities General Capital Projects Fund	Facilities Park (THPRD) SDC Fund	ITS Capital Projects Fund	Major Streets Capital Projects Fund
Revenues:						
Intergovernmental revenues	\$ —	142	110	—	—	1,266
Charges for services	—	269	—	9	—	—
Special assessments	—	8	—	—	—	—
Miscellaneous revenues	25	7	37	—	3	3
Interfund revenues	14	—	238	—	373	—
Total revenues	39	426	385	9	376	1,269
Expenditures:						
Current:						
Land use, housing and transportation	—	10,998	—	—	—	4,910
Nonoperating	—	—	36	176	—	—
Total current	—	10,998	36	176	—	4,910
Capital outlay	520	356	698	—	1,746	4
Total expenditures	520	11,354	734	176	1,746	4,914
Revenues over (under) expenditures	(481)	(10,928)	(349)	(167)	(1,370)	(3,645)
Other financing sources (uses):						
Transfers in	596	5,725	363	—	4,315	1,627
Transfers out	—	(37)	—	—	—	(62)
Total other financing sources	596	5,688	363	—	4,315	1,565
Net change in fund balances	115	(5,240)	14	(167)	2,945	(2,080)
Fund balances July 1, 2012	1,562	8,335	379	174	22	4,787
Fund balances June 30, 2013	<u>\$ 1,677</u>	<u>3,095</u>	<u>393</u>	<u>7</u>	<u>2,967</u>	<u>2,707</u>

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

Capital Projects Funds

For the fiscal year ended June 30, 2013

(Dollars in thousands)

	OTIA Capital Projects Fund	Parks and Open Spaces Opportunity Projects Fund	Transportation Development Tax Fund	Total Capital Projects Funds
Revenues:				
Intergovernmental revenues	\$ 506	—	—	2,024
Charges for services	—	—	2,973	3,251
Special assessments	—	—	—	8
Miscellaneous revenues	—	68	19	162
Interfund revenues	—	—	—	625
Total revenues	506	68	2,992	6,070
Expenditures:				
Current:				
Land use, housing and transportation	529	—	428	16,865
Nonoperating	—	—	—	212
Total current	529	—	428	17,077
Capital outlay	—	170	—	3,494
Total expenditures	529	170	428	20,571
Revenues over (under) expenditures	(23)	(102)	2,564	(14,501)
Other financing sources (uses):				
Transfers in	2	—	—	12,628
Transfers out	—	—	—	(99)
Total other financing sources	2	—	—	12,529
Net change in fund balances	(21)	(102)	2,564	(1,972)
Fund balances July 1, 2012	78	127	4,555	20,019
Fund balances June 30, 2013	\$ 57	25	7,119	18,047

WASHINGTON COUNTY, OREGON
 Budgetary Comparison
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2013
 (Dollars in thousands)

	Aging, Disability & Veteran Services Fund				Animal Services Gifts and Donations Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 2,527	2,527	2,431	(96)	116	116	7	(109)
Miscellaneous revenues	6	6	3	(3)	24	24	19	(5)
Interfund revenues	10	10	—	(10)	—	—	—	—
Total revenues	<u>2,543</u>	<u>2,543</u>	<u>2,434</u>	<u>(109)</u>	<u>140</u>	<u>140</u>	<u>26</u>	<u>(114)</u>
Expenditures:								
Current:								
Health and human services	2,890	2,890	2,871	19	268	268	17	251
Operating contingency	517	517	—	517	371	371	—	371
Total current	<u>3,407</u>	<u>3,407</u>	<u>2,871</u>	<u>536</u>	<u>639</u>	<u>639</u>	<u>17</u>	<u>622</u>
Total expenditures	<u>3,407</u>	<u>3,407</u>	<u>2,871</u>	<u>536</u>	<u>639</u>	<u>639</u>	<u>17</u>	<u>622</u>
Revenues over (under) expenditures	<u>(864)</u>	<u>(864)</u>	<u>(437)</u>	<u>427</u>	<u>(499)</u>	<u>(499)</u>	<u>9</u>	<u>508</u>
Other financing sources:								
Transfers in from other funds	261	261	261	—	—	—	—	—
Total other financing sources	<u>261</u>	<u>261</u>	<u>261</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(603)</u>	<u>(603)</u>	<u>(176)</u>	<u>427</u>	<u>(499)</u>	<u>(499)</u>	<u>9</u>	<u>508</u>
Fund balances July 1, 2012	<u>603</u>	<u>603</u>	<u>659</u>	<u>56</u>	<u>499</u>	<u>499</u>	<u>381</u>	<u>(118)</u>
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>483</u>	<u>483</u>	<u>—</u>	<u>—</u>	<u>390</u>	<u>390</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2013
 (Dollars in thousands)

	Building Services Fund				Child Abuse Multidisciplinary Intervention Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Licenses and permits	\$ 2,260	2,260	3,134	874	—	—	—	—
Intergovernmental revenues	44	44	56	12	—	—	—	—
Charges for services	1,832	1,832	2,518	686	—	—	—	—
Fines and forfeitures	1	1	1	—	—	—	—	—
Miscellaneous revenues	27	27	22	(5)	—	—	—	—
Interfund revenues	184	184	156	(28)	—	—	—	—
Total revenues	4,348	4,348	5,887	1,539	—	—	—	—
Expenditures:								
Current:								
Land use, housing and transportation	4,948	4,948	4,579	369	—	—	—	—
Operating contingency	4,619	4,619	—	4,619	—	—	—	—
Total current	9,567	9,567	4,579	4,988	—	—	—	—
Total expenditures	9,567	9,567	4,579	4,988	—	—	—	—
Revenues over (under) expenditures	(5,219)	(5,219)	1,308	6,527	—	—	—	—
Other financing sources (uses):								
Transfers in from other funds	71	71	70	(1)	—	—	—	—
Transfers out to other funds	(167)	(167)	(167)	—	—	(11)	(11)	—
Total other financing uses	(96)	(96)	(97)	(1)	—	(11)	(11)	—
Net change in fund balances	(5,315)	(5,315)	1,211	6,526	—	(11)	(11)	—
Fund balances July 1, 2012	5,315	5,315	6,237	922	—	11	11	—
Fund balances June 30, 2013	\$ —	—	7,448	7,448	—	—	—	—

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2013
 (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	\$ 3,051	3,051	2,502	(549)	8,729	8,729	8,566	(163)
Charges for services	112	112	36	(76)	784	784	887	103
Miscellaneous revenues	20	20	41	21	47	47	38	(9)
Interfund revenues	—	—	16	16	263	263	202	(61)
Total revenues	<u>3,183</u>	<u>3,183</u>	<u>2,595</u>	<u>(588)</u>	<u>9,823</u>	<u>9,823</u>	<u>9,693</u>	<u>(130)</u>
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	13,515	13,515	12,559	956
Health and human services	3,406	3,406	2,778	628	—	—	—	—
Operating contingency	22	22	—	22	—	—	—	—
Total current	<u>3,428</u>	<u>3,428</u>	<u>2,778</u>	<u>650</u>	<u>13,515</u>	<u>13,515</u>	<u>12,559</u>	<u>956</u>
Total expenditures	<u>3,428</u>	<u>3,428</u>	<u>2,778</u>	<u>650</u>	<u>13,515</u>	<u>13,515</u>	<u>12,559</u>	<u>956</u>
Revenues under expenditures	<u>(245)</u>	<u>(245)</u>	<u>(183)</u>	<u>62</u>	<u>(3,692)</u>	<u>(3,692)</u>	<u>(2,866)</u>	<u>826</u>
Other financing sources:								
Transfers in from other funds	91	91	91	—	2,625	2,625	2,434	(191)
Total other financing sources	<u>91</u>	<u>91</u>	<u>91</u>	<u>—</u>	<u>2,625</u>	<u>2,625</u>	<u>2,434</u>	<u>(191)</u>
Net change in fund balances	<u>(154)</u>	<u>(154)</u>	<u>(92)</u>	<u>62</u>	<u>(1,067)</u>	<u>(1,067)</u>	<u>(432)</u>	<u>635</u>
Fund balances July 1, 2012	154	154	230	76	1,067	1,067	1,356	289
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>138</u>	<u>138</u>	<u>—</u>	<u>—</u>	<u>924</u>	<u>924</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2013
 (Dollars in thousands)

	<u>Cooperative Library Services Fund</u>				<u>Court Security 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:								
Taxes	\$ 8,117	8,117	8,076	(41)	—	—	—	—
Intergovernmental revenues	33	33	30	(3)	—	—	—	—
Charges for services	7	7	8	1	—	—	—	—
Fines and forfeitures	—	—	—	—	305	305	648	343
Miscellaneous revenues	88	88	49	(39)	—	—	2	2
Interfund revenues	—	—	—	—	—	—	3	3
Total revenues	<u>8,245</u>	<u>8,245</u>	<u>8,163</u>	<u>(82)</u>	<u>305</u>	<u>305</u>	<u>653</u>	<u>348</u>
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	396	396	396	—
Culture, education and recreation	23,798	23,798	22,882	916	—	—	—	—
Operating contingency	3,584	3,584	—	3,584	95	95	—	95
Total current	<u>27,382</u>	<u>27,382</u>	<u>22,882</u>	<u>4,500</u>	<u>491</u>	<u>491</u>	<u>396</u>	<u>95</u>
Capital outlay	112	112	117	(5)	—	—	—	—
Total expenditures	<u>27,494</u>	<u>27,494</u>	<u>22,999</u>	<u>4,495</u>	<u>491</u>	<u>491</u>	<u>396</u>	<u>95</u>
Revenues over (under) expenditures	<u>(19,249)</u>	<u>(19,249)</u>	<u>(14,836)</u>	<u>4,413</u>	<u>(186)</u>	<u>(186)</u>	<u>257</u>	<u>443</u>
Other financing sources (uses):								
Transfers in from other funds	16,184	16,184	15,765	(419)	—	—	—	—
Transfers out to other funds	(692)	(692)	(690)	2	—	—	—	—
Total other financing sources	<u>15,492</u>	<u>15,492</u>	<u>15,075</u>	<u>(417)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(3,757)</u>	<u>(3,757)</u>	<u>239</u>	<u>3,996</u>	<u>(186)</u>	<u>(186)</u>	<u>257</u>	<u>443</u>
Fund balances July 1, 2012	<u>3,757</u>	<u>3,757</u>	<u>4,460</u>	<u>703</u>	<u>186</u>	<u>186</u>	<u>193</u>	<u>7</u>
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>4,699</u>	<u>4,699</u>	<u>—</u>	<u>—</u>	<u>450</u>	<u>450</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, 2013
 (Dollars in thousands)

	<u>Department of Housing Services Fund</u>				<u>Development 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:								
Intergovernmental revenues	\$ 2,601	2,601	2,321	(280)	90	90	124	34
Charges for services	—	—	—	—	1,357	1,357	1,674	317
Fines and forfeitures	—	—	—	—	75	75	17	(58)
Miscellaneous revenues	3,620	3,620	3,689	69	5	5	7	2
Interfund revenues	—	—	—	—	368	368	84	(284)
Total revenues	<u>6,221</u>	<u>6,221</u>	<u>6,010</u>	<u>(211)</u>	<u>1,895</u>	<u>1,895</u>	<u>1,906</u>	<u>11</u>
Expenditures:								
Current:								
Land use, housing and transportation	6,658	6,658	6,368	290	2,370	2,370	2,086	284
Operating contingency	—	—	—	—	1,011	1,011	—	1,011
Total current	<u>6,658</u>	<u>6,658</u>	<u>6,368</u>	<u>290</u>	<u>3,381</u>	<u>3,381</u>	<u>2,086</u>	<u>1,295</u>
Total expenditures	<u>6,658</u>	<u>6,658</u>	<u>6,368</u>	<u>290</u>	<u>3,381</u>	<u>3,381</u>	<u>2,086</u>	<u>1,295</u>
Revenues under expenditures	<u>(437)</u>	<u>(437)</u>	<u>(358)</u>	<u>79</u>	<u>(1,486)</u>	<u>(1,486)</u>	<u>(180)</u>	<u>1,306</u>
Other financing sources (uses):								
Transfers in from other funds	400	400	362	(38)	530	530	573	43
Transfers out to other funds	—	—	(7)	(7)	(80)	(80)	(80)	—
Total other financing sources	<u>400</u>	<u>400</u>	<u>355</u>	<u>(45)</u>	<u>450</u>	<u>450</u>	<u>493</u>	<u>43</u>
Net change in fund balances	<u>(37)</u>	<u>(37)</u>	<u>(3)</u>	<u>34</u>	<u>(1,036)</u>	<u>(1,036)</u>	<u>313</u>	<u>1,349</u>
Fund balances July 1, 2012	<u>37</u>	<u>37</u>	<u>73</u>	<u>36</u>	<u>1,036</u>	<u>1,036</u>	<u>1,057</u>	<u>21</u>
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>70</u>	<u>70</u>	<u>—</u>	<u>—</u>	<u>1,370</u>	<u>1,370</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, 2013
 (Dollars in thousands)

	District Patrol Fund				Emergency Medical Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Licenses and permits	\$ —	—	—	—	466	466	473	7
Charges for services	21	21	21	—	6	6	6	—
Miscellaneous revenues	20,397	20,397	19,382	(1,015)	10	10	5	(5)
Interfund revenues	—	—	4	4	3	3	2	(1)
Total revenues	20,418	20,418	19,407	(1,011)	485	485	486	1
Expenditures:								
Current:								
Public safety and justice	19,813	19,813	19,108	705	—	—	—	—
Health and human services	—	—	—	—	764	764	508	256
Operating contingency	175	175	—	175	1,079	1,079	—	1,079
Total current	19,988	19,988	19,108	880	1,843	1,843	508	1,335
Capital outlay	624	624	443	181	—	—	—	—
Total expenditures	20,612	20,612	19,551	1,061	1,843	1,843	508	1,335
Revenues under expenditures	(194)	(194)	(144)	50	(1,358)	(1,358)	(22)	1,336
Other financing sources:								
Transfers in from other funds	144	144	144	—	3	3	3	—
Total other financing sources	144	144	144	—	3	3	3	—
Net change in fund balances	(50)	(50)	—	50	(1,355)	(1,355)	(19)	1,336
Fund balances July 1, 2012	50	50	—	(50)	1,355	1,355	1,471	116
Fund balances June 30, 2013	\$ —	—	—	—	—	—	1,452	1,452

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2013
 (Dollars in thousands)

	Enhanced Sheriff 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	\$ 18,967	18,967	19,132	165	—	—	—	—
Charges for services	—	—	—	—	—	17,625	15,194	(2,431)
Miscellaneous revenues	60	60	53	(7)	—	—	22	22
Total revenues	<u>19,027</u>	<u>19,027</u>	<u>19,185</u>	<u>158</u>	<u>—</u>	<u>17,625</u>	<u>15,216</u>	<u>(2,409)</u>
Expenditures:								
Current:								
Public safety and justice	20,468	20,468	19,629	839	—	—	—	—
Health and human services	—	—	—	—	—	15,292	13,411	1,881
Operating contingency	13,783	13,783	—	13,783	—	2,333	—	2,333
Total current	<u>34,251</u>	<u>34,251</u>	<u>19,629</u>	<u>14,622</u>	<u>—</u>	<u>17,625</u>	<u>13,411</u>	<u>4,214</u>
Total expenditures	<u>34,251</u>	<u>34,251</u>	<u>19,629</u>	<u>14,622</u>	<u>—</u>	<u>17,625</u>	<u>13,411</u>	<u>4,214</u>
Revenues over (under) expenditures	<u>(15,224)</u>	<u>(15,224)</u>	<u>(444)</u>	<u>14,780</u>	<u>—</u>	<u>—</u>	<u>1,805</u>	<u>1,805</u>
Other financing sources:								
Transfers in from other funds	172	172	69	(103)	—	—	3,000	3,000
Total other financing sources	<u>172</u>	<u>172</u>	<u>69</u>	<u>(103)</u>	<u>—</u>	<u>—</u>	<u>3,000</u>	<u>3,000</u>
Net change in fund balances	<u>(15,052)</u>	<u>(15,052)</u>	<u>(375)</u>	<u>14,677</u>	<u>—</u>	<u>—</u>	<u>4,805</u>	<u>4,805</u>
Fund balances July 1, 2012	15,052	15,052	14,472	(580)	—	—	—	—
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>14,097</u>	<u>14,097</u>	<u>—</u>	<u>—</u>	<u>4,805</u>	<u>4,805</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2013
 (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:								
Charges for services	\$ —	—	—	—	18,408	18,408	3,261	(15,147)
Miscellaneous revenues	—	—	—	—	58	58	18	(40)
Total revenues	—	—	—	—	18,466	18,466	3,279	(15,187)
Expenditures:								
Current:								
Health and human services	—	—	—	—	18,863	18,863	3,386	15,477
Operating contingency	236	236	—	236	9,402	9,402	—	9,402
Total current	236	236	—	236	28,265	28,265	3,386	24,879
Total expenditures	236	236	—	236	28,265	28,265	3,386	24,879
Revenues under expenditures	(236)	(236)	—	236	(9,799)	(9,799)	(107)	9,692
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	21	21	21	—
Transfers out to other funds	(400)	(400)	(47)	353	(50)	(50)	(3,190)	(3,140)
Total other financing uses	(400)	(400)	(47)	353	(29)	(29)	(3,169)	(3,140)
Net change in fund balances	(636)	(636)	(47)	589	(9,828)	(9,828)	(3,276)	6,552
Fund balances July 1, 2012	636	636	735	99	9,828	9,828	10,238	410
Fund balances June 30, 2013	\$ —	—	688	688	—	—	6,962	6,962

* 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, 2013
 (Dollars in thousands)

	<u>Indirect Cost Reimbursement Fund</u>				<u>ITS Systems 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:								
Intergovernmental revenues	\$ 60	60	60	—	—	—	—	—
Interfund revenues	14,271	14,271	14,259	(12)	—	—	—	—
Total revenues	<u>14,331</u>	<u>14,331</u>	<u>14,319</u>	<u>(12)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Expenditures:								
Current:								
Nonoperating	1,677	1,677	1,677	—	—	—	—	—
Operating contingency	—	—	—	—	25	25	—	25
Total current	<u>1,677</u>	<u>1,677</u>	<u>1,677</u>	<u>—</u>	<u>25</u>	<u>25</u>	<u>—</u>	<u>25</u>
Total expenditures	<u>1,677</u>	<u>1,677</u>	<u>1,677</u>	<u>—</u>	<u>25</u>	<u>25</u>	<u>—</u>	<u>25</u>
Revenues over (under) expenditures	<u>12,654</u>	<u>12,654</u>	<u>12,642</u>	<u>(12)</u>	<u>(25)</u>	<u>(25)</u>	<u>—</u>	<u>25</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	25	25	25	—
Transfers out to other funds	(12,653)	(12,653)	(12,642)	11	—	—	—	—
Total other financing sources (uses)	<u>(12,653)</u>	<u>(12,653)</u>	<u>(12,642)</u>	<u>11</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>—</u>
Net change in fund balances	1	1	—	(1)	—	—	25	25
Fund balances July 1, 2012	(1)	(1)	—	1	—	—	—	—
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>25</u>	<u>25</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2013
 (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	\$ —	—	—	—	33	33	30	(3)
Charges for services	—	—	—	—	568	568	494	(74)
Miscellaneous revenues	99	99	119	20	—	—	—	—
Total revenues	<u>99</u>	<u>99</u>	<u>119</u>	<u>20</u>	<u>601</u>	<u>601</u>	<u>524</u>	<u>(77)</u>
Expenditures:								
Current:								
Public safety and justice	135	135	135	—	657	657	568	89
Operating contingency	298	298	—	298	3	3	—	3
Total current	<u>433</u>	<u>433</u>	<u>135</u>	<u>298</u>	<u>660</u>	<u>660</u>	<u>568</u>	<u>92</u>
Total expenditures	<u>433</u>	<u>433</u>	<u>135</u>	<u>298</u>	<u>660</u>	<u>660</u>	<u>568</u>	<u>92</u>
Revenues under expenditures	<u>(334)</u>	<u>(334)</u>	<u>(16)</u>	<u>318</u>	<u>(59)</u>	<u>(59)</u>	<u>(44)</u>	<u>15</u>
Other financing sources:								
Transfers in from other funds	—	—	—	—	5	5	5	—
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>—</u>
Net change in fund balances	<u>(334)</u>	<u>(334)</u>	<u>(16)</u>	<u>318</u>	<u>(54)</u>	<u>(54)</u>	<u>(39)</u>	<u>15</u>
Fund balances July 1, 2012	<u>334</u>	<u>334</u>	<u>365</u>	<u>31</u>	<u>54</u>	<u>54</u>	<u>69</u>	<u>15</u>
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>349</u>	<u>349</u>	<u>—</u>	<u>—</u>	<u>30</u>	<u>30</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2013
 (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	\$ 752	752	735	(17)	1,862	1,862	1,718	(144)
Miscellaneous revenues	13	13	9	(4)	25	25	19	(6)
Total revenues	<u>765</u>	<u>765</u>	<u>744</u>	<u>(21)</u>	<u>1,887</u>	<u>1,887</u>	<u>1,737</u>	<u>(150)</u>
Expenditures:								
Current:								
Public safety and justice	853	853	741	112	1,937	1,937	1,901	36
Operating contingency	6	6	—	6	—	—	—	—
Total current	<u>859</u>	<u>859</u>	<u>741</u>	<u>118</u>	<u>1,937</u>	<u>1,937</u>	<u>1,901</u>	<u>36</u>
Total expenditures	<u>859</u>	<u>859</u>	<u>741</u>	<u>118</u>	<u>1,937</u>	<u>1,937</u>	<u>1,901</u>	<u>36</u>
Revenues over (under) expenditures	<u>(94)</u>	<u>(94)</u>	<u>3</u>	<u>97</u>	<u>(50)</u>	<u>(50)</u>	<u>(164)</u>	<u>(114)</u>
Other financing sources:								
Transfers in from other funds	7	7	7	—	16	16	16	—
Total other financing sources	<u>7</u>	<u>7</u>	<u>7</u>	<u>—</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>—</u>
Net change in fund balance (deficit)	<u>(87)</u>	<u>(87)</u>	<u>10</u>	<u>97</u>	<u>(34)</u>	<u>(34)</u>	<u>(148)</u>	<u>(114)</u>
Fund balance (deficit) July 1, 2012	<u>87</u>	<u>87</u>	<u>87</u>	<u>—</u>	<u>34</u>	<u>34</u>	<u>(22)</u>	<u>(56)</u>
Fund balance (deficit) June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>97</u>	<u>97</u>	<u>—</u>	<u>—</u>	<u>(170)</u>	<u>(170)</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2013
 (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	\$ —	—	—	—	20,054	20,054	19,952	(102)
Intergovernmental revenues	—	—	—	—	388	388	445	57
Charges for services	380	380	348	(32)	52	52	53	1
Miscellaneous revenues	6	6	3	(3)	71	71	74	3
Interfund revenues	—	—	—	—	25	25	25	—
Total revenues	386	386	351	(35)	20,590	20,590	20,549	(41)
Expenditures:								
Current:								
Public safety and justice	442	442	351	91	—	—	—	—
County administration	—	—	—	—	855	1,105	1,105	—
Sheriff's office administration	—	—	—	—	938	938	878	60
Law enforcement services	—	—	—	—	8,967	8,967	8,746	221
Sheriff's Office - Jail	—	—	—	—	2,074	2,074	2,039	35
District Attorney	—	—	—	—	2,309	2,309	2,323	(14)
Community corrections	—	—	—	—	1,037	1,037	997	40
Juvenile services	—	—	—	—	3,508	3,508	3,391	117
Operating contingency	1,123	1,123	—	1,123	10,492	10,242	—	10,242
Total current	1,565	1,565	351	1,214	30,180	30,180	19,479	10,701
Capital outlay	—	—	—	—	80	80	18	62
Total expenditures	1,565	1,565	351	1,214	30,260	30,260	19,497	10,763
Revenues over (under) expenditures	(1,179)	(1,179)	—	1,179	(9,670)	(9,670)	1,052	10,722
Other financing sources (uses):								
Transfers in from other funds	3	3	3	—	147	147	147	—
Transfers out to other funds	(18)	(18)	(18)	—	—	—	—	—
Total other financing sources (uses)	(15)	(15)	(15)	—	147	147	147	—
Net change in fund balances	(1,194)	(1,194)	(15)	1,179	(9,523)	(9,523)	1,199	10,722
Fund balances July 1, 2012	1,194	1,194	1,213	19	9,523	9,523	9,501	(22)
Fund balances June 30, 2013	\$ —	—	1,198	1,198	—	—	10,700	10,700

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2013
 (Dollars in thousands)

	Lottery Fund				Maintenance Improvement District Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 2,062	2,062	1,878	(184)	—	—	—	—
Special assessments	—	—	—	—	18	18	18	—
Miscellaneous revenues	20	20	33	13	1	1	1	—
Total revenues	<u>2,082</u>	<u>2,082</u>	<u>1,911</u>	<u>(171)</u>	<u>19</u>	<u>19</u>	<u>19</u>	<u>—</u>
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	200	200	2	198
Nonoperating	2,082	2,082	502	1,580	—	—	—	—
Operating contingency	—	—	—	—	84	84	—	84
Total current	<u>2,082</u>	<u>2,082</u>	<u>502</u>	<u>1,580</u>	<u>284</u>	<u>284</u>	<u>2</u>	<u>282</u>
Total expenditures	<u>2,082</u>	<u>2,082</u>	<u>502</u>	<u>1,580</u>	<u>284</u>	<u>284</u>	<u>2</u>	<u>282</u>
Revenues over (under) expenditures	<u>—</u>	<u>—</u>	<u>1,409</u>	<u>1,409</u>	<u>(265)</u>	<u>(265)</u>	<u>17</u>	<u>282</u>
Other financing uses:								
Transfers out to other funds	—	—	(1,409)	(1,409)	(1)	(1)	(1)	—
Total other financing uses	<u>—</u>	<u>—</u>	<u>(1,409)</u>	<u>(1,409)</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>—</u>
Net change in fund balances	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(266)</u>	<u>(266)</u>	<u>16</u>	<u>282</u>
Fund balances July 1, 2012	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>266</u>	<u>266</u>	<u>255</u>	<u>(11)</u>
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>271</u>	<u>271</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, 2013
 (Dollars in thousands)

	<u>Metzger Park LID Fund</u>				<u>North Bethany County Service District for Roads Fund (Component Unit)</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:								
Taxes	\$ —	—	—	—	48	48	32	(16)
Special assessments	88	88	88	—	—	—	—	—
Miscellaneous revenues	28	28	27	(1)	—	—	—	—
Total revenues	<u>116</u>	<u>116</u>	<u>115</u>	<u>(1)</u>	<u>48</u>	<u>48</u>	<u>32</u>	<u>(16)</u>
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	1,894	1,894	14	1,880
Culture, education and recreation	132	132	119	13	—	—	—	—
Operating contingency	26	26	—	26	—	—	—	—
Total current	<u>158</u>	<u>158</u>	<u>119</u>	<u>39</u>	<u>1,894</u>	<u>1,894</u>	<u>14</u>	<u>1,880</u>
Capital outlay	<u>7</u>	<u>7</u>	<u>5</u>	<u>2</u>	<u>500</u>	<u>500</u>	<u>—</u>	<u>500</u>
Total expenditures	<u>165</u>	<u>165</u>	<u>124</u>	<u>41</u>	<u>2,394</u>	<u>2,394</u>	<u>14</u>	<u>2,380</u>
Revenues over (under) expenditures	<u>(49)</u>	<u>(49)</u>	<u>(9)</u>	<u>40</u>	<u>(2,346)</u>	<u>(2,346)</u>	<u>18</u>	<u>2,364</u>
Other financing sources:								
Transfers in from other funds	<u>1</u>	<u>1</u>	<u>1</u>	<u>—</u>	<u>2,300</u>	<u>2,300</u>	<u>2,300</u>	<u>—</u>
Total other financing sources	<u>1</u>	<u>1</u>	<u>1</u>	<u>—</u>	<u>2,300</u>	<u>2,300</u>	<u>2,300</u>	<u>—</u>
Net change in fund balances	<u>(48)</u>	<u>(48)</u>	<u>(8)</u>	<u>40</u>	<u>(46)</u>	<u>(46)</u>	<u>2,318</u>	<u>2,364</u>
Fund balances July 1, 2012	<u>48</u>	<u>48</u>	<u>53</u>	<u>5</u>	<u>46</u>	<u>46</u>	<u>45</u>	<u>(1)</u>
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>45</u>	<u>45</u>	<u>—</u>	<u>—</u>	<u>2,363</u>	<u>2,363</u>
							(2,300)	
							<u>\$ 63</u>	

Advances from other funds are recognized
as liabilities on a GAAP basis

Fund balance, GAAP basis, June 30, 2013

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2013
 (Dollars in thousands)

	Office of Community Development Block Grant Fund				Sheriff's Office Contract Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 3,593	3,593	2,567	(1,026)	—	—	—	—
Charges for services	—	—	—	—	617	617	401	(216)
Miscellaneous revenues	137	137	151	14	113	113	46	(67)
Interfund revenues	—	—	—	—	40	40	37	(3)
Total revenues	<u>3,730</u>	<u>3,730</u>	<u>2,718</u>	<u>(1,012)</u>	<u>770</u>	<u>770</u>	<u>484</u>	<u>(286)</u>
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	776	776	491	285
Land use, housing and transportation	3,738	3,738	2,679	1,059	—	—	—	—
Total current	<u>3,738</u>	<u>3,738</u>	<u>2,679</u>	<u>1,059</u>	<u>776</u>	<u>776</u>	<u>491</u>	<u>285</u>
Total expenditures	<u>3,738</u>	<u>3,738</u>	<u>2,679</u>	<u>1,059</u>	<u>776</u>	<u>776</u>	<u>491</u>	<u>285</u>
Revenues over (under) expenditures	<u>(8)</u>	<u>(8)</u>	<u>39</u>	<u>47</u>	<u>(6)</u>	<u>(6)</u>	<u>(7)</u>	<u>(1)</u>
Other financing sources:								
Transfers in from other funds	8	8	—	(8)	7	7	7	—
Total other financing sources	<u>8</u>	<u>8</u>	<u>—</u>	<u>(8)</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>—</u>
Net change in fund balances	—	—	39	39	1	1	—	(1)
Fund balances July 1, 2012	—	—	—	—	(1)	(1)	—	1
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>39</u>	<u>39</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2013
 (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	\$ —	—	—	—	2,481	2,481	1,508	(973)
Miscellaneous revenues	562	562	242	(320)	286	286	421	135
Total revenues	<u>562</u>	<u>562</u>	<u>242</u>	<u>(320)</u>	<u>2,767</u>	<u>2,767</u>	<u>1,929</u>	<u>(838)</u>
Expenditures:								
Current:								
Public safety and justice	1,577	1,577	376	1,201	2,068	2,068	963	1,105
Total current	<u>1,577</u>	<u>1,577</u>	<u>376</u>	<u>1,201</u>	<u>2,068</u>	<u>2,068</u>	<u>963</u>	<u>1,105</u>
Capital outlay	—	—	45	(45)	425	425	737	(312)
Debt service:								
Principal	—	—	—	—	240	240	240	—
Interest	—	—	—	—	36	36	36	—
Total debt service	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>276</u>	<u>276</u>	<u>276</u>	<u>—</u>
Total expenditures	<u>1,577</u>	<u>1,577</u>	<u>421</u>	<u>1,156</u>	<u>2,769</u>	<u>2,769</u>	<u>1,976</u>	<u>793</u>
Revenues under expenditures	<u>(1,015)</u>	<u>(1,015)</u>	<u>(179)</u>	<u>836</u>	<u>(2)</u>	<u>(2)</u>	<u>(47)</u>	<u>(45)</u>
Other financing sources:								
Transfers in from other funds	—	—	—	—	2	2	2	—
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>—</u>
Net change in fund balance (deficit)	<u>(1,015)</u>	<u>(1,015)</u>	<u>(179)</u>	<u>836</u>	<u>—</u>	<u>—</u>	<u>(45)</u>	<u>(45)</u>
Fund balance (deficit) July 1, 2012	1,015	1,015	1,178	163	—	—	(9)	(9)
Fund balance (deficit) June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>999</u>	<u>999</u>	<u>—</u>	<u>—</u>	<u>(54)</u>	<u>(54)</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, 2013
 (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	\$ 10,740	10,740	11,571	831	—	—	—	—
Charges for services	11,626	11,626	11,699	73	239	239	391	152
Miscellaneous revenues	51	51	10	(41)	4	4	10	6
Interfund revenues	—	—	—	—	78	78	63	(15)
Total revenues	<u>22,417</u>	<u>22,417</u>	<u>23,280</u>	<u>863</u>	<u>321</u>	<u>321</u>	<u>464</u>	<u>143</u>
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	430	430	405	25
Nonoperating	7,820	7,820	8,381	(561)	—	—	—	—
Operating contingency	—	—	—	—	406	406	—	406
Total current	<u>7,820</u>	<u>7,820</u>	<u>8,381</u>	<u>(561)</u>	<u>836</u>	<u>836</u>	<u>405</u>	<u>431</u>
Capital outlay	<u>5,177</u>	<u>5,177</u>	—	<u>5,177</u>	—	—	—	—
Total expenditures	<u>12,997</u>	<u>12,997</u>	<u>8,381</u>	<u>4,616</u>	<u>836</u>	<u>836</u>	<u>405</u>	<u>431</u>
Revenues over (under) expenditures	<u>9,420</u>	<u>9,420</u>	<u>14,899</u>	<u>5,479</u>	<u>(515)</u>	<u>(515)</u>	<u>59</u>	<u>574</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	77	77	72	(5)
Transfers out to other funds	<u>(12,897)</u>	<u>(12,897)</u>	<u>(12,576)</u>	<u>321</u>	<u>(15)</u>	<u>(15)</u>	<u>(15)</u>	<u>—</u>
Total other financing sources (uses)	<u>(12,897)</u>	<u>(12,897)</u>	<u>(12,576)</u>	<u>321</u>	<u>62</u>	<u>62</u>	<u>57</u>	<u>(5)</u>
Net change in fund balances	<u>(3,477)</u>	<u>(3,477)</u>	<u>2,323</u>	<u>5,800</u>	<u>(453)</u>	<u>(453)</u>	<u>116</u>	<u>569</u>
Fund balances July 1, 2012	<u>3,477</u>	<u>3,477</u>	<u>21</u>	<u>(3,456)</u>	<u>453</u>	<u>453</u>	<u>530</u>	<u>77</u>
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>2,344</u>	<u>2,344</u>	<u>—</u>	<u>—</u>	<u>646</u>	<u>646</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, 2013
 (Dollars in thousands)

	<u>Surveyor-Public Land Corner Fund</u>				<u>Tourism Dedicated Lodging Tax 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:								
Taxes	\$ —	—	—	—	2,669	2,669	2,757	88
Charges for services	430	430	553	123	—	—	—	—
Miscellaneous revenues	6	6	5	(1)	13	13	4	(9)
Interfund revenues	5	5	64	59	—	—	—	—
Total revenues	<u>441</u>	<u>441</u>	<u>622</u>	<u>181</u>	<u>2,682</u>	<u>2,682</u>	<u>2,761</u>	<u>79</u>
Expenditures:								
Current:								
Land use, housing and transportation	662	662	633	29	—	—	—	—
Culture, education and recreation	—	—	—	—	3,982	3,982	2,756	1,226
Operating contingency	1,202	1,202	—	1,202	—	—	—	—
Total current	<u>1,864</u>	<u>1,864</u>	<u>633</u>	<u>1,231</u>	<u>3,982</u>	<u>3,982</u>	<u>2,756</u>	<u>1,226</u>
Total expenditures	<u>1,864</u>	<u>1,864</u>	<u>633</u>	<u>1,231</u>	<u>3,982</u>	<u>3,982</u>	<u>2,756</u>	<u>1,226</u>
Revenues over (under) expenditures	<u>(1,423)</u>	<u>(1,423)</u>	<u>(11)</u>	<u>1,412</u>	<u>(1,300)</u>	<u>(1,300)</u>	<u>5</u>	<u>1,305</u>
Other financing sources (uses):								
Transfers in from other funds	8	8	8	—	—	—	—	—
Transfers out to other funds	(30)	(30)	(30)	—	—	—	—	—
Total other financing uses	<u>(22)</u>	<u>(22)</u>	<u>(22)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(1,445)</u>	<u>(1,445)</u>	<u>(33)</u>	<u>1,412</u>	<u>(1,300)</u>	<u>(1,300)</u>	<u>5</u>	<u>1,305</u>
Fund balances July 1, 2012	<u>1,445</u>	<u>1,445</u>	<u>1,496</u>	<u>51</u>	<u>1,300</u>	<u>1,300</u>	<u>1,284</u>	<u>(16)</u>
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>1,463</u>	<u>1,463</u>	<u>—</u>	<u>—</u>	<u>1,289</u>	<u>1,289</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2013
 (Dollars in thousands)

	Urban Road Maintenance Service District Fund (Component Unit)				Washington County Fair Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Taxes	\$ 3,748	3,748	3,823	75	896	896	919	23
Intergovernmental revenues	—	—	—	—	50	50	48	(2)
Charges for services	—	—	—	—	671	671	589	(82)
Miscellaneous revenues	30	30	24	(6)	398	398	369	(29)
Total revenues	<u>3,778</u>	<u>3,778</u>	<u>3,847</u>	<u>69</u>	<u>2,015</u>	<u>2,015</u>	<u>1,925</u>	<u>(90)</u>
Expenditures:								
Current:								
Land use, housing and transportation	2,521	2,521	1,877	644	—	—	—	—
Culture, education and recreation	—	—	—	—	1,836	1,836	1,844	(8)
Operating contingency	7,358	7,358	—	7,358	453	453	—	453
Total current	<u>9,879</u>	<u>9,879</u>	<u>1,877</u>	<u>8,002</u>	<u>2,289</u>	<u>2,289</u>	<u>1,844</u>	<u>445</u>
Capital outlay	—	—	5	(5)	115	115	198	(83)
Debt service:								
Principal	—	—	—	—	—	—	2	(2)
Total debt service	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2</u>	<u>(2)</u>
Total expenditures	<u>9,879</u>	<u>9,879</u>	<u>1,882</u>	<u>7,997</u>	<u>2,404</u>	<u>2,404</u>	<u>2,044</u>	<u>360</u>
Revenues over (under) expenditures	<u>(6,101)</u>	<u>(6,101)</u>	<u>1,965</u>	<u>8,066</u>	<u>(389)</u>	<u>(389)</u>	<u>(119)</u>	<u>270</u>
Other financing sources (uses):								
Transfers in from other funds	37	37	15	(22)	7	7	7	—
Transfers out to other funds	(9)	(9)	(9)	—	—	—	—	—
Total other financing sources	<u>28</u>	<u>28</u>	<u>6</u>	<u>(22)</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>—</u>
Net change in fund balances	<u>(6,073)</u>	<u>(6,073)</u>	<u>1,971</u>	<u>8,044</u>	<u>(382)</u>	<u>(382)</u>	<u>(112)</u>	<u>270</u>
Fund balances July 1, 2012	<u>6,073</u>	<u>6,073</u>	<u>6,353</u>	<u>280</u>	<u>382</u>	<u>382</u>	<u>620</u>	<u>238</u>
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>8,324</u>	<u>8,324</u>	<u>—</u>	<u>—</u>	<u>508</u>	<u>508</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, 2013
 (Dollars in thousands)

	West Slope Library Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental revenues	\$ 2	2	2	—
Miscellaneous revenues	<u>29</u>	<u>29</u>	<u>31</u>	<u>2</u>
Total revenues	<u>31</u>	<u>31</u>	<u>33</u>	<u>2</u>
Expenditures:				
Current:				
Culture, education and recreation	754	754	710	44
Operating contingency	<u>298</u>	<u>298</u>	<u>—</u>	<u>298</u>
Total current	<u>1,052</u>	<u>1,052</u>	<u>710</u>	<u>342</u>
Total expenditures	<u>1,052</u>	<u>1,052</u>	<u>710</u>	<u>342</u>
Revenues under expenditures	<u>(1,021)</u>	<u>(1,021)</u>	<u>(677)</u>	<u>344</u>
Other financing sources:				
Transfers in from other funds	<u>698</u>	<u>698</u>	<u>696</u>	<u>(2)</u>
Total other financing sources	<u>698</u>	<u>698</u>	<u>696</u>	<u>(2)</u>
Net change in fund balance	(323)	(323)	19	342
Fund balance July 1, 2012	<u>323</u>	<u>323</u>	<u>418</u>	<u>95</u>
Fund balance June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>437</u>	<u>437</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Debt Service Funds
 For the fiscal year ended June 30, 2013
 (Dollars in thousands)

	Criminal Justice Bond Fund				Miscellaneous Debt Service Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Taxes	\$ 6,270	6,270	6,286	16	—	—	—	—
Miscellaneous revenues	3	3	2	(1)	—	—	—	—
Total revenues	6,273	6,273	6,288	15	—	—	—	—
Expenditures:								
Current:								
Nonoperating	—	—	—	—	3	3	1	2
Total current	—	—	—	—	3	3	1	2
Debt service:								
Principal	5,945	5,945	5,945	—	3,847	22,577	4,047	18,530
Interest	390	390	390	—	3,402	5,673	5,673	—
Refunding obligation issuance costs	—	—	—	—	—	209	199	10
Total debt service	6,335	6,335	6,335	—	7,249	28,459	9,919	18,540
Total expenditures	6,335	6,335	6,335	—	7,252	28,462	9,920	18,532
Revenues under expenditures	(62)	(62)	(47)	15	(7,252)	(28,462)	(9,920)	18,542
Other financing sources (uses):								
Proceeds from refunding obligations	—	—	—	—	—	21,210	18,860	(2,350)
Premium on refunding obligations	—	—	—	—	—	—	2,355	2,355
Payment to refunded bond escrow agent	—	—	—	—	—	—	(18,530)	(18,530)
Transfers in from other funds	—	—	—	—	7,252	7,252	7,252	—
Total other financing sources	—	—	—	—	7,252	28,462	9,937	(18,525)
Net change in fund balance	(62)	(62)	(47)	15	—	—	17	17
Fund balances July 1, 2012	62	62	59	(3)	—	—	4	4
Fund balances June 30, 2013	\$ —	—	12	12	—	—	21	21

* 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, 2013
 (Dollars in thousands)

	Building Equipment Replacement Fund				Countywide Traffic Impact Fee Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	825	825	142	(683)
Charges for services	—	—	—	—	—	—	269	269
Special assessments	—	—	—	—	—	—	8	8
Miscellaneous revenues	14	14	25	11	33	33	7	(26)
Interfund revenues	—	—	14	14	—	—	—	—
Total revenues	<u>14</u>	<u>14</u>	<u>39</u>	<u>25</u>	<u>858</u>	<u>858</u>	<u>426</u>	<u>(432)</u>
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	16,697	16,697	10,998	5,699
Operating contingency	823	823	—	823	—	—	—	—
Total current	<u>823</u>	<u>823</u>	<u>—</u>	<u>823</u>	<u>16,697</u>	<u>16,697</u>	<u>10,998</u>	<u>5,699</u>
Capital outlay	1,233	1,233	520	713	250	250	356	(106)
Total expenditures	<u>2,056</u>	<u>2,056</u>	<u>520</u>	<u>1,536</u>	<u>16,947</u>	<u>16,947</u>	<u>11,354</u>	<u>5,593</u>
Revenues under expenditures	<u>(2,042)</u>	<u>(2,042)</u>	<u>(481)</u>	<u>1,561</u>	<u>(16,089)</u>	<u>(16,089)</u>	<u>(10,928)</u>	<u>5,161</u>
Other financing sources (uses):								
Transfers in from other funds	596	596	596	—	7,014	—	5,725	5,725
Transfers out to other funds	—	—	—	—	(37)	(37)	(37)	—
Total other financing sources (uses)	<u>596</u>	<u>596</u>	<u>596</u>	<u>—</u>	<u>6,977</u>	<u>(37)</u>	<u>5,688</u>	<u>5,725</u>
Net change in fund balances	<u>(1,446)</u>	<u>(1,446)</u>	<u>115</u>	<u>1,561</u>	<u>(9,112)</u>	<u>(16,126)</u>	<u>(5,240)</u>	<u>10,886</u>
Fund balances July 1, 2012	1,446	1,446	1,562	116	9,112	16,126	8,335	(7,791)
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>1,677</u>	<u>1,677</u>	<u>—</u>	<u>—</u>	<u>3,095</u>	<u>3,095</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, 2013
 (Dollars in thousands)

	<u>Facilities General Capital Projects Fund</u>				<u>Facilities Park (THPRD) SDC Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)*</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Intergovernmental revenues	\$ 533	533	110	(423)	—	—	—	—
Charges for services	—	—	—	—	25	25	9	(16)
Miscellaneous revenues	15	15	37	22	2	2	—	(2)
Interfund revenues	387	387	238	(149)	—	—	—	—
Total revenues	<u>935</u>	<u>935</u>	<u>385</u>	<u>(550)</u>	<u>27</u>	<u>27</u>	<u>9</u>	<u>(18)</u>
Expenditures:								
Current:								
Nonoperating	15	15	36	(21)	205	205	176	29
Total current	<u>15</u>	<u>15</u>	<u>36</u>	<u>(21)</u>	<u>205</u>	<u>205</u>	<u>176</u>	<u>29</u>
Capital outlay	1,562	1,562	698	864	—	—	—	—
Total expenditures	<u>1,577</u>	<u>1,577</u>	<u>734</u>	<u>843</u>	<u>205</u>	<u>205</u>	<u>176</u>	<u>29</u>
Revenues under expenditures	<u>(642)</u>	<u>(642)</u>	<u>(349)</u>	<u>293</u>	<u>(178)</u>	<u>(178)</u>	<u>(167)</u>	<u>11</u>
Other financing sources:								
Transfers in from other funds	622	622	363	(259)	—	—	—	—
Total other financing sources	<u>622</u>	<u>622</u>	<u>363</u>	<u>(259)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	(20)	(20)	14	34	(178)	(178)	(167)	11
Fund balances July 1, 2012	<u>20</u>	<u>20</u>	<u>379</u>	<u>359</u>	<u>178</u>	<u>178</u>	<u>174</u>	<u>(4)</u>
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>393</u>	<u>393</u>	<u>—</u>	<u>—</u>	<u>7</u>	<u>7</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, 2013
 (Dollars in thousands)

	<u>ITS Capital Projects Fund</u>				<u>Major Streets Capital Projects 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	\$ —	—	—	—	1,516	1,516	1,266	(250)
Miscellaneous revenues	—	—	3	3	22	22	3	(19)
Interfund revenues	865	865	373	(492)	—	—	—	—
Total revenues	<u>865</u>	<u>865</u>	<u>376</u>	<u>(489)</u>	<u>1,538</u>	<u>1,538</u>	<u>1,269</u>	<u>(269)</u>
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	7,586	7,586	4,910	2,676
Total current	—	—	—	—	7,586	7,586	4,910	2,676
Capital outlay	5,202	5,202	1,746	3,456	350	350	4	346
Total expenditures	<u>5,202</u>	<u>5,202</u>	<u>1,746</u>	<u>3,456</u>	<u>7,936</u>	<u>7,936</u>	<u>4,914</u>	<u>3,022</u>
Revenues under expenditures	<u>(4,337)</u>	<u>(4,337)</u>	<u>(1,370)</u>	<u>2,967</u>	<u>(6,398)</u>	<u>(6,398)</u>	<u>(3,645)</u>	<u>2,753</u>
Other financing sources (uses):								
Transfers in from other funds	4,315	4,315	4,315	—	1,799	1,799	1,627	(172)
Transfers out to other funds	—	—	—	—	(113)	(113)	(62)	51
Total other financing sources	<u>4,315</u>	<u>4,315</u>	<u>4,315</u>	<u>—</u>	<u>1,686</u>	<u>1,686</u>	<u>1,565</u>	<u>(121)</u>
Net change in fund balances	(22)	(22)	2,945	2,967	(4,712)	(4,712)	(2,080)	2,632
Fund balances July 1, 2012	22	22	22	—	4,712	4,712	4,787	75
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>2,967</u>	<u>2,967</u>	<u>—</u>	<u>—</u>	<u>2,707</u>	<u>2,707</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2013
 (Dollars in thousands)

	North Bethany SDC Fund				OTIA Capital Projects Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	—	—	506	506
Charges for services	250	250	—	(250)	—	—	—	—
Miscellaneous revenues	1	1	—	(1)	1	1	—	(1)
Total revenues	<u>251</u>	<u>251</u>	<u>—</u>	<u>(251)</u>	<u>1</u>	<u>1</u>	<u>506</u>	<u>505</u>
Expenditures:								
Current:								
Land use, housing and transportation	250	250	—	250	1,032	1,032	529	503
Total current	<u>250</u>	<u>250</u>	<u>—</u>	<u>250</u>	<u>1,032</u>	<u>1,032</u>	<u>529</u>	<u>503</u>
Total expenditures	<u>250</u>	<u>250</u>	<u>—</u>	<u>250</u>	<u>1,032</u>	<u>1,032</u>	<u>529</u>	<u>503</u>
Revenues over (under) expenditures	<u>1</u>	<u>1</u>	<u>—</u>	<u>(1)</u>	<u>(1,031)</u>	<u>(1,031)</u>	<u>(23)</u>	<u>1,008</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	700	700	2	(698)
Transfers out to other funds	—	—	—	—	2	2	—	(2)
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>702</u>	<u>702</u>	<u>2</u>	<u>(700)</u>
Net change in fund balances	<u>1</u>	<u>1</u>	<u>—</u>	<u>(1)</u>	<u>(329)</u>	<u>(329)</u>	<u>(21)</u>	<u>308</u>
Fund balances July 1, 2012	<u>(1)</u>	<u>(1)</u>	<u>—</u>	<u>1</u>	<u>329</u>	<u>329</u>	<u>78</u>	<u>(251)</u>
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>57</u>	<u>57</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2013
 (Dollars in thousands)

	Parks and Open Spaces Opportunity Projects Fund				Transportation Development Tax Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ —	—	—	—	2,000	2,000	2,973	973
Miscellaneous revenues	114	114	68	(46)	25	25	19	(6)
Total revenues	<u>114</u>	<u>114</u>	<u>68</u>	<u>(46)</u>	<u>2,025</u>	<u>2,025</u>	<u>2,992</u>	<u>967</u>
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	6,011	6,011	428	5,583
Total current	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>6,011</u>	<u>6,011</u>	<u>428</u>	<u>5,583</u>
Capital outlay	310	310	170	140	—	—	—	—
Total expenditures	<u>310</u>	<u>310</u>	<u>170</u>	<u>140</u>	<u>6,011</u>	<u>6,011</u>	<u>428</u>	<u>5,583</u>
Revenues over (under) expenditures	<u>(196)</u>	<u>(196)</u>	<u>(102)</u>	<u>94</u>	<u>(3,986)</u>	<u>(3,986)</u>	<u>2,564</u>	<u>6,550</u>
Net change in fund balances	<u>(196)</u>	<u>(196)</u>	<u>(102)</u>	<u>94</u>	<u>(3,986)</u>	<u>(3,986)</u>	<u>2,564</u>	<u>6,550</u>
Fund balances July 1, 2012	<u>196</u>	<u>196</u>	<u>127</u>	<u>(69)</u>	<u>3,986</u>	<u>3,986</u>	<u>4,555</u>	<u>569</u>
Fund balances June 30, 2013	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>25</u></u>	<u><u>25</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>7,119</u></u>	<u><u>7,119</u></u>

WASHINGTON COUNTY, OREGON

Combining Statement of Net Position

Internal Service Funds

June 30, 2013

(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	\$ 519	8,199	257	1,956	124
Accounts receivable	4	—	—	1	—
Other assets	—	—	—	3	—
Inventory	311	—	28	—	—
Total current assets	834	8,199	285	1,960	124
Capital assets, net of accumulated depreciation	—	6,477	385	—	—
Total assets	<u>834</u>	<u>14,676</u>	<u>670</u>	<u>1,960</u>	<u>124</u>
Liabilities and Net Position					
Current liabilities:					
Accounts payable	182	35	47	24	—
Accrued payroll liabilities	87	—	17	—	—
Accrued self-insurance	—	—	—	1,857	—
Current portion of capital lease	—	—	7	—	—
Total current liabilities	269	35	71	1,881	—
Noncurrent liabilities:					
Net OPEB obligation	49	—	18	—	—
Capital lease obligation	—	—	—	—	—
Total liabilities	318	35	89	1,881	—
Net position:					
Net investment in capital assets	—	6,477	378	—	—
Unrestricted	516	8,164	203	79	124
Total net position	516	14,641	581	79	124
Total liabilities and net position	<u>\$ 834</u>	<u>14,676</u>	<u>670</u>	<u>1,960</u>	<u>124</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Net Position, Continued
Internal Service Funds
June 30, 2013
(Dollars in thousands)

Assets	Medical Insurance Fund	PERS Rate Stabilization Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total Internal Service Funds
Current assets:					
Cash and investments	\$ 878	6,445	756	2,763	21,897
Restricted cash	—	—	—	76	76
Accounts receivable	94	—	—	—	99
Other assets	—	—	—	—	3
Inventory	—	—	—	—	339
Total current assets	<u>972</u>	<u>6,445</u>	<u>756</u>	<u>2,839</u>	<u>22,414</u>
Capital assets, net of accumulated depreciation	—	—	—	—	6,862
Total assets	<u><u>972</u></u>	<u><u>6,445</u></u>	<u><u>756</u></u>	<u><u>2,839</u></u>	<u><u>29,276</u></u>
Liabilities and Net Position					
Current liabilities:					
Accounts payable	4	—	29	83	404
Accrued payroll liabilities	—	—	—	—	104
Accrued self-insurance	—	—	—	1,944	3,801
Current portion of capital lease	—	—	—	—	7
Total current liabilities	<u>4</u>	<u>—</u>	<u>29</u>	<u>2,027</u>	<u>4,316</u>
Noncurrent liabilities:					
Net OPEB obligation	—	—	—	—	67
Total liabilities	<u>4</u>	<u>—</u>	<u>29</u>	<u>2,027</u>	<u>4,383</u>
Net position:					
Net investment in capital assets	—	—	—	—	6,855
Unrestricted	968	6,445	727	812	18,038
Total net position	<u>968</u>	<u>6,445</u>	<u>727</u>	<u>812</u>	<u>24,893</u>
Total liabilities and net position	<u><u>\$ 972</u></u>	<u><u>6,445</u></u>	<u><u>756</u></u>	<u><u>2,839</u></u>	<u><u>29,276</u></u>

WASHINGTON COUNTY, OREGON

Combining Statement of Revenues, Expenses
and Changes in Net Position

Internal Service Funds

For the fiscal year ended June 30, 2013

(Dollars in thousands)

	Fleet Services Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/ Casualty Insurance Fund	Life Insurance Fund
Operating revenues:					
Charges for services	\$ 4,088	1,830	1,424	1,697	391
Other	52	122	141	52	—
Total operating revenues	<u>4,140</u>	<u>1,952</u>	<u>1,565</u>	<u>1,749</u>	<u>391</u>
Operating expenses:					
Labor and fringe benefits	1,396	—	433	—	—
Utilities	26	—	—	—	—
Professional services	5	8	—	126	—
Supplies	1,979	—	748	—	—
Administrative costs	309	91	219	858	5
Depreciation and amortization	—	1,619	178	—	—
Insurance claims and premiums	—	—	—	2,130	391
Repairs and maintenance	374	34	79	—	—
Total operating expenses	<u>4,089</u>	<u>1,752</u>	<u>1,657</u>	<u>3,114</u>	<u>396</u>
Operating income (loss)	<u>51</u>	<u>200</u>	<u>(92)</u>	<u>(1,365)</u>	<u>(5)</u>
Nonoperating income (expense):					
Interest income	—	21	—	5	—
Loss on sale of capital assets	—	(93)	(1)	—	—
Total nonoperating income (expense)	<u>—</u>	<u>(72)</u>	<u>(1)</u>	<u>5</u>	<u>—</u>
Other financing sources:					
Transfer in from other funds	18	—	5	—	5
Total other financing sources	<u>18</u>	<u>—</u>	<u>5</u>	<u>—</u>	<u>5</u>
Change in net position	69	128	(88)	(1,360)	—
Net position July 1, 2012	<u>447</u>	<u>14,513</u>	<u>669</u>	<u>1,439</u>	<u>124</u>
Net position June 30, 2013	<u>\$ 516</u>	<u>14,641</u>	<u>581</u>	<u>79</u>	<u>124</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenses
and Changes in Net Position, Continued
Internal Service Funds
For the fiscal year ended June 30, 2013
(Dollars in thousands)

	Medical Insurance Fund	PERS Rate Stabilization Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total Internal Service Funds
Operating revenues:					
Charges for services	\$ 23,223	—	378	1,587	34,618
Other	1,546	—	—	50	1,963
Total operating revenues	<u>24,769</u>	<u>—</u>	<u>378</u>	<u>1,637</u>	<u>36,581</u>
Operating expenses:					
Labor and fringe benefits	—	—	—	—	1,829
Utilities	—	—	—	—	26
Professional services	78	—	4	16	237
Supplies	—	—	—	—	2,727
Administrative costs	105	—	7	224	1,818
Depreciation and amortization	—	—	—	—	1,797
Insurance claims and premiums	24,478	—	258	1,041	28,298
Repairs and maintenance	—	—	—	—	487
Total operating expenses	<u>24,661</u>	<u>—</u>	<u>269</u>	<u>1,281</u>	<u>37,219</u>
Operating income (loss)	<u>108</u>	<u>—</u>	<u>109</u>	<u>356</u>	<u>(638)</u>
Nonoperating income (expense):					
Interest income	10	19	2	7	64
Loss on sale of capital assets	—	—	—	—	(94)
Total nonoperating income (expense)	<u>10</u>	<u>19</u>	<u>2</u>	<u>7</u>	<u>(30)</u>
Other financing sources (uses):					
Transfer in from other funds	—	—	—	—	28
Transfer out to other funds	(5)	(1,952)	—	—	(1,957)
Total other financing uses	<u>(5)</u>	<u>(1,952)</u>	<u>—</u>	<u>—</u>	<u>(1,929)</u>
Change in net position	113	(1,933)	111	363	(2,597)
Net position July 1, 2012	<u>855</u>	<u>8,378</u>	<u>616</u>	<u>449</u>	<u>27,490</u>
Net position June 30, 2013	<u>\$ 968</u>	<u>6,445</u>	<u>727</u>	<u>812</u>	<u>24,893</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the fiscal year ended June 30, 2013
(Dollars in thousands)

	Fleet Services Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/ Casualty Insurance Fund	Life Insurance Fund
Cash flows from (used in) operating activities:					
Cash received for services provided	\$ 3,715	1,976	1,439	1,696	391
Cash payments for labor and fringe benefits	(1,388)	—	(433)	—	—
Cash payments for goods and services	(2,671)	(97)	(1,082)	(3,064)	(396)
Other operating revenue	372	—	141	52	—
Other receipts	52	—	—	—	—
Net cash provided by (used in) operating activities	<u>80</u>	<u>1,879</u>	<u>65</u>	<u>(1,316)</u>	<u>(5)</u>
Cash flows from noncapital financing activities:					
PERS rate stabilization subsidy	18	—	5	—	5
Net cash provided by noncapital financing activities	<u>18</u>	<u>—</u>	<u>5</u>	<u>—</u>	<u>5</u>
Cash flows provided by (used in) capital and related financing activities:					
Acquisition of capital assets	—	(1,017)	(196)	—	—
Principal payments on capital lease obligations	—	—	(37)	—	—
Proceeds from sale of capital assets	—	73	—	—	—
Net cash used in capital and related financing activities	<u>—</u>	<u>(944)</u>	<u>(233)</u>	<u>—</u>	<u>—</u>
Cash flows from investing activities:					
Interest on investments	—	21	—	6	—
Net cash provided by investing activities	<u>—</u>	<u>21</u>	<u>—</u>	<u>6</u>	<u>—</u>
Net increase (decrease) in cash and investments	98	956	(163)	(1,310)	—
Cash and investments, July 1, 2012	<u>421</u>	<u>7,243</u>	<u>420</u>	<u>3,266</u>	<u>124</u>
Cash and investments, June 30, 2013	<u><u>519</u></u>	<u><u>8,199</u></u>	<u><u>257</u></u>	<u><u>1,956</u></u>	<u><u>124</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	51	200	(92)	(1,365)	(5)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	—	1,619	178	—	—
Increase (decrease) in accounts payable	21	35	(26)	(9)	—
Increase in accrued liabilities	8	—	—	61	—
Decrease (increase) in accounts receivable	(2)	25	15	(1)	—
Decrease (increase) in supply inventory	2	—	(10)	—	—
Increase in other assets	—	—	—	(2)	—
Net cash provided by (used in) operating activities	<u><u>80</u></u>	<u><u>1,879</u></u>	<u><u>65</u></u>	<u><u>(1,316)</u></u>	<u><u>(5)</u></u>

WASHINGTON COUNTY, OREGON
Combining Statement of Cash Flows, Continued
Internal Service Funds
For the fiscal year ended June 30, 2013
(Dollars in thousands)

	Medical Insurance Fund	PERS Rate Stabilization Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total Internal Service Funds
Cash provided by (used in) operating activities:					
Cash received for services provided	\$ 23,129	—	378	1,587	34,311
Cash payments for labor and fringe benefits	—	—	—	—	(1,821)
Cash payments for goods and services	(24,684)	—	(311)	(1,276)	(33,581)
Other operating revenue	1,546	—	—	50	2,161
Other receipts	—	—	—	—	52
Net cash provided by (used in) operating activities	(9)	—	67	361	1,122
Cash flows from noncapital financing activities:					
PERS rate stabilization subsidy	(5)	(1,952)	—	—	(1,929)
Net cash used in noncapital financing activities	(5)	(1,952)	—	—	(1,929)
Cash flows provided by (used in) capital and related financing activities:					
Acquisition of capital assets	—	—	—	—	(1,213)
Principal payments on capital lease obligations	—	—	—	—	(37)
Proceeds from sale of capital assets	—	—	—	—	73
Net cash used in capital and related financing activities	—	—	—	—	(1,177)
Cash flows from investing activities:					
Interest on investments	10	19	2	7	65
Net cash provided by investing activities	10	19	2	7	65
Net increase (decrease) in cash and investments	(4)	(1,933)	69	368	(1,919)
Cash and investments, July 1, 2012	882	8,378	687	2,471	23,892
Cash and investments, June 30, 2013 ⁽¹⁾	878	6,445	756	2,839	21,973
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	108	—	109	356	(638)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	—	—	—	—	1,797
Increase (decrease) in accounts payable	(22)	—	(42)	31	(12)
Increase (decrease) in accrued liabilities	—	—	—	(26)	43
Increase in accounts receivable	(95)	—	—	—	(58)
Increase in supply inventory	—	—	—	—	(8)
Increase in other assets	—	—	—	—	(2)
Net cash provided by (used in) operating activities	(9)	—	67	361	1,122

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

Current assets - Cash and investments	878	6,445	756	2,763	21,897
Current assets - Restricted cash	—	—	—	76	76
	\$ 878	6,445	756	2,839	21,973

WASHINGTON COUNTY, OREGON
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis)
Internal Service Funds
For the fiscal year ended June 30, 2013
(Dollars in thousands)

	Fleet Services Fund				Fleet Replacement Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 4,293	4,293	4,088	(205)	2,131	2,131	1,945	(186)
Miscellaneous revenues	4	4	1	(3)	282	282	142	(140)
Interfund revenues	51	51	51	—	—	—	—	—
Total revenues	<u>4,348</u>	<u>4,348</u>	<u>4,140</u>	<u>(208)</u>	<u>2,413</u>	<u>2,413</u>	<u>2,087</u>	<u>(326)</u>
Expenditures:								
Current:								
General government	4,302	4,302	4,088	214	—	—	—	—
Nonoperating	—	—	—	—	671	671	435	236
Operating contingency	478	478	—	478	6,974	6,974	—	6,974
Total current	<u>4,780</u>	<u>4,780</u>	<u>4,088</u>	<u>692</u>	<u>7,645</u>	<u>7,645</u>	<u>435</u>	<u>7,210</u>
Capital outlay	48	48	—	48	2,055	2,055	756	1,299
Total expenditures	<u>4,828</u>	<u>4,828</u>	<u>4,088</u>	<u>740</u>	<u>9,700</u>	<u>9,700</u>	<u>1,191</u>	<u>8,509</u>
Revenues over (under) expenditures	(480)	(480)	52	532	(7,287)	(7,287)	896	8,183
Other financing sources:								
Transfers in from other funds	18	18	18	—	—	—	—	—
Total other financing sources	<u>18</u>	<u>18</u>	<u>18</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	(462)	(462)	70	532	(7,287)	(7,287)	896	8,183
Fund balances July 1, 2012	<u>462</u>	<u>462</u>	<u>495</u>	<u>33</u>	<u>7,287</u>	<u>7,287</u>	<u>7,268</u>	<u>(19)</u>
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>565</u>	<u>565</u>	<u>—</u>	<u>—</u>	<u>8,164</u>	<u>8,164</u>

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

Internal Service Funds

For the fiscal year ended June 30, 2013
 (Dollars in thousands)

	<u>Internal Support Services Fund</u>				<u>Liability/Casualty Insurance Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)*</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Charges for services	\$ 1,597	1,597	1,424	(173)	1,708	1,708	1,697	(11)
Miscellaneous revenues	158	158	142	(16)	67	67	58	(9)
Total revenues	<u>1,755</u>	<u>1,755</u>	<u>1,566</u>	<u>(189)</u>	<u>1,775</u>	<u>1,775</u>	<u>1,755</u>	<u>(20)</u>
Expenditures:								
Current:								
General government	1,613	1,613	1,480	133	—	—	—	—
Nonoperating	—	—	—	—	1,963	3,133	3,115	18
Operating contingency	307	307	—	307	1,257	87	—	87
Total current	<u>1,920</u>	<u>1,920</u>	<u>1,480</u>	<u>440</u>	<u>3,220</u>	<u>3,220</u>	<u>3,115</u>	<u>105</u>
Capital outlay	229	229	195	34	—	—	—	—
Debt service:								
Principal	—	—	37	(37)	—	—	—	—
Interest	—	—	2	(2)	—	—	—	—
Total debt service	<u>—</u>	<u>—</u>	<u>39</u>	<u>(39)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>2,149</u>	<u>2,149</u>	<u>1,714</u>	<u>435</u>	<u>3,220</u>	<u>3,220</u>	<u>3,115</u>	<u>105</u>
Revenues under expenditures	<u>(394)</u>	<u>(394)</u>	<u>(148)</u>	<u>246</u>	<u>(1,445)</u>	<u>(1,445)</u>	<u>(1,360)</u>	<u>85</u>
Other financing sources:								
Transfers in from other funds	5	5	5	—	—	—	—	—
Total other financing sources	<u>5</u>	<u>5</u>	<u>5</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(389)</u>	<u>(389)</u>	<u>(143)</u>	<u>246</u>	<u>(1,445)</u>	<u>(1,445)</u>	<u>(1,360)</u>	<u>85</u>
Fund balances July 1, 2012	389	389	364	(25)	1,445	1,445	1,439	(6)
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>221</u>	<u>221</u>	<u>—</u>	<u>—</u>	<u>79</u>	<u>79</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, 2013
 (Dollars in thousands)

	<u>Life Insurance Fund</u>				<u>Medical Insurance Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Charges for services	\$ —	—	—	—	24,876	24,876	23,223	(1,653)
Miscellaneous revenues	417	417	392	(25)	1,608	1,608	1,556	(52)
Total revenues	<u>417</u>	<u>417</u>	<u>392</u>	<u>(25)</u>	<u>26,484</u>	<u>26,484</u>	<u>24,779</u>	<u>(1,705)</u>
Expenditures:								
Current:								
Nonoperating	421	421	397	24	27,317	27,317	24,661	2,656
Operating contingency	116	116	—	116	—	—	—	—
Total current	<u>537</u>	<u>537</u>	<u>397</u>	<u>140</u>	<u>27,317</u>	<u>27,317</u>	<u>24,661</u>	<u>2,656</u>
Total expenditures	<u>537</u>	<u>537</u>	<u>397</u>	<u>140</u>	<u>27,317</u>	<u>27,317</u>	<u>24,661</u>	<u>2,656</u>
Revenues over (under) expenditures	<u>(120)</u>	<u>(120)</u>	<u>(5)</u>	<u>115</u>	<u>(833)</u>	<u>(833)</u>	<u>118</u>	<u>951</u>
Other financing sources (uses):								
Transfers in from other funds	5	5	5	—	—	—	—	—
Transfers out to other funds	—	—	—	—	(5)	(5)	(5)	—
Total other financing sources (uses)	<u>5</u>	<u>5</u>	<u>5</u>	<u>—</u>	<u>(5)</u>	<u>(5)</u>	<u>(5)</u>	<u>—</u>
Net change in fund balances	<u>(115)</u>	<u>(115)</u>	<u>—</u>	<u>115</u>	<u>(838)</u>	<u>(838)</u>	<u>113</u>	<u>951</u>
Fund balances July 1, 2012	115	115	124	9	838	838	855	17
Fund balances June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>124</u>	<u>124</u>	<u>—</u>	<u>—</u>	<u>968</u>	<u>968</u>

WASHINGTON COUNTY, OREGON
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis)
Internal Service Funds
For the fiscal year ended June 30, 2013
(Dollars in thousands)

	PERS Rate Stabilization Fund				Unemployment Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ —	—	—	—	377	377	378	1
Miscellaneous revenues	50	50	19	(31)	6	6	2	(4)
Total revenues	50	50	19	(31)	383	383	380	(3)
Expenditures:								
Current:								
Nonoperating	6,618	6,618	—	6,618	712	712	269	443
Operating contingency	—	—	—	—	261	261	—	261
Total current	6,618	6,618	—	6,618	973	973	269	704
Total expenditures	6,618	6,618	—	6,618	973	973	269	704
Revenues over (under) expenditures	(6,568)	(6,568)	19	6,587	(590)	(590)	111	701
Other financing uses:								
Transfers out to other funds	(2,000)	(2,000)	(1,952)	48	—	—	—	—
Total other financing uses	(2,000)	(2,000)	(1,952)	48	—	—	—	—
Net change in fund balances	(8,568)	(8,568)	(1,933)	6,635	(590)	(590)	111	701
Fund balances July 1, 2012	8,568	8,568	8,378	(190)	590	590	616	26
Fund balances June 30, 2013	\$ —	—	6,445	6,445	—	—	727	727

WASHINGTON COUNTY, OREGON
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis)
Internal Service Funds
For the fiscal year ended June 30, 2013
(Dollars in thousands)

	Workers' Compensation Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:				
Charges for services	\$ 1,581	1,581	1,587	6
Miscellaneous revenues	70	70	56	(14)
Total revenues	<u>1,651</u>	<u>1,651</u>	<u>1,643</u>	<u>(8)</u>
Expenditures:				
Current:				
Nonoperating	1,663	1,663	1,280	383
Operating contingency	376	376	—	376
Total current	<u>2,039</u>	<u>2,039</u>	<u>1,280</u>	<u>759</u>
Total expenditures	<u>2,039</u>	<u>2,039</u>	<u>1,280</u>	<u>759</u>
Revenues over (under) expenditures	<u>(388)</u>	<u>(388)</u>	<u>363</u>	<u>751</u>
Net change in fund balances	(388)	(388)	363	751
Fund balance July 1, 2012	<u>388</u>	<u>388</u>	<u>449</u>	<u>61</u>
Fund balance June 30, 2013	<u>\$ —</u>	<u>—</u>	<u>812</u>	<u>812</u>

WASHINGTON COUNTY, OREGON
 Reconciliation of Fund Balance to Net Position
 Internal Service Funds

June 30, 2013
 (Dollars in thousands)

	Fleet Services Fund	Fleet Replacement Fund	Internal Support Services Fund
Fund balance	\$ 565	8,164	221
Add capital assets reported on combining balance sheet	—	6,477	385
Less OPEB obligation	(49)	—	(18)
Less capital lease	—	—	(7)
Total Net Position	<u>\$ 516</u>	<u>14,641</u>	<u>581</u>

WASHINGTON COUNTY, OREGON
Statement of Changes in Assets and Liabilities
Agency Fund
For the fiscal year ended June 30, 2013
(Dollars in thousands)

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>
Assets:				
Cash and investments	\$ 4,402	8,346,355	8,345,555	5,202
Accounts receivable	1,821	45,706	45,408	2,119
Property taxes receivable ⁽¹⁾	<u>31,163</u>	<u>29,310</u>	<u>31,163</u>	<u>29,310</u>
Total assets	<u><u>37,386</u></u>	<u><u>8,421,371</u></u>	<u><u>8,422,126</u></u>	<u><u>36,631</u></u>
Liabilities:				
Accounts payable	405	1,444,554	1,444,664	295
Amounts held in trust	5,817	830,443	829,234	7,026
Uncollected taxes	<u>31,164</u>	<u>29,310</u>	<u>31,164</u>	<u>29,310</u>
Total liabilities	<u><u>37,386</u></u>	<u><u>2,304,307</u></u>	<u><u>2,305,062</u></u>	<u><u>36,631</u></u>
 ⁽¹⁾ Property taxes receivable is comprised of the following:				
Property taxes receivable	31,163	29,297	31,163	29,297
Payment in lieu of taxes receivable	<u>—</u>	<u>13</u>	<u>—</u>	<u>13</u>
Total property taxes receivable	<u><u>\$ 31,163</u></u>	<u><u>29,310</u></u>	<u><u>31,163</u></u>	<u><u>29,310</u></u>

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OTHER FINANCIAL SCHEDULES

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WASHINGTON COUNTY, OREGON

Schedule of Property Tax and Assessment
Transactions and Outstanding Balances

For the fiscal year ended June 30, 2013

(Dollars in thousands)

	Taxes receivable July, 1 2012	Certified levies	Corrections and adjustments	Collections	Discounts allowed	Interest on delinquent taxes	Taxes receivable June 30, 2013
2012-13	\$ —	817,382	1,145	(780,455)	(21,243)	252	17,081
2011-12	19,915	—	(6,382)	(5,536)	46	661	8,704
2010-11	11,235	—	(2,923)	(2,497)	38	603	6,456
2009-10	6,417	—	(86)	(3,207)	2	766	3,892
2008-09	1,081	—	(33)	(923)	—	259	384
2007-08	305	—	(22)	(151)	—	57	189
2006-07 & prior	543	—	(30)	(166)	—	72	419
	<u>\$ 39,496</u>	<u>817,382</u>	<u>(8,331)</u>	<u>(792,935)</u>	<u>(21,157)</u>	<u>2,670</u>	<u>37,125</u>

Reconciliation to Receivables on Basic Financial Statements:

Governmental Activities property taxes receivable	\$ 7,737
Metzger Park LID assessments receivable	4
Agency funds property taxes receivable	29,297
Assessments receivable for Lighting District	87
	<u>\$ 37,125</u>

WASHINGTON COUNTY, OREGON

Schedule of Accountability of Independently Elected Officials

For the fiscal year ended June 30, 2013

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

**WASHINGTON COUNTY,
OREGON**

**STATISTICAL
SECTION**

SECTION III

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WASHINGTON COUNTY, OREGON
Statistical Information Section Narrative
June 30, 2013
(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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 244,404	242,734	2,148,086	2,151,850	2,135,921	2,134,940	2,108,850	2,093,492	2,074,612	2,045,765 ⁽¹⁾
Restricted	4,314	1,272	1,069	170	239	911	6,530	93,002	95,942	96,945
Unrestricted	179,689	206,770	250,676	236,359	245,409	230,574	219,822	145,829	149,211	164,852
Total governmental activities net position	428,407	450,776	2,399,831	2,388,379	2,381,569	2,366,425	2,335,202	2,332,323	2,319,765	2,307,562
Business-type activities⁽²⁾										
Net investment in capital assets	234,007	245,840	328,060	363,438	395,163	389,728	395,461	384,397	2,206	1,652 ⁽²⁾
Restricted	57,268	58,656	58,052	28,948	27,582	52,406	57,052	69,936	6,156	4,532
Unrestricted	47,474	49,249	50,035	64,206	55,872	52,806	48,554	54,673	801	929
Total business-type activities net position	338,749	353,745	436,147	456,592	478,617	494,940	501,067	509,006	9,163	7,113
Primary government⁽³⁾										
Net investment in capital assets	478,411	488,574	2,476,146	2,515,288	2,531,084	2,524,668	2,504,311	2,477,889	2,076,818	2,047,417
Restricted	61,582	59,928	59,121	29,118	27,821	53,317	63,582	162,938	102,098	101,477
Unrestricted	227,163	256,019	300,711	300,565	301,281	283,380	268,376	200,502	150,012	165,781
Total primary government net position	767,156	804,521	2,835,978	2,844,971	2,860,186	2,861,365	2,836,269	2,841,329	2,328,928	2,314,675
Component unit⁽³⁾										
Net investment in capital assets	—	—	—	—	—	—	—	—	388,941	391,886
Restricted	—	—	—	—	—	—	—	—	68,909	96,441
Unrestricted	—	—	—	—	—	—	—	—	64,777	79,630
Total component unit net position	\$ —	—	—	—	—	—	—	—	522,627	567,957

⁽¹⁾ Years prior to 2006 not restated for reporting of infrastructure under GASB #34

⁽²⁾ Years prior to 2006 not restated for recording of contributed capital assets

⁽³⁾ 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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Primary Government										
Governmental activities:										
General government	\$ 28,535	29,711	30,466	35,283	41,833	42,319	42,869	39,318	38,677	46,517
Public safety	72,858	79,547	89,097	107,566	101,859	97,512	98,562	104,664	109,222	111,808
Land use, housing and transportation	26,514	52,167	138,315	181,858	111,906	106,306	108,616	115,096	119,714	110,622
Health and human Services	52,168	58,364	61,292	56,507	51,555	56,474	58,467	59,013	58,443	59,979
Culture, education and recreation	14,644	14,181	15,038	27,854	23,218	25,728	26,261	26,882	28,476	29,435
Non-operating expense	8,605	15,048	—	5,119	21,078	11,663	10,653	9,225	9,234	14,273
Interest expense	7,381	821	5,882	6,370	6,818	5,665	5,013	4,599	4,202	3,430
Total governmental activities	210,705	249,839	340,090	420,557	358,267	345,667	350,441	358,797	367,968	376,064
Business-type activities:										
Housing authority	25,921	26,104	24,579	25,967	27,112	27,421	28,132	28,400	28,496	28,581
Sanitation and surface water	72,083	75,061	81,589	84,199	87,319	91,279	97,252	100,941	—	—
Street lighting district	1,601	1,667	1,671	1,726	1,775	1,856	1,842	1,803	1,839	1,838
Total business-type activities expenses	99,605	102,832	107,839	111,892	116,206	120,556	127,226	131,144	30,335	30,419
Total primary government expenses	310,310	352,671	447,929	532,449	474,473	466,223	477,667	489,941	398,303	406,483
Component unit:										
Sanitation and surface water	—	—	—	—	—	—	—	—	97,604	102,309
Total component unit expenses	—	—	—	—	—	—	—	—	97,604	102,309
Program Revenues										
Governmental activities:										
Charges for services:										
General government	8,161	7,199	32,572	21,499	24,551	6,363	5,371	4,797	5,334	5,833
Public safety	4,637	6,324	17,935	3,651	1,683	5,536	5,719	7,140	8,048	7,410
Land use, housing and transportation	13,061	15,488	17,297	20,591	33,387	10,837	10,568	11,974	13,636	16,934
Health and human Services	12,387	16,350	5,431	12,253	11,526	19,671	21,800	26,420	23,308	24,727
Culture, education and recreation	1,393	1,303	961	571	1,030	1,488	1,241	1,309	1,497	1,471
Non-operating revenue	11,767	27,571	—	22,868	24,628	16,387	16,604	20,013	17,777	18,051
Operating grants and contributions	91,037	90,677	106,147	98,844	88,512	91,902	92,531	97,640	100,922	97,116
Capital grants and contributions	10,751	5,349	3,751	71,081	1,690	1,851	686	1,462	1,608	12,130
Total governmental activities program revenue	153,194	170,261	184,094	251,358	187,007	154,035	154,520	170,755	172,130	183,672
Business-type activities:										
Charges for services:										
Housing authority	4,094	4,102	4,201	4,295	5,212	5,099	5,779	5,790	5,994	6,130
Sanitation and surface water	66,457	70,387	75,216	78,523	84,754	89,585	96,329	103,374	—	—
Street lighting district	1,654	1,724	1,707	1,902	1,840	1,828	1,725	1,746	1,929	1,787
Operating grants and contributions	19,298	19,039	19,203	18,920	19,801	20,141	20,855	21,574	19,885	19,906
Capital grants and contributions	10,684	16,970	18,056	17,732	22,442	16,629	6,803	5,053	165	509
Total business-type activities program revenue	102,187	112,222	118,383	121,372	134,049	133,282	131,491	137,537	27,973	28,332
Total primary government program revenue	255,381	282,483	302,477	372,730	321,056	287,317	286,011	308,292	200,103	212,004
Component unit:										
Charges for services:										
Sanitation and surface water	—	—	—	—	—	—	—	—	107,029	117,098
Capital grants and contributions	—	—	—	—	—	—	—	—	14,296	33,875
Total component unit program revenue	—	—	—	—	—	—	—	—	121,325	150,973
Net Revenue (expense)										
Governmental activities	(57,511)	(79,578)	(155,996)	(169,199)	(171,260)	(191,632)	(195,921)	(188,042)	(195,838)	(192,392)
Prior period adjustment (restatement)	—	(26,940)	1,965,931	—	—	(993)	—	—	—	—
Total	(57,511)	(106,518)	1,809,935	(169,199)	(171,260)	(192,625)	(195,921)	(188,042)	(195,838)	(192,392)
Business-type activities	2,582	9,390	10,544	9,480	17,843	12,726	4,265	6,393	(2,362)	(2,087)
Prior period adjustment (restatement)	—	—	63,351	(193)	(1,935)	—	—	—	(497,533)	—
Total	2,582	9,390	73,895	9,287	15,908	12,726	4,265	6,393	(499,895)	(2,087)
Total primary government net revenues (expenses)	(54,929)	(97,128)	1,883,830	(159,912)	(155,352)	(179,899)	(191,656)	(181,649)	(695,733)	(194,479)
Component unit	—	—	—	—	—	—	—	—	23,721	48,664
Prior period adjustment (restatement)	—	—	—	—	—	—	—	—	497,533	—
Total component unit net revenues	\$ —	—	—	—	—	—	—	—	521,254	48,664

⁽¹⁾ Years prior to restatements have not been restated

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total primary government net revenues (expenses) (brought forward)	\$ (54,929)	(97,128)	1,883,830	(159,912)	(155,352)	(179,899)	(191,656)	(181,649)	(695,733)	(194,479)
Total component unit net revenues (brought forward)	—	—	—	—	—	—	—	—	521,254	48,664
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	103,935	108,025	112,150	104,314	135,409	142,298	147,250	152,065	157,586	158,919
Property taxes, levied for debt service	7,805	8,056	7,886	7,633	7,770	6,137	6,335	6,407	6,389	6,260
Other taxes	6,907	8,264	9,878	10,124	10,253	7,775	7,497	8,450	9,094	10,323
Interest income	2,135	4,535	9,197	13,031	10,377	8,247	3,197	1,984	2,575	1,264
Gain (loss) on sale of capital assets	(163)	—	—	—	—	—	—	—	—	—
Miscellaneous revenue	11,299	7	9	22,645	641	13,024	419	16,257	7,636	3,416
Transfers in from proprietary funds	—	—	—	—	—	—	—	—	—	7
Total governmental activities revenue	131,918	128,887	139,120	157,747	164,450	177,481	164,698	185,163	183,280	180,189
Business-type activities:										
Interest income	1,245	2,159	3,563	4,922	3,475	2,636	1,514	1,568	52	19
Gain on sale of capital assets	332	—	—	—	2,724	1,031	418	54	—	25
Loss on equity in joint venture	—	—	—	—	(82)	(70)	(70)	(76)	—	—
Miscellaneous revenue	3,012	3,448	4,944	6,236	—	—	—	—	—	—
Transfers out to governmental funds	—	—	—	—	—	—	—	—	—	(7)
Total business-type activities revenue	4,589	5,607	8,507	11,158	6,117	3,597	1,862	1,546	52	37
Total primary government	136,507	134,494	147,627	168,905	170,567	181,078	166,560	186,709	183,332	180,226
Component unit:										
Interest income	—	—	—	—	—	—	—	—	1,562	517
Gain on sale of capital assets	—	—	—	—	—	—	—	—	(116)	(3,774)
Loss on equity in joint venture	—	—	—	—	—	—	—	—	(73)	(77)
Total component unit	—	—	—	—	—	—	—	—	1,373	(3,334)
Change in Net Position										
Governmental activities	74,407	22,369	1,949,055	(11,452)	(6,810)	(15,144)	(31,223)	(2,879)	(12,558)	(12,203)
Business-type activities	7,171	14,997	82,402	20,445	22,025	16,323	6,127	7,939	(2,310)	(2,050)
Total primary government	81,578	37,366	2,031,457	8,993	15,215	1,179	(25,096)	5,060	(14,868)	(14,253)
Component unit	—	—	—	—	—	—	—	—	25,094	45,330
Total component unit	\$ —	—	—	—	—	—	—	—	25,094	45,330

Source: Current and prior years financial statements

WASHINGTON COUNTY, OREGON

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Dollars in thousands)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General fund										
Reserved	\$ —	—	—	—	4,000	2,000	177	—	—	—
Nonspendable	—	—	—	—	—	—	—	155	134	122
Assigned	—	—	—	—	—	—	—	527	530	646
Unreserved/unassigned	<u>27,211</u>	<u>33,253</u>	<u>41,792</u>	<u>43,480</u>	<u>37,522</u>	<u>30,806</u>	<u>33,874</u>	<u>32,513</u>	<u>29,642</u>	<u>33,321</u>
Total general fund	<u>27,211</u>	<u>33,253</u>	<u>41,792</u>	<u>43,480</u>	<u>41,522</u>	<u>32,806</u>	<u>34,051</u>	<u>33,195</u>	<u>30,306</u>	<u>34,089</u>
All other governmental funds										
Reserved	4,414	2,218	1,169	1,043	1,321	320	295	—	—	—
Nonspendable	—	—	—	—	—	—	—	127	135	2,416
Restricted	—	—	—	—	—	—	—	93,002	95,942	96,945
Committed	—	—	—	—	—	—	—	55,278	62,637	67,972
Assigned	—	—	—	—	—	—	—	773	149	2,992
Unreserved/unassigned	<u>121,184</u>	<u>125,053</u>	<u>160,380</u>	<u>143,210</u>	<u>149,012</u>	<u>146,267</u>	<u>142,105</u>	<u>(203)</u>	<u>(32)</u>	<u>(225)</u>
Total all other governmental funds	<u>125,598</u>	<u>127,271</u>	<u>161,549</u>	<u>144,253</u>	<u>150,333</u>	<u>146,587</u>	<u>142,400</u>	<u>148,977</u>	<u>158,831</u>	<u>170,100</u>
Total governmental funds	<u>\$ 152,809</u>	<u>160,524</u>	<u>203,341</u>	<u>187,733</u>	<u>191,855</u>	<u>179,393</u>	<u>176,451</u>	<u>182,172</u>	<u>189,137</u>	<u>204,189</u>

Source: Current and prior years financial statements.

WASHINGTON COUNTY, OREGON

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Dollars in thousands)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues:										
Taxes	\$ 118,582	124,866	130,181	121,977	149,442	154,379	160,234	166,766	170,704	175,520
Licenses and permits	8,596	9,613	10,253	8,882	9,213	8,126	8,200	8,482	9,167	10,895
Intergovernmental revenues	88,273	94,351	104,434	152,681	85,993	89,839	90,197	96,237	100,540	106,863
Charges for services	50,151	47,440	34,457	30,525	41,039	39,625	41,180	48,865	46,053	49,400
Fines and forfeitures	2,736	3,029	3,210	3,728	3,533	2,826	3,058	3,431	3,658	3,044
Special assessments	167	211	235	249	224	241	190	188	134	232
Miscellaneous revenues	23,132	29,633	33,363	35,697	37,069	34,534	28,256	30,784	30,466	30,178
Interfund revenues	23,491	24,187	23,417	26,272	28,283	28,423	29,160	29,619	27,924	28,494
Total revenues	<u>315,128</u>	<u>333,330</u>	<u>339,550</u>	<u>380,011</u>	<u>354,796</u>	<u>357,993</u>	<u>360,475</u>	<u>384,372</u>	<u>388,646</u>	<u>404,626</u>
Expenditures:										
Current:										
General government	26,243	29,125	30,123	31,134	32,609	36,136	34,265	35,019	36,912	36,874
Public safety and justice	91,322	97,605	100,587	104,517	114,416	120,744	121,021	129,651	134,389	137,305
Land use, housing and transportation	74,360	91,616	81,633	127,152	94,595	99,590	92,495	97,662	95,019	94,605
Health and human services	54,156	59,418	60,526	68,393	52,605	58,405	60,313	60,975	59,989	61,495
Culture, education and recreation	14,810	14,402	14,751	15,655	23,081	25,774	26,353	27,193	29,526	29,305
Nonoperating	6,182	8,025	7,013	6,359	7,902	7,372	5,673	6,153	5,736	10,773
Capital outlay	8,470	7,703	13,716	26,176	9,360	8,739	9,288	8,097	10,066	6,923
Debt service:										
Principal	7,327	11,598	14,897	9,485	44,049	8,452	8,908	9,340	10,181	10,552
Interest	6,749	6,399	5,352	6,750	6,186	5,748	5,098	4,683	4,267	6,164
Total expenditures	<u>289,619</u>	<u>325,891</u>	<u>328,598</u>	<u>395,621</u>	<u>384,803</u>	<u>370,960</u>	<u>363,414</u>	<u>378,773</u>	<u>386,085</u>	<u>393,996</u>
Excess(deficiency) of revenues over (under) expenditures	<u>25,509</u>	<u>7,439</u>	<u>10,952</u>	<u>(15,610)</u>	<u>(30,007)</u>	<u>(12,967)</u>	<u>(2,939)</u>	<u>5,599</u>	<u>2,561</u>	<u>10,630</u>
Other financing sources (uses):										
Proceeds from debt	4,343	274	83,401	—	34,125	—	—	—	2,284	18,860
Payment to refunded bond escrow agent	—	—	(51,540)	—	—	—	—	—	—	(18,530)
Transfers in from other funds	60,481	70,271	80,292	91,364	69,224	73,738	79,801	61,538	69,330	80,020
Transfers out to other funds	(60,058)	(70,267)	(80,288)	(91,362)	(69,224)	(73,234)	(81,795)	(61,416)	(67,210)	(78,084)
Total other financing sources (uses)	<u>4,766</u>	<u>278</u>	<u>31,865</u>	<u>2</u>	<u>34,125</u>	<u>504</u>	<u>(1,994)</u>	<u>122</u>	<u>4,404</u>	<u>2,266</u>
Net change in fund balances	<u>\$ 30,275</u>	<u>7,717</u>	<u>42,817</u>	<u>(15,608)</u>	<u>4,118</u>	<u>(12,463)</u>	<u>(4,933)</u>	<u>5,721</u>	<u>6,965</u>	<u>12,896</u>
Debt service as a percentage of noncapital expenditures	5.73%	5.95%	7.05%	4.83%	14.49%	4.49%	4.20%	4.26%	4.24%	9.90%

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			
2004	\$ 31,411,567	1,668,488	1,178,235	34,258,290	2.90	50,523,742	67.81 %
2005	33,025,666	1,626,433	1,140,884	35,792,983	2.87	52,646,589	67.99
2006	34,866,509	1,608,701	1,155,643	37,630,853	2.84	58,389,427	64.45
2007	36,728,957	1,652,098	1,198,560	39,579,615	2.45	69,903,003	56.62
2008	38,669,431	1,760,359	1,266,893	41,696,683	3.03	76,919,205	54.21
2009	40,540,532	1,911,303	1,411,287	43,863,122	2.99	79,498,937	55.17
2010	41,974,973	1,833,195	1,591,315	45,399,483	2.99	75,512,292	60.12
2011	43,397,583	1,781,436	1,622,849	46,801,868	2.98	71,983,750	65.02
2012	44,863,711	1,818,743	1,554,328	48,236,782	2.98	69,045,256	69.86
2013	45,951,024	1,873,616	1,531,019	49,355,659	2.97	67,614,912	73.00

⁽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
2004	\$ 2.25	0.41	0.24	2.90
2005	2.25	0.39	0.23	2.87
2006	2.25	0.37	0.22	2.84
2007	2.25	—	0.20	2.45
2008	2.25	0.59	0.19	3.03
2009	2.25	0.59	0.15	2.99
2010	2.25	0.59	0.15	2.99
2011	2.25	0.59	0.14	2.98
2012	2.25	0.59	0.14	2.98
2013	2.25	0.59	0.13	2.97

Source: Washington County Department of Assessment and Taxation

WASHINGTON COUNTY, OREGON

Certified Property Tax Levies -
Direct and Overlapping Governments

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal year ended June 30	Total Tax Levies	Washington County	Component Units of Washington County	School Districts	Fire Districts
2004	\$ 559,547	98,991	16,445	257,872	47,067
2005	565,497	102,382	18,695	251,279	49,269
2006	610,420	106,501	18,980	282,295	52,089
2007	598,942	96,775	19,575	269,116	54,774
2008	690,048	125,988	19,988	310,212	59,800
2009	715,850	130,338	23,855	313,624	61,864
2010	766,167	135,477	24,234	334,352	65,439
2011	783,036	140,212	24,614	341,593	67,422
2012	800,942	144,382	25,198	350,927	70,828
2013	817,382	147,070	25,505	353,922	72,173

⁽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), URMD (Urban Road Maintenance District), and SDL (Street Lighting District) bonds and interest

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>
78,318	20,040	6,306	2,381	17,302	9,178	5,647
81,830	20,804	4,587	2,488	18,017	13,053	3,093
86,783	21,736	4,868	2,616	18,386	14,053	2,113
92,893	22,776	5,348	2,750	19,099	13,729	2,107
98,422	23,818	6,145	2,894	20,771	19,848	2,162
108,078	25,139	6,652	3,040	21,738	19,398	2,124
112,334	31,528	7,180	3,145	28,367	21,948	2,163
120,524	33,394	913	3,269	29,567	21,528	—
125,758	34,105	1,022	3,371	28,649	16,702	—
124,802	34,955	4,429	3,446	32,538	18,542	—

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
2004	\$ 77,079	38,358	115,437	109,388	94.76	% \$ 2,667	112,055	97.07
2005	80,327	40,901	121,228	115,082	94.93	2,643	117,725	97.11
2006	84,583	41,013	125,596	119,454	95.11	2,399	121,853	97.02
2007	88,968	27,501	116,469	110,902	95.22	2,469	113,371	97.34
2008	93,588	45,498	139,086	132,062	94.95	3,366	135,428	97.37
2009	98,297	56,017	154,314	145,503	94.29	4,722	150,225	97.35
2010	102,210	57,501	159,711	150,799	94.42	3,801	154,600	96.80
2011	106,055	58,771	164,826	156,041	94.67	1,994	158,035	95.88
2012	109,453	60,127	169,580	161,338	95.14	1,171	162,509	95.83
2013	111,611 ⁽¹⁾	60,964	172,575	164,775	95.48	-	164,775	95.48

⁽¹⁾ Includes small levies paid off early to other jurisdictions by the General Fund totaling \$399 in 2012-13.

Source: Washington County Finance Division

WASHINGTON COUNTY, OREGON

Principal Taxpayers Within the County
Current Year and Nine Years Ago

(Dollars in Thousands)

	2013				2004			
	Rank	Assessed valuation	Percent of total		Rank	Assessed valuation	Percent of total	
Private enterprises:								
Intel Corporation	1	\$ 1,317,485	2.7	%	1	\$ 1,057,565	3.1	%
Nike, Inc.	2	458,135	0.9		3	335,105	1.0	
Pacific Realty Associates	5	301,554	0.6		5	207,439	0.6	
Comcast Corporation	6	247,209	0.5				—	
Frontier Communciations	7	250,268	0.5				—	
Fred Meyer	8	149,533	0.3				—	
Maxim Integrated Products, Inc.	9	142,777	0.3		10	119,073	0.3	
PS Business Parks LP	10	112,151	0.2		7	140,896	0.4	
Verizon Northwest, Inc.		—	—		2	361,026	1.1	
Novellus Systems, Inc		—	—		8	125,487	0.4	
Tektronix, Inc		—	—		9	121,924	0.4	
Public utilities:								
Portland General Electric	3	430,133	0.9		4	309,602	0.9	
Northwest Natural Gas	4	303,517	0.6		6	199,792	0.6	
All other taxpayers		<u>45,642,897</u>	<u>92.5</u>			<u>31,280,381</u>	<u>91.2</u>	
Total		<u>\$ 49,355,659</u>	<u>100.0</u>			<u>\$ 34,258,290</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

Fiscal Year	Governmental Activities Bonds Payable	Business-Type Activities Bonds Payable	Premiums, Discounts, & Adjustments	Net Bonds Payable	Total Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Debt Outstanding Per Capita
2004	\$ 56,980	259,495	(2,019)	314,456	34,258,290	0.9 %	\$ 665
2005	51,545	243,855	(1,440)	293,960	35,792,983	0.8	612
2006	46,015	227,640	(751)	272,904	37,630,853	0.7	557
2007	40,260	210,735	(826)	250,169	39,579,614	0.6	499
2008	33,570	193,100	(223)	226,447	41,696,683	0.5	443
2009	28,570	233,375	1,793	263,738	43,863,122	0.6	507
2010	23,325	233,375	2,743	259,443	45,399,483	0.6	492
2011	17,845	263,845	2,333	284,023	46,801,868	0.6	533
2012	12,140	—	62	12,202	48,236,782	—	23
2013	6,195	—	16	6,211	49,355,659	—	11

District⁽¹⁾

Fiscal Year	Component Unit Bonds Payable	Premiums, Discounts, & Adjustments	Net Bonds Payable	Total Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Debt Outstanding Per Capita
2004	\$ —	—	—	—	— %	—
2005	—	—	—	—	—	—
2006	—	—	—	—	—	—
2007	—	—	—	—	—	—
2008	—	—	—	—	—	—
2009	—	—	—	—	—	—
2010	—	—	—	—	—	—
2011	—	—	—	—	—	—
2012	287,865	9,632	297,497	44,456,105	0.7	555
2013	265,260	8,179	273,439	45,465,533	0.6	504

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

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

WASHINGTON COUNTY, OREGON

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

County

Fiscal Year	Governmental Activities				
	Bonds Payable	Notes Payable	Premiums, Discounts, & Adjustments	Contracts Payable	Capital Lease Obligations
2004	\$ 56,980	77,853	(158)	741	2,344
2005	51,545	72,176	(254)	696	2,153
2006	46,015	94,593	(288)	650	1,951
2007	40,260	91,108	61	603	1,754
2008	33,570	88,121	149	555	1,525
2009	28,570	84,930	115	505	1,343
2010	23,325	81,510	79	454	1,160
2011	17,845	77,897	45	402	964
2012	12,140	74,149	3	380	2,586
2013	6,195	70,352	(308)	357	2,092

District⁽¹⁾

Fiscal Year	Component Unit				
	Bonds Payable	Notes Payable	Premiums, Discounts, & Adjustments	Contracts Payable	Capital Lease Obligations
2004	\$ —	—	—	—	—
2005	—	—	—	—	—
2006	—	—	—	—	—
2007	—	—	—	—	—
2008	—	—	—	—	—
2009	—	—	—	—	—
2010	—	—	—	—	—
2011	—	—	—	—	—
2012	287,865	—	9,631	—	—
2013	265,260	—	8,179	—	—

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				Total Primary Government	Percentage of Personal Income	Outstanding Debt Per Capita
Bonds Payable	Notes Payable	Premiums, Discounts, & Adjustments	Contracts Payable			
259,495	4,699	(2,037)	569	400,486	2.5 % \$	847
243,855	4,754	(1,451)	386	373,860	2.2	779
227,640	4,488	(960)	196	374,285	2.1	764
210,735	3,717	(553)	—	347,685	1.8	694
193,100	3,266	(471)	—	319,815	1.6	626
233,375	2,826	1,592	—	353,256	1.7	679
284,260	31,818	(83)	—	422,523	2.0	802
263,845	31,661	(340)	—	392,319	1.8	736
—	31,124	(2,524)	—	117,858	0.5	220
—	30,577	(2,376)	—	106,889	N/A	197

Total Component Unit	Percentage of Personal Income	Outstanding Debt Per Capita
—	— % \$	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
297,496	1.3	555
273,439	N/A	504

WASHINGTON COUNTY, OREGON

Legal Debt Margin Information

Last Ten Fiscal Years

(Dollars in thousands)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</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	\$ 67,614,912	69,045,256	71,983,750	75,512,292	79,498,937
Debt limit rate	2.00%	2.00%	2.00%	2.00%	2.00%
Debt limit	1,352,298	1,380,905	1,439,675	1,510,246	1,589,979
Less general obligation debt at June 30 ⁽¹⁾	6,211	12,140	17,845	23,325	28,570
Legal debt margin	<u>1,346,087</u>	<u>1,368,765</u>	<u>1,421,830</u>	<u>1,486,921</u>	<u>1,561,409</u>
Total net debt applicable to the limit as a percentage of debt limit	0.46%	0.88%	1.24%	1.54%	1.80%

-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	67,614,912	69,045,256	71,983,750	75,512,292	79,498,937
Debt limit rate	1.00%	1.00%	1.00%	1.00%	1.00%
Debt limit	676,149	690,453	719,838	755,123	794,989
Less full faith and credit obligations at June 30 ⁽¹⁾	68,806	72,745	76,300	79,715	82,920
Legal debt margin	<u>607,343</u>	<u>617,708</u>	<u>643,538</u>	<u>675,408</u>	<u>712,069</u>
Total net debt applicable to the limit as a percentage of debt limit	10.18%	10.54%	10.60%	10.56%	10.43%

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 agency's legal boundaries.

Real market value	67,614,912	69,045,256	71,983,750	75,512,292	79,498,937
Debt limit rate	13.00%	13.00%	13.00%	13.00%	13.00%
Debt limit	8,789,939	8,975,883	9,357,888	9,816,598	10,334,862
Less general obligation debt at June 30 ⁽¹⁾	—	—	—	—	—
Legal debt margin	<u>8,789,939</u>	<u>8,975,883</u>	<u>9,357,888</u>	<u>9,816,598</u>	<u>10,334,862</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 agency's legal boundaries

Real market value	60,917,987	61,998,156	64,712,780	67,333,674	67,466,438
Debt limit rate	13.00%	13.00%	13.00%	13.00%	13.00%
Debt limit	7,919,338	8,059,760	8,412,661	8,753,378	8,770,637
Less general obligation debt at June 30 ⁽¹⁾	—	—	—	—	—
Legal debt margin	\$ <u>7,919,338</u>	<u>8,059,760</u>	<u>8,412,661</u>	<u>8,753,378</u>	<u>8,770,637</u>
Total net debt applicable to the limit as a percentage of debt limit	—	—	—	—	—

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

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>76,919,205</u>	<u>69,903,003</u>	<u>58,389,427</u>	<u>52,646,589</u>	<u>50,523,742</u>
2.00%	2.00%	2.00%	2.00%	2.00%
<u>1,538,384</u>	<u>1,398,060</u>	<u>1,167,789</u>	<u>1,052,932</u>	<u>1,010,475</u>
<u>33,570</u>	<u>40,260</u>	<u>46,015</u>	<u>51,545</u>	<u>56,980</u>
<u>1,504,814</u>	<u>1,357,800</u>	<u>1,121,774</u>	<u>1,001,387</u>	<u>953,495</u>
2.18%	2.88%	3.94%	4.90%	5.64%
<u>76,919,205</u>	<u>69,903,003</u>	<u>58,389,427</u>	<u>52,646,589</u>	<u>50,523,742</u>
1.00%	1.00%	1.00%	1.00%	1.00%
<u>769,192</u>	<u>699,030</u>	<u>583,894</u>	<u>526,466</u>	<u>505,237</u>
<u>85,905</u>	<u>88,695</u>	<u>91,990</u>	<u>69,395</u>	<u>75,195</u>
<u>683,287</u>	<u>610,335</u>	<u>491,904</u>	<u>457,071</u>	<u>430,042</u>
11.17%	12.69%	15.75%	13.18%	14.88%
<u>76,919,205</u>	<u>69,903,003</u>	<u>58,389,427</u>	<u>52,646,589</u>	<u>50,523,742</u>
13.00%	13.00%	13.00%	13.00%	13.00%
<u>9,999,497</u>	<u>9,087,390</u>	<u>7,590,626</u>	<u>6,844,057</u>	<u>6,568,086</u>
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>9,999,497</u>	<u>9,087,390</u>	<u>7,590,626</u>	<u>6,844,057</u>	<u>6,568,086</u>
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>65,485,068</u>	<u>59,132,300</u>	<u>48,348,600</u>	<u>48,571,562</u>	<u>41,464,678</u>
13.00%	13.00%	13.00%	13.00%	13.00%
<u>8,513,059</u>	<u>7,687,199</u>	<u>6,285,318</u>	<u>6,314,303</u>	<u>5,390,408</u>
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>8,513,059</u>	<u>7,687,199</u>	<u>6,285,318</u>	<u>6,314,303</u>	<u>5,390,408</u>
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

WASHINGTON COUNTY, OREGON

Direct and Overlapping Governmental Activities Debt

June 30, 2013

(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	\$ 755	100.0 %	\$ 755
City of Banks	1,480	100.0	1,480
City of Beaverton	—	100.0	—
City of Cornelius	2,249	100.0	2,249
City of Durham	1,035	100.0	1,035
City of Forest Grove	1,440	100.0	1,440
City of Hillsboro	36,330	100.0	36,330
City of Lake Oswego	48	0.2	—
City of North Plains	260	100.0	260
City of Portland	270	0.2	1
City of Sherwood	5,424	100.0	5,424
City of Tigard	28,805	100.0	28,805
City of Tualatin	6,794	84.9	5,768
City of Wilsonville	—	12.3	—
Clackamas County Education Service District	10	0.5	—
Clackamas County School District 3J (West Linn - Wilsonville)	2,872	1.5	43
Clackamas County School District 7J (Lake Oswego)	894	0.9	8
Columbia County School District 1J (Scappoose)	160	0.5	1
Columbia County School District 47J (Vernonia)	274	1.8	5
Forest Grove Rural Fire Protection District	40	100.0	40
Gaston Rural Fire Protection District	70	77.4	54
Metro	77,356	31.2	24,135
Multnomah County School District 1J (Portland)	3,145	0.5	16
Multnomah Education Service District	—	0.4	—
Northwest Regional Education Service District	—	76.4	—
Port of Portland	—	30.7	—
Portland Community College	73,517	41.7	30,657
Tri-Met	—	—	—
Tualatin Hills Parks & Recreation District	101,682	100.0	101,682
Tualatin Valley Fire & Rescue District	37,191	82.6	30,720
Washington County School District 13 (Banks)	17,782	100.0	17,782
Washington County School District 15 (Forest Grove)	119,227	100.0	119,227
Washington County School District 1J (Hillsboro)	297,413	100.0	297,413
Washington County School District 23J (Tigard - Tualatin)	116,171	94.9	110,246
Washington County School District 48J (Beaverton)	447,984	99.5	445,744
Washington County School District 511J (Gaston)	2,751	79.8	2,195
Washington County School District 88J (Sherwood)	107,766	93.3	100,546
Willamette Education Service District	5	0.3	—
Yamhill County School District 29J (Newberg)	2,788	3.5	98
Total overlapping debt outstanding	1,493,988		1,364,159
Direct debt outstanding:			
Washington County ⁽¹⁾	78,688	100.00	78,688
Total direct and overlapping debt outstanding	\$ 1,572,676		\$ 1,442,847

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

Contracts, notes, and bonds outstanding	76,904
Unamortized bond premiums, discounts, and deferred amounts on refunding	(308)
Capital lease obligations	2,092
Total direct debt outstanding	78,688

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

(Dollars 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>
2004	473	\$	15,419	33	6.3 %
2005	480		16,121	34	5.1
2006	490		17,254	35	4.4
2007	501		18,767	37	4.3
2008	511		19,945	39	4.8
2009	520		21,186	41	10.2
2010	527		21,205	40	8.4
2011	533		21,587	41	7.6
2012	536		23,043	43	6.8
2013	543		N/A	N/A	6.3

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

	2013*		2004	
	Annual Average Positions	% of Total	Annual Average Positions	% of Total
Construction	12,459	5%	12,995	6%
Manufacturing:				
Wood products	1,031		1,630	
Fabricated metal products	2,964		2,625	
Food	1,594		1,745	
Plastics and rubber products	1,601		1,969	
Computer and electronic products	26,951		26,210	
Machinery	3,658		3,552	
Other	6,381		7,862	
Total Manufacturing	44,180	18%	45,593	20%
Trade, Transportation, and Utilities:				
Wholesale	17,470		16,626	
Retail	28,604		26,727	
Transportation, Warehousing, and Utilities	3,738		4,840	
Total Trade, Transportation, and Utilities	49,812	20%	48,193	22%
Information:				
Publishing	3,163		3,275	
Telecommunications	2,136		1,952	
Other (broadcasting, ISP's, etc.)	2,413		1,444	
Total Information	7,712	3%	6,671	3%
Financial Activities:				
Finance and Insurance	10,945		9,326	
Real Estate	2,997		3,611	
Total Financial Activities	13,942	6%	12,937	6%
Professional and Business Services	38,558	15%	29,489	13%
Educational Services	5,111	2%	3,958	2%
Healthcare and Social Assistance	24,515	10%	17,559	8%
Leisure and Hospitality	20,612	8%	17,874	8%
Other Services (agriculture, repairs, private homes, misc.)	11,216	4%	11,367	4%
Government (federal, state, and local)	21,757	9%	17,361	8%
Total Employment	<u>249,874</u>	<u>100%</u>	<u>223,997</u>	<u>100%</u>

*Fiscal year 2013 information includes data through December 31, 2012.

Source: Oregon Employment Department 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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government	270.1	279.6	280.5	284.4	292.8	299.8	297.0	297.3	297.0	297.8
Public safety and justice	767.4	775.4	772.3	782.8	815.3	834.3	836.9	833.4	823.4	824.9
Land use, housing and transportation	408.8	405.4	398.6	416.6	426.0	423.9	391.8	357.4	348.8	336.5
Health and human services	221.1	222.1	220.6	228.8	231.8	240.2	239.4	250.0	253.5	255.2
Culture, education and recreation	38.6	36.6	36.6	36.6	40.0	44.3	45.3	44.3	47.3	47.3
Total	<u>1,706.0</u>	<u>1,719.1</u>	<u>1,708.6</u>	<u>1,749.2</u>	<u>1,805.9</u>	<u>1,842.5</u>	<u>1,810.3</u>	<u>1,782.4</u>	<u>1,770.0</u>	<u>1,761.7</u>

Source: Washington County Support Services Department

WASHINGTON COUNTY, OREGON

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007
General Government:				
Assessment & Taxation:				
Real property accounts	157,241	160,490	164,548	168,846
Personal property accounts	20,944	21,141	22,283	23,278
Mobile home accounts	6,387	6,227	6,092	5,930
Utility property accounts	1,097	1,072	941	997
County Counsel:				
Hours booked for General Fund programs	5,191	6,517	5,650	5,670
Hours booked for Special Revenue funds and miscellaneous	6,903	6,918	6,628	7,118
Hours booked for internal work	2,086	2,021	2,456	2,519
Support Services:				
Number of budgeted permanent FTE positions within the County	1,709	1,720	1,709	1,749
Number of collective bargaining units	4	4	5	5
Public Safety & Justice:				
Sheriff (measured in calendar years):				
Citizen generated calls for service	52,506	52,394	51,632	52,121
Officer-initiated calls for service (including traffic responses)	61,756	70,006	76,595	75,023
Bookings per year at Jail	19,015	20,600	19,329	19,181
Average length of stay in Jail (in days)	12	11	17	17
Average daily Jail population	579	589	554	547
Case numbers issued (all documented law enforcement actions taken)	26,800	27,552	25,619	23,030
Juvenile (measured in calendar years):				
Total referrals to juvenile department	3,677	3,642	3,961	4,416
Percent of youth with no new offenses	73%	75%	72%	72%
Total admissions to secure detention	515	538	547	586
Total admissions to shelter care evaluation	164	156	147	167
Community Corrections:				
Number of offenders residing at the Community Corrections Center	1,902	2,000	1,946	2,030
Average daily Community Corrections Center population	175	180	181	198
Average length of stay in Community Corrections Center (in days)	32	31	34	37
Number of offenders on supervision	4,137	3,962	4,059	4,176
Law Library:				
Total in-library users	6,917	6,165	6,968	8,788
Items checked out	675	786	1,022	864
Land Use, Housing, & Transportation:				
Land Use & Transportation (measured in calendar years):				
Total land use case files	538	518	596	278
Total land use actions	657	621	773	360
New subdivisions	43	54	83	52
Building permits issued (single family residential & remodels/additions)	1,458	1,504	1,648	1,639
Measure 37 claims received	33	404	469	—
Housing Services:				
Rent subsidies (units)	2,536	2,569	2,569	2,569
Affordable housing (units)	1,973	2,684	2,684	2,684
Public housing (units)	297	297	297	297
Homeownership (units)	—	4	7	7
Homeless services (beds)	622	624	625	483
Community Development:				
Number of people served by all CDBG programs	16,102	14,257	57,107	30,647
Number of households served by all CDBG programs	268	355	512	293
Health & Human Services:				
Health & Human Services:				
Swimming pool inspections, reviews, investigations	1,072	1,130	1,130	1,178
Solid Waste and Recycling phone calls received	3,269	3,127	3,082	3,500
Health Clinic - communicable disease client visits	14,053	13,666	12,500	11,862
Birth certificates received	7,498	7,511	7,500	8,177
Emergency Medical Services:				
CPR/AED people trained (measured in calendar years)	226	505	663	686
Ambulance licenses issued	112	94	110	113
Total ambulances inspected	40	35	37	27
Wheelchair car licenses issued	112	106	119	103
Culture, Education, & Recreation:				
Cooperative Library Services:				
Total library materials circulated	6,583,730	6,813,881	7,121,182	7,389,681
New users registered	34,521	38,730	36,104	38,189
Attendance at summer reading programs and events	19,685	26,621	25,050	36,672
Items delivered to member libraries via WCCLS couriers	1,794,180	1,852,787	2,011,235	2,125,504

N/A: Information not available

Source: Washington County Support Services Department

	2008	2009	2010	2011	2012	2013
	173,542	177,155	177,924	178,440	178,971	179,843
	23,791	24,100	24,591	24,077	23,893	24,210
	5,569	5,336	5,239	5,205	5,188	5,142
	977	940	1,026	1,167	1,278	1,443
	6,023	6,072	8,376	6,102	6,945	5,851
	6,938	7,081	5,639	6,223	6,200	7,915
	2,406	2,087	2,187	2,066	2,269	2,710
	1,806	1,843	1,810	1,782	1,770	1,762
	5	5	5	5	5	5
	52,481	49,296	48,343	47,050	49,109	N/A
	72,432	88,239	96,182	94,258	94,258	N/A
	18,560	18,698	17,967	17,761	17,761	N/A
	10	19	18	48	48	N/A
	545	613	579	568	568	N/A
	21,536	20,657	20,386	19,249	19,249	N/A
	4,646	4,087	4,106	3,738	3,539	3,309
	71%	74%	74%	75%	74%	N/A
	632	724	727	715	597	650
	165	163	160	134	121	127
	2,100	2,026	2,040	2,044	1,953	1,765
	190	194	198	195	181	170
	36	33	36	36	34	35
	4,205	4,162	4,123	4,035	3,694	3,540
	9,214	9,797	9,630	5,569	4,833	8,529
	800	802	865	867	796	1,405
	434	413	380	357	394	N/A
	549	488	456	431	476	N/A
	14	4	8	5	7	N/A
	1,212	988	1,110	1,053	1,254	N/A
	—	—	—	—	—	N/A
	2,581	2,610	2,810	2,810	2,823	2,823
	2,684	2,684	2,005	2,086	1,135	1,138
	265	257	255	255	255	255
	7	6	4	4	4	5
	548	544	604	594	739	796
	24,767	19,978	14,509	16,763	21,184	14,727
	468	341	523	491	435	283
	1,156	1,328	1,264	1,196	1,130	1,145
	3,187	3,442	3,502	3,600	4,200	3,672
	11,683	10,378	11,169	13,257	8,943	9,866
	4,172	N/A	N/A	N/A	N/A	N/A
	1,002	605	556	468	N/A	505
	103	98	99	97	111	149
	—	7	10	—	—	4
	131	134	135	144	174	192
	8,442,266	9,776,585	11,143,345	12,711,299	13,047,677	13,070,159
	41,715	44,797	38,108	40,374	35,770	32,951
	38,966	41,234	48,136	46,846	51,009	50,157
	2,714,141	3,170,517	3,721,876	4,138,471	4,108,984	3,978,705

WASHINGTON COUNTY, OREGON

Capital Assets

Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government:										
Facilities:										
Number of buildings - owned	25	25	25	22	23	23	23	23	23	24
Number of buildings - leased	9	9	9	10	8	9	9	8	7	9
Square feet - owned space	1,168,876	1,168,876	1,168,876	1,297,265	1,304,265	1,304,265	1,304,265	1,304,265	1,304,265	1,304,265
Square feet - leased space	36,821	36,821	36,821	31,642	24,282	24,722	24,722	24,079	19,867	21,659
Fleet:										
Number of units maintained	511	513	532	542	549	564	561	556	539	548
Gallons of fuel dispensed	400,812	404,661	421,373	408,405	450,074	439,539	431,506	449,544	441,940	422,455
Miles driven	4,293,800	4,309,245	4,543,847	4,475,521	4,705,659	4,554,668	4,620,550	4,613,964	4,485,547	4,510,196
Number of work orders	4,049	4,202	4,101	3,821	4,229	4,444	3,847	4,156	4,365	3,883
Information Technology Services:										
Computers supported	1,559	1,617	1,675	1,739	2,028	2,127	2,116	2,116	2,385	2,173
Applications supported	360	363	358	608	630	665	698	709	783	844
Land Use, Housing, and Transportation:										
County road system (measured in calendar years):										
Total miles maintained	1,277	1,277	1,276	1,285	1,271	1,271	1,280	1,300	1,279	N/A
Paved miles	1,014	1,017	1,017	1,033	1,035	1,035	1,055	1,075	1,062	N/A
Gravel miles	263	260	259	252	236	236	225	225	217	N/A
Urban miles	617	616	615	627	630	630	639	639	650	N/A
Rural miles	660	661	661	657	641	641	641	661	629	N/A
Bridges	186	186	187	187	187	187	189	189	188	N/A
Traffic signals	300	322	325	325	369	379	404	445	470	N/A

Source: Washington County Support Services Department

N/A: Information not available

**WASHINGTON COUNTY,
OREGON**

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

SECTION IV

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Talbot, Korvola
& Warwick, LLP

Chartered Public Accountants
in Oregon

4800 Meadows Road, Suite 200
Lake Oswego, Oregon 97035-4293

P 503.274.2849
F 503.274.2853

www.tkw.com

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

December 19, 2013

Board of Commissioners
Washington County
Hillsboro, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of Washington County, Oregon, (the County) as of and for the year ended June 30, 2013, and have issued our report thereon dated December 19, 2013. We did not audit the financial statements of Clean Water Services, a discretely presented component unit of the County. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Clean Water Services is based solely on the report of the other auditors.

COMPLIANCE

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed the 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.

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS (Continued)**

Page 2

COMPLIANCE (Continued)

- 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).

In connection with our testing, nothing came to our attention that caused us to believe the County was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except as noted below:

- The Juvenile High Risk Prevention Fund has a deficit fund balance of \$169,942 as of June 30, 2013.
- The Sheriff's Office Grants & Donations Fund has a deficit fund balance of \$53,935 as of June 30, 2013.
- The Cooperative Library Services Fund has an overexpenditure of appropriations in capital outlay in the amount of \$5,000 as of June 30, 2013.

OAR 162-10-230 INTERNAL CONTROL

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

RESTRICTIONS ON USE

This report is intended solely for the information and use of the Audit Committee, Board of 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.



Certified Public Accountants

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155 N. First Ave., Hillsboro, OR 97124-3072

(503) 846-8811

www.co.washington.or.us