



Washington County  
Oregon

# ENHANCED SHERIFF'S PATROL DISTRICT

A Component Unit of Washington County, Oregon

FINANCIAL STATEMENTS & SUPPLEMENTARY DATA




FOR THE FISCAL YEAR ENDED JUNE 30, 2024



# Washington County Oregon

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# **ENHANCED SHERIFF'S PATROL DISTRICT**

A Component Unit of Washington County, Oregon



# Washington County Oregon

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**ENHANCED SHERIFF'S PATROL DISTRICT**  
**(A Component Unit of Washington County, Oregon)**

Governing Body Under ORS 451.435  
Board of County Commissioners  
Washington County, Oregon  
155 N First Avenue  
Hillsboro, Oregon 97124-3072

Commissioners as of June 30, 2024

| <u>Name</u>  | <u>Term Expires</u> |
|--|---------------------|
| Kathryn Harrington, Chair<br>Commissioner-At-Large | December 31, 2026   |
| Nafisa Fai, Vice Chair<br>District 1               | December 31, 2024   |
| Pam Treece<br>District 2                           | December 31, 2026   |
| Roy Rogers<br>District 3                           | December 31, 2024   |
| Jerry Willey<br>District 4                         | December 31, 2026   |

Elected Official

Caprice Massey, Sheriff

Administrative Staff

Tanya Ange, County Administrator  
John Styer, Interim Chief Financial Officer  
Ethel Gallares, Deputy Chief Financial Officer  
YaLing Huang-Dressel, Controller



# Washington County Oregon

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WASHINGTON COUNTY, OREGON

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# Washington County Oregon

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Your peace of mind is our passion.

## **INDEPENDENT AUDITOR'S REPORT**

Board of County Commissioners of  
Washington County, Oregon, as Governing Body of  
Enhanced Sheriff's Patrol District  
Hillsboro, Oregon

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and the major fund of the Enhanced Sheriff's Patrol District, Hillsboro, Oregon (the District), a component unit of Washington County, Oregon, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of June 30, 2024, and the respective changes in financial position and the budgetary comparison for the major fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.


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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated May 23, 2025 on our consideration of the District'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.



For Talbot, Korvola & Warwick, LLP  
Portland, Oregon  
May 23, 2025



# Washington County Oregon

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**ENHANCED SHERIFF'S PATROL DISTRICT**  
**(A Component Unit of Washington County, Oregon)**  
**Management's Discussion and Analysis**  
**June 30, 2024**  
(Dollars in thousands)

As management of the Enhanced Sheriff's Patrol District (the District), a component unit of Washington County, Oregon, we offer readers of the District's basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. Readers are encouraged to consider the information presented here in conjunction with the District's basic financial statements, which begin on page 9.

### **Financial Highlights**

- The assets of the District exceeded liabilities at the close of the fiscal year by \$17,984. This entire amount is considered unrestricted net position and may be used to meet the ongoing obligations to citizens and creditors.
- The District's total net position increased by \$1,325 from 2022-23.
- The District has no debt.

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

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

#### ***Government-Wide Financial Statements***

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. For purposes of financial statement presentation, the District presents only governmental activities.

The *Statement of Net Position* provides information about the District'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 District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the year. All changes in net position are reported on the accrual basis of accounting similar to the method used by most private-sector companies and are reported as soon as the underlying event giving rise to the change 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 fiscal periods.

#### ***Fund Financial Statements***

The *Balance Sheet* presents the assets, liabilities, and deferred inflows of resources of the District and indicates whether any of the resulting fund balance is restricted or available for use in the coming year.

The *Statement of Revenues, Expenditures, and Changes in Fund Balance* presents information showing how the District's fund balance changed during the most recent fiscal year. The fund financial statements are reported on the modified accrual basis.

**ENHANCED SHERIFF'S PATROL DISTRICT**  
**(A Component Unit of Washington County, Oregon)**  
**Management's Discussion and Analysis, Continued**  
**June 30, 2024**  
(Dollars in thousands)

***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 15 through 17 of this report.

**Government-Wide Financial Analysis**

***Net Position***

The net position of the District increased by \$1,325 during the fiscal year. The most significant asset consists of deposits with fiscal agent.

|                            | <u>2023-24</u>   | <u>2022-23</u>   |
|----------------------------|------------------|------------------|
| Assets:                    |                  |                  |
| Deposits with fiscal agent | \$ 17,408        | \$ 16,178        |
| Property taxes receivable  | 570              | 476              |
| Accounts receivable        | 6                | 5                |
| Total assets               | <u>17,984</u>    | <u>16,659</u>    |
| Net position:              |                  |                  |
| Total net position         | <u>\$ 17,984</u> | <u>\$ 16,659</u> |

***Changes in Net Position***

The table below shows a summary of the District's changes in net position for the year ended June 30:

|                                    | <u>2023-24</u>   | <u>2022-23</u>   |
|------------------------------------|------------------|------------------|
| Revenues:                          |                  |                  |
| Property taxes                     | \$ 36,993        | \$ 31,724        |
| Other taxes                        | 33               | 26               |
| Intergovernmental                  | 71               | 75               |
| Charges for services               | 22               | 19               |
| Interest income                    | 1,010            | 437              |
| Total revenues                     | <u>38,129</u>    | <u>32,281</u>    |
| Expenses:                          |                  |                  |
| Enhanced Sheriff's Patrol contract | <u>36,804</u>    | <u>32,503</u>    |
| Change in net position             | 1,325            | (222)            |
| Net position, beginning balance    | <u>16,659</u>    | <u>16,881</u>    |
| Net position, ending balance       | <u>\$ 17,984</u> | <u>\$ 16,659</u> |

**ENHANCED SHERIFF'S PATROL DISTRICT**  
**(A Component Unit of Washington County, Oregon)**  
**Management's Discussion and Analysis, Continued**  
**June 30, 2024**  
(Dollars in thousands)

The increase in net position was primarily due to increases in property tax receipts during fiscal year 2024. The District's net position is considered unrestricted.

All residents in the District pay additional property taxes for enhanced sheriff's patrol services. The taxes were established by a vote of the residents of the District.

Program expenses for the District are primarily made up of contract services provided to the District by Washington County. Such services are primarily in the form of enhanced sheriff's patrol activities within District boundaries.

## **District Fund Financial Analysis**

### ***Balance Sheet***

The District's Balance Sheet includes assets of \$17,984 consisting of \$17,408 in deposits with fiscal agent, \$570 in property taxes receivable, \$6 in accounts receivable.

The District reports a deferred inflow of resources of \$459 unavailable revenue - property taxes. Total unassigned fund balance at June 30, 2024 was \$17,525. The \$459 difference between total net position shown in the basic financial statements and total fund balance shown in the fund statements is due to the full accrual presentation of property taxes of \$459 in the government-wide statements.

### ***Statement of Revenues, Expenditures and Changes in Fund Balance***

Total revenues were \$38,063 and increased by 18.0% over last year primarily due to an increase in property taxes revenues as a result of a 4.84% increase in assessed value. The difference between total revenues shown in the *Statement of Activities* and the *Statement of Revenues, Expenditures, and Changes in Fund Balance* is \$67 and results from revenues that do not meet the measurable and available criteria for fiscal year 2024.

### ***District Fund Budgetary Highlights***

There were some changes to the adopted budget to district operations expenditures: an increase of \$34 in contingency, a decrease of \$34 in enhanced sheriff's patrol contract. Actual revenues of \$38,063 were more than budgeted revenues of \$36,944 by (\$1,119) due primarily to the increase in miscellaneous revenues. Actual expenditures were \$36,804 and came in \$15,558 under budgeted expenditures of \$52,362. The \$15,558 difference represents \$1,124 of unspent enhanced sheriff's patrol contract and \$14,434 of unspent contingency. Actual beginning fund balance was \$849 over budget.

### ***Contacting the District's Financial Management***

This financial report is designed to provide a general overview of the District'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 Department, 155 N. First Ave., Hillsboro, OR 97124-3072, or call (503) 846-8811.



# BASIC FINANCIAL STATEMENTS



**ENHANCED SHERIFF'S PATROL DISTRICT**  
**(A Component Unit of Washington County, Oregon)**  
**Statement of Net Position**  
**June 30, 2024**

**ASSETS**

Current assets:

|                            |                   |
|----------------------------|-------------------|
| Deposits with fiscal agent | \$ 17,408,383     |
| Property taxes receivable  | 569,586           |
| Accounts receivable        | <u>6,442</u>      |
| Total current assets       | <u>17,984,411</u> |

**NET POSITION**

|              |                      |
|--------------|----------------------|
| Unrestricted | <u>\$ 17,984,411</u> |
|--------------|----------------------|

See accompanying notes to the basic financial statements.

**ENHANCED SHERIFF'S PATROL DISTRICT  
(A Component Unit of Washington County, Oregon)  
Statement of Activities  
For the Fiscal Year Ended June 30, 2024**

|                                    |               |
|------------------------------------|---------------|
| Program expenses:                  |               |
| Enhanced Sheriff's Patrol contract | \$ 36,803,686 |
| Program revenues:                  |               |
| Operating grants and contributions | 70,945        |
| Charges for services               | 21,884        |
| Total program revenues             | 92,829        |
| Net program expenses               | 36,710,857    |
| General revenues:                  |               |
| Property taxes                     | 36,993,102    |
| Other taxes                        | 32,951        |
| Interest income                    | 1,010,363     |
| Total general revenues             | 38,036,416    |
| Change in net position             | 1,325,559     |
| Net position, beginning balance    | 16,658,852    |
| Net position, ending balance       | \$ 17,984,411 |

See accompanying notes to the basic financial statements.

**ENHANCED SHERIFF'S PATROL DISTRICT**  
**(A Component Unit of Washington County, Oregon)**  
**Balance Sheet**  
**June 30, 2024**

**ASSETS**

|                            |                          |
|----------------------------|--------------------------|
| Deposits with fiscal agent | \$ 17,408,383            |
| Property taxes receivable  | 569,586                  |
| Accounts receivable        | <u>6,442</u>             |
| Total assets               | <u><u>17,984,411</u></u> |

**DEFERRED INFLOWS OF RESOURCES**

|                                      |                |
|--------------------------------------|----------------|
| Unavailable revenue - property taxes | <u>459,097</u> |
|--------------------------------------|----------------|

**FUND BALANCE**

|  |                             |
|--|-----------------------------|
| Unassigned   | <u>17,525,314</u>           |
| Total liabilities, deferred inflows of resources, and fund balance | <u><u>\$ 17,984,411</u></u> |

**Reconciliation of the Balance Sheet to the Statement of Net Position**

|              |               |
|--------------|---------------|
| Fund balance | \$ 17,525,314 |
|--------------|---------------|

Amounts reported are different because:

A portion of the District's property taxes are collected after year-end, but are not available soon enough to pay for the current year's operations and, therefore, are not reported as revenue in the governmental fund.

|              |                             |
|--------------|-----------------------------|
|              | <u>459,097</u>              |
| Net position | <u><u>\$ 17,984,411</u></u> |

See accompanying notes to the basic financial statements.

**ENHANCED SHERIFF'S PATROL DISTRICT  
(A Component Unit of Washington County, Oregon)  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2024**

|                                    |                             |
|------------------------------------|-----------------------------|
| Revenues:                          |                             |
| Property taxes                     | \$ 36,926,577               |
| Other taxes                        | 32,951                      |
| Intergovernmental                  | 70,945                      |
| Charges for services               | 21,884                      |
| Miscellaneous revenues             | <u>1,010,363</u>            |
| Total revenues                     | <u>38,062,720</u>           |
| Expenditures:                      |                             |
| Enhanced Sheriff's Patrol contract | <u>36,803,686</u>           |
| Net change in fund balance         | 1,259,034                   |
| Fund balance, beginning balance    | <u>16,266,280</u>           |
| Fund balance, ending balance       | <u><u>\$ 17,525,314</u></u> |

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the  
Statement of Activities**

|  |                            |
|--|----------------------------|
| Net change in fund balance   | \$ 1,259,034               |
| Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental fund. In the Statement of Activities, property taxes are recognized when levied. | <u>66,525</u>              |
| Change in net position   | <u><u>\$ 1,325,559</u></u> |

See accompanying notes to the basic financial statements.

**ENHANCED SHERIFF'S PATROL DISTRICT**  
**(A Component Unit of Washington County, Oregon)**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2024**

|                                    | <b>Adopted<br/>budget</b> | <b>Revised<br/>budget</b> | <b>Actual</b> | <b>Variance<br/>positive<br/>(negative)</b> |
|------------------------------------|---------------------------|---------------------------|---------------|---|
| Revenues:                          |                           |                           |               |   |
| Property taxes                     | \$ 36,602,189             | \$ 36,602,189             | \$ 36,926,577 | \$ 324,388                                  |
| Other taxes                        | -                         | -                         | 32,951        | 32,951                                      |
| Intergovernmental                  | 75,214                    | 75,214                    | 70,945        | (4,269)                                     |
| Charges for services               | 18,668                    | 18,668                    | 21,884        | 3,216                                       |
| Miscellaneous revenues             | 247,800                   | 247,800                   | 1,010,363     | 762,563                                     |
| Total revenues                     | 36,943,871                | 36,943,871                | 38,062,720    | 1,118,849                                   |
| Expenditures:                      |                           |                           |               |   |
| Enhanced Sheriff's Patrol contract | 37,961,453                | 37,927,487                | 36,803,686    | 1,123,801                                   |
| Contingency                        | 14,400,073                | 14,434,039                | -             | 14,434,039                                  |
| Total expenditures                 | 52,361,526                | 52,361,526                | 36,803,686    | 15,557,840                                  |
| Net change in fund balance         | (15,417,655)              | (15,417,655)              | 1,259,034     | 16,676,689                                  |
| Fund balance, beginning balance    | 15,417,655                | 15,417,655                | 16,266,280    | 848,625                                     |
| Fund balance, ending balance       | \$ -                      | \$ -                      | \$ 17,525,314 | \$ 17,525,314                               |

See accompanying notes to the basic financial statements.



# Washington County Oregon

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**ENHANCED SHERIFF'S PATROL DISTRICT**  
**(A Component Unit of Washington County, Oregon)**  
**Notes to Financial Statements**  
**June 30, 2024**

**1. The District**

The Enhanced Sheriff's Patrol District (the District) was formed under the provisions of ORS Chapter 451 and approved by the voters in September 1987. 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 operating levies. A new five-year levy was approved by voters May 2022 that will continue through fiscal year 2028. The new levy will be \$0.83 per \$1,000 of assessed value which is an increase of \$0.15 over the current rate.

The District, under the criteria of the Governmental Accounting Standards Board (GASB), is considered a blended component unit of Washington County, Oregon (the County) due to the fact that the Washington County Board of Commissioners is the governing body of the District, and therefore is an integral part of the County's reporting entity. All significant activities over which the District exercises oversight responsibility have been included in the basic financial statements.

**2. Summary of Significant Accounting Policies**

***Use of Estimates***

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Basis of Presentation and Accounting***

The District's accounting records are maintained on the modified accrual basis of accounting but the basic financial statements are presented at both the government-wide and fund financial level on a full accrual and modified accrual basis, respectively.

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded.

The government-wide financial statements are presented on a full accrual basis of accounting with an economic resource measurement focus. An economic resource focus concentrates on an entity's net position. All transactions and events that affect the total economic resources (net position) during the period are reported. An economic resource measurement focus is inextricably connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

Fund financial statements are presented on a modified accrual basis of accounting with a current financial resource measurement focus. This measurement focus concentrates on the fund's resources available for expenditure currently or in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Similar to the connection between an economic resource focus and full accrual accounting, a current financial resources measurement focus is inseparable from a modified accrual basis of accounting. Under modified accrual 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 District 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.

The District has classified its entire ending fund balance as unassigned, in accordance with GASB Statement No. 54.

**ENHANCED SHERIFF'S PATROL DISTRICT**  
**(A Component Unit of Washington County, Oregon)**  
**Notes to Financial Statements, Continued**  
**June 30, 2024**

All revenues for the District are considered either program revenues or general revenues, which consist of tax revenues, intergovernmental revenues, and investment income. Program expenses are defined as those expenses directly related to providing law enforcement services.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliation is necessary to explain the adjustments needed to transform the fund-based financial statements into the government-wide presentation.

Payments made to the Washington County Sheriff's Office were in exchange for services and have been classified as program expenditures/expenses.

***Deposits with Fiscal Agent***

Deposits with fiscal agent comprise funds held by the Washington County Finance Department, on behalf of the District. Unrealized gains and losses as well as interest earnings are allocated from total County earnings based on the proportion of District funds to total County funds.

The District considers deposits with fiscal agent, which is used as a demand deposit account, to be cash and cash equivalents. This treatment is in conformity with GASB Statement No. 9, which states that deposits having the general characteristics of demand deposit accounts are appropriately classified as cash equivalents.

***Property Taxes***

Property taxes become a lien against the property as of July 1 of each year and are payable in three installments which are due on November 15, February 15 and May 15. All property taxes receivable are due from property owners within the District.

***Deferred Inflow of Resources***

Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District only has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet, and is deferred and recognized as an inflow of resources in the period that the amounts become available.

***Budget***

A budget is prepared for the District in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. The District's expenditure budget is appropriated at a single amount for its operations, including contingency.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. The Board of County Commissioners at a regular Board meeting may adopt supplemental budgets less than 10% of the organizational unit's original budget. A supplemental budget greater than 10% of the organizational unit's original budget requires a hearing before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control with approval by the Board. Expenditure appropriations may not be legally overexpended except in the case of reimbursable grant expenditures or other specific circumstances which could not be reasonably estimated at the time the budget was adopted. After budget approval, the Board of County Commissioners may approve supplemental appropriations if an occurrence, condition or need exists which was not known at the time the budget was adopted.

There was a \$33,966 net total supplemental budget appropriation during the year.



**ENHANCED SHERIFF'S PATROL DISTRICT**  
**(A Component Unit of Washington County, Oregon)**  
**Notes to Financial Statements, Continued**  
**June 30, 2024**

**3. Tax Abatements Granted by Other Governments**

GASB Statement No. 77 – Tax Abatement Disclosures establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The District's property tax revenues were impacted by two tax abatement programs offered through Washington County for the fiscal year ended June 30, 2024.

***Nonprofit Corporation Low Income Housing***

The 1985 Oregon legislature authorized a property tax exemption for low-income housing held by charitable, nonprofit organizations. The tax exemption is intended to benefit low-income renters and is available for qualifying property located in some parts of Washington County. Nonprofit (IRS 501(c)(3) or (4)) organizations are responsible for the day-to-day management of the property. Cities/county may set additional terms and may depend on the existence of development prior to application or not. The District's reduction in revenues is estimated at \$28,000 for this program.

***Strategic Investment Program***

The Strategic Investment Program (SIP) is a combined agreement between Washington County, the City of Hillsboro and Intel Corporation (Intel). The SIP was authorized by the 1993 Legislature to increase Oregon's ability to attract and retain capital-intensive industry and high-wage jobs. Under this current agreement, Intel agrees to pay full property taxes on the first \$100 million invested, or \$25 million in a rural area, a cap that increases 3 percent each year as well as an annual Community Service Fee equal to 25 percent of abated taxes. The District's SIP reduction in property tax revenues is estimated at \$1,191,000.

**4. Vested Compensated Absences, Sick Pay, Pension Plan, and Other Post Employment Benefits (OPEB)**

The District's personnel are exclusively contracted Washington County employees. Accordingly, the liability of vested compensated absences is recorded by the County.

Substantially all of the County's employees are participants in the Oregon Public Employees Retirement System (OPERS), a state-wide cost-sharing multiple-employer defined benefit pension and OPEB plan. Contributions to OPERS are made on a current basis as required by the plan. The District's retirees, through the County, are provided with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees in accordance with Oregon Revised Statutes 243.303.

Further information regarding vested compensated absences, sick pay, OPERS and OPEB (Other Post Employment Benefits) can be found in the June 30, 2024 Washington County, Oregon, Annual Comprehensive Financial Report.

**5. Insured Risks**

Potential liabilities for liability/casualty claims are covered under the self-insurance plans maintained by Washington County. Accordingly, insurance reserves are recorded by the County. Reference should be made to the Washington County, Oregon, Annual Comprehensive Financial Report for the year ended June 30, 2024 for treatment of insurance risks.

**6. Transactions with Related Parties**

The District's property taxes are levied and collected through Washington County's Assessment and Taxation Department, and the District contracts with Washington County Sheriff's Department to provide the required sheriff patrol services. The District's accounting and clerical functions are performed by County personnel. Washington County charges the District for administrative costs through the enhanced sheriff's patrol contract. The total amount paid to Washington County through the enhanced sheriff's patrol contract for the fiscal year ended June 30, 2024 was \$35,806,625.

**Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit  
of Financial Statements Performed in Accordance  
with *Government Auditing Standards***

**&**

**Independent Auditor's Report on Compliance and  
Internal Control over Financial Reporting Based  
on an Audit of Financial Statements Performed  
in Accordance with Oregon State Regulations**



ENHANCED SHERIFF'S PATROL DISTRICT (A COMPONENT UNIT OF WASHINGTON COUNTY, OREGON)  
WASHINGTON COUNTY, OREGON



Your peace of mind is our passion.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

Board of County Commissioners of  
Washington County, Oregon, as Governing Body of  
Enhanced Sheriff's Patrol District  
Hillsboro, Oregon

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the governmental activities and major fund of the Enhanced Sheriff's Patrol District, Hillsboro, Oregon (the District), a component unit of Washington County, Oregon, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 23, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS (Continued)**

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Talbot, Kowolot & Warwick, LLP*

Portland, Oregon  
May 23, 2025



Your peace of mind is our passion.

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

Board of County Commissioners  
Washington County, Oregon, as Governing Body of  
Enhanced Sheriff's Patrol District  
Hillsboro, Oregon

We have audited the financial statements of the governmental activities and major fund of Enhanced Sheriff's Patrol District, Hillsboro, Oregon (the District), a component unit of Washington County, Oregon, as of and for the year ended June 30, 2024, and the related notes to the financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 23, 2025. 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.

**Compliance**

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

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- 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 District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

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

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Purpose of This Report**

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

*Talbot, Kowolot & Warwick, LLP*

Portland, Oregon  
May 23, 2025



# Washington County Oregon