



# Comprehensive Annual Financial Report

FISCAL YEAR ENDED  
JUNE 30, 2016



**WASHINGTON COUNTY**  
OREGON

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**WASHINGTON COUNTY, OREGON**

155 N. First Avenue  
Hillsboro, Oregon 97124-3072

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the fiscal year ended June 30, 2016

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, 2016

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

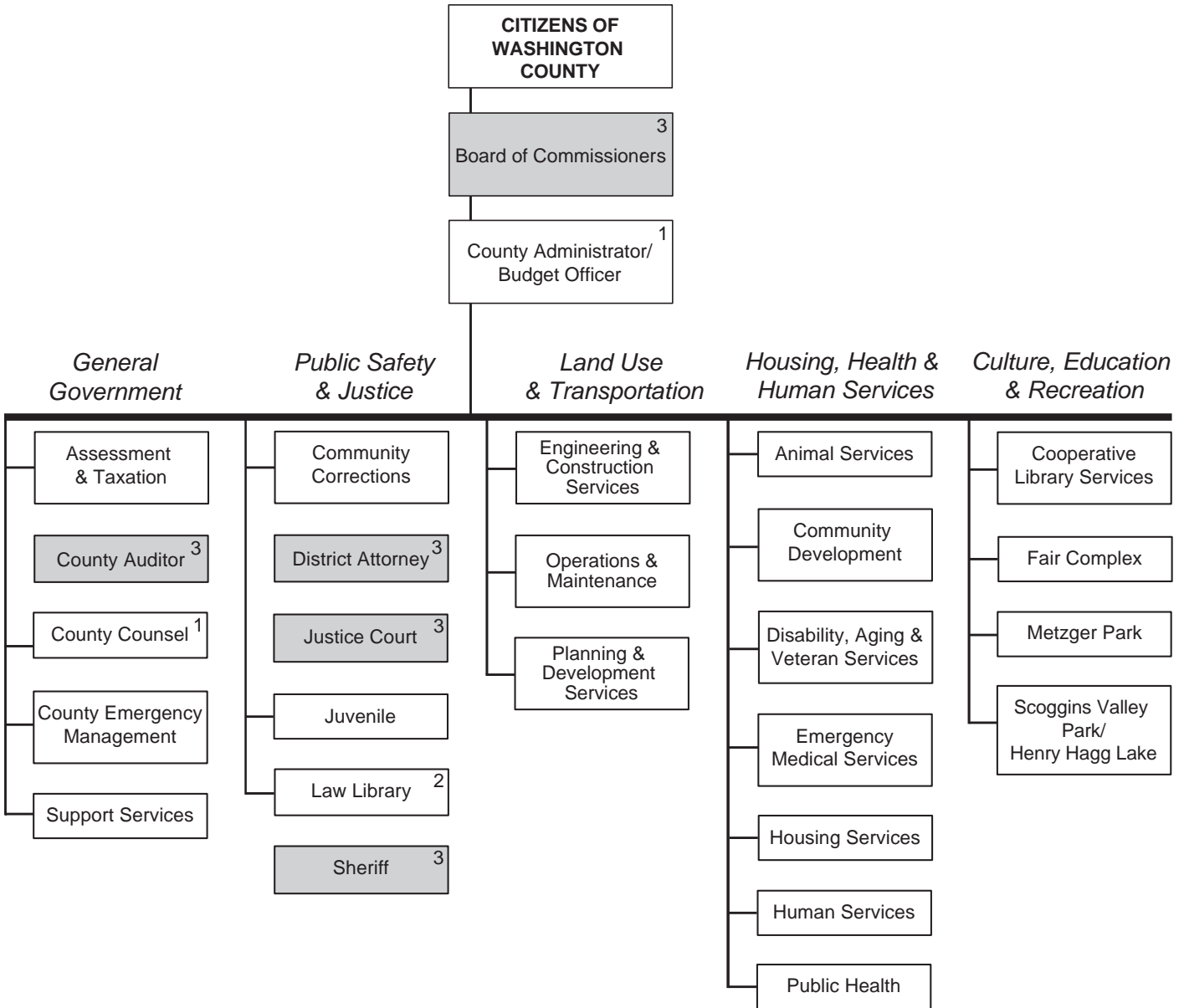
Administrative Staff

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

Administrative Offices

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

# WASHINGTON COUNTY, OREGON Organizational Chart



1. Appointed by County Commissioner

2. Appointed by Circuit Court

3. Gray boxes denote elected positions

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



December 13, 2016

To the Board of County Commissioners and Citizens of Washington County, Oregon

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, unless extended, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2016.

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, 2016. The independent auditor's report is located at the front of the financial section of this report.

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

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

### ***Profile of the County***

Washington County (the County) was incorporated in 1849 and is located in the northwestern part of Oregon, south of the Columbia River and immediately to the west of Portland, the state's largest city. The County is the second largest county in the state, encompasses 727 square miles, and serves a population of approximately 570,500. There are 16 incorporated cities in the County. The three largest cities, Hillsboro, Beaverton and Tigard account for 42% of the overall population; the unincorporated area also represents 42% of the County's population. This unincorporated area, with a population of almost 240,000, would be the second largest city in the state after Portland if it were incorporated. Most local governments, including the County, have permanent authority to levy property taxes for operations at a maximum tax rate (permanent tax rate). All property tax levies exceeding the permanent tax rate require voter approval at a general election; levies funding operations are limited to five years, levies dedicated to capital expenditures are limited to ten years, and levies to pay general obligation bonds are limited by the debt service requirements of the bonds.

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

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

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

**Local Economy**

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

Currently, manufacturing accounts for 17% of the total non-farm employment in the Portland PMSA, while trade, transportation and utilities also accounts for 17%, government jobs 8%, professional and business services 19%, education and health services 12%, and leisure and hospitality 9%.

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

<b>Company</b>	<b>Products/Services</b>	<b>Location</b>	<b>Number of Employees</b>
Intel Corporation	Semiconductor integrated circuits	Hillsboro	19,500
Nike, Inc.	Athletic footwear and apparel	Beaverton	10,700
Providence St. Vincent Hospital	Health Care	various	6,369
Beaverton School District	Education	Beaverton	4,547
Hillsboro School District	Education	Hillsboro	2,558
Kaiser Permanente	Health Care	various	2,500
Fred Meyer	Retail	various	2,200
Washington County	Government	Hillsboro	1,890
Tigard-Tualatin School District	Education	Tigard	1,500
Comcast Corporation	Cable/Phone/Internet	various	1,500
Tuality Healthcare	Health Care	various	1,312
<i>Source: Westside Economic Alliance, 2016 Data</i>			

Strategic Investment Program

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

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

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

<u>Agreements</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
1994/96 Intel	\$ 1,103	-	-	-	-	-
1999 Intel	9,066	8,715	8,482	8,266	8,319	-
2005 Intel	2,115	2,316	2,692	10,593	12,092	22,899
2006 Genentech	500	500	547	896	920	946
<b>Totals</b>	<b><u>12,784</u></b>	<b><u>11,531</u></b>	<b><u>11,721</u></b>	<b><u>19,755</u></b>	<b><u>21,331</u></b>	<b><u>23,845</u></b>
<b>Distributed to:</b>						
Washington County	7,752	7,644	7,790	12,905	13,862	15,131
Other agencies	5,032	3,887	3,931	6,850	7,469	8,714
<b>Totals</b>	<b><u>\$ 12,784</u></b>	<b><u>11,531</u></b>	<b><u>11,721</u></b>	<b><u>19,755</u></b>	<b><u>21,331</u></b>	<b><u>23,845</u></b>

**Source: Washington County Finance Division**

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

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

## Gain Share

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

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

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

*Source: Washington County Finance Division*

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

The 2016-17 adopted budget includes General Fund reserves of \$37 million or 24% of the adopted General Fund revenues. In March 2007 the Board adopted a policy to maintain a reserve of 20% or more and not less than 15% of General Fund revenues. With guidance from the Budget Committee, annual transfers to the Major Streets Transportation Improvement Program (MSTIP) and the Washington County Cooperative Library System (WCCLS) have been excluded from General Fund revenues for purposes of calculating the fund balance reserve. Executive management works with departments to meet the upper reserve amount at each fiscal year end. The Board is updated on the General Fund forecast and other funds as deemed appropriate.

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

Funding for MSTIP projects comes from the County's permanent tax rate. The 2016-17 budget includes over \$38 million for this program from the County's property tax collections. This program currently consists of a number of projects to widen and improve existing roadways to accommodate increased traffic volume and provide additional traffic safety. The County has also developed an interim list of projects to continue the program while the next generation of projects is developed through a public process.



## ***Relevant financial policies***

### Cash Management

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

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

### Independent Audit

Pursuant to the Oregon Municipal Audit Law, ORS 297.405-297.555 all Oregon counties must obtain an audit annually. The required audit may be performed by the State Division of Audits or by independent public accountants certified by the state as capable of auditing municipal corporations. The accounting firm of Talbot, Korvola & Warwick, LLP conducted the audit for the fiscal year ended June 30, 2016.

### Risk Management

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

## ***Major initiatives***

### High Growth Transportation Funding Program

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

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

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

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

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

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

#### Emergency Communications System Financing

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

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

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

#### Other Debt Financing

In March 2016 the County refinanced \$31,960,000 Full Faith and Credit Bonds which were originally issued in 2006. During the refinancing process Moody's the County an "investment grade" Aa1 bond rating – the second highest rating possible. With this rating the County was able to refinance at lower borrowing costs saving taxpayers an estimated \$500,000 annually and more than \$5 million in debt service over the life of the bonds.

#### County Levies

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

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

***Awards and acknowledgements***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to Washington County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This was the thirtieth consecutive year the County received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Mary E. Gruss  
Chief Finance Officer

Roger Dawes  
Controller

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Government Finance Officers Association

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

Presented to

**Washington County  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**



Executive Director/CEO

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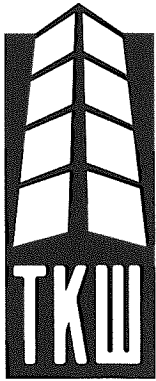
**WASHINGTON COUNTY,  
OREGON**

**FINANCIAL  
SECTION**

**SECTION II**

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**Talbot, Korvola  
& Warwick, LLP**

Certified Public Accountants  
& Consultants

*ACHIEVE MORE*

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## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
Washington County, Oregon  
Hillsboro, Oregon

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information of Washington County, Oregon (the County), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Clean Water Services (CWS), the discretely presented component unit of the County, which represents 26.7%, 22.9%, and 25.3%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the County. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for CWS, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of CWS were not audited in accordance with *Government Auditing Standards*.

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

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

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

Board of County Commissioners  
Washington County, Oregon

### **OPINIONS**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **OTHER MATTERS**

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

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

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

## INDEPENDENT AUDITOR'S REPORT (Continued)

Board of County Commissioners  
Washington County, Oregon

### OTHER MATTERS (Continued)

#### ***Other Supplementary Information and Other Financial Schedule***

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

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

### REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 13, 2016, on our consideration of the County's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

**TALBOT, KORVOLA & WARWICK, LLP**

By   
Julie B. Fahey, Partner

Lake Oswego, Oregon  
December 13, 2016

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

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

**June 30, 2016**

**(Dollars in thousands)**

As management of Washington County, we offer readers of Washington County's financial statements this narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 through 9 of this report.

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

### **Financial Highlights**

- The assets and deferred outflows of resources of Washington County exceeded its liabilities and deferred inflows of resources at June 30, 2016 by \$2,307,265. Net investment in capital assets was \$2,028,178 and accounts for 88% of total net position. Of the remaining net position, \$100,117 may be used to meet the County's ongoing obligations to citizens and creditors.
- As of June 30, 2016, Washington County's governmental funds reported a combined unassigned ending fund balances of \$59,066.
- Unassigned fund balance for the General Fund was \$59,595 at June 30, 2016, amounting to 44% of total General Fund expenditures for 2016.
- Committed fund balance for the Major Streets Transportation Improvement Program III Fund (MSTIP III) was \$68,479 at June 30, 2016, amounting to 111% of total MSTIP III expenditures. Restricted fund balance for the Road Fund was \$23,861 at June 30, 2016, amounting to 59% of total Road Fund expenditures. Restricted fund balance for the Human Services Fund was \$5,770 or 35% of fund expenditures.
- Washington County's governmental activities did not have any general obligation debt at June 30, 2016, allowing for the potential to have voter-approved general obligation debt up to \$1,818,949. Total non-voter approved full faith and credit debt at June 30, 2016 was \$59,053, net of premiums and adjustments, with remaining capacity for this type of debt at \$850,422.

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

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

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

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

**June 30, 2016**

**(Dollars in thousands)**

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

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

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

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

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

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

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

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



**WASHINGTON COUNTY, OREGON**  
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**(Dollars in thousands)**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and governmental activities in the government-wide financial statements.

The County maintains 51 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, HOME Fund, Human Services Fund, Road Fund, and Major Streets Transportation Improvement Program III Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements and individual schedules* elsewhere in this report.

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

**Proprietary funds.** The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Housing Authority's programs and the Service District for Lighting. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for self-insurance funds, fleet operations and other functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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

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

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

The basic fiduciary fund financial statements can be found on pages 34 and 35 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36 through 106 of this report.

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

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**(Dollars in thousands)**

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning certain Washington County's major governmental funds, a schedule of funding progress related to other postemployment benefits, and a schedule of proportionate share and contributions related to the Oregon Public Employees Retirement System (OPERS) net pension liability. Required supplementary information can be found beginning on page 107 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 124 through 183 of this report.

**Government-wide Financial Analysis**

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. In the case of Washington County, assets and deferred outflows exceeded liabilities and deferred inflows by \$2,307,265 at the close of the most recent fiscal year.

		Statement of Net Position						Discretely Presented Component Unit	
		Washington County - Primary Government				County Total		District	
		Government activities	Business-type activities						
		2016	2015	2016	2015	2016	2015	2016	2015
Current assets	\$	286,030	143,135	8,575	8,132	294,605	151,267	289,069	254,328
Noncurrent assets		187,036	330,523	(440)	(1,556)	186,596	328,967	6,021	13,454
Capital assets (net of depreciation)		<u>2,086,130</u>	<u>2,064,142</u>	<u>26,279</u>	<u>27,179</u>	<u>2,112,409</u>	<u>2,091,321</u>	<u>658,415</u>	<u>643,931</u>
Total assets		<u>2,559,196</u>	<u>2,537,800</u>	<u>34,414</u>	<u>33,755</u>	<u>2,593,610</u>	<u>2,571,555</u>	<u>953,505</u>	<u>911,713</u>
Deferred outflows of resources		<u>27,377</u>	<u>19,459</u>	<u>2,148</u>	<u>2,313</u>	<u>29,525</u>	<u>21,772</u>	<u>3,617</u>	<u>2,410</u>
Current liabilities		<u>94,343</u>	<u>76,546</u>	<u>1,898</u>	<u>2,181</u>	<u>96,241</u>	<u>78,727</u>	<u>36,805</u>	<u>34,424</u>
Noncurrent liabilities		<u>165,043</u>	<u>67,629</u>	<u>28,903</u>	<u>28,932</u>	<u>193,946</u>	<u>96,561</u>	<u>228,675</u>	<u>229,938</u>
Total liabilities		<u>259,386</u>	<u>144,175</u>	<u>30,801</u>	<u>31,113</u>	<u>290,187</u>	<u>175,288</u>	<u>265,480</u>	<u>264,362</u>
Deferred inflows of resources		<u>25,683</u>	<u>79,493</u>	<u>-</u>	<u>-</u>	<u>25,683</u>	<u>79,493</u>	<u>4,480</u>	<u>11,771</u>
Net position:									
Net investment in capital assets		2,028,976	2,001,443	(798)	(18)	2,028,178	2,001,425	436,636	406,700
Restricted		176,076	152,101	2,894	3,978	178,970	156,079	131,179	127,787
Unrestricted		96,452	180,047	3,665	995	100,117	181,042	119,347	103,503
Total net position	\$	<u>2,301,504</u>	<u>2,333,591</u>	<u>5,761</u>	<u>4,955</u>	<u>2,307,265</u>	<u>2,338,546</u>	<u>687,162</u>	<u>637,990</u>

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.

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An additional portion of the County's net position (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$96,452) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County reported positive balances in all three categories of net position for the County as a whole and for its governmental activities. For its business-type activities the County reported positive balances in restricted and unrestricted net position, but had a negative balance of \$798 in the net investment in capital assets category. For the prior fiscal year, the County reported positive balances in all three categories of net position for the County as a whole and for its governmental activities. For its business-type activities, the County reported positive balances in restricted and unrestricted net position, but had a negative balance of \$18 in the net investment in capital assets category.

The County's net position decreased by \$31,281 during the current fiscal year; the result is an \$806 increase in business-type activities net position and a \$32,087 decrease in governmental activities net position.

**Business Type** – The Authority's restricted net position decreased by \$1,084 due to payment of principal of long term debt.

**Component Unit** – The District's total net position increased by \$49,172, mainly due to net proceeds from current year operations and capital contributions from developers and Clean Water Insurance Company, LLC, a wholly owned subsidiary of the District.

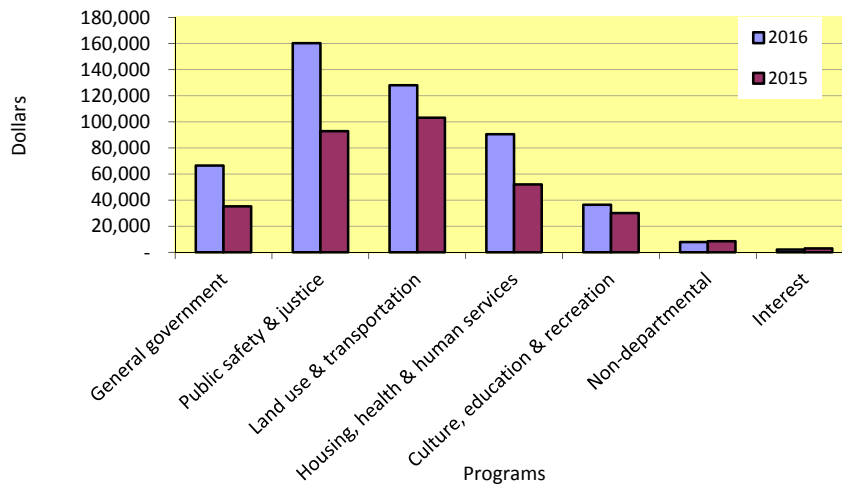
**Governmental activities.** Governmental activities decreased the County's net position by \$32,087. Key elements of this decrease are as follows:

- Overall program expenses increased \$167,048 during the fiscal year due primarily to a increase in expenses of \$67,499 in the public, safety & justice functional area, a \$24,823 increase in expenses in the land use and transportation functional area, a \$38,508 increase in expenses in the housing, health & human Services functional area, a \$31,289 increase in expenses in the general government functional area, due primarily to the GASB 68 recognition of the proportionate share of the current year's activity in the OPERS pension plan and changes in the OPEB obligation.
- Total revenue increased overall by \$28,779. This would include land use & transportation increases of \$16,761 in charges for services due to increase in construction activity combined with a decrease of \$9,911 decrease in operating grants and contributions. General revenues increased \$19,435 compared to the prior year and are attributable to an \$11,036 increase in property taxes along with an additional \$2,194 in other taxes including transient lodging and real property transfer taxes. Miscellaneous revenues also increased by \$5,433 because of additional donated infrastructure assets compared to prior year.

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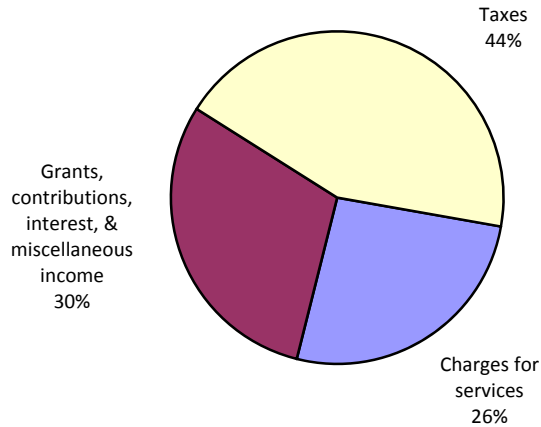
	Changes in Net Position						Discretely Presented	
	Washington County - Primary Government						Component Unit	
	Government activities		Business-type activities		County Total		District	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>Revenues</b>								
<b>Program Revenues</b>								
Charges for services	\$ 120,148	100,580	9,843	9,100	129,991	109,680	130,052	125,449
Operating grants and contributions	111,190	112,651	23,473	23,788	134,663	136,439	-	-
Capital grants and contributions	9,862	18,625	340	34	10,202	18,659	34,606	29,004
<b>General Revenues</b>								
Taxes	201,379	188,149	-	-	201,379	188,149	-	-
Interest income	4,147	3,330	55	33	4,202	3,363	2,319	1,888
Miscellaneous revenue	13,016	7,583	-	-	13,016	7,583	-	-
Gain (Loss) on disposal of capital assets	-	-	13	-	13	-	-	-
Transfer in (out)	(136)	(91)	136	91	-	-	-	-
Loss on equity in joint venture	-	-	428	-	428	-	(77)	(75)
Total revenues	459,606	430,827	34,288	33,046	493,894	463,873	166,900	156,266
<b>Program Expenses</b>								
General government	66,480	35,191	-	-	66,480	35,191	-	-
Public safety and justice	160,300	92,801	-	-	160,300	92,801	-	-
Land use and transportation	128,019	103,196	31,537	31,287	159,556	134,483	-	-
Housing, health and human services	90,559	52,051	-	-	90,559	52,051	-	-
Culture, education and recreation	36,422	30,009	-	-	36,422	30,009	-	-
Sanitation and surface water	-	-	-	-	-	-	117,728	99,272
Street lighting	-	-	1,945	1,917	1,945	1,917	-	-
Non-operating	7,842	8,465	-	-	7,842	8,465	-	-
Interest expense	2,071	2,932	-	-	2,071	2,932	-	-
Total expenses	491,693	324,645	33,482	33,204	525,175	357,849	117,728	99,272
Change in net position	(32,087)	106,182	806	(158)	(31,281)	106,024	49,172	56,994
Net position beginning of year	2,333,591	2,227,409	4,955	5,113	2,338,546	2,232,522	637,990	580,996
Net position end of year	\$ 2,301,504	2,333,591	5,761	4,955	2,307,265	2,338,546	687,162	637,990

**Expenses - Governmental Activities**



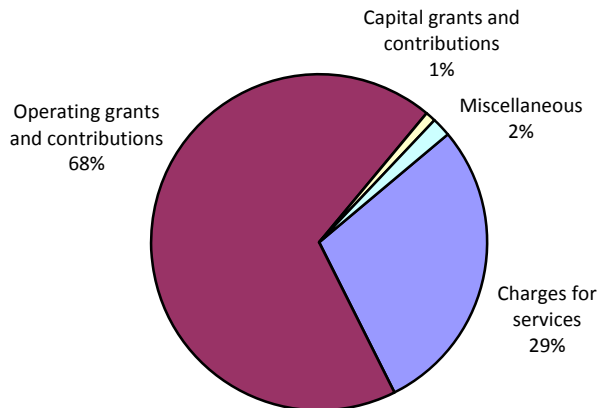
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**Revenues by Source - Governmental Activities**



**Business-type activities** – Business-type activities net position increased by \$806. The Authority's total net position increased by \$618, due to total operating revenues exceeding total operating expenses by \$1,172, nonoperating expenses exceeding nonoperating revenues \$1,038, and capital contributions plus transfers in from governmental funds of \$484. The Service District for Lighting No. 1's net position increased \$188, with operating revenues exceeding operating expenses by \$180, nonoperating interest income of \$16, and transfers to other funds of \$8.

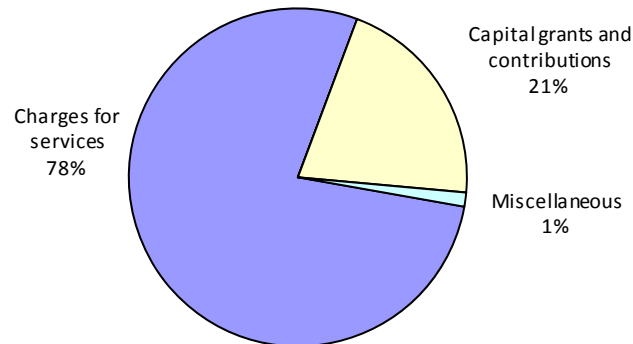
**Revenues by Source - Business-type Activities**



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**Component unit – District** - Total net position increased by \$49,172 during fiscal year 2016, due to total revenues exceeding total expenses by \$14,566 and capital contributions from developers of \$34,606.

**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 \$326,336; an increase of \$12,996 in comparison with the prior year, prior to restatement. Of this amount, \$59,066 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 \$59,595. As a measure of the General Fund's liquidity it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 44% of total General Fund expenditures, while total fund balance represents approximately 49%.

The fund balance of the County's General Fund increased by \$5,472 during the current fiscal year primarily due to an increase of \$7,780 in taxes revenue netted against an increase of \$2,086 general government expenditures.

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The Major Streets Transportation Improvement Program III fund has a total committed fund balance of \$68,479; all of which has been committed to road improvements within the County. The fund balance decreased \$19,472 from the prior year due to completion of road improvement projects during the current year.

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

Business-type activities - Unrestricted net position at the end of the year for the Service District for Lighting No. 1 was \$1,460 and \$2,205 for the Housing Authority. The total change in net position for these two funds was an increase of \$188 for the Service District for Lighting No. 1 and an increase of \$618 for the Housing Authority.

**General Fund Budgetary Highlights**

During the year there was a net \$1,339 increase in appropriations between the adopted and revised budget. The increases and decreases were due to additional property taxes and charges for services along with increases and decreases in several expenditures within the general government area. The main components of the changes are as follows:

- \$1,339 increase in revenues related to \$1,125 in additional property taxes and \$214 in additional intergovernmental revenues due to the increase in building activity across the County.
- \$30 appropriation increase in the financial management organizational unit of the general government functional area due to salaries and benefits increase with current staff.
- \$214 appropriation increase in the district attorney program areas of the public safety and justice functional area due to additional staff and the associated salaries and benefits.
- \$20 appropriation increase in the veterans services program area of the housing, health and human services functional area due to adding one position and increased salaries and benefits for staff
- These changes also had an effect on transfers out to other funds increasing \$1,124 due to the additional property taxes collected.

Total expenditures in the General Fund were \$132,800 or 20% under the final revised budget for the year. Key factors in this savings include:

- \$21,245 in operating contingency that was not utilized during the fiscal year.
- \$3,560 in total cost savings across all programs in the general government functional area; of which \$1,197 is attributable to savings in the information services program area and \$828 in the assessment and taxation program area.
- \$5,011 in savings recognized in the public safety and justice functional area; of which \$1,551 is due to law enforcement program area expenditures being lower than anticipated and \$1,131 is due to jail operations program area being lower than anticipated.
- \$1,632 in savings recognized in the housing, health and human services functional area during the fiscal year; of which \$1,047 is due to expenditures being lower than anticipated in the public health program area and \$388 is due to expenditures being lower than anticipated in the animal services program area.

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

**June 30, 2016**

**(Dollars in thousands)**

- The remaining \$1,184 reduction is from savings recognized in other functional areas of the General Fund, including \$833 from land use and transportation, \$66 from culture, education and recreation, and \$285 in miscellaneous expenditures from non-operating.

**Capital Asset and Debt Administration**

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$2,112,409 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, park facilities, roads, highways, and bridges. Of this total investment, approximately 1.2% was held by the County's business-type activities, with the balance being held by the County's governmental activities.

	Washington County - Primary Government						Discretely Presented Component Unit	
	Governmental activities		Business-type Activities		County Total		District	
	2016	2015	2016	2015	2016	2015	2016	2015
Land and artwork	\$ 981,464	959,258	8,296	8,169	989,760	967,427	25,362	20,500
Land improvements	923	1,074	-	-	923	1,074	-	-
Buildings and improvements	92,951	93,210	17,897	18,955	110,848	112,165	107,800	106,028
Sewer lines	-	-	-	-	-	-	154,936	151,263
Treatment plants	-	-	-	-	-	-	230,560	250,632
Machinery and equipment	16,471	15,161	79	20	16,550	15,181	32,275	35,458
Infrastructure	903,259	958,230	-	-	903,259	958,230	-	-
Construction in progress	91,062	37,209	7	35	91,069	37,244	107,482	80,050
	<u>\$ 2,086,130</u>	<u>2,064,142</u>	<u>26,279</u>	<u>27,179</u>	<u>2,112,409</u>	<u>2,091,321</u>	<u>658,415</u>	<u>643,931</u>

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

**Long-term debt.** The County has the following outstanding obligations – contracts, notes, and various types of bonds. The County's current limited tax bond indebtedness (backed by the full faith and credit of the County) rating from Moody's is Aa1. The revenue bond rating for the County's component unit – Clean Water Services – was Aa2 from Moody's and AA from S&P. The Finance Division manages the County's debt and is responsible for evaluating funding needs and determining the appropriate means to raise necessary funds.

At the end of the current fiscal year, the County had total bonded debt outstanding of \$51,135, all of which is debt backed by the full faith and credit of the County. The Authority had total bonded debt outstanding of \$26,740.

Component unit – District - At the end of the current fiscal year, the District had \$223,690 in revenue bonds secured solely by specified revenue sources by the District.

	Washington County - Primary Government						Discretely Presented Component Unit	
	Governmental activities		Business-type Activities		County Total		District	
	2016	2015	2016	2015	2016	2015	2016	2015
Full Faith & Credit bonds	\$ 51,135	60,770	26,740	27,145	77,875	87,915	-	-
Revenue bonds	-	-	-	-	-	-	223,690	238,175
	<u>\$ 51,135</u>	<u>60,770</u>	<u>26,740</u>	<u>27,145</u>	<u>77,875</u>	<u>87,915</u>	<u>223,690</u>	<u>238,175</u>



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

**June 30, 2016**

**(Dollars in thousands)**

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 \$1,818,949. The Authority is limited to 13% of its total market valuation by State statutes. The current debt limitation for the Authority is \$11,823,171

Additional information on the County's long-term debt can be found on pages 61 through 72 of this report.

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

The unemployment rate for the County is currently 4.1%, which is a decrease from a rate of 4.6% a year ago. This compares favorably to the State's average unemployment rate of 4.8% and to the national average rate of 4.9%.

The County government is funded through a variety of revenue sources including property taxes, state and federal funding, user fees and other revenues. The County economy is rebounding following the recession and is approaching an unemployment rate of less than 4%; the lowest recorded in 15 years. The building industry is strong along with an increase in manufacturing. In fact, manufacturing in Washington County accounts for one-quarter of all manufacturing jobs currently found in the State of Oregon. These manufacturing jobs, with their attractive wages and benefits, were the highest average annual wage earnings among the 36 Oregon counties last year.

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

All of these factors were considered in preparing the County's budget for the 2016-17 fiscal year.

During the current fiscal year, the unassigned fund balance in the General Fund increased to \$59,595.

**Requests for Information**

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

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## **BASIC FINANCIAL STATEMENTS**

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WASHINGTON COUNTY, OREGON

Statement of Net Position

June 30, 2016

(Dollars in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Clean Water Services of Washington County (District)
<b>Current assets:</b>				
Cash and investments	\$ 231,162	5,100	236,262	129,794
Restricted cash	8,735	3,642	12,377	135,543
Property taxes receivable	8,607	—	8,607	—
Assessments receivable, short-term portion	45	97	142	—
Accounts receivable	30,307	407	30,714	18,774
Accrued interest receivable	4,725	—	4,725	—
Housing Authority loan receivable, short term portion-internal balance	99	(99)	—	—
Contract receivable, short-term portion	963	(600)	363	—
Connection charges receivable	—	—	—	2,156
Supply inventory	573	—	573	1,265
Other current assets	814	28	842	1,537
<b>Total current assets</b>	<b>286,030</b>	<b>8,575</b>	<b>294,605</b>	<b>289,069</b>
<b>Noncurrent assets:</b>				
Long-term investments	158,652	—	158,652	—
Long-term assessments receivable	210	315	525	3,079
Contracts receivable, net - long-term portion	28,139	(1,149)	26,990	—
Housing Authority loan receivable, net - internal balance long-term portion	35	(35)	—	—
Investments in joint venture	—	429	429	2,491
Other noncurrent assets	—	—	—	451
	<b>187,036</b>	<b>(440)</b>	<b>186,596</b>	<b>6,021</b>
<b>Capital assets:</b>				
Land, CIP and other assets not being depreciated	1,072,526	8,303	1,080,829	132,844
Buildings and equipment, infrastructure and other assets net of depreciation	1,013,604	17,976	1,031,580	525,571
<b>Capital assets, net</b>	<b>2,086,130</b>	<b>26,279</b>	<b>2,112,409</b>	<b>658,415</b>
<b>Total noncurrent assets</b>	<b>2,273,166</b>	<b>25,839</b>	<b>2,299,005</b>	<b>664,436</b>
<b>Total assets</b>	<b>2,559,196</b>	<b>34,414</b>	<b>2,593,610</b>	<b>953,505</b>
<b>Deferred outflows of resources:</b>				
Deferred charge on refunding	3,594	2,148	5,742	354
Pension related	23,783	—	23,783	3,263
<b>Total deferred outflows of resources</b>	<b>27,377</b>	<b>2,148</b>	<b>29,525</b>	<b>3,617</b>
<b>Current liabilities:</b>				
Accounts payable	26,810	435	27,245	12,701
Accrued payroll liabilities	6,884	—	6,884	5,071
Accrued self insurance, current portion	4,032	—	4,032	92
Amounts held in trust	378	—	378	—
Unearned revenue	27,667	56	27,723	—
Tenant and other deposits	12,808	730	13,538	—
Accrued interest payable	250	648	898	2,661
Pollution remediation obligation, current portion	39	—	39	—
Capital lease obligations, current portion	406	—	406	—
Other long-term obligations, current portion, net of discount	15,069	29	15,098	16,280
<b>Total current liabilities</b>	<b>94,343</b>	<b>1,898</b>	<b>96,241</b>	<b>36,805</b>
<b>Noncurrent liabilities:</b>				
Accrued self insurance	—	—	—	250
Pollution remediation obligation	864	—	864	—
Capital lease obligations	535	—	535	—
Bond and bond anticipation notes payable, net of discount	—	—	—	212,858
Noncurrent portion of other long term obligations, net of discount	54,555	28,903	83,458	—
PERS net pension liability	103,558	—	103,558	15,004
Other postemployment benefits obligation	5,531	—	5,531	563
<b>Total noncurrent portion of long-term obligations</b>	<b>165,043</b>	<b>28,903</b>	<b>193,946</b>	<b>228,675</b>
<b>Total liabilities</b>	<b>259,386</b>	<b>30,801</b>	<b>290,187</b>	<b>265,480</b>
<b>Deferred inflows of resources:</b>				
Pension related	25,683	—	25,683	4,480
<b>Total deferred inflows of resources</b>	<b>25,683</b>	<b>—</b>	<b>25,683</b>	<b>4,480</b>
<b>Net position:</b>				
Net investment in capital assets	2,028,976	(798)	2,028,178	436,636
Restricted for:				
Law enforcement	34,446	—	34,446	—
Community support programs	2,090	—	2,090	—
Road maintenance, repair and improvement	35,208	—	35,208	—
Building inspection	16,483	—	16,483	—
Land development	5,110	—	5,110	—
Community health programs	30,703	—	30,703	—
County fair, parks and tourism	2,515	—	2,515	—
Captive insurance	—	—	—	250
Debt service	32	2,894	2,926	20,812
Capital projects	49,489	—	49,489	110,117
<b>Total restricted</b>	<b>176,076</b>	<b>2,894</b>	<b>178,970</b>	<b>131,179</b>
Unrestricted	96,452	3,665	100,117	119,347
<b>Total net position</b>	<b>\$ 2,301,504</b>	<b>5,761</b>	<b>2,307,265</b>	<b>687,162</b>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Activities

For the fiscal year ended June 30, 2016

(Dollars in thousands)

	Program Revenue				Net Revenue (Expense) and Changes in Net Position			Component Unit Clean Water Services of Washington County (District)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business- type Activities		
Functions/Programs:								
Primary Government:								
Governmental activities:								
General government	\$ 66,480	2,095	2,290	—	(62,095)	—	(62,095)	—
Public safety and justice	160,300	10,362	21,473	97	(128,368)	—	(128,368)	—
Land use and transportation	128,019	43,858	46,382	—	(37,779)	—	(37,779)	—
Housing, health and human services	90,559	37,156	33,430	—	(19,973)	—	(19,973)	—
Culture, education and recreation	36,422	1,265	560	—	(34,597)	—	(34,597)	—
Non-operating functional area	7,842	25,412	7,055	9,765	34,390	—	34,390	—
Interest	2,071	—	—	—	(2,071)	—	(2,071)	—
Total governmental activities	491,693	120,148	111,190	9,862	(250,493)	—	(250,493)	—
Business-type activities:								
Housing authority	31,537	7,718	23,473	340	—	(6)	(6)	—
Street lighting	1,945	2,125	—	—	—	180	180	—
Total business-type activities	33,482	9,843	23,473	340	—	174	174	—
Total primary government	525,175	129,991	134,663	10,202	(250,493)	174	(250,319)	—
Component Unit:								
Sanitation and surface water	\$ 117,728	130,052	—	34,606	—	—	—	46,930
General revenues:								
Taxes:								
Property taxes, levied for general purposes					185,477	—	185,477	—
Other taxes:								
Transient lodging tax					8,976	—	8,976	—
Real property transfer tax					5,982	—	5,982	—
County fuel tax					877	—	877	—
Other tax					67	—	67	—
Total taxes					201,379	—	201,379	—
Interest income					4,147	55	4,202	2,319
Miscellaneous revenues					13,016	—	13,016	—
Gain on disposal of capital assets					—	13	13	—
Transfers in (out)					(136)	136	—	—
Gain (loss) on equity in limited partnership/joint venture					—	428	428	(77)
Total general revenues and transfers					218,406	632	219,038	2,242
Change in net position					(32,087)	806	(31,281)	49,172
Net position July 1, 2015					2,333,591	4,955	2,338,546	637,990
Net position June 30, 2016					\$ 2,301,504	5,761	2,307,265	687,162

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Balance Sheet  
 Governmental Funds  
 June 30, 2016  
 (Dollars in thousands)

Assets	General Fund	HOME Fund	Human Services Fund	Road Fund	Major Streets	Other Governmental Funds	Total
					Transportation Improvement Program III Fund		
Cash and investments	\$ 68,312	—	31,189	33,184	74,574	163,019	370,278
Restricted cash	—	—	—	—	—	8,600	8,600
Property taxes receivable <sup>(1)</sup>	5,871	—	—	—	—	2,736	8,607
Assessments receivable	—	—	—	148	—	107	255
Accounts receivable	5,110	79	1,349	4,137	8,707	10,537	29,919
Accrued interest receivable	1,445	3,029	—	—	—	251	4,725
Contracts receivable	—	24,485	—	—	—	4,617	29,102
Due from other funds	1,196	—	—	—	—	—	1,196
Advances to other funds	—	—	—	—	710	—	710
Inventory	106	—	—	127	—	1	234
Other assets	425	—	—	6	—	383	814
<b>Total assets</b>	<b>82,465</b>	<b>27,593</b>	<b>32,538</b>	<b>37,602</b>	<b>83,991</b>	<b>190,251</b>	<b>454,440</b>
<b>Liabilities</b>							
Accounts payable	3,296	—	1,949	2,750	10,409	7,985	26,389
Accrued payroll liabilities	4,192	4	174	581	—	1,872	6,823
Deposits payable	1,509	—	—	9,220	—	2,079	12,808
Amounts held in trust	348	—	—	7	—	23	378
Due to other funds	—	75	—	—	—	1,121	1,196
Advances from other funds	—	—	—	—	—	710	710
Unearned revenue	194	—	24,605	317	—	2,551	27,667
<b>Total liabilities</b>	<b>9,539</b>	<b>79</b>	<b>26,728</b>	<b>12,875</b>	<b>10,409</b>	<b>16,341</b>	<b>75,971</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	5,613	27,514	40	739	5,103	13,124	52,133
<b>Total deferred inflows of resources</b>	<b>5,613</b>	<b>27,514</b>	<b>40</b>	<b>739</b>	<b>5,103</b>	<b>13,124</b>	<b>52,133</b>
<b>Fund Balances (Deficit)</b>							
Nonspendable	106	—	—	127	—	1	234
Restricted	—	—	5,770	23,861	—	146,445	176,076
Committed	—	—	—	—	68,479	12,855	81,334
Assigned	7,612	—	—	—	—	2,014	9,626
Unassigned	59,595	—	—	—	—	(529)	59,066
<b>Total fund balances</b>	<b>67,313</b>	<b>—</b>	<b>5,770</b>	<b>23,988</b>	<b>68,479</b>	<b>160,786</b>	<b>326,336</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 82,465</b>	<b>27,593</b>	<b>32,538</b>	<b>37,602</b>	<b>83,991</b>	<b>190,251</b>	<b>454,440</b>

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

Property taxes receivable	5,870	—	—	—	—	2,736	8,606
Payment in lieu of taxes receivable	1	—	—	—	—	—	1
<b>Total property taxes receivable</b>	<b>\$ 5,871</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,736</b>	<b>8,607</b>

See accompanying notes to basic financial statements.

**WASHINGTON COUNTY, OREGON**

Reconciliation of the Governmental Funds Balance Sheet to the  
Government-wide Statement of Net Position - Governmental Activities

June 30, 2016

(Dollars in thousands)

Fund balances - total governmental funds	\$	326,336
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.		2,076,600
The PERS net pension liability is not a financial obligation in the governmental funds, but is reported in the Statement of Net Position		(102,264)
Pension related deferred outflows and inflows of resources are not a current financial resource or liability, and, therefore, are not reported in the governmental funds.		(1,876)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		134
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		52,133
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.		
Deferred charge on refunding	\$ 3,594	
Accrued interest payable	(250)	
Pollution remediation obligation	(903)	
Capital lease obligations	(941)	
Long-term obligations	(69,543)	
Other postemployment benefits obligation	<u>(5,462)</u>	(73,505)
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>23,946</u>
Net Position of governmental activities	\$	<u><u>2,301,504</u></u>

See accompanying notes to basic financial statements.



WASHINGTON COUNTY, OREGON

Statement of Revenues, Expenditures and Changes  
in Fund Balances - Governmental Funds

For the fiscal year ended June 30, 2016

(Dollars in thousands)

	General Fund	HOME Fund	Human Services Fund	Road Fund	Major Streets Transportation Improvement Program III Fund	Other Governmental Funds	Total
<b>Revenues:</b>							
Taxes	\$ 133,859	—	—	877	—	65,213	199,949
Licenses and permits	6,503	—	—	241	—	6,701	13,445
Intergovernmental revenues	27,103	1,051	14,954	30,264	5,047	40,493	118,912
Charges for services	23,841	—	11	1,002	—	59,152	84,006
Fines and forfeitures	2,733	—	—	—	—	510	3,243
Special assessments	—	—	—	43	—	130	173
Miscellaneous revenues	4,988	293	297	583	693	29,441	36,295
Interfund revenues	23,130	—	134	7,299	—	1,988	32,551
<b>Total revenues</b>	<b>222,157</b>	<b>1,344</b>	<b>15,396</b>	<b>40,309</b>	<b>5,740</b>	<b>203,628</b>	<b>488,574</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	43,039	—	—	—	—	—	43,039
Public safety and justice	66,033	—	—	—	—	89,460	155,493
Land use and transportation	4,254	—	—	39,844	49,907	29,859	123,864
Housing, health and human services	18,127	1,344	16,289	—	—	43,472	79,232
Culture, education and recreation	1,217	—	—	—	—	32,897	34,114
Nonoperating	3,144	—	—	—	—	699	3,843
<b>Total current</b>	<b>135,814</b>	<b>1,344</b>	<b>16,289</b>	<b>39,844</b>	<b>49,907</b>	<b>196,387</b>	<b>439,585</b>
Capital outlay	436	—	—	302	12,061	15,201	28,000
Debt service:							
Principal	234	—	—	—	—	41,970	42,204
Interest	28	—	—	—	—	3,812	3,840
Refunding obligation issuance costs	—	—	—	—	—	142	142
<b>Total debt service</b>	<b>262</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>45,924</b>	<b>46,186</b>
<b>Total expenditures</b>	<b>136,512</b>	<b>1,344</b>	<b>16,289</b>	<b>40,146</b>	<b>61,968</b>	<b>257,512</b>	<b>513,771</b>
Revenues over (under) expenditures	85,645	—	(893)	163	(56,228)	(53,884)	(25,197)
<b>Other financing sources (uses):</b>							
Proceeds from debt	—	—	—	—	—	31,960	31,960
Premium on refunding obligations	—	—	—	—	—	6,369	6,369
Transfers in from other funds	1,285	—	1,559	928	37,062	49,237	90,071
Transfers out to other funds	(81,458)	—	—	(724)	(306)	(7,719)	(90,207)
<b>Total other financing sources (uses)</b>	<b>(80,173)</b>	<b>—</b>	<b>1,559</b>	<b>204</b>	<b>36,756</b>	<b>79,847</b>	<b>38,193</b>
<b>Net changes in fund balances</b>	<b>5,472</b>	<b>—</b>	<b>666</b>	<b>367</b>	<b>(19,472)</b>	<b>25,963</b>	<b>12,996</b>
Fund balances July 1, 2015	55,297	—	5,104	23,621	87,951	134,823	306,796
Restatement (See Note 4)	6,544	—	—	—	—	—	6,544
Fund balances July 1, 2015, as restated	61,841	—	5,104	23,621	87,951	134,823	313,340
Fund balances June 30, 2016	\$ 67,313	—	5,770	23,988	68,479	160,786	326,336

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, 2016

(Dollars in thousands)

Net change in fund balances - Governmental Funds \$ 12,996

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	\$ 99,488	
Current year depreciation expense	<u>(79,521)</u>	19,967

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

Issuance of long-term debt	(31,960)	
Premium on long-term debt	(6,369)	
Repayment of long-term debt and capital lease obligations	42,204	
Amortization of premiums and related deferred charges	<u>1,715</u>	5,590

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. 9,539

Change in accrued interest (98)

Change in other long-term assets not available to pay for current period expenditures 54

Change in PERS net pension liability and deferred items (81,604)

Change in OPEB obligation 165

Change in 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 revenues in excess of expenses reported in the Statement of Activities. 1,265

Change in net position \$ (32,087)

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Net Position - Proprietary Funds

June 30, 2016

(Dollars in thousands)

	Enterprise Funds			Internal Service Funds
	Housing Authority of Washington County	Washington County Service District for Lighting No. 1	Total	
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 3,604	1,496	5,100	19,536
Restricted cash	3,642	—	3,642	135
Assessments receivable	—	97	97	—
Accounts receivable - net of allowance for uncollectibles	407	—	407	388
Short-term portion of contracts receivable	4	—	4	—
Supply inventory	—	—	—	339
Other current assets	28	—	28	1
Total current assets	7,685	1,593	9,278	20,399
Noncurrent assets:				
Long-term assessments and contracts receivable	315	—	315	—
Capital assets:				
Land, artwork, CIP, and other assets not being depreciated	8,303	—	8,303	—
Buildings and equipment and infrastructure, net of depreciation	17,976	—	17,976	9,530
Investment in limited partnership	429	—	429	—
Total noncurrent assets	27,023	—	27,023	9,530
Total assets	34,708	1,593	36,301	29,929
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	2,148	—	2,148	—
Pension related	—	—	—	297
Total deferred outflows of resources	2,148	—	2,148	297
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	302	133	435	421
Accrued payroll liabilities	—	—	—	144
Accrued self-insurance	—	—	—	4,031
Deposits	730	—	730	—
Unearned revenue	56	—	56	—
Accrued interest payable	648	—	648	—
Long term obligations, current portion, net of discount	732	—	732	—
Total current liabilities	2,468	133	2,601	4,596
Noncurrent liabilities:				
Other long term obligations	30,087	—	30,087	—
PERS net pension liability	—	—	—	1,294
Net other postemployment benefits obligation	—	—	—	69
Total noncurrent liabilities	30,087	—	30,087	1,363
Total liabilities	32,555	133	32,688	5,959
<b>Deferred Inflows of Resources</b>				
Pension related	—	—	—	321
Total deferred inflows of resources	—	—	—	321
<b>Net Position</b>				
Net position:				
Net investment in capital assets	(798)	—	(798)	9,530
Restricted for:				
Debt service	2,894	—	2,894	—
Payment of claims	—	—	—	135
Unrestricted	2,205	1,460	3,665	14,281
Total net position	\$ 4,301	1,460	5,761	23,946

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, 2016

(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	\$ —	—	—	39,245
Intergovernmental revenue	23,473	—	23,473	—
Rental income	5,786	—	5,786	—
Street lighting assessments	—	2,125	2,125	—
Other	1,932	—	1,932	2,027
<b>Total operating revenues</b>	<b>31,191</b>	<b>2,125</b>	<b>33,316</b>	<b>41,272</b>
Operating expenses:				
Labor and fringe benefits	—	—	—	3,027
Housing assistance payments	20,925	—	20,925	—
Utilities	664	1,728	2,392	25
Professional services	—	—	—	149
Supplies	—	1	1	2,197
Administrative costs	3,887	216	4,103	1,726
Depreciation and amortization	1,727	—	1,727	2,140
Insurance claims and premiums	—	—	—	30,387
Repairs and maintenance	2,495	—	2,495	653
Other	321	—	321	—
<b>Total operating expenses</b>	<b>30,019</b>	<b>1,945</b>	<b>31,964</b>	<b>40,304</b>
<b>Operating income</b>	<b>1,172</b>	<b>180</b>	<b>1,352</b>	<b>968</b>
Nonoperating income (expense):				
Interest income	39	16	55	169
Investment in limited partnership	428	—	428	—
Gain on sale of capital assets	13	—	13	128
Interest expense	(1,518)	—	(1,518)	—
<b>Total nonoperating income (expense)</b>	<b>(1,038)</b>	<b>16</b>	<b>(1,022)</b>	<b>297</b>
<b>Change in net position before contributions and transfers</b>	<b>134</b>	<b>196</b>	<b>(2,540)</b>	<b>1,265</b>
Contributions and transfers:				
Capital contributions	340	—	340	—
Transfers in from Governmental Funds	144	—	144	—
Transfers out to Governmental Funds	—	(8)	(8)	—
<b>Total contributions and transfers</b>	<b>484</b>	<b>(8)</b>	<b>476</b>	<b>—</b>
<b>Change in net position</b>	<b>618</b>	<b>188</b>	<b>806</b>	<b>1,265</b>
Net position July 1, 2015	3,683	1,272	4,955	29,225
Restatement (See Note 4)	—	—	—	(6,544)
Net position July 1, 2015, as restated	3,683	1,272	4,955	22,681
Net position June 30, 2016	\$ <u>4,301</u>	<u>1,460</u>	<u>5,761</u>	<u>23,946</u>

See accompanying notes to basic financial statements.

**WASHINGTON COUNTY, OREGON**  
Statement of Cash Flows - Proprietary Funds  
For the fiscal year ended June 30, 2016  
(Dollars in thousands)

	<b>Enterprise Funds</b>			
	<b>Housing Authority of Washington County</b>	<b>Washington County Service District for Lighting No. 1</b>	<b>Total</b>	<b>Internal Service Funds</b>
Cash flows provided by (used in) operating activities:				
Cash received for services provided	\$ 31,169	2,115	33,284	38,509
Cash payments for labor and fringe benefits	(3,701)	—	(3,701)	(2,006)
Cash payments for goods and services	(24,464)	(1,963)	(26,427)	(35,296)
Other operating revenue	—	—	—	2,397
Net cash provided by operating activities	<u>3,004</u>	<u>152</u>	<u>3,156</u>	<u>3,604</u>
Cash flows provided by noncapital financing activities:				
Payment from Department of Housing Services	144	—	144	—
Net cash provided by noncapital financing activities	<u>144</u>	<u>—</u>	<u>144</u>	<u>—</u>
Cash flows provided by (used in) capital and related financing activities:				
Acquisition and construction of capital assets	(829)	—	(829)	(4,308)
Proceeds from sale of capital assets	13	—	13	275
Proceeds from contracts receivable	18	—	18	—
Principal paid on notes payable	(550)	—	(550)	—
Interest paid on bonds and notes payable	(1,342)	—	(1,342)	—
Capital grants	340	—	340	—
Net cash used in capital and related financing activities	<u>(2,350)</u>	<u>—</u>	<u>(2,350)</u>	<u>(4,033)</u>
Cash flows provided by investing activities:				
Interest on investments	39	16	55	169
Net increase (decrease) in cash and investments	837	168	1,005	(260)
Cash and investments, July 1, 2015	6,409	1,328	7,737	26,475
Restatement (See Note 4)	—	—	—	(6,544)
Cash and investments, July 1, 2015, as restated	<u>6,409</u>	<u>1,328</u>	<u>7,737</u>	<u>19,931</u>
Cash and investments, June 30, 2016 <sup>(1)</sup>	<u><u>7,246</u></u>	<u><u>1,496</u></u>	<u><u>8,742</u></u>	<u><u>19,671</u></u>
Reconciliation of operating income to net cash from operating activities:				
Operating income	1,172	180	1,352	968
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	1,727	—	1,727	2,140
Transfers out to governmental funds	—	(8)	(8)	—
Changes in assets and liabilities:				
Decrease in accounts receivable	(36)	—	(36)	(370)
Decrease in assessments receivable	—	(10)	(10)	—
Increase in supply inventory	—	—	—	(24)
Decrease in other current assets	4	—	4	458
Increase (decrease) in accounts payable	31	(10)	21	(473)
Increase in deposits	91	—	91	—
Increase in unearned revenue	15	—	15	—
Increase in accrued liabilities	—	—	—	905
Net cash provided by operating activities	<u><u>3,004</u></u>	<u><u>152</u></u>	<u><u>3,156</u></u>	<u><u>3,604</u></u>

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

Current assets - Cash and investments	3,604	1,496	5,100	19,536
Current assets - Restricted cash	<u>3,642</u>	<u>—</u>	<u>3,642</u>	<u>135</u>
	<u>\$ 7,246</u>	<u>1,496</u>	<u>8,742</u>	<u>19,671</u>

See accompanying notes to basic financial statements.

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

June 30, 2016

(Dollars in thousands)

	<b>Private- Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>Assets:</b>		
Cash and investments	\$ 249	5,294
Accounts receivable	—	3,232
Property taxes receivable <sup>(1)</sup>	—	34,083
Total assets	249	42,609
<b>Liabilities:</b>		
Accounts payable	—	1,807
Amounts due to other jurisdictions	—	6,719
Undistributed taxes	—	34,083
Total liabilities	—	42,609
<b>Net position</b>		
Amounts held in trust and other purposes	\$ 249	

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

Property taxes receivable	—	34,082
Payment in lieu of taxes receivable	—	1
Total property taxes receivable	\$ —	34,083

See accompanying notes to basic financial statements.

**WASHINGTON COUNTY, OREGON**  
Statement of Changes in Fiduciary Net Position  
For the fiscal year ended June 30, 2016  
(Dollars in thousands)

	<u>Private- Purpose Trust Funds</u>
<b>Additions:</b>	
Intergovernmental revenues	\$ 1,938
Contributions	299
Interest earnings	3
Total additions	<u>2,240</u>
<b>Deductions:</b>	
Distributions	<u>2,841</u>
Change in net position	(601)
Net position July 1, 2015	<u>850</u>
Net position June 30, 2016	<u>\$ 249</u>

See accompanying notes to basic financial statements.

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**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

**1. Summary of significant accounting policies**

**Reporting entity**

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

**Blended Component Units**

**Housing Authority of Washington County (Authority)**

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

**Enhanced Sheriff's Patrol District (ESPD)**

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

**Service District for Lighting No. 1 (SDL)**

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

**North Bethany County Service District for Roads (NBCSDR)**

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

## **WASHINGTON COUNTY, OREGON**

### Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

#### **Urban Road Maintenance District (URMD)**

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

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

#### **Discretely (separate) Presented Component Unit**

##### **Clean Water Services (District)**

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

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

##### **District - Clean Water Institute (CWI)**

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

CWI is a nonprofit 501(c)(3) formed to advance watershed restoration and resource recovery through innovative strategies and to promote scientific research, education, and environmental protection activities that benefit watersheds throughout the country and around the world. For the fiscal year ended June 30, 2016, the transactions between the District and CWI are deemed to be immaterial, and therefore, CWI is not reported as a component unit of the District.

##### **District – Clean Water Insurance Company (CWIC)**

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

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

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

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

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

#### **Government-wide and fund financial statements**

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

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

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

#### **Measurement focus, basis of accounting, and financial statement presentation**

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

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Eliminations have been made to minimize the double counting of internal activities; however, in the government-wide statement of activities, interfund services provided and used are not eliminated in the process of consolidation.

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

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

The County reports the following major governmental funds:

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

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

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

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

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

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

The County reports the following major proprietary funds:

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

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

Additionally, the County reports the following fund types:

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

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

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

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

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

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

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

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

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

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

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

##### ***Deposits and investments***

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

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

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

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

***Receivables and payables***

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

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

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

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

***Inventories and prepaid items***

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

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

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

#### ***Capital assets***

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

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

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

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

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

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



**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

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

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

***Investment in joint ventures - District***

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

***Deferred outflows/inflows of resources***

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

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

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(Dollars in thousands)

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

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

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

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

#### ***Leases***

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

#### ***Compensated absences***

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

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

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

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

#### ***Long-term obligations***

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

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

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

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

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

The County is fully self-insured for unemployment, workers' compensation benefits, and losses resulting from torts, errors and omissions. The County carries excess workers' compensation coverage for individual claims exceeding \$600. The County also provides for general and employment liability incurred but not reported (IBNR) claims. IBNR claims are claims that are incurred through the end of the fiscal year but not reported until after that date.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

#### ***Self-insurance - District***

The District is insured under a guaranteed cost plan for workers' compensation and for costs in excess of insurance policy retention (deductible) limits on fire loss, property damage, and all risk coverage (theft, vandalism, etc.). The District currently provides for estimated losses from pending claims on all self-insured retention risks, and for IBNR claims for general liability claims (sewer back-ups and other flooding issues) and employment liability claims.

#### ***Fund balance***

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

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

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

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(Dollars in thousands)

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

Fund balances by classification for the year ended June 30, 2016 were as follows:

	<u>General Fund</u>	<u>Human Services Fund</u>	<u>Road Fund</u>	<u>Major Streets Transportation Improvement Program III Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fund balances (deficit):						
Nonspendable:						
Inventory	\$ 106	—	127	—	1	234
Total nonspendable fund balances	<u>106</u>	<u>—</u>	<u>127</u>	<u>—</u>	<u>1</u>	<u>234</u>
Restricted for:						
Law enforcement	—	—	—	—	34,446	34,446
Community support programs	—	—	—	—	2,090	2,090
Road maintenance, repair and improvement	—	—	23,861	—	11,347	35,208
Building inspection	—	—	—	—	16,483	16,483
Land development	—	—	—	—	5,110	5,110
Community health programs	—	5,770	—	—	24,933	30,703
County fair, parks and tourism	—	—	—	—	2,515	2,515
Debt service	—	—	—	—	32	32
Capital projects	—	—	—	—	49,489	49,489
Total restricted fund balances	<u>—</u>	<u>5,770</u>	<u>23,861</u>	<u>—</u>	<u>146,445</u>	<u>176,076</u>
Committed to:						
Air quality	—	—	—	—	328	328
Library operations	—	—	—	—	7,548	7,548
Capital projects	—	—	—	68,479	4,979	73,458
Total committed fund balances	<u>—</u>	<u>—</u>	<u>—</u>	<u>68,479</u>	<u>12,855</u>	<u>81,334</u>
Assigned to:						
Land development	1,011	—	—	—	—	1,011
PERS rate stabilization	6,601	—	—	—	—	6,601
Capital projects	—	—	—	—	2,014	2,014
Total assigned fund balances	<u>7,612</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,014</u>	<u>9,626</u>
Unassigned	59,595	—	—	—	(529)	59,066
Total fund balances	<u>67,313</u>	<u>5,770</u>	<u>23,988</u>	<u>68,479</u>	<u>160,786</u>	<u>326,336</u>
 Fund balances (deficit) summary:						
Nonspendable	106	—	127	—	1	234
Restricted	—	5,770	23,861	—	146,445	176,076
Committed	—	—	—	68,479	12,855	81,334
Assigned	7,612	—	—	—	2,014	9,626
Unassigned	59,595	—	—	—	(529)	59,066
Total fund balances	\$ <u>67,313</u>	<u>5,770</u>	<u>23,988</u>	<u>68,479</u>	<u>160,786</u>	<u>326,336</u>

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

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

**2. Stewardship, compliance, and accountability**

**Budgetary information**

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

**3. Detailed notes on all funds**

**Deposits and investments**

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

**County, Blended Component Units and Fiduciary Funds**

Cash and investments are comprised of the following at June 30, 2016:

Petty cash	\$	34
Deposits		2,486
Investments		410,314
		<u>412,834</u>

Cash and investments are reported as follows:

Unrestricted:		
Cash and investments		394,914
Restricted for:		
Contractor working capital, construction, and payment of bond debt service		12,377
Primary government cash and investments		407,291
Fiduciary Funds		5,543
	\$	<u>412,834</u>

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

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**District – Discretely Presented Component Unit**

Cash and investments are comprised of the following at June 30, 2016:

Petty cash	\$	4
Deposits		185
Deposits with CWIC		336
Investments		264,812
		<u>265,337</u>

Cash and investments are reported as follows:

Unrestricted:		
Cash and investments		129,794
Restricted for:		
Contractor working capital, construction, and payment of bond debt service		135,543
	\$	<u>265,337</u>

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

Governmental Funds	\$	378,878
Internal Service Funds		19,671
Enterprise Funds		8,742
District		265,337
Fiduciary Funds		5,543
	\$	<u>678,171</u>

***Deposits custodial credit risk – County and Blended Component Units***

This is the risk that in the event of a bank failure, deposits of the County and its blended component units’ deposits may not be returned to them. At June 30, 2016, the carrying amount of the County and its blended component units’ deposits was \$2,486 and the bank balance was \$14,234. \$443 of the bank balance was covered by the Federal Depository Insurance Corporation (FDIC). As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result the County and blended component units’ remaining deposits in excess of FDIC insurance are considered to be fully collateralized.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

***Deposits custodial credit risk – District***

This is the risk that in the event of a bank failure, deposits of the District may not be returned to them. At June 30, 2016, the carrying amount of the District’s deposits (including CWIC) was \$521 and the bank balance was \$3,320. \$343 of the bank balance was covered by the Federal Depository Insurance Corporation (FDIC). As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds, except for the deposits held by CWIC. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result, the District had \$93 in deposits in excess of FDIC insurance considered fully collateralized and \$86 not insured or collateralized.

***Interest rate risk – County and Blended Component Units***

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

<u>Maturity</u>	<u>Minimum Allowed</u>	<u>Actual</u>
Less than 30 days	10%	10%
Less than 1 year	25%	60%
5 years or less	100%	100%
Weighted Average Maturity	2.5 years	1 year

***Interest rate risk – District***

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

***Investment credit risk – County and Blended Component Units***

This is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized rating organization and is minimized by purchasing only those securities which are rated by two of the nationally recognized credit rating agencies at the time of purchase. The County’s investment policy specifies ratings – Standard & Poor’s = minimum AA-, and Moody’s Investors Services = minimum Aa3. The following information includes Fiduciary Funds investments of \$5,543. The actual rating at year-end for each investment type is as follows:



**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

<u>Rating by Standard &amp; Poor's Investment Service</u>	<u>AA+</u>	<u>Not Rated</u>	<u>Total Invested Value</u>	<u>Percent Allocation</u>
Federal agency coupon securities	\$ 170,619	-	170,619	42%
Corporate notes	6,143	-	6,143	1%
Treasury coupon securities	195,378	-	195,378	48%
State of Oregon Local Government Investment Pool (LGIP)	-	38,174	38,174	9%
Total Investments	\$ <u>372,140</u>	<u>38,174</u>	<u>410,314</u>	<u>100%</u>

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the invested value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County has the following recurring fair value measurements as of June 30, 2016:

- Federal agency coupon securities of \$170,619 are valued using quoted market prices (Level 1 inputs)
- Corporate notes of \$6,143 are valued using quoted market prices (Level 1 inputs)
- Treasury coupon securities of \$195,378 are valued using quoted market prices (Level 1 inputs)

The State of Oregon Local Government Investment Pool (LGIP) is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the LGIP's investment policies. The State Treasurer is the investment officer for the LGIP and is responsible for all funds in the LGIP. These funds must be invested and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-term Fund Board. The following table outlines the LGIP's investment maturities at June 30, 2016.

<u>LGIP Maturity</u>	<u>per Policy</u>	<u>Actual</u>
Up to 93 days	Minimum of 50%	72%
94 days to 1 year	Maximum of 25%	12%
1 to 3 years	Maximum of 25%	16%

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

**Investment credit risk – District**

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

<u>Rating by Standard &amp; Poor's Investment Service</u>	<u>AA+</u>	<u>Not Rated</u>	<u>Total Invested Value</u>	<u>Percent Allocation</u>
Federal agency coupon securities	\$ 110,142	-	110,142	42%
Corporate notes	3,964	-	3,964	1%
Treasury coupon securities	126,073	-	126,073	48%
State of Oregon Local Government Investment Pool (LGIP)	-	24,633	24,633	9%
Total Investments	\$ <u>240,179</u>	<u>24,633</u>	<u>264,812</u>	<u>100%</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the invested value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County has the following recurring fair value measurements as of June 30, 2016:

- Federal agency coupon securities of \$110,142 are valued using quoted market prices (Level 1 inputs)
- Corporate notes of \$3,964 are valued using quoted market prices (Level 1 inputs)
- Treasury coupon securities of \$126,073 are valued using quoted market prices (Level 1 inputs)

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

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

**Receivables – County and Blended Component Units**

Amounts are aggregated into a single accounts receivable line for certain funds and aggregated columns. Below is the detail of receivables for the County and its blended component units at June 30, 2016:

	<u>Accounts Receivable</u>	<u>Intergovernmental Revenues Receivable</u>	<u>Total</u>
General Fund	\$ 2,139	2,971	5,110
HOME Fund	79	-	79
Human Services Fund	42	1,307	1,349
Road Fund	1,006	3,131	4,137
MSTIP III Fund	8,632	75	8,707
Other Governmental Funds	<u>6,247</u>	<u>4,290</u>	<u>10,537</u>
<b>Total governmental funds</b>	<b>18,145</b>	<b>11,774</b>	<b>29,919</b>
Internal Service Funds	356	32	388
Fiduciary Funds	<u>821</u>	<u>2,411</u>	<u>3,232</u>
<b>Total accounts receivable</b>	<b>\$ <u>19,322</u></b>	<b><u>14,217</u></b>	<b><u>33,539</u></b>

**Receivables – District**

Receivables of the District represent user charges which are recognized as earned. An allowance for doubtful accounts is established for amounts deemed to be uncollectible, based on historical collection percentages. At June 30, 2016, the allowance was \$340.

**Deferred outflows/inflows of resources – County and Blended Component Units**

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until a future period. Deferred inflows of resources represent an acquisition of net position that applies to future periods, and so will not be recognized as an inflow of resources (revenue) until that time.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

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*Deferred charge on refunding.* The item that qualifies in this category is the deferred charge on refunding reported in the statement of net position. Deferred charges, resulting from the carrying value of refunded debt and its reacquisition price, are deferred and amortized to interest expense over the remaining life of the existing debt. At June 30, 2016, the total deferred charge on refunding for the County was \$5,742.

*Pension related.* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS), and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. Investments are reported at fair value. At June 30, 2016, the County reported pension related deferred outflows of resources of \$23,783 and pension related deferred inflows of resources of \$25,683.

*Unavailable revenue.* The item that qualifies in this category is the unavailable revenue reported in the governmental funds balance sheet. Unavailable revenue is largely made up of property taxes and contracts and is deferred and recognized as an inflow of resources in the period that the amounts become available. The various components of unavailable revenue reported in the governmental funds balance sheet is as of June 30, 2016, were as follows:

	<b>Property Taxes</b>	<b>Assessments</b>	<b>Contracts Receivable</b>	<b>Accounts Receivable</b>	<b>Total</b>
General Fund	\$ 5,405	-	-	208	5,613
HOME Fund	-	-	27,514	-	27,514
Human Services Fund	-	-	-	40	40
MSTIP III Fund	-	-	-	5,103	5,103
Road Fund	-	148	-	591	739
Other Governmental Funds	2,519	104	4,899	5,602	13,124
Total unavailable revenue \$	<u>7,924</u>	<u>252</u>	<u>32,413</u>	<u>11,544</u>	<u>52,133</u>

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

**Deferred outflows/inflows of resources – District**

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until a future period. Deferred inflows of resources represent an acquisition of net position that applies to future periods, and so will not be recognized as an inflow of resources (revenue) until that time.

*Deferred charge on refunding.* The item that qualifies in this category is the deferred charge on refunding reported in the statement of net position. Deferred charges, resulting from the carrying value of refunded debt and its reacquisition price, are deferred and amortized to interest expense over the remaining life of the existing debt. At June 30, 2016, the total deferred charge on refunding for the District was \$354.

*Pension related.* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. Investments are reported at fair value. At June 30, 2016, the District reported pension related deferred outflows of resources of \$3,263 and pension related deferred inflows of resources of \$4,480.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

**Capital assets**

Capital asset activity for governmental activities for the year ended June 30, 2016 was as follows:

	<u>Governmental Activities</u>				
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance</u>
	<u>July 1, 2015</u>				<u>June 30, 2016</u>
Capital assets not being depreciated:					
Land	\$ 958,907	24,532	(2,326)	-	981,113
Artwork	351	-	-	-	351
Construction in progress	<u>37,209</u>	<u>65,708</u>	<u>(5,126)</u>	<u>(6,729)</u>	<u>91,062</u>
Total capital assets not being depreciated	<u>996,467</u>	<u>90,240</u>	<u>(7,452)</u>	<u>(6,729)</u>	<u>1,072,526</u>
Capital assets being depreciated:					
Land improvements	5,035	26	-	-	5,061
Buildings and improvements	156,490	3,706	-	-	160,196
Machinery and equipment	51,089	5,975	(3,104)	-	53,960
Road network	1,852,672	12,996	(4,648)	4,556	1,865,576
Bridge network	106,119	-	-	413	106,532
Culverts	15,477	-	-	1,327	16,804
Signals	<u>64,397</u>	<u>806</u>	<u>-</u>	<u>433</u>	<u>65,636</u>
Total capital assets being depreciated	<u>2,251,279</u>	<u>23,509</u>	<u>(7,752)</u>	<u>6,729</u>	<u>2,273,765</u>
Less accumulated depreciation for:					
Land improvements	(3,961)	(177)	-	-	(4,138)
Building and improvements	(63,280)	(3,965)	-	-	(67,245)
Machinery and equipment	(35,928)	(4,271)	2,710	-	(37,489)
Road network	(989,157)	(68,599)	2,394	-	(1,055,362)
Bridge network	(35,458)	(2,072)	-	-	(37,530)
Culverts	(6,149)	(323)	-	-	(6,472)
Signals	<u>(49,671)</u>	<u>(2,254)</u>	<u>-</u>	<u>-</u>	<u>(51,925)</u>
Total accumulated depreciation	<u>(1,183,604)</u>	<u>(81,661)</u>	<u>5,104</u>	<u>-</u>	<u>(1,260,161)</u>
Total capital assets being depreciated, net	<u>1,067,675</u>	<u>(58,152)</u>	<u>(2,648)</u>	<u>6,729</u>	<u>1,013,604</u>
Governmental activities capital assets, net	\$ <u>2,064,142</u>	<u>32,088</u>	<u>(10,100)</u>	<u>-</u>	<u>2,086,130</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 2,377
Public safety and justice	4,089
Land use and transportation	74,536
Housing, health and human services	205
Culture, education, and recreation	<u>454</u>
Total depreciation expense	\$ <u>81,661</u>

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

Capital asset activity for business-type activities for the year ended June 30, 2016 was as follows:

	<b>Business-type Activities</b>				
	<b>Balance July 1, 2015</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance June 30, 2016</b>
Capital assets not being depreciated:					
Land	\$ 8,169	127	-	-	8,296
Construction in progress	35	6	-	(34)	7
Total capital assets not being depreciated	<u>8,204</u>	<u>133</u>	<u>-</u>	<u>(34)</u>	<u>8,303</u>
Capital assets being depreciated:					
Buildings and improvements	47,605	623	-	34	48,262
Automotive equipment	282	72	(68)	-	286
Office equipment	108	-	-	-	108
Total capital assets being depreciated	<u>47,995</u>	<u>695</u>	<u>(68)</u>	<u>34</u>	<u>48,656</u>
Less accumulated depreciation for:					
Buildings and improvements	(28,651)	(1,714)	-	-	(30,365)
Automotive equipment	(261)	(14)	68	-	(207)
Office equipment	(108)	-	-	-	(108)
Total accumulated depreciation	<u>(29,020)</u>	<u>(1,728)</u>	<u>68</u>	<u>-</u>	<u>(30,680)</u>
Total capital assets being depreciated, net	<u>18,975</u>	<u>(1,033)</u>	<u>-</u>	<u>34</u>	<u>17,976</u>
Business-type activities capital assets, net	\$ <u>27,179</u>	<u>(900)</u>	<u>-</u>	<u>-</u>	<u>26,279</u>
Depreciation expense was charged to functions as follows:					
Business-type activities:					
Housing		\$ <u>1,728</u>			

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

Capital asset activity for the District for the year ended June 30, 2016 was as follows:

	District activities				
	Balance				Balance
	July 1, 2015	Increases	Decreases	Transfers	June 30, 2016
Capital assets not being depreciated:					
Land	\$ 20,500	4,722	-	140	25,362
Construction in progress	80,050	42,620	(2,578)	(12,610)	107,482
Total capital assets not being depreciated	<u>100,550</u>	<u>47,342</u>	<u>(2,578)</u>	<u>(12,470)</u>	<u>132,844</u>
Capital assets being depreciated:					
Buildings and improvements	241,198	6,546	-	3,182	250,926
Treatment plants	617,271	-	(440)	266	617,097
Sewer lines	231,123	3,090	-	5,282	239,495
Plant equipment	85,472	-	(89)	2,917	88,300
Automotive equipment	11,069	-	(410)	441	11,100
Plans and studies	15,836	-	-	133	15,969
Office equipment	16,498	-	(3,729)	249	13,018
Total capital assets being depreciated	<u>1,218,467</u>	<u>9,636</u>	<u>(4,668)</u>	<u>12,470</u>	<u>1,235,905</u>
Less accumulated depreciation for:					
Buildings and improvements	(135,170)	(7,956)	-	-	(143,126)
Treatment plants	(366,639)	(20,162)	264	-	(386,537)
Sewer lines	(79,860)	(4,699)	-	-	(84,559)
Plant equipment	(55,665)	(5,700)	88	-	(61,277)
Automotive equipment	(9,499)	(584)	410	-	(9,673)
Plans and studies	(12,722)	(275)	-	-	(12,997)
Office equipment	(15,531)	(363)	3,729	-	(12,165)
Total accumulated depreciation	<u>(675,086)</u>	<u>(39,739)</u>	<u>4,491</u>	<u>-</u>	<u>(710,334)</u>
Total capital assets being depreciated, net	<u>543,381</u>	<u>(30,103)</u>	<u>(177)</u>	<u>12,470</u>	<u>525,571</u>
Component-type activities capital assets, net	\$ <u>643,931</u>	<u>17,239</u>	<u>(2,755)</u>	<u>-</u>	<u>658,415</u>
Depreciation expense was charged to functions as follows:					
Component activities:					
Sanitation	\$ 34,308				
Surface Water Management	5,431				
Total depreciation expense	<u>39,739</u>				
Decrease in construction in progress is comprised of:					
Capital donations		2,425			
Items ineligible for capitalization		153			
Total decrease in construction in progress	\$ <u>2,578</u>				



## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

#### **Investment in Partnership – Authority**

The investment in partnership for the Authority represents the Authority's equity interest in the Quatama Housing Limited Partnership (Partnership). This investment is accounted for using the equity method. Under the equity method, the initial investment is recorded at cost and increased or decreased by the Authority's share of income or loss and is increased by contributions and decreased by distributions. The investment in the Partnership of \$428 was recorded as of December 31, 2015, which is the latest available audited financial statements of the Partnership.

#### **Joint Ventures – District**

The Barney Reservoir Joint Ownership Commission (the Commission) was formed to own, operate, and expand the JW Barney Reservoir. Ownership of the joint venture is comprised of the District (10%), Tualatin Valley Water District (35%), and the cities of Hillsboro (31%), Forest Grove (2.5%), and Beaverton (21.5%). The Commission is governed by one member from each entity. The operating costs of the joint venture are shared by the participating agencies and are reported as an operating expense by the District. The net position of the Commission continues to decline due to depreciation expense, which is not funded by the joint venture partners. There are no projects identified in the 10-year capital plan for the Commission. If future projects are identified by the Commission, the District will include its proportionate share of costs in its annual capital improvement plan. The District's year-end equity investment in the Commission was \$2,491.

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

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

**Long-term obligations**

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

	<u>Balance</u>			<u>Balance</u>	<u>Due In</u>	<u>Long-term</u>
	<u>July 1, 2015</u>	<u>Increase</u>	<u>Decreases</u>	<u>June 30, 2016</u>	<u>One Year</u>	<u>portion</u>
<b>Governmental activities:</b>						
Compensated absences	\$ 9,185	9,526	9,185	9,526	9,526	-
Contracts Payable						
US Dept of Interior	312	-	22	290	22	268
Subtotal Contracts Payable	<u>312</u>	<u>-</u>	<u>22</u>	<u>290</u>	<u>22</u>	<u>268</u>
Notes Payable						
State of Oregon, Dept. of Energy	24	-	24	-	-	-
State of Oregon, Econ. Dev. Dept.	825	-	120	705	126	579
City of Cornelius	100	-	50	50	50	-
Full Faith & Credit Obligations						
Series 2004	1,320	-	310	1,010	325	685
Series 2006 - Refunding	39,375	-	39,375	-	-	-
Series 2006 - New Money	1,505	-	1,505	-	-	-
Series 2013 - Refunding	18,570	-	45	18,525	1,580	16,945
Series 2016 - Refunding	-	31,960	360	31,600	2,635	28,965
Subtotal Notes and FFCO	<u>61,719</u>	<u>31,960</u>	<u>41,789</u>	<u>51,890</u>	<u>4,716</u>	<u>47,174</u>
Total Contracts, Notes, and FFCO	<u>62,031</u>	<u>31,960</u>	<u>41,811</u>	<u>52,180</u>	<u>4,738</u>	<u>47,442</u>
Total governmental activities	\$ <u>71,216</u>	<u>41,486</u>	<u>50,996</u>	61,706	14,264	47,442
				<u>7,918</u>	<u>805</u>	<u>7,113</u>
				<u>69,624</u>	<u>15,069</u>	<u>54,555</u>
From the Statement of Net Position:						
Other long-term obligations, current portion, net of premium				15,069		
Noncurrent portion of other long term obligations, net of premium				<u>54,555</u>		
Total governmental activities				<u>69,624</u>		

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

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

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016	Due In One Year	Long-term portion
<b>Business-type activities:</b>						
Notes Payable						
Farmers Home Administration	\$ 323	-	4	319	5	314
State of Oregon	29	-	11	18	11	7
Office of Community Development <sup>(1)</sup>	652	-	3	649	-	649
HOME Contracts <sup>(1)</sup>	1,104	-	-	1,104	604	500
Washington County IGA <sup>(1)</sup>	232	-	98	134	99	35
Berkadia Bank Mortgage 2014	2,087	-	28	2,059	29	2,030
Subtotal notes payable	4,427	-	144	4,283	748	3,535
Housing Authority FFCO						
Series 2009 - Refunding	27,145	-	405	26,740	-	26,740
Total Notes and FFCO	31,572	-	549	31,023	748	30,275
Total business-type activities	\$ 31,572	-	549	31,023	748	30,275
Unamortized bond discounts				(204)	(16)	(188)
				30,819	732	30,087
Housing Authority Notes Payable to County, current portion <sup>(1)</sup>				703		
Other long-term obligations, current portion, net of discount				29		
Total long term obligations, current portion, net of discount				732		
Housing Authority Notes Payable to County, noncurrent portion <sup>(1)</sup>				1,184		
Noncurrent portion of other long term obligations, net of discount				28,903		
Total other long term obligations, noncurrent portion				30,087		
Total business-type activities				30,819		

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

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

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

	<u>Balance</u>			<u>Balance</u>	<u>Due In</u>	<u>Long-term</u>	
	<u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2016</u>	<u>One Year</u>	<u>portion</u>	
<b>District activities:</b>							
Compensated absences	\$ 2,047	2,329	2,047	2,329	2,329	-	
Sewer Revenue Bonds							
2004 Refunding of 1996 Bonds	7,520	-	3,660	3,860	3,860	-	
Series A 2009	53,595	-	2,735	50,860	2,845	48,015	
Series A 2010	3,080	-	3,080	-	-	-	
Series B 2010	90,260	-	-	90,260	3,300	86,960	
Series A 2011	22,595	-	2,775	19,820	2,915	16,905	
Series B 2011	46,645	-	1,755	44,890	1,815	43,075	
Revenue Pension Bonds							
Series 2004	14,480	-	480	14,000	565	13,435	
Total bonds	238,175	-	14,485	223,690	15,300	208,390	
Total district activities	\$ 240,222	2,329	16,532	226,019	17,629	208,390	
				Unamortized bond premium	5,448	980	4,468
				Unamortized bond discounts	-	-	-
				<u>231,467</u>	<u>18,609</u>	<u>212,858</u>	
District compensated absences (recorded in business-type activities as an accrued payroll liability)				2,329			
Other long-term obligations, current portion, net of discount				16,280			
Total current				18,609			
Noncurrent portion of other long term obligations, net of discount				212,858			
Total district activities				<u>231,467</u>			

**Governmental Activities**

**Contracts Payable**

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2017	\$ 22	10	3.500%
2018	22	9	3.500%
2019	22	9	3.500%
2020	22	8	3.500%
2021	22	7	3.500%
2022 - 2026	111	23	3.500%
2027 - 2029	69	5	3.500%
	\$ <u>290</u>	<u>71</u>	

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

**Notes Payable**

**State of Oregon, Department of Energy** - In September 2002, the County issued a note with Oregon Department of Energy for Countywide energy measures in the amount of \$114. This loan was paid in full during fiscal year 2016.

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

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2017	\$	126	38	5.280%
2018		133	31	5.280%
2019		139	24	5.280%
2020		150	17	5.280%
2021		157	9	5.280%
	\$	<u>705</u>	<u>119</u>	

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

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

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

**Full Faith and Credit Obligations**

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

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2017	\$	325	38	4.400%
2018		335	24	4.500%
2019		350	8	4.600%
	\$	<u>1,010</u>	<u>70</u>	

**Series 2006 New Money** - In March 2006, Full Faith & Credit obligations were issued for \$30,850. These obligations were issued to provide funding for the purchase of the District's share of the Public Services Building, upgrade data and phone systems in several County buildings, and improve and repair several County-owned parking lots. The original maturity for these obligations was June 2026, however these obligations were partially refunded in 2013 and were paid in full during fiscal year 2016.

**Series 2013 Refunding** - In February 2013, Full Faith and Credit obligations were issued for \$18,860 and placed into an irrevocable trust in order to fund the partial advance refunding of the March 2006 - Series 2006 New Money Full Faith & Credit Issue in the amount of \$18,530. As a result, the refunded obligations are considered defeased and the liability has been removed from the governmental activities column of the Statement of Net Position. The final maturity for these obligations is in June 2026. Detail obligation and interest rates follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2017	\$	1,580	640	1.500%
2018		1,600	616	1.500%
2019		1,620	592	5.000%
2020		1,710	511	5.000%
2021		1,795	425	5.000%
2022 - 2026		10,220	869	2.125 - 5.000%
	\$	<u>18,525</u>	<u>3,653</u>	

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

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

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2017	\$	2,635	1,554	4.000%
2018		2,870	1,448	5.000%
2019		3,155	1,305	5.000%
2020		3,460	1,147	5.000%
2021		3,790	974	5.000%
2022 - 2026		15,690	2,513	5.000%
	\$	<u>31,600</u>	<u>8,941</u>	

**Business-type Activities**

**Housing Authority Notes Payable**

**Farmers Home Administration** - In January 1988, the Authority issued three Farmer's Home Administration notes to purchase Kaybern Terrace (12 units of affordable housing) in North Plains. These notes totaled \$361. The final maturity is in February 2038. Detail obligation and interest rates follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2017	\$	5	30	9.000 - 9.500%
2018		5	30	9.000 - 9.500%
2019		6	29	9.000 - 9.500%
2020		6	28	9.000 - 9.500%
2021		7	28	9.000 - 9.500%
2022 - 2026		46	128	9.000 - 9.500%
2027 - 2031		74	100	9.000 - 9.500%
2032 - 2036		119	55	9.000 - 9.500%
2037 - 2038		51	3	9.000 - 9.500%
	\$	<u>319</u>	<u>431</u>	

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2017	\$ 11	1	0.000 - 8.97%
2018	7	-	0.000 - 8.97%
	\$ <u>18</u>	<u>1</u>	

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

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

**HOME Contracts** - In November 1995, the OCD Home Loan for the Authority was issued at the time of the purchase of Amberwood. This property was financed with this note as well as with two revenue bond issues. This note was in the amount of \$604. The final maturity date will be October 2016. In September 2003, the OCD Home Loan for the Authority was issued to finance improvements to the Bonita Villa affordable housing property. This note was in the amount of \$500. The final maturity is in June 2029. Detail obligation and interest rates for the two loans follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2017	\$ 604	20	3.000%
2018	-	15	3.000%
2019	-	15	3.000%
2020	-	15	3.000%
2021	-	15	3.000%
2022 - 2026	-	75	3.000%
2027 - 2029	500	45	3.000%
	\$ <u>1,104</u>	<u>200</u>	



**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(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>
2017	\$ 99	1	Variable
2018	35	-	Variable
	<u>\$ 134</u>	<u>1</u>	

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2017	\$ 29	85	4.180%
2018	30	84	4.180%
2019	32	83	4.180%
2020	33	81	4.180%
2021	35	80	4.180%
2022 - 2026	196	377	4.180%
2027 - 2031	241	331	4.180%
2032 - 2036	297	275	4.180%
2037 - 2041	366	206	4.180%
2042 - 2046	451	121	4.180%
2047 - 2050	349	25	4.180%
	<u>\$ 2,059</u>	<u>1,748</u>	

**Housing Authority Full Faith & Credit Obligations**

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

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2017	\$ -	1,183	2.750%
2018	435	1,176	3.250%
2019	450	1,161	3.500%
2020	515	1,144	3.500%
2021	590	1,123	4.000%
2022 - 2026	3,375	5,183	4.000 - 5.000%
2027 - 2031	3,620	4,469	4.000 - 4.500%
2032 - 2036	5,110	3,520	4.500%
2037 - 2041	6,405	2,229	4.500 - 4.625%
2042 - 2045	6,240	615	4.625 - 5.000%
	\$ <u>26,740</u>	<u>21,803</u>	

**District-type activities**

**Sewer Revenue Bonds**

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2017	\$ <u>3,860</u>	<u>101</u>	5.250%
	\$ <u>3,860</u>	<u>101</u>	

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

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

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2017	\$	2,845	2,496	4.000%
2018		2,975	2,365	5.000%
2019		3,130	2,212	5.000%
2020		3,290	2,052	5.000%
2021		3,460	1,883	5.000%
2022 - 2026		20,265	6,433	5.250%
2027 - 2029		14,895	1,122	4.750 - 5.000%
	\$	<u>50,860</u>	<u>18,563</u>	

**Series A 2010** - Issued April 2010 in the amount of \$8,895. This obligation was paid in full during fiscal year 2016.

**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>
2017	\$	3,300	4,726	4.120%
2018		3,385	4,591	4.428%
2019		3,475	4,444	4.528%
2020		3,575	4,287	4.628%
2021		3,680	4,120	4.728%
2022 - 2026		20,180	17,780	4.628%
2027 - 2031		23,930	11,844	4.828% - 5.701%
2032 - 2036		28,735	4,289	5.701% - 5.801%
	\$	<u>90,260</u>	<u>56,083</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>
2017	\$	2,915	918	5.000%
2018		3,060	769	5.000%
2019		3,210	612	5.000%
2020		3,375	447	5.000%
2021		3,540	275	5.000%
2022		3,720	93	5.000%
	\$	<u>19,820</u>	<u>3,114</u>	

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

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

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2017	\$	1,815	1,877	4.000%
2018		1,890	1,803	4.000%
2019		1,965	1,726	4.000%
2020		2,060	1,635	5.000%
2021		2,165	1,530	5.000%
2022 - 2026		12,445	6,024	4.000 - 5.000%
2027 - 2031		15,450	3,014	4.000%
2032 - 2033		7,100	288	4.000%
	\$	<u>44,890</u>	<u>17,897</u>	

**Pension Revenue Bonds**

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

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2017	\$	565	847	5.871%
2018		660	814	5.941%
2019		760	775	6.015%
2020		870	729	6.015%
2021		990	677	6.015%
2022 - 2026		7,155	2,317	6.015 - 6.095%
2027 - 2028		3,000	245	6.095%
	\$	<u>14,000</u>	<u>6,404</u>	

**Defeased Debt – District**

In prior years, the District defeased certain bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service on the defeased bonds. Accordingly, the trust account assets and the related liability for those defeased bonds are not included in the District’s financial statements. As of June 30, 2016, prior years' refunded revenue bonds defeased totaled \$26,830.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(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, 2016, there were two series of multi-family Housing Revenue Bonds outstanding, with an aggregate principal amount payable of \$25,700.

**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, 2016:

<u>Fiscal Year</u>	<u>Capital Lease Future Minimum Payments</u>
2017	\$ 429
2018	276
2019	<u>275</u>
Future minimum lease payments	980
Less amounts representing interest	<u>(39)</u>
Present value of future minimum lease payments	<u>941</u>
Current portion	406
Long-term portion	<u>535</u>
	\$ <u>941</u>

Changes in the capital lease obligations for the year ended June 30, 2016, are as follows:

	<u>Outstanding July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding June 30, 2016</u>
Capital lease obligations \$	<u>1,334</u>	<u>-</u>	<u>(393)</u>	<u>941</u>

**WASHINGTON COUNTY, OREGON**

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**Multnomah County - 1997** - In 1997 the County entered into a capital lease obligation with Multnomah County for the purchase of juvenile detention facility space for the amount of \$1,862. This facility space has an estimated useful life of 20 years and this year \$152 was included in depreciation expense, leaving a remaining net book value of \$215. This is a non-cancelable lease agreement. 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>
2017	\$ 146	8	5.330%
	\$ 146	8	

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2017	\$ 260	16	1.989%
2018	265	11	1.989%
2019	270	5	1.989%
	\$ 795	32	

**Operating Leases - County**

The County leases various buildings and land for use in their operations under cancelable and non-cancelable operating leases. Total costs for such leases were approximately \$334 for the year ended June 30, 2016.

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

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 424
2018	224
2019	211
2020	202
2021	200
2022 - 2026	655
	\$ 1,916

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

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**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 \$74 for the year ended June 30, 2016.

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

<u>Fiscal Year</u>	<u>Amount</u>
2017	61
2018	61
2019	60
2020	58
	<u>\$ 240</u>

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

Interfund accounts at June 30, 2016, 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	\$ —	1,196	—	—
HOME Fund	75	—	—	—
Major Streets Transportation Improvement Program III Fund	—	—	—	710
Other Governmental Funds	1,121	—	710	—
	<u>\$ 1,196</u>	<u>1,196</u>	<u>710</u>	<u>710</u>

Interfund receivables of the General Fund consist of \$75 in cash loaned to the HOME Fund and \$1,121 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, 2016.

Interfund advances of the Major Streets Improvement Program III Fund consist of \$710 in cash loaned to a non-major fund via an intergovernmental agreement dated September 18, 2012. Proceeds from the loan are to be used towards the construction of roads. The loan is to be paid off as soon as practicable, with any balance due being paid on or before September 18, 2042. Beginning in FY 2013-14, any outstanding balances under this agreement will bear interest at the Local Government Investment Pool rate, determined once per year on the first day of each fiscal year, and applied to the loan balance as of the first day of the same fiscal year for the remaining duration of the agreement or until the balance is paid in full.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(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, 2015</u>	<u>Decrease</u>	<u>Outstanding June 30, 2016</u>
Washington County IGA	variable	\$ <u>232</u>	<u>(98)</u>	<u>134</u>

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

**4. Other information**

**Pension Plan – County**

Description

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

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

Benefits Provided

Tier One/Tier Two Retirement Benefit

*Pension Benefits.* The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be



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### Notes to Basic Financial Statements

June 30, 2016

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calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

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

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

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

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

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

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

#### OPSRP Pension Program

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

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

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

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

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

#### Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2013 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2015, and include a required percentage contribution for retiree healthcare. The County's contribution rates for the period were 17.75% of covered employees' salaries for Tier One/Tier Two members, 11.11% for OPSRP general service members, and 15.22% for OPSRP police members. The County's total

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

contributions were \$18,095. Covered employees are required to contribute 6% of their annual covered salary to the Plan.

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

At June 30, 2016, the County reported a liability of \$103,558 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013 rolled forward to June 30, 2015. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the County's proportion was 1.80%, which is substantially unchanged from its proportion measured as of June 30, 2014.

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

For the year ended June 30, 2016, the County recognized pension expense of \$101,022 for the deferred benefit portion of the pension plan as a result of the adoption of GASB Statement No. 68. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,584	—
Net difference between projected and actual earnings on investments	—	21,708
Changes in proportionate share	104	—
Differences between employer contributions and employer's proportionate share of system contributions	—	3,975
Contributions subsequent to the measurement date	<u>18,095</u>	<u>—</u>
<b>Total</b>	<b>\$ <u>23,783</u></b>	<b><u>25,683</u></b>

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

Deferred outflows of resources related to pensions of \$18,095 resulting from the County's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension income as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 10,003
2018	10,003
2019	10,003
2020	(9,796)
2021	(218)
	<u>\$ 19,995</u>

Actuarial Methods and Assumptions

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

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

# WASHINGTON COUNTY, OREGON

## Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2013
Measurement Date	June 30, 2015
Experience Study	2014, published September 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75%
Long-term Expected Rate of Return	7.75%
Discount Rate	7.75%
Projected Salary Increases	3.75%
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 experience study which reviewed experience for the four-year period ending on December 31, 2014. After completion of this review and subsequent to the measurement date, the PERS Board adopted several assumption changes, including lowering the investment return assumption to 7.50% effective January 1, 2016, which will be used for rates beginning July 1, 2017.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

#### Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

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

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

#### Discount Rate

The discount rate used to measure the total pension liability was 7.75% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

#### Depletion Date Projection

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

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

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

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

#### Payable to OPERS

At June 30, 2016, the County's payable to OPERS for defined benefit contributions was \$997. This amount represents legally required contributions to the plan for services incurred in the current fiscal year.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

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

The following presents the County’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.75%, as well as what the County’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>6.75%</b>	<b>7.75%</b>	<b>8.75%</b>
County's proportionate share of the net pension liability (asset)	\$ 249,932	103,558	(19,797)

Pension Plan Fiduciary Net Position

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

Individual Account Program

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

Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. The County makes this contribution on behalf of its employees. The County contributed approximately \$7,455 for the year ended June 30, 2016, of which approximately \$5,846 was recovered through employee payroll deductions.



## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

#### **Pension Plan – District**

##### Description

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

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##### Benefits Provided

###### Tier One/Tier Two Retirement Benefit

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

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

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

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

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

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

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

#### OPSRP Pension Program

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

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

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

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

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

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

#### Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2013 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2015, and include a required percentage contribution for retiree healthcare. The District's contribution rates for the period were 12.29% for Tier One/Tier Two member and 5.96% for OPSRP General Service members. The District's total contributions were \$2,373. Covered employees are required to contribute 6% of their annual covered salary to the Plan.

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

At June 30, 2016, the District reported a liability of \$15,004 for its proportionate share of the OPERS net pension asset. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013 rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District's proportion was 0.26%, which is substantially unchanged from its proportion measured as of June 30, 2014.

**WASHINGTON COUNTY, OREGON**

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

For the year ended June 30, 2016, the District recognized pension expense of \$14,587 for the deferred benefit portion of the pension plan. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 809	—
Net difference between projected and actual earnings on investments	—	3,145
Changes in proportionate share	81	—
Differences between employer contributions and employer's proportionate share share of system contributions	—	1,335
Contributions subsequent to the measurement date	<u>2,373</u>	<u>—</u>
<b>Total</b>	\$ <u><u>3,263</u></u>	<u><u>4,480</u></u>

Deferred outflows of resources related to pensions of \$2,373 resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension income as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 1,624
2018	1,624
2019	1,623
2020	(1,282)
2021	<u>1</u>
	\$ <u><u>3,590</u></u>

# WASHINGTON COUNTY, OREGON

## Notes to Basic Financial Statements

June 30, 2016

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### Actuarial Methods and Assumptions

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

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

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

Valuation Date	December 31, 2013
Measurement Date	June 30, 2015
Experience Study	2014, published September 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75%
Long-term Expected Rate of Return	7.75%
Discount Rate	7.75%
Projected Salary Increases	3.75%
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

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Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 experience study which reviewed experience for the four-year period ending on December 31, 2014. After completion of this review and subsequent to the measurement date, the PERS Board adopted several assumption changes, including lowering the investment return assumption to 7.50% effective January 1, 2016, which will be used for rates beginning July 1, 2017.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

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

#### Discount Rate

The discount rate used to measure the total pension liability was 7.75% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

#### Depletion Date Projection

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

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

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

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

Payable to OPERS

At June 30, 2016, the District’s payable to OPERS for defined benefit contributions was \$152. This amount represents legally required contributions to the plan for services incurred in the current fiscal year.

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

The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.75%, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>6.75%</b>	<b>Discount Rate</b>	<b>8.75%</b>
	<u>6.75%</u>	<u>7.75%</u>	<u>8.75%</u>
District's proportionate share of the net pension liability (asset)	\$ <u>36,211</u>	\$ <u>15,004</u>	\$ <u>(2,868)</u>

Pension Plan Fiduciary Net Position

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



## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

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#### Individual Account Program

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

Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. The District makes this contribution on behalf of its employees. The District contributed approximately \$1,627 for the year ended June 30, 2016.

#### **Other Post Employment Benefits - County**

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

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

##### ***Funding Policy***

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

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For fiscal year 2015-16, the County contributed \$486 and retirees made payments of \$905. The County has elected to not pre-fund the actuarially determined future cost amount of \$435.

Below are the required monthly contributions of the plan members for the year ending June 30, 2016. 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	Delta	Willamette	
			Dental	Dental	Moda Vision
Employee	\$ 584	566	51	39	10
Employee + 1	1,167	1,132	101	75	N/A
Full Family	1,751	1,699	160	146	N/A
Employee + Children	1,051	1,019	105	109	N/A

**Annual OPEB Cost and Net OPEB Obligation**

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

		<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Annual required contribution (ARC)	\$	435	646	646
Interest on net OPEB obligation		170	172	169
Adjustment to ARC		<u>(291)</u>	<u>(291)</u>	<u>(289)</u>
Annual OPEB cost		314	527	526
Contributions made		<u>(486)</u>	<u>(550)</u>	<u>(462)</u>
Increase in net OPEB obligation		<u>(172)</u>	<u>(23)</u>	64
Net OPEB obligation, beginning of year		<u>5,703</u>	<u>5,726</u>	<u>5,662</u>
Net OPEB obligation, end of year	\$	<u><u>5,531</u></u>	<u><u>5,703</u></u>	<u><u>5,726</u></u>
Percent of Annual OPEB cost contributed		154.78%	104.36%	87.83%

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2016

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

As of the most recent actuarial valuation date, the plan was funded on a pay-as-you-go basis and therefore had no assets. The County's actuarial accrued liability for benefits was \$4,782, which also equaled the unfunded actuarial accrued liability (UAAL). The annual payroll of active employees covered by the plan (covered payroll) for 2015-16 was \$127,667 the ratio of the UAAL to the covered payroll was 3.75%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

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

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

In the June 30, 2016 valuation, the entry age normal actuarial cost method was used. Under this method, the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level percent of pay basis over the service of the active employee. The investment return for the County was assumed to be 3.0% to reflect the rate of return on the county's investment portfolio. Health care cost trends (net of inflation) were assumed to be 6.5% for Providence and 6.0% for Kaiser initially, then declining to 5.0%. It is assumed that the future cost of the retiree health plan will retain its current relationship to the active plan, and that the active plan cost will maintain a reasonable relationship to direct compensation. The UAAL is being amortized over an open period of 30 years.

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

WASHINGTON COUNTY, OREGON

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**Other Post Employment Benefits - District**

***Plan Description***

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

***Funding Policy***

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

For fiscal year 2015-16, the District contributed \$103 consisting of retiree payments. The District has elected to not pre-fund the actuarially determined future cost amount of \$563. The required monthly contributions of the plan members were as follows for the year ended June 30, 2016:

(Not in \$1,000's)	Health Insurance		
	Providence	Providence	Kaiser
	Open Option	Connect	
Employee	\$ 493	404	619
Employee + 1	1,000	821	1,264
Full Family	1,405	1,152	1,765

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

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**Annual OPEB Cost and Net OPEB Obligation**

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

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Annual required contribution (ARC)	\$ 140	138	134
Interest on net OPEB obligation	22	22	23
Adjustment to ARC	<u>(47)</u>	<u>(47)</u>	<u>(46)</u>
Annual OPEB cost	115	113	111
Contributions made	<u>(103)</u>	<u>(115)</u>	<u>(111)</u>
Increase in net OPEB obligation	12	(2)	-
Net OPEB obligation, beginning of year	551	553	553
Net OPEB obligation, end of year	<u>\$ 563</u>	<u>551</u>	<u>553</u>
Percent of Annual OPEB cost contributed	89.57%	101.77%	100.00%

**Funding Status and Funding Progress**

As of the most recent actuarial valuation date, the plan was funded on a pay-as-you-go basis and therefore had no assets. The District’s actuarial accrued liability for benefits was \$1,407, which also equaled the unfunded actuarial accrued liability (UAAL). The annual payroll of active employees covered by the plan (covered payroll) for 2015-16 was \$25,650 the ratio of the UAAL to the covered payroll was 5.5%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

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

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

In the July 1, 2015 valuation, the projected unit credit actuarial cost method was used, with accrued benefits allocated in equal proportion over the participant's years of service from hire to expected retirement. The actuarial assumptions included (a) a 4% accrued liability discount rate, (b) a 2.5% inflation component, and (c) healthcare cost trend rate of 7.0% for 2016 grading down over seventeen years to 5.0%. The UAAL is being amortized over an open period of 30 years as a level percentage of payroll for Non-Represented Retirees and over a closed period of four years as a flat dollar amount for Represented Retirees.

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

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

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

##### ***Funding Policy***

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

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

Participating municipal corporations are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.53% of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The County's contributions to RHIA for the years ended June 30, 2014, 2015 and 2016 were \$696, \$724 and \$677, respectively, which equaled the required contributions each year.

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

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

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

##### ***Funding Policy***

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

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

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(Dollars in thousands)

was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating municipal corporations are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.53% of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District’s contributions to RHIA for the years ended June 30, 2014, 2015 and 2016 were \$143, \$126, and \$145, respectively, which equaled the required contributions each year.

**Insured Risks - County**

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

As required by an agreement with the third-party administrator of Medicaid funds received from the State, the County has set aside \$8,600 in restricted cash in its non-major governmental funds to cover approximately four months’ worth of operating expenses should the Health Share of Oregon program unexpectedly end and the flow of revenue stop.

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

<u>Fiscal Year</u>	<u>Beginning of fiscal year liability</u>	<u>Current year claims and changes in estimates</u>	<u>Claims payments</u>	<u>Balance at fiscal year-end</u>
2013-14	\$ 3,800	1,421	(1,623)	3,598
2014-15	3,598	1,344	(1,247)	3,695
2015-16	3,695	4,145	(3,808)	4,032



**WASHINGTON COUNTY, OREGON**

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

**Insured Risks and Captive Insurance - District**

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

The District is insured under a retrospective plan for workers’ compensation and for costs in excess of insurance policy retention (deductible) limits on fire loss, property damage, and all risk coverage (theft, vandalism, etc.). 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. Estimates are based on historical trend analyses of similar injuries and claims and include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors. Changes in the balances of the District’s accrued self-insurance liabilities during the current and prior fiscal years were as follows:

<u>Fiscal Year</u>	<u>Beginning of fiscal year liability</u>	<u>Current year claims and changes in estimates</u>	<u>Claims payments</u>	<u>Balance at fiscal year-end</u>
2013-14	\$ 261	126	(83)	304
2014-15	304	111	(105)	310
2015-16	310	130	(98)	342

CWIC was formed under the laws of the State of Hawaii as single member Limited Liability Company (LLC) captive insurance company pursuant to Chapter 428 and Article 19 of Chapter 431 of the Hawaii Revised Statutes. CWIC received its Certificate of Authority from the Hawaii Insurance Division on June 30, 2016, and operations will commence on July 1, 2016. The Certificate of Authority enables CWIC to operate as a captive insurance company in the State of Hawaii. The District is the sole member of CWIC.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

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(Dollars in thousands)

The Hawaii Insurance Division established certain minimum capital and surplus requirements for CWIC which are required to be maintained at all times. The minimum was set at \$250,000 at formation. As of June 30, 2016, CWIC was in compliance with the minimum capital and surplus requirements of the State of Hawaii.

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

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

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

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

#### **Pollution Remediation**

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

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

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

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(Dollars in thousands)

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, 2016 for the ongoing monitoring and DEQ reporting costs is \$903.

**Transfers**

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

Transfers in:		
General Fund	\$ 1,285	1%
Human Services Fund	1,559	2%
Road Fund	928	1%
Major Streets Transportation Improvement Program III Fund	37,062	41%
Non-major funds	<u>49,237</u>	<u>55%</u>
Total governmental funds	90,071	100%
Housing Authority of Washington County	<u>144</u>	<u>0%</u>
	<u><u>90,215</u></u>	<u><u>100%</u></u>
Transfers out:		
General Fund	81,458	90%
Road Fund	724	1%
Major Streets Transportation Improvement Program III Fund	306	0%
Non-major funds	<u>7,719</u>	<u>9%</u>
Total governmental funds	90,207	100%
Service District for Lighting No. 1	<u>8</u>	<u>0%</u>
	<u><u>\$ 90,215</u></u>	<u><u>100%</u></u>

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

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 \$37,062 to major streets improvement programs and \$18,290 to Cooperative Library Services. These transfers are responsible for 61% of all transfers. Transfers between the other operating departments are a result of normal course of operations.

#### **Related Party Transactions – County**

Washington County performs certain fiscal and accounting services, partnering in capital projects and provides certain facility related services, for which the District was charged approximately \$299 during fiscal year 2015-16.

#### **Related Party Transactions – District**

On April 16, 2013, the District entered into a new Operating Agreement with the Clean Water Institute (CWI). Under the Operating Agreement, the District may provide resources to conduct work for CWI. Upon mutual agreement, the District and CWI may enter into agreements which shall describe the particular scope of services to be performed by the District for CWI. The District may also provide staff and resources to provide administrative support to CWI and charge CWI for such support. The District has billed CWI \$8 for such services under the Operating Agreement for fiscal year ended June 30, 2016.

On October 26, 2010, the District entered into a loan agreement with CWI. The agreement allows for loans and/or advances from the District to CWI of up to \$400 through fiscal year 2014-15. Interest on outstanding loan balances due from CWI to the District are calculated monthly and based on 1.1 times the average monthly Oregon Local Government Investment Pool (LGIP) rates. During fiscal year 2016, CWI was charged \$1 in interest and made payments totaling \$14, leaving a loan balance of \$205 as of June 30, 2016.

On September 21, 2010, the District entered into an Assignment Agreement with CWI, which assigned certain intellectual property rights to CWI. The agreement requires CWI to share future revenues generated from the licensing of these intellectual property rights with the District. Per this agreement, all revenues associated with the agreement received by CWI shall first be applied to repay the loan amounts to the District and any revenues in excess of the loan amount will be shared equally between CWI and the District. In accordance with the agreement, CWI has remitted proceeds of \$14 to the District in fiscal year 2015-16 which were applied against the loan balance referenced above. CWI billed the District approximately \$20 for professional services during fiscal year 2015-16.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

To legally form the Clean Water Insurance Company, in June 2016, the District transferred \$336 from self-insured dental plan reserves to fund the required reserves and cover operating costs starting in July 2016.

#### **Contingency - County**

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

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

#### **Contingency - District**

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

#### **Commitments - County**

The County has committed over \$99,623 to fund certain specific road construction projects over the next four to five years; \$18,048 for jail inmate health care services over the next four years; \$118,504 for Countywide library services over the next five years; \$1,479 for kitchen services at the jail through July, 2017; and \$348 for entrance security services for the state courts in County buildings for next year.

The Community Corrections Center has contracted for pharmacy and psychiatric nurse practitioner services, batterer treatment for domestic violence offenders, and sex offender treatment services and mentoring to assist in the reintegration of substance abuse offenders in the combined amount of approximately \$2,154.

The County has contracted for fuel for all County vehicles and equipment of \$3,068 for the next year and \$2,886 for janitorial services for all County facilities over the next three years.

**WASHINGTON COUNTY, OREGON**

Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

Juvenile detention services at the Donald E. Long facility have been contracted with Multnomah County for approximately \$3,958 over the next year.

The County contracted various building lease agreements for approximately \$7,966 over the next five to ten years.

**Commitments – District**

The District is committed for approximately \$53,600 for various construction projects and other significant commitments at June 30, 2016.

**Restatement - County**

The County has determined one of its Internal Service Funds should be reported as a part of the General Fund under the guidance of GASB Statement No. 54, and has therefore restated its July 1, 2015 fund balance to reflect the change in this classification. The following discloses the restatement of fund balances as of the beginning of the fiscal year resulting from the aggregation into the General Fund of one of its Internal Service Funds that do not meet the criteria for separate reporting under GASB Statement No. 54:

	<u>General Fund</u>	<u>Internal Service Funds</u>	<u>Total</u>
Fund balance/net position July 1, 2015	\$ 55,297	29,225	84,522
Restatement	<u>6,544</u>	<u>(6,544)</u>	<u>—</u>
Fund balance/net position July 1, 2015, as restated	<u>\$ 61,841</u>	<u>22,681</u>	<u>84,522</u>

**Subsequent Events - County**

On July 21, 2016, the County issued federally taxable general obligation bonds of \$5,000 (Series 2016 A) and tax-exempt general obligation bonds of \$72,000 (Series 2016 B), for a total of \$77,000. The proceeds from the sale of the bonds will be used to finance the Washington County Emergency Communications Systems upgrade and to pay the costs of issuance of the bonds. Specifics of the project include:

- Convert existing 911 system to current technology;
- Improve countywide radio coverage by installing more towers;
- Strengthen facilities to withstand emergencies;
- Expand the 911 dispatch center and expand or add other County emergency response facilities; and
- Replace approximately 3,000 analog radios currently used by responders countywide.

## WASHINGTON COUNTY, OREGON

### Notes to Basic Financial Statements

June 30, 2016

(Dollars in thousands)

The interest rate on the bonds range from 0.8% to 5.0% and the maturity date is June 1, 2020 for the Series A and June 1, 2035 for the Series B. The bonds will be repaid by an annual property tax revenue levy projected to not exceed \$0.08<sup>(1)</sup> per \$1,000<sup>(1)</sup> of assessed value.

The County plans to issue \$105,725 in tax-exempt full faith and credit obligations (Series 2016 B) in December of 2016. The proceeds from the sale of the obligations will be used to finance costs of capital projects and to pay the costs of issuance of the obligations. Specific projects include:

- Capital projects related to County facilities, including acquisition of buildings, tenant improvements to various facilities, road safety improvements, and buildout of a Public Safety Training Center;
- Building of an Events Center, and
- Major Streets Transportation Improvement Program (MSTIP) projects.

The interest rates on the obligations are estimated to range from 4.0% to 5.0% with a March 1, 2032 maturity date. The obligations are secured and payable from the County's general non-restricted revenues and other funds that may become available for that purpose.

#### **Subsequent Events – Authority**

In September 2016, the Authority acquired three parcels of land totaling 1.31 acres at the northwest corner of SW 185<sup>th</sup> Avenue and SW Baseline Road for \$1<sup>(1)</sup> from the County. This property is for the purpose of developing 57 – 100 mixed multi-family units to serve low-income households between 30% and 60% of the area's median family income.

In October 2016, the Authority executed an amendment to amend the interest rate, time, and payment amount on one of the Authority's HOME loan contracts.

#### **Subsequent Events – District**

On October 13, 2016, the District issued Senior Lien Revenue Refunding Bonds totaling \$33,225. The proceeds will be used to refund and defease a portion of the District's outstanding Senior Lien Sewer Revenue Bonds, Series 2009A. The District netted over \$5.200 in present value savings on the refunding of existing debt. The interest rate on the bonds is 5.0% and the maturity date is October 1, 2028.

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

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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, 2016

(Dollars in thousands)

	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:				
Taxes	\$ 130,423	131,548	133,859	2,311
Licenses and permits	7,359	7,359	6,503	(856)
Intergovernmental revenues	18,186	18,400	17,271	(1,129)
Charges for services	6,932	6,932	7,963	1,031
Fines and forfeitures	2,714	2,714	2,733	19
Miscellaneous revenues	5,261	5,261	4,695	(566)
Interfund revenues	6,347	6,347	6,083	(264)
Total revenues	<u>177,222</u>	<u>178,561</u>	<u>179,107</u>	<u>546</u>
Expenditures:				
General government:				
Board of County Commissioners	458	458	451	7
County administrative office	2,118	2,118	2,101	17
Community network	657	657	557	100
County counsel	2,068	2,068	1,968	100
County auditor	387	387	377	10
County emergency management	874	874	780	94
Elections	2,198	2,198	1,577	621
Assessment and taxation	9,519	9,519	8,691	828
County communications	850	850	843	7
Financial management	2,317	2,347	2,336	11
Human resources	2,403	2,403	2,319	84
Information services	12,037	12,037	10,840	1,197
Purchasing	460	460	397	63
Facilities management	9,411	9,411	8,990	421
Subtotal	<u>45,757</u>	<u>45,787</u>	<u>42,227</u>	<u>3,560</u>
Public safety and justice:				
Law enforcement services	18,576	18,576	17,025	1,551
Jail operations	23,881	23,881	22,750	1,131
Sheriff's office administration	4,661	4,661	4,420	241
Jail health care	4,719	4,719	4,316	403
District Attorney	10,925	11,139	10,259	880
Washington County justice court	799	799	726	73
Juvenile	6,456	6,456	5,763	693
Juvenile administration	1,287	1,287	1,248	39
Subtotal	<u>71,304</u>	<u>71,518</u>	<u>66,507</u>	<u>5,011</u>
Land use and transportation				
Planning	4,328	4,328	3,515	813
Water Master	191	191	171	20
Subtotal	<u>4,519</u>	<u>4,519</u>	<u>3,686</u>	<u>833</u>
Housing, health and human services:				
Public health	14,865	14,865	13,818	1,047
Health and human services administration	1,354	1,354	1,180	174
Animal services	2,702	2,702	2,314	388
Veterans services	843	863	840	23
Subtotal	<u>19,764</u>	<u>19,784</u>	<u>18,152</u>	<u>1,632</u>
Culture, education and recreation:				
Agriculture activities	329	329	329	—
Parks	1,027	1,027	961	66
Subtotal	<u>1,356</u>	<u>1,356</u>	<u>1,290</u>	<u>66</u>
Non-operating:				
Miscellaneous	1,223	1,223	938	285
Subtotal	<u>1,223</u>	<u>1,223</u>	<u>938</u>	<u>285</u>
Operating contingency	21,295	21,245	—	21,245
Total expenditures	<u>165,218</u>	<u>165,432</u>	<u>132,800</u>	<u>32,632</u>
Revenues over expenditures	<u>12,004</u>	<u>13,129</u>	<u>46,307</u>	<u>33,178</u>
Other financing sources (uses):				
Transfers in from other funds	24,733	24,733	27,263	2,530
Transfers out to other funds	(70,906)	(72,030)	(70,944)	1,086
Total other financing uses	<u>(46,173)</u>	<u>(47,297)</u>	<u>(43,681)</u>	<u>3,616</u>
Net change in fund balance	<u>(34,169)</u>	<u>(34,168)</u>	<u>2,626</u>	<u>36,794</u>
Fund balance July 1, 2015	34,169	34,168	37,722	3,554
Fund balance June 30, 2016	\$ <u>—</u>	<u>—</u>	<u>40,348</u>	<u>40,348</u>
Certain governmental funds are reported in the General Fund on a GAAP basis:				
PERS Rate Stabilization Fund			6,601	
Strategic Investment Program and Gain Share Fund			19,353	
Survey Fund			1,011	
Fund balance, GAAP basis, June 30, 2016			\$ <u>67,313</u>	

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison  
 Major Special Revenue Funds  
 For the fiscal year ended June 30, 2016  
 (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	\$ 2,603	2,603	1,051	(1,552)	37,682	37,943	14,954	(22,989)
Charges for services	—	—	—	—	13	13	11	(2)
Miscellaneous revenues	489	489	293	(196)	170	170	297	127
Interfund revenues	—	—	—	—	169	169	134	(35)
Total revenues	<u>3,092</u>	<u>3,092</u>	<u>1,344</u>	<u>(1,748)</u>	<u>38,034</u>	<u>38,295</u>	<u>15,396</u>	<u>(22,899)</u>
Expenditures:								
Current:								
Housing, health and human services	3,092	3,092	1,344	1,748	39,686	39,948	16,620	23,328
Operating contingency	—	—	—	—	3,707	3,707	—	3,707
Total current	<u>3,092</u>	<u>3,092</u>	<u>1,344</u>	<u>1,748</u>	<u>43,393</u>	<u>43,655</u>	<u>16,620</u>	<u>27,035</u>
Revenues under expenditures	—	—	—	—	(5,359)	(5,360)	(1,224)	4,136
Other financing sources:								
Transfers in from other funds	—	—	—	—	1,609	1,609	1,559	(50)
Total other financing sources	—	—	—	—	1,609	1,609	1,559	(50)
Net change in fund balances	—	—	—	—	(3,750)	(3,751)	335	4,086
Fund balances July 1, 2015	—	—	—	—	3,750	3,751	3,930	179
Fund balances June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,265</u>	<u>4,265</u>

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

1,505  
 Fund balance, GAAP basis, June 30, 2016      \$ 5,770

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Major Special Revenue Funds  
 For the fiscal year ended June 30, 2016  
 (Dollars in thousands)

	<b>Road Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
Revenues:				
Taxes	\$ 835	835	877	42
Licenses and permits	281	281	241	(40)
Intergovernmental revenues	28,192	28,192	30,264	2,072
Charges for services	479	479	1,002	523
Special assessments	65	65	43	(22)
Miscellaneous revenues	191	191	583	392
Interfund revenues	7,313	7,313	7,299	(14)
Total revenues	<u>37,356</u>	<u>37,356</u>	<u>40,309</u>	<u>2,953</u>
Expenditures:				
Current:				
Land use and transportation:				
Administration	6,810	6,810	6,274	536
Engineering services	9,119	9,119	3,370	5,749
Capital projects management	5,872	5,872	5,051	821
Operations and maintenance	25,250	25,250	25,149	101
Operating contingency	11,991	11,991	—	11,991
Total current	<u>59,042</u>	<u>59,042</u>	<u>39,844</u>	<u>19,198</u>
Capital outlay	397	397	302	95
Total expenditures	<u>59,439</u>	<u>59,439</u>	<u>40,146</u>	<u>19,293</u>
Revenues over (under) expenditures	<u>(22,083)</u>	<u>(22,083)</u>	<u>163</u>	<u>22,246</u>
Other financing sources (uses):				
Transfers in from other funds	928	928	928	—
Transfers out to other funds	(755)	(755)	(724)	31
Total other financing sources	<u>173</u>	<u>173</u>	<u>204</u>	<u>31</u>
Net change in fund balance	<u>(21,910)</u>	<u>(21,910)</u>	<u>367</u>	<u>22,277</u>
Fund balance July 1, 2015	21,910	21,910	23,621	1,711
Fund balance June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>23,988</u>	<u>23,988</u>

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

**County**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
6/30/14	\$ —	6,746	6,746	0%	117,971	5.72%
6/30/15	—	6,711	6,711	0%	122,731	5.47%
6/30/16	—	4,782	4,782	0%	127,667	3.75%

**District**

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

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

**County**

Fiscal Year Ending June 30,	County's Proportion of the Net Pension Liability (Asset) <sup>(1)</sup>	County's Proportionate Share of the Net Pension Liability (Asset) <sup>(1)</sup>	County's Covered Payroll	County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2014	1.80%	\$ 91,736	114,537	80.09%	91.97%
2015	1.80%	(40,747)	117,971	(34.54%)	103.59%
2016	1.80%	103,558	122,731	84.38%	91.88%

**District**

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset) <sup>(1)</sup>	District's Proportionate Share of the Net Pension Liability (Asset) <sup>(1)</sup>	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.26%	\$ 13,094	24,142	54.24%	91.97%
2015	0.26%	(5,816)	24,174	(24.06%)	103.59%
2016	0.26%	15,004	25,570	58.68%	91.88%

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

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

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

**County**

Fiscal Year Ending June 30,	Statutorily Required Contribution <sup>(1)</sup>	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percent of Covered Payroll
2014	\$ 15,396	15,396	—	117,971	13.05%
2015	15,907	15,907	—	122,731	12.96%
2016	18,095	18,095	—	127,667	14.17%

**District**

Fiscal Year Ending June 30,	Statutorily Required Contribution <sup>(1)</sup>	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percent of Covered Payroll
2014	\$ 1,701	1,701	—	24,174	7.04%
2015	1,793	1,793	—	25,570	7.01%
2016	2,373	2,373	—	27,124	8.75%

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

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



## WASHINGTON COUNTY, OREGON

### Notes to Required Supplementary Information

June 30, 2016

(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 \$42,724.

#### **Appropriations and Budgetary Controls Description**

In accordance with Oregon Revised Statutes, the County budgets all funds except fiduciary funds. All governmental and proprietary fund types are generally budgeted under the modified accrual basis of accounting, which for all governmental funds represents the GAAP basis as well. Expenditure budgets are appropriated by major function or organizational unit for each fund. These appropriations establish the legal level of control for each fund. Expenditure appropriations may not be legally overexpended except in the case of reimbursable grant expenditures and trust monies that could not be reasonably estimated at the time the budget was adopted.

After budget approval, the Board of County Commissioners may approve supplemental appropriations and appropriation transfers between organizational units or major programs if an occurrence, condition, or need exists which was not known at the time the budget was adopted. The County had three supplemental budgets, five year end budget adjustments, and one contingency transfer during the year ended June 30, 2016. Both the original adopted budget and the revised budget comparisons are presented in the accompanying budgetary schedules. Appropriations lapse at the end of the fiscal year.

#### **2. Changes in Benefit Terms – Pensions**

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

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

## WASHINGTON COUNTY, OREGON

Notes to Required Supplementary Information (continued)

June 30, 2016

(Dollars in thousands)

### 3. Changes of Assumptions – Pensions

A summary of key changes implemented since the December 31, 2013 valuation are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at:

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

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2014 Experience Study for the System, which was published on September 23, 2015, and can be found at:

[https://www.oregon.gov/pers/docs/2014\\_experience\\_study\\_9-23-15.pdf](https://www.oregon.gov/pers/docs/2014_experience_study_9-23-15.pdf)

**OTHER SUPPLEMENTARY INFORMATION**

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WASHINGTON COUNTY, OREGON

Budgetary Comparison

Major Capital Projects Fund

For the fiscal year ended June 30, 2016

(Dollars in thousands)

	<b>Major Streets Transportation Improvement Program III Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)*</b>
Revenues:				
Intergovernmental revenues	\$ 20,441	20,441	5,047	(15,394)
Miscellaneous revenues	6,266	6,266	693	(5,573)
Total revenues	<u>26,707</u>	<u>26,707</u>	<u>5,740</u>	<u>(20,967)</u>
Expenditures:				
Current:				
Land use and transportation:				
Administration	123,304	123,304	49,907	73,397
Total current	<u>123,304</u>	<u>123,304</u>	<u>49,907</u>	<u>73,397</u>
Capital outlay	8,131	8,131	12,061	(3,930)
Total expenditures	<u>131,435</u>	<u>131,435</u>	<u>61,968</u>	<u>69,467</u>
Revenues under expenditures	<u>(104,728)</u>	<u>(104,728)</u>	<u>(56,228)</u>	<u>48,500</u>
Other financing sources (uses):				
Transfers in from other funds	40,084	40,084	38,122	(1,962)
Transfers out to other funds	(1,013)	(1,013)	(306)	707
Total other financing sources	<u>39,071</u>	<u>39,071</u>	<u>37,816</u>	<u>(1,255)</u>
Net change in fund balances	<u>(65,657)</u>	<u>(65,657)</u>	<u>(18,412)</u>	<u>47,245</u>
Fund balance July 1, 2015	65,657	65,657	86,181	20,524
Fund balance June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>67,769</u>	<u>67,769</u>
Advances to other funds are recognized as receivables on a GAAP basis			<u>710</u>	
Fund balance, GAAP basis, June 30, 2016			<u>\$ 68,479</u>	

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

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**NON-MAJOR FUND FINANCIAL STATEMENTS**

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## WASHINGTON COUNTY, OREGON

Fund Descriptions

Non-major Funds

June 30, 2016

### SPECIAL REVENUE FUNDS

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

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

## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Non-major Funds

June 30, 2016

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

## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Non-major Funds

June 30, 2016

- 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, 2016

- Sheriff's Office Contract Services Fund – This fund accounts for the contracted responsibility of providing service to Tri-Met Transit Police Division, the Forest Grove School District high school and middle schools, and the County's Elder Abuse Programs. This fund also provides for uniformed law enforcement security and other support services to the Multnomah County Drug and Alcohol Rehabilitation Program housed in space leased from Washington County in the old jail facility.
- Sheriff's Office Forfeitures Fund – This fund accounts for resources from asset forfeitures that typically come from the sale of real and/or personal property seized from offenders involved in drug-related criminal activity. Specific and strict guidelines govern the use of all forfeiture proceeds. These laws change periodically so funds accumulated at different times are subject to varying legal requirements for their use and are accounted for in different programs within this fund.
- Sheriff's Office Grants and Donations Fund – This fund accounts for donations specifically identified for support of the Drug Abuse Resistance Education (DARE) programs and the Local Law Enforcement Block Grant (LLEBG) federal grant awards that require identification and control of related revenues and expenditures.
- Surveyor – Public Land Corner Fund – This fund accounts for activities related to the remonumentation of government survey corners funded through the public land corner preservation fee.
- Tourism Dedicated Lodging Tax Fund – This fund accounts for revenues generated by the three-ninths portion of the Washington County lodging tax that is tourism-dedicated.
- Urban Road Maintenance District Fund (Component Unit) – The District provides an enhanced level of maintenance services to local, minor collector, and public roads in the urban unincorporated areas of Washington County and is funded by an established permanent rate. The District contracts with private firms and with Washington County to provide the required road maintenance services.
- Washington County Fair Fund – This fund accounts for the operation and management of the fairground facilities which provide various services to the public, including the annual County fair.
- West Slope Library Fund – This fund accounts for the provision of public library services for County residents in the unincorporated West Slope/Raleigh Hills area, including circulation of library materials, basic reference service, and children's programs.

## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Non-major Funds

June 30, 2016

The following funds are presented individually for budgetary purposes. For reporting purposes these funds are combined with the General Fund in accordance with GASB Statement No. 54. See combining schedules on pages 124 and 135.

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

The following fund is presented individually for budgetary purposes. For reporting purposes this fund is combined with the Human Services Fund in accordance with GASB Statement No. 54. See combining schedules on pages 125 and 136.

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

#### DEBT SERVICE FUNDS

The Debt Service Fund accounts for the payment of principal and interest on notes and contracts payable. Revenue is derived primarily from property taxes and interest earned on special assessments. The fund included in this category is:

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

## WASHINGTON COUNTY, OREGON

Fund Descriptions

Non-major Funds

June 30, 2016

### CAPITAL PROJECTS FUNDS

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

- Building Equipment Replacement Fund – This fund accounts for resources to be used to replace various building and equipment components of the County's buildings.
- Countywide Traffic Impact Fee Fund – This fund accounts for traffic impact fees used to finance extra capacity street facilities required by new development.
- Facilities General Capital Projects Fund – This fund accounts for miscellaneous capital improvement projects.
- Facilities Park (THPRD) SDC Fund – This fund is used to account for system development charges in the northeastern part of the County's urban unincorporated area. Charges are to be used for park capital improvements in the area.
- ITS Capital Projects Fund – This fund accounts for the purchase of IT-related capital assets (software and hardware).
- Major Streets Capital Projects Fund – This fund accounts for the activities necessary for installing, constructing, and extending extra capacity street facilities.
- North Bethany SDC Fund – This fund accounts for the system development charges that will help fund needed infrastructure capacity improvements in the North Bethany subarea.
- OTIA Capital Projects Fund – This fund accounts for resources made available to the County under House Bill 2041 for the creation of the Oregon Transportation Investment Act III (OTIA3) State Bridge Delivery Program. OTIA3 was created to maximize ease of traffic movement, while providing expedient project delivery and economic stimulus through the use of Oregon firms and their employees. Funds received are expended to repair or replace selected County bridge facilities.
- Parks and Open Spaces Opportunity Projects Fund – This fund is used to account for resources set aside for greenspace acquisitions.

## WASHINGTON COUNTY, OREGON

### Fund Descriptions

#### Non-major Funds

June 30, 2016

- 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 expenses of the Internal Service Funds for budgetary purposes on the modified accrual basis of accounting. For financial reporting purposes, the accrual basis of accounting is used. The differences relate primarily to the methods of accounting for depreciation, capital outlay, OPEB, and PERS net pension liability. Funds included in this category are:

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

## WASHINGTON COUNTY, OREGON

Fund Descriptions

Non-major Funds

June 30, 2016

- 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, 2016

(Dollars in thousands)

	General Fund	Indirect Cost Reimbursement Fund	PERS Rate Stabilization Fund	Strategic Investment Program and Gain Share Fund	Survey Fund	Total General Fund
<b>Assets</b>						
Cash and investments	\$ 40,137	—	6,601	19,353	2,221	68,312
Property taxes receivable <sup>(1)</sup>	5,871	—	—	—	—	5,871
Accounts receivable	4,943	—	—	—	167	5,110
Investment interest receivable	1,445	—	—	—	—	1,445
Due from other funds	1,196	—	—	—	—	1,196
Inventory	106	—	—	—	—	106
Other assets	425	—	—	—	—	425
Total assets	<u>54,123</u>	<u>—</u>	<u>6,601</u>	<u>19,353</u>	<u>2,388</u>	<u>82,465</u>
<b>Liabilities</b>						
Accounts payable	3,141	—	—	—	155	3,296
Accrued payroll liabilities	4,178	—	—	—	14	4,192
Deposits payable	301	—	—	—	1,208	1,509
Amounts held in trust	348	—	—	—	—	348
Unearned revenue	194	—	—	—	—	194
Total liabilities	<u>8,162</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,377</u>	<u>9,539</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	<u>5,613</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,613</u>
Total deferred inflows of resources	<u>5,613</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,613</u>
<b>Fund Balances</b>						
Nonspendable	106	—	—	—	—	106
Assigned	—	—	6,601	—	1,011	7,612
Unassigned	<u>40,242</u>	<u>—</u>	<u>—</u>	<u>19,353</u>	<u>—</u>	<u>59,595</u>
Total fund balances	<u>40,348</u>	<u>—</u>	<u>6,601</u>	<u>19,353</u>	<u>1,011</u>	<u>67,313</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 54,123</u>	<u>—</u>	<u>6,601</u>	<u>19,353</u>	<u>2,388</u>	<u>82,465</u>

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

Property taxes receivable	5,870	—	—	—	—	5,870
Payment in lieu of taxes receivable	1	—	—	—	—	1
Total property taxes receivable	<u>\$ 5,871</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,871</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Human Services Fund

June 30, 2016

(Dollars in thousands)

	<b>Human Services Fund</b>	<b>Human Services HB-2145 Fund</b>	<b>Total Human Services Fund</b>
<b>Assets</b>			
Cash and investments	\$ 29,684	1,505	31,189
Accounts receivable	1,349	—	1,349
Total assets	<u>31,033</u>	<u>1,505</u>	<u>32,538</u>
<b>Liabilities</b>			
Accounts payable	1,949	—	1,949
Accrued payroll liabilities	174	—	174
Unearned revenue	24,605	—	24,605
Total liabilities	<u>26,728</u>	<u>—</u>	<u>26,728</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	40	—	40
Total deferred inflows of resources	<u>40</u>	<u>—</u>	<u>40</u>
<b>Fund Balances</b>			
Restricted	4,265	1,505	5,770
Total fund balances	<u>4,265</u>	<u>1,505</u>	<u>5,770</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>31,033</u>	<u>1,505</u>	<u>32,538</u>

**WASHINGTON COUNTY, OREGON**

Combining Balance Sheet

Non-major Governmental Funds - Summary

June 30, 2016

(Dollars in thousands)

<b>Assets</b>	<b>Total Special Revenue Funds</b>	<b>Miscellaneous Debt Service Fund</b>	<b>Total Capital Projects Funds</b>	<b>Total Non-major Funds</b>
Cash and investments	\$ 105,595	32	57,392	163,019
Restricted cash	8,600	—	—	8,600
Property taxes receivable	2,736	—	—	2,736
Assessments receivable	4	—	103	107
Accounts receivable	5,107	—	5,430	10,537
Investment interest receivable	251	—	—	251
Contracts receivable	4,617	—	—	4,617
Inventory	1	—	—	1
Other assets	383	—	—	383
Total assets	<u>127,294</u>	<u>32</u>	<u>62,925</u>	<u>190,251</u>
<b>Liabilities</b>				
Accounts payable	4,774	—	3,211	7,985
Accrued payroll liabilities	1,872	—	—	1,872
Deposits payable	2,079	—	—	2,079
Amounts held in trust	23	—	—	23
Due to other funds	1,121	—	—	1,121
Advances from other funds	710	—	—	710
Unearned revenue	2,551	—	—	2,551
Total liabilities	<u>13,130</u>	<u>—</u>	<u>3,211</u>	<u>16,341</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	7,704	—	5,420	13,124
Total deferred inflows of resources	<u>7,704</u>	<u>—</u>	<u>5,420</u>	<u>13,124</u>
<b>Fund Balances (Deficit)</b>				
Nonspendable	1	—	—	1
Restricted	96,924	32	49,489	146,445
Committed	10,064	—	2,791	12,855
Assigned	—	—	2,014	2,014
Unassigned	(529)	—	—	(529)
Total fund balances	<u>106,460</u>	<u>32</u>	<u>54,294</u>	<u>160,786</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 127,294</u>	<u>32</u>	<u>62,925</u>	<u>190,251</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Non-major Governmental Funds - Special Revenue Funds

June 30, 2016

(Dollars in thousands)

Assets	Aging, Disability & Veteran Services Fund	Air Quality Fund	Animal Services Gifts and Donations Fund	Building Services Fund	Children and Youth Services Commission Fund	Community Corrections Fund
Cash and investments	\$ 720	331	706	18,315	267	4,258
Accounts receivable	385	—	—	16	850	76
Other assets	—	—	—	6	—	7
Total assets	<u>1,105</u>	<u>331</u>	<u>706</u>	<u>18,337</u>	<u>1,117</u>	<u>4,341</u>
<b>Liabilities</b>						
Accounts payable	179	—	3	42	542	273
Accrued payroll liabilities	36	3	—	163	12	265
Deposits payable	—	—	—	1,649	—	—
Amounts held in trust	—	—	—	—	—	15
Unearned revenue	510	—	353	—	295	1,220
Total liabilities	<u>725</u>	<u>3</u>	<u>356</u>	<u>1,854</u>	<u>849</u>	<u>1,773</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	—	—	—	—	—	64
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>64</u>
<b>Fund Balances</b>						
Restricted	380	—	350	16,483	268	2,504
Committed	—	328	—	—	—	—
Total fund balances	<u>380</u>	<u>328</u>	<u>350</u>	<u>16,483</u>	<u>268</u>	<u>2,504</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,105</u>	<u>331</u>	<u>706</u>	<u>18,337</u>	<u>1,117</u>	<u>4,341</u>

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet, Continued  
Non-major Governmental Funds - Special Revenue Funds  
June 30, 2016  
(Dollars in thousands)

	<b>Cooperative Library Services Fund</b>	<b>Court Security Fund</b>	<b>Department of Housing Services Fund</b>	<b>Development Services Fund</b>	<b>District Patrol Fund</b>	<b>Emergency Medical Services Fund</b>
<b>Assets</b>						
Cash and investments	\$ 7,064	743	315	4,066	466	1,405
Property taxes receivable	425	—	—	—	—	—
Accounts receivable	9	16	82	1	27	16
Other assets	159	—	1	—	4	1
Total assets	<u>7,657</u>	<u>759</u>	<u>398</u>	<u>4,067</u>	<u>497</u>	<u>1,422</u>
<b>Liabilities</b>						
Accounts payable	117	27	112	4	19	30
Accrued payroll liabilities	87	—	100	49	478	9
Deposits payable	—	—	—	429	—	—
Total liabilities	<u>204</u>	<u>27</u>	<u>212</u>	<u>482</u>	<u>497</u>	<u>39</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	392	—	—	—	—	4
Total deferred inflows of resources	<u>392</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4</u>
<b>Fund Balances</b>						
Restricted	—	732	186	3,585	—	1,379
Committed	7,061	—	—	—	—	—
Total fund balances	<u>7,061</u>	<u>732</u>	<u>186</u>	<u>3,585</u>	<u>—</u>	<u>1,379</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,657</u>	<u>759</u>	<u>398</u>	<u>4,067</u>	<u>497</u>	<u>1,422</u>

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet, Continued  
Non-major Governmental Funds - Special Revenue Funds  
June 30, 2016  
(Dollars in thousands)

	<b>Enhanced Sheriff's Patrol District Fund (Component Unit)</b>	<b>Health Share of Oregon Fund</b>	<b>Human Services OHP Fund</b>	<b>ITS Systems Replacement Fund</b>	<b>Jail Commissary Fund</b>	<b>Juvenile Conciliation Services Fund</b>
<b>Assets</b>						
Cash and investments	\$ 13,874	9,430	7,117	2,188	378	104
Restricted cash	—	8,600	—	—	—	—
Property taxes receivable	1,058	—	—	—	—	—
Accounts receivable	—	—	—	—	42	1
Other assets	—	2	—	—	—	—
Total assets	<u>14,932</u>	<u>18,032</u>	<u>7,117</u>	<u>2,188</u>	<u>420</u>	<u>105</u>
<b>Liabilities</b>						
Accounts payable	1	1,526	—	—	5	2
Accrued payroll liabilities	—	69	—	—	7	14
Amounts held in trust	—	—	—	—	1	—
Total liabilities	<u>1</u>	<u>1,595</u>	<u>—</u>	<u>—</u>	<u>13</u>	<u>16</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	981	—	—	—	—	—
Total deferred inflows of resources	<u>981</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Fund Balances</b>						
Restricted	13,950	16,437	7,117	—	407	89
Committed	—	—	—	2,188	—	—
Total fund balances	<u>13,950</u>	<u>16,437</u>	<u>7,117</u>	<u>2,188</u>	<u>407</u>	<u>89</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,932</u>	<u>18,032</u>	<u>7,117</u>	<u>2,188</u>	<u>420</u>	<u>105</u>

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet, Continued  
Non-major Governmental Funds - Special Revenue Funds  
June 30, 2016  
(Dollars in thousands)

<b>Assets</b>	<b>Juvenile Grants Fund</b>	<b>Juvenile High Risk Prevention Fund</b>	<b>Law Library Fund</b>	<b>Local Option Levy Fund</b>	<b>Lottery Fund</b>	<b>Maintenance Improvement District Fund</b>
Cash and investments	\$ —	120	1,047	15,541	—	246
Property taxes receivable	—	—	—	1,051	—	—
Accounts receivable	206	620	—	112	494	—
Inventory	—	1	—	—	—	—
Other assets	—	—	2	182	—	—
Total assets	<u>206</u>	<u>741</u>	<u>1,049</u>	<u>16,886</u>	<u>494</u>	<u>246</u>
<b>Liabilities</b>						
Accounts payable	8	101	9	60	—	—
Accrued payroll liabilities	10	27	7	454	—	—
Amounts held in trust	6	—	—	—	—	—
Due to other funds	97	—	—	—	494	—
Total liabilities	<u>121</u>	<u>128</u>	<u>16</u>	<u>514</u>	<u>494</u>	<u>—</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	—	72	—	1,076	—	—
Total deferred inflows of resources	<u>—</u>	<u>72</u>	<u>—</u>	<u>1,076</u>	<u>—</u>	<u>—</u>
<b>Fund Balances</b>						
Nonspendable	—	1	—	—	—	—
Restricted	85	540	1,033	15,296	—	246
Total fund balances	<u>85</u>	<u>541</u>	<u>1,033</u>	<u>15,296</u>	<u>—</u>	<u>246</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 206</u>	<u>741</u>	<u>1,049</u>	<u>16,886</u>	<u>494</u>	<u>246</u>

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet, Continued  
Non-major Governmental Funds - Special Revenue Funds  
June 30, 2016  
(Dollars in thousands)

<b>Assets</b>	<b>Metzger Park LID Fund</b>	<b>North Bethany County Service District for Roads Fund (Component Unit)</b>	<b>Office of Community Development Block Grant Fund</b>	<b>Sheriff's Office Contract Services Fund</b>	<b>Sheriff's Office Forfeitures Fund</b>	<b>Sheriff's Office Grants &amp; Donations Fund</b>
Cash and investments	\$ 89	202	—	—	638	237
Property taxes receivable	—	2	—	—	—	—
Assessments receivable	4	—	—	—	—	—
Accounts receivable	—	—	564	318	—	37
Investment interest receivable	—	—	251	—	—	—
Contracts receivable	—	—	4,617	—	—	—
Other assets	—	—	—	—	6	2
<b>Total assets</b>	<b>93</b>	<b>204</b>	<b>5,432</b>	<b>318</b>	<b>644</b>	<b>276</b>
<b>Liabilities</b>						
Accounts payable	1	—	97	1	121	275
Accrued payroll liabilities	2	—	15	14	—	—
Deposits payable	1	—	—	—	—	—
Due to other funds	—	—	230	300	—	—
Advances from other funds	—	710	—	—	—	—
Unearned revenue	—	—	—	—	—	—
<b>Total liabilities</b>	<b>4</b>	<b>710</b>	<b>342</b>	<b>315</b>	<b>121</b>	<b>275</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	4	2	4,898	2	—	22
<b>Total deferred inflows of resources</b>	<b>4</b>	<b>2</b>	<b>4,898</b>	<b>2</b>	<b>—</b>	<b>22</b>
<b>Fund Balances (Deficits)</b>						
Restricted	85	—	192	1	523	—
Unassigned	—	(508)	—	—	—	(21)
<b>Total fund balances (deficits)</b>	<b>85</b>	<b>(508)</b>	<b>192</b>	<b>1</b>	<b>523</b>	<b>(21)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 93</b>	<b>204</b>	<b>5,432</b>	<b>318</b>	<b>644</b>	<b>276</b>



**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet, Continued  
Non-major Governmental Funds - Special Revenue Funds  
June 30, 2016  
(Dollars in thousands)

<b>Assets</b>	<b>Surveyor - Public Land Corner Fund</b>	<b>Tourism Dedicated Lodging Tax Fund</b>	<b>Urban Road Maintenance District Fund (Component Unit)</b>	<b>Washington County Fair Fund</b>	<b>West Slope Library Fund</b>	<b>Total Special Revenue Funds</b>
Cash and investments	\$ 1,538	1,532	11,160	990	508	105,595
Restricted cash	—	—	—	—	—	8,600
Property taxes receivable	—	—	200	—	—	2,736
Assessments receivable	—	—	—	—	—	4
Accounts receivable	1	916	—	318	—	5,107
Investment interest receivable	—	—	—	—	—	251
Contracts receivable	—	—	—	—	—	4,617
Inventory	—	—	—	—	—	1
Other assets	—	—	—	7	4	383
<b>Total assets</b>	<b>1,539</b>	<b>2,448</b>	<b>11,360</b>	<b>1,315</b>	<b>512</b>	<b>127,294</b>
<b>Liabilities</b>						
Accounts payable	4	1,100	75	34	6	4,774
Accrued payroll liabilities	10	—	—	22	19	1,872
Deposits payable	—	—	—	—	—	2,079
Amounts held in trust	—	—	—	1	—	23
Due to other funds	—	—	—	—	—	1,121
Advances from other funds	—	—	—	—	—	710
Unearned revenue	—	—	—	173	—	2,551
<b>Total liabilities</b>	<b>14</b>	<b>1,100</b>	<b>75</b>	<b>230</b>	<b>25</b>	<b>13,130</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	—	—	184	3	—	7,704
<b>Total deferred inflows of resources</b>	<b>—</b>	<b>—</b>	<b>184</b>	<b>3</b>	<b>—</b>	<b>7,704</b>
<b>Fund Balances (Deficit)</b>						
Nonspendable	—	—	—	—	—	1
Restricted	1,525	1,348	11,101	1,082	—	96,924
Committed	—	—	—	—	487	10,064
Unassigned	—	—	—	—	—	(529)
<b>Total fund balances</b>	<b>1,525</b>	<b>1,348</b>	<b>11,101</b>	<b>1,082</b>	<b>487</b>	<b>106,460</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,539</b>	<b>2,448</b>	<b>11,360</b>	<b>1,315</b>	<b>512</b>	<b>127,294</b>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Non-major Governmental Funds - Capital Projects Funds

June 30, 2016

(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
<b>Assets</b>						
Cash and investments	\$ 2,538	2,707	1,242	53	2,035	11,213
Assessments receivable	—	33	—	—	—	—
Accounts receivable	—	—	2	—	—	5,323
Total assets	<u>2,538</u>	<u>2,740</u>	<u>1,244</u>	<u>53</u>	<u>2,035</u>	<u>16,536</u>
<b>Liabilities</b>						
Accounts payable	52	—	939	—	309	1,910
Total liabilities	<u>52</u>	<u>—</u>	<u>939</u>	<u>—</u>	<u>309</u>	<u>1,910</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	—	33	—	—	—	5,317
Total deferred inflows of resources	<u>—</u>	<u>33</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,317</u>
<b>Fund Balances</b>						
Restricted	—	2,707	—	53	—	9,309
Committed	2,486	—	305	—	—	—
Assigned	—	—	—	—	1,726	—
Total fund balances	<u>2,486</u>	<u>2,707</u>	<u>305</u>	<u>53</u>	<u>1,726</u>	<u>9,309</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>2,538</u>	<u>2,740</u>	<u>1,244</u>	<u>53</u>	<u>2,035</u>	<u>16,536</u>

**WASHINGTON COUNTY, OREGON**  
Combining Balance Sheet  
Non-major Governmental Funds - Capital Projects Funds  
June 30, 2016  
(Dollars in thousands)

	<b>North Bethany SDC Fund</b>	<b>Parks and Open Spaces Opportunity Projects Fund</b>	<b>Transportation Development Tax Fund</b>	<b>Total Capital Projects Funds</b>
<b>Assets</b>				
Cash and investments	\$ 1,308	289	36,007	57,392
Assessments receivable	—	—	70	103
Accounts receivable	—	—	105	5,430
<b>Total assets</b>	<u>1,308</u>	<u>289</u>	<u>36,182</u>	<u>62,925</u>
<b>Liabilities</b>				
Accounts payable	—	1	—	3,211
<b>Total liabilities</b>	<u>—</u>	<u>1</u>	<u>—</u>	<u>3,211</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	—	—	70	5,420
<b>Total deferred inflows of resources</b>	<u>—</u>	<u>—</u>	<u>70</u>	<u>5,420</u>
<b>Fund Balances</b>				
Restricted	1,308	—	36,112	49,489
Committed	—	—	—	2,791
Assigned	—	288	—	2,014
<b>Total fund balances</b>	<u>1,308</u>	<u>288</u>	<u>36,112</u>	<u>54,294</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 1,308</u>	<u>289</u>	<u>36,182</u>	<u>62,925</u>

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

General Fund

For the fiscal year ended June 30, 2016

(Dollars in thousands)

	General Fund	Indirect Cost Reimburse- ment Fund	PERS Rate Stabilization Fund	Strategic Investment Program and Gain Share Fund	Survey Fund	Net Consolidation Adjustments	Total General Fund
<b>Revenues:</b>							
Taxes	\$ 133,859	—	—	—	—	—	133,859
Licenses and permits	6,503	—	—	—	—	—	6,503
Intergovernmental revenues	17,271	67	—	9,765	—	—	27,103
Charges for services	7,963	—	—	15,131	747	—	23,841
Fines and forfeitures	2,733	—	—	—	—	—	2,733
Miscellaneous revenues	4,695	—	57	217	19	—	4,988
Interfund revenues	6,083	17,077	—	—	24	(54)	23,130
<b>Total revenues</b>	<b>179,107</b>	<b>17,144</b>	<b>57</b>	<b>25,113</b>	<b>790</b>	<b>(54)</b>	<b>222,157</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	43,039	—	—	—	—	—	43,039
Public safety and justice	66,033	—	—	—	—	—	66,033
Land use and transportation	3,686	—	—	—	622	(54)	4,254
Housing, health and human services	18,127	—	—	—	—	—	18,127
Culture, education and recreation	1,217	—	—	—	—	—	1,217
Nonoperating	—	2,544	—	600	—	—	3,144
<b>Total current</b>	<b>132,102</b>	<b>2,544</b>	<b>—</b>	<b>600</b>	<b>622</b>	<b>(54)</b>	<b>135,814</b>
Capital outlay	436	—	—	—	—	—	436
<b>Debt service:</b>							
Principal	234	—	—	—	—	—	234
Interest	28	—	—	—	—	—	28
<b>Total debt service</b>	<b>262</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>262</b>
<b>Total expenditures</b>	<b>132,800</b>	<b>2,544</b>	<b>—</b>	<b>600</b>	<b>622</b>	<b>(54)</b>	<b>136,512</b>
<b>Revenues over expenditures</b>	<b>46,307</b>	<b>14,600</b>	<b>57</b>	<b>24,513</b>	<b>168</b>	<b>—</b>	<b>85,645</b>
<b>Other financing sources (uses):</b>							
Transfers in	27,263	—	—	—	73	(26,051)	1,285
Transfers out	(70,944)	(14,600)	—	(21,944)	(21)	26,051	(81,458)
<b>Total other financing sources (uses)</b>	<b>(43,681)</b>	<b>(14,600)</b>	<b>—</b>	<b>(21,944)</b>	<b>52</b>	<b>—</b>	<b>(80,173)</b>
<b>Net change in fund balances</b>	<b>2,626</b>	<b>—</b>	<b>57</b>	<b>2,569</b>	<b>220</b>	<b>—</b>	<b>5,472</b>
Fund balances July 1, 2015	37,722	—	—	16,784	791	—	55,297
Restatement (See Note 4)	—	—	6,544	—	—	—	6,544
Fund balances July 1, 2015, as restated	37,722	—	6,544	16,784	791	—	61,841
Fund balances June 30, 2016	\$ 40,348	—	6,601	19,353	1,011	—	67,313

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

Human Services Fund

For the fiscal year ended June 30, 2016

(Dollars in thousands)

	Human Services Fund	Human Services HB-2145 Fund	Net Consolidation Adjustments	Total Human Services Fund
Revenues:				
Intergovernmental revenues	\$ 14,954	—	—	14,954
Charges for services	11	—	—	11
Miscellaneous revenues	297	—	—	297
Interfund revenues	134	331	(331)	134
<b>Total revenues</b>	<b>15,396</b>	<b>331</b>	<b>(331)</b>	<b>15,396</b>
Expenditures:				
Current:				
Housing, health and human services	16,620	—	(331)	16,289
<b>Total current</b>	<b>16,620</b>	<b>—</b>	<b>(331)</b>	<b>16,289</b>
Revenues over (under) expenditures	(1,224)	331	—	(893)
Other financing sources:				
Transfers in	1,559	—	—	1,559
<b>Total other financing sources</b>	<b>1,559</b>	<b>—</b>	<b>—</b>	<b>1,559</b>
<b>Net change in fund balances</b>	<b>335</b>	<b>331</b>	<b>—</b>	<b>666</b>
Fund balances July 1, 2015	3,930	1,174	—	5,104
Fund balances June 30, 2016	\$ 4,265	1,505	—	5,770

**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, 2016

(Dollars in thousands)

	<b>Total Special Revenue Funds</b>	<b>Miscellaneous Debt Service Fund</b>	<b>Total Capital Projects Funds</b>	<b>Total Non-major Funds</b>
<b>Revenues:</b>				
Taxes	\$ 65,213	—	—	65,213
Licenses and permits	6,701	—	—	6,701
Intergovernmental revenues	30,775	—	9,718	40,493
Charges for services	39,930	—	19,222	59,152
Fines and forfeitures	510	—	—	510
Special assessments	123	—	7	130
Miscellaneous revenues	28,984	—	457	29,441
Interfund revenues	714	—	1,274	1,988
<b>Total revenues</b>	<b>172,950</b>	<b>—</b>	<b>30,678</b>	<b>203,628</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety and justice	89,460	—	—	89,460
Land use and transportation	13,546	—	16,313	29,859
Housing, health and human services	43,472	—	—	43,472
Culture, education and recreation	32,897	—	—	32,897
Nonoperating	627	3	69	699
<b>Total current</b>	<b>180,002</b>	<b>3</b>	<b>16,382</b>	<b>196,387</b>
Capital outlay	634	—	14,567	15,201
<b>Debt service:</b>				
Principal	255	41,715	—	41,970
Interest	32	3,780	—	3,812
Refunding obligation issuance costs	—	142	—	142
<b>Total debt service</b>	<b>287</b>	<b>45,637</b>	<b>—</b>	<b>45,924</b>
<b>Total expenditures</b>	<b>180,923</b>	<b>45,640</b>	<b>30,949</b>	<b>257,512</b>
<b>Revenues under expenditures</b>	<b>(7,973)</b>	<b>(45,640)</b>	<b>(271)</b>	<b>(53,884)</b>
<b>Other financing sources (uses):</b>				
Proceeds from refunding obligations	—	31,960	—	31,960
Premium on refunding obligations	—	6,369	—	6,369
Transfers in	25,004	7,320	16,913	49,237
Transfers out	(6,550)	—	(1,169)	(7,719)
<b>Total other financing sources</b>	<b>18,454</b>	<b>45,649</b>	<b>15,744</b>	<b>79,847</b>
<b>Net change in fund balances</b>	<b>10,481</b>	<b>9</b>	<b>15,473</b>	<b>25,963</b>
Fund balances July 1, 2015	95,979	23	38,821	134,823
Fund balances June 30, 2016	\$ 106,460	32	54,294	160,786

**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, 2016  
(Dollars in thousands)

	<b>Aging, Disability &amp; Veteran Services Fund</b>	<b>Air Quality Fund</b>	<b>Animal Services Gifts and Donations Fund</b>	<b>Building Services Fund</b>	<b>Children and Youth Services Commission Fund</b>	<b>Community Corrections Fund</b>
<b>Revenues:</b>						
Licenses and permits	\$ —	—	—	6,161	—	—
Intergovernmental revenues	3,442	—	9	62	2,408	13,911
Charges for services	—	—	—	5,084	42	981
Fines and forfeitures	—	—	—	2	—	—
Miscellaneous revenues	6	1	18	160	2	80
Interfund revenues	—	—	—	158	89	89
<b>Total revenues</b>	<b>3,448</b>	<b>1</b>	<b>27</b>	<b>11,627</b>	<b>2,541</b>	<b>15,061</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Public safety and justice	—	—	—	—	—	16,817
Land use and transportation	—	—	—	6,966	—	—
Housing, health and human services	3,590	11	59	—	2,567	—
<b>Total current</b>	<b>3,590</b>	<b>11</b>	<b>59</b>	<b>6,966</b>	<b>2,567</b>	<b>16,817</b>
Capital outlay	—	—	—	62	—	37
<b>Total expenditures</b>	<b>3,590</b>	<b>11</b>	<b>59</b>	<b>7,028</b>	<b>2,567</b>	<b>16,854</b>
<b>Revenues over (under) expenditures</b>	<b>(142)</b>	<b>(10)</b>	<b>(32)</b>	<b>4,599</b>	<b>(26)</b>	<b>(1,793)</b>
<b>Other financing sources (uses):</b>						
Transfers in	246	338	—	25	83	2,606
Transfers out	—	—	—	(320)	—	—
<b>Total other financing sources (uses)</b>	<b>246</b>	<b>338</b>	<b>—</b>	<b>(295)</b>	<b>83</b>	<b>2,606</b>
<b>Net change in fund balances</b>	<b>104</b>	<b>328</b>	<b>(32)</b>	<b>4,304</b>	<b>57</b>	<b>813</b>
Fund balances July 1, 2015	276	—	382	12,179	211	1,691
Fund balances June 30, 2016	<u>\$ 380</u>	<u>328</u>	<u>350</u>	<u>16,483</u>	<u>268</u>	<u>2,504</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, 2016  
(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	\$ 9,259	—	—	—	—	—
Licenses and permits	—	—	—	—	—	506
Intergovernmental revenues	36	—	2,711	183	—	—
Charges for services	6	—	—	2,759	194	3
Fines and forfeitures	—	506	—	2	—	—
Miscellaneous revenues	96	75	4,008	42	21,932	39
Interfund revenues	—	5	—	25	19	1
<b>Total revenues</b>	<b>9,397</b>	<b>586</b>	<b>6,719</b>	<b>3,011</b>	<b>22,145</b>	<b>549</b>
Expenditures:						
Current:						
Public safety and justice	—	478	—	—	21,869	—
Land use and transportation	—	—	—	2,171	—	—
Housing, health and human services	—	—	7,084	—	—	600
Culture, education and recreation	26,068	—	—	—	—	—
<b>Total current</b>	<b>26,068</b>	<b>478</b>	<b>7,084</b>	<b>2,171</b>	<b>21,869</b>	<b>600</b>
Capital outlay	5	62	—	—	248	—
<b>Total expenditures</b>	<b>26,073</b>	<b>540</b>	<b>7,084</b>	<b>2,171</b>	<b>22,117</b>	<b>600</b>
Revenues over (under) expenditures	(16,676)	46	(365)	840	28	(51)
Other financing sources (uses):						
Transfers in	18,290	—	579	338	—	—
Transfers out	(792)	—	(179)	(121)	—	—
<b>Total other financing sources</b>	<b>17,498</b>	<b>—</b>	<b>400</b>	<b>217</b>	<b>—</b>	<b>—</b>
<b>Net change in fund balances (deficit)</b>	<b>822</b>	<b>46</b>	<b>35</b>	<b>1,057</b>	<b>28</b>	<b>(51)</b>
Fund balances (deficit) July 1, 2015	6,239	686	151	2,528	(28)	1,430
<b>Fund balances June 30, 2016</b>	<b>\$ 7,061</b>	<b>732</b>	<b>186</b>	<b>3,585</b>	<b>—</b>	<b>1,379</b>



**WASHINGTON COUNTY, OREGON**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances, Continued  
Non-major Governmental Funds - Special Revenue Funds  
For the fiscal year ended June 30, 2016  
(Dollars in thousands)

	<b>Enhanced Sheriff's Patrol District Fund (Component Unit)</b>	<b>Health Share of Oregon Fund</b>	<b>Human Services OHP Fund</b>	<b>ITS Systems Replacement Fund</b>	<b>Jail Commissary Fund</b>	<b>Juvenile Conciliation Services Fund</b>
<b>Revenues:</b>						
Taxes	\$ 23,205	—	—	—	—	—
Licenses and permits	—	—	—	—	—	34
Intergovernmental revenues	97	—	—	—	—	539
Charges for services	10	26,656	—	—	—	5
Miscellaneous revenues	152	99	60	19	267	9
<b>Total revenues</b>	<b>23,464</b>	<b>26,755</b>	<b>60</b>	<b>19</b>	<b>267</b>	<b>587</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Public safety and justice	21,851	—	—	—	251	583
Housing, health and human services	—	27,303	—	—	—	—
<b>Total current</b>	<b>21,851</b>	<b>27,303</b>	<b>—</b>	<b>—</b>	<b>251</b>	<b>583</b>
Revenues over (under) expenditures	1,613	(548)	60	19	16	4
<b>Other financing sources (uses):</b>						
Transfers in	—	—	—	631	—	—
Transfers out	(2,315)	—	—	(1,083)	—	—
<b>Total other financing uses</b>	<b>(2,315)</b>	<b>—</b>	<b>—</b>	<b>(452)</b>	<b>—</b>	<b>—</b>
<b>Net change in fund balances</b>	<b>(702)</b>	<b>(548)</b>	<b>60</b>	<b>(433)</b>	<b>16</b>	<b>4</b>
Fund balances July 1, 2015	14,652	16,985	7,057	2,621	391	85
Fund balances June 30, 2016	\$ 13,950	16,437	7,117	2,188	407	89

**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, 2016

(Dollars in thousands)

	<b>Juvenile Grants Fund</b>	<b>Juvenile High Risk Prevention Fund</b>	<b>Law Library Fund</b>	<b>Local Option Levy Fund</b>	<b>Lottery Fund</b>	<b>Maintenance Improvement District Fund</b>
Revenues:						
Taxes	\$ —	—	—	22,875	—	—
Intergovernmental revenues	665	1,915	—	408	1,954	—
Charges for services	—	—	363	28	—	—
Special assessments	—	—	—	—	—	35
Miscellaneous revenues	1	12	9	167	38	2
<b>Total revenues</b>	<b>666</b>	<b>1,927</b>	<b>372</b>	<b>23,478</b>	<b>1,992</b>	<b>37</b>
Expenditures:						
Current:						
Public safety and justice	670	1,566	419	21,085	—	—
Land use and transportation	—	—	—	—	—	19
Nonoperating	—	—	—	—	627	—
<b>Total current</b>	<b>670</b>	<b>1,566</b>	<b>419</b>	<b>21,085</b>	<b>627</b>	<b>19</b>
Capital outlay	—	—	—	95	—	—
<b>Total expenditures</b>	<b>670</b>	<b>1,566</b>	<b>419</b>	<b>21,180</b>	<b>627</b>	<b>19</b>
Revenues over (under) expenditures	(4)	361	(47)	2,298	1,365	18
Other financing uses:						
Transfers out	—	—	(18)	—	(1,365)	(1)
<b>Total other financing uses</b>	<b>—</b>	<b>—</b>	<b>(18)</b>	<b>—</b>	<b>(1,365)</b>	<b>(1)</b>
<b>Net change in fund balances</b>	<b>(4)</b>	<b>361</b>	<b>(65)</b>	<b>2,298</b>	<b>—</b>	<b>17</b>
Fund balances July 1, 2015	89	180	1,098	12,998	—	229
Fund balances June 30, 2016	\$ <u>85</u>	<u>541</u>	<u>1,033</u>	<u>15,296</u>	<u>—</u>	<u>246</u>

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (Deficits), Continued  
Non-major Governmental Funds - Special Revenue Funds  
For the fiscal year ended June 30, 2016  
(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
<b>Revenues:</b>						
Taxes	\$ —	102	—	—	—	—
Intergovernmental revenues	—	—	2,145	—	—	233
Charges for services	—	—	—	2,876	—	—
Special assessments	88	—	—	—	—	—
Miscellaneous revenues	17	2	205	244	416	276
Interfund revenues	—	—	—	60	—	—
<b>Total revenues</b>	<b>105</b>	<b>104</b>	<b>2,350</b>	<b>3,180</b>	<b>416</b>	<b>509</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Public safety and justice	—	—	—	3,168	439	264
Land use and transportation	—	14	—	—	—	—
Housing, health and human services	—	—	2,258	—	—	—
Culture, education and recreation	69	—	—	—	—	—
<b>Total current</b>	<b>69</b>	<b>14</b>	<b>2,258</b>	<b>3,168</b>	<b>439</b>	<b>264</b>
Capital outlay	—	—	—	—	105	—
<b>Debt service:</b>						
Principal	—	—	—	—	—	255
Interest	—	11	—	—	—	21
<b>Total debt service</b>	<b>—</b>	<b>11</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>276</b>
<b>Total expenditures</b>	<b>69</b>	<b>25</b>	<b>2,258</b>	<b>3,168</b>	<b>544</b>	<b>540</b>
Revenues over (under) expenditures	36	79	92	12	(128)	(31)
<b>Other financing sources (uses):</b>						
Transfers in	—	1,060	—	—	—	—
Transfers out	—	(2)	—	—	—	—
<b>Total other financing sources</b>	<b>—</b>	<b>1,058</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net change in fund balances (deficits)</b>	<b>36</b>	<b>1,137</b>	<b>92</b>	<b>12</b>	<b>(128)</b>	<b>(31)</b>
Fund balances (deficit) July 1, 2015	49	(1,645)	100	(11)	651	10
Fund balances (deficit) June 30, 2016	\$ 85	(508)	192	1	523	(21)

**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, 2016  
(Dollars in thousands)

	Surveyor - Public Land Corner Fund	Tourism Dedicated Lodging Tax Fund	Urban Road Maintenance District Fund (Component Unit)	Washington County Fair Fund	West Slope Library Fund	Total Special Revenue Funds
<b>Revenues:</b>						
Taxes	\$ —	4,081	4,330	1,361	—	65,213
Licenses and permits	—	—	—	—	—	6,701
Intergovernmental revenues	—	—	—	54	3	30,775
Charges for services	493	—	23	407	—	39,930
Fines and forfeitures	—	—	—	—	—	510
Special assessments	—	—	—	—	—	123
Miscellaneous revenues	14	14	97	371	34	28,984
Interfund revenues	268	—	—	—	—	714
<b>Total revenues</b>	<b>775</b>	<b>4,095</b>	<b>4,450</b>	<b>2,193</b>	<b>37</b>	<b>172,950</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Public safety and justice	—	—	—	—	—	89,460
Land use and transportation	557	—	3,819	—	—	13,546
Housing, health and human services	—	—	—	—	—	43,472
Culture, education and recreation	—	4,060	—	1,906	794	32,897
Nonoperating	—	—	—	—	—	627
<b>Total current</b>	<b>557</b>	<b>4,060</b>	<b>3,819</b>	<b>1,906</b>	<b>794</b>	<b>180,002</b>
Capital outlay	—	—	—	20	—	634
<b>Debt service:</b>						
Principal	—	—	—	—	—	255
Interest	—	—	—	—	—	32
<b>Total debt service</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>287</b>
<b>Total expenditures</b>	<b>557</b>	<b>4,060</b>	<b>3,819</b>	<b>1,926</b>	<b>794</b>	<b>180,923</b>
Revenues over (under) expenditures	218	35	631	267	(757)	(7,973)
<b>Other financing sources (uses):</b>						
Transfers in	—	—	—	16	792	25,004
Transfers out	(29)	—	(325)	—	—	(6,550)
<b>Total other financing sources (uses)</b>	<b>(29)</b>	<b>—</b>	<b>(325)</b>	<b>16</b>	<b>792</b>	<b>18,454</b>
<b>Net change in fund balances</b>	<b>189</b>	<b>35</b>	<b>306</b>	<b>283</b>	<b>35</b>	<b>10,481</b>
Fund balances July 1, 2015	1,336	1,313	10,795	799	452	95,979
Fund balances June 30, 2016	\$ 1,525	1,348	11,101	1,082	487	106,460

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

Capital Projects Funds

For the fiscal year ended June 30, 2016

(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	\$ —	—	22	—	28	9,668
Charges for services	—	—	—	16	10	—
Special assessments	—	7	—	—	—	—
Miscellaneous revenues	20	27	5	—	21	93
Interfund revenues	—	—	546	—	728	—
Total revenues	<u>20</u>	<u>34</u>	<u>573</u>	<u>16</u>	<u>787</u>	<u>9,761</u>
Expenditures:						
Current:						
Land use and transportation	—	33	—	—	—	15,906
Nonoperating	—	—	23	—	46	—
Total current	<u>—</u>	<u>33</u>	<u>23</u>	<u>—</u>	<u>46</u>	<u>15,906</u>
Capital outlay	754	—	7,849	—	5,422	525
Total expenditures	<u>754</u>	<u>33</u>	<u>7,872</u>	<u>—</u>	<u>5,468</u>	<u>16,431</u>
Revenues over (under) expenditures	<u>(734)</u>	<u>1</u>	<u>(7,299)</u>	<u>16</u>	<u>(4,681)</u>	<u>(6,670)</u>
Other financing sources (uses):						
Transfers in	2,056	6	7,198	—	4,577	3,075
Transfers out	—	—	—	—	—	(50)
Total other financing sources	<u>2,056</u>	<u>6</u>	<u>7,198</u>	<u>—</u>	<u>4,577</u>	<u>3,025</u>
Net change in fund balances	1,322	7	(101)	16	(104)	(3,645)
Fund balances July 1, 2015	<u>1,164</u>	<u>2,700</u>	<u>406</u>	<u>37</u>	<u>1,830</u>	<u>12,954</u>
Fund balances June 30, 2016	<u>\$ 2,486</u>	<u>2,707</u>	<u>305</u>	<u>53</u>	<u>1,726</u>	<u>9,309</u>

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

Capital Projects Funds

For the fiscal year ended June 30, 2016

(Dollars in thousands)

	North Bethany SDC Fund	OTIA Capital Projects Fund	Parks and Open Spaces Opportunity Projects Fund	Transportation Development Tax Fund	Total Capital Projects Funds
Revenues:					
Intergovernmental revenues	\$ —	—	—	—	9,718
Charges for services	1,987	—	—	17,209	19,222
Special assessments	—	—	—	—	7
Miscellaneous revenues	14	—	2	275	457
Interfund revenues	—	—	—	—	1,274
<b>Total revenues</b>	<b>2,001</b>	<b>—</b>	<b>2</b>	<b>17,484</b>	<b>30,678</b>
Expenditures:					
Current:					
Land use and transportation	3	1	—	370	16,313
Nonoperating	—	—	—	—	69
<b>Total current</b>	<b>3</b>	<b>1</b>	<b>—</b>	<b>370</b>	<b>16,382</b>
Capital outlay	—	—	17	—	14,567
<b>Total expenditures</b>	<b>3</b>	<b>1</b>	<b>17</b>	<b>370</b>	<b>30,949</b>
Revenues over (under) expenditures	1,998	(1)	(15)	17,114	(271)
Other financing sources (uses):					
Transfers in	—	1	—	—	16,913
Transfers out	(1,060)	(38)	—	(21)	(1,169)
<b>Total other financing sources (uses)</b>	<b>(1,060)</b>	<b>(37)</b>	<b>—</b>	<b>(21)</b>	<b>15,744</b>
<b>Net change in fund balances</b>	<b>938</b>	<b>(38)</b>	<b>(15)</b>	<b>17,093</b>	<b>15,473</b>
Fund balances July 1, 2015	370	38	303	19,019	38,821
<b>Fund balances June 30, 2016</b>	<b>\$ 1,308</b>	<b>—</b>	<b>288</b>	<b>36,112</b>	<b>54,294</b>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2016  
 (Dollars in thousands)

	<u>Aging, Disability &amp; Veteran Services Fund</u>				<u>Air Quality Fund</u>		
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:							
Intergovernmental revenues	\$ 3,938	3,938	3,442	(496)	—	—	—
Miscellaneous revenues	53	53	6	(47)	—	1	1
Total revenues	<u>3,991</u>	<u>3,991</u>	<u>3,448</u>	<u>(543)</u>	<u>—</u>	<u>1</u>	<u>1</u>
Expenditures:							
Current:							
Housing, health and human services	4,289	4,289	3,590	699	350	11	339
Operating contingency	179	179	—	179	—	—	—
Total current	<u>4,468</u>	<u>4,468</u>	<u>3,590</u>	<u>878</u>	<u>350</u>	<u>11</u>	<u>339</u>
Revenues under expenditures	<u>(477)</u>	<u>(477)</u>	<u>(142)</u>	<u>335</u>	<u>(350)</u>	<u>(10)</u>	<u>340</u>
Other financing sources:							
Transfers in from other funds	246	246	246	—	350	338	(12)
Total other financing sources	<u>246</u>	<u>246</u>	<u>246</u>	<u>—</u>	<u>350</u>	<u>338</u>	<u>(12)</u>
Net change in fund balances	(231)	(231)	104	335	—	328	328
Fund balances July 1, 2015	<u>231</u>	<u>231</u>	<u>276</u>	<u>45</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances June 30, 2016	\$ <u>—</u>	<u>—</u>	<u>380</u>	<u>380</u>	<u>—</u>	<u>328</u>	<u>328</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2016  
 (Dollars in thousands)

	Animal Services Gifts and Donations Fund				Building Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Licenses and permits	\$ —	—	—	—	4,080	4,080	6,161	2,081
Intergovernmental revenues	346	346	9	(337)	100	100	62	(38)
Charges for services	—	—	—	—	3,118	3,118	5,084	1,966
Fines and forfeitures	—	—	—	—	—	—	2	2
Miscellaneous revenues	3	3	18	15	51	51	160	109
Interfund revenues	—	—	—	—	152	152	158	6
Total revenues	<u>349</u>	<u>349</u>	<u>27</u>	<u>(322)</u>	<u>7,501</u>	<u>7,501</u>	<u>11,627</u>	<u>4,126</u>
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	8,458	8,458	6,966	1,492
Housing, health and human services	570	570	59	511	—	—	—	—
Operating contingency	139	139	—	139	9,961	9,961	—	9,961
Total current	<u>709</u>	<u>709</u>	<u>59</u>	<u>650</u>	<u>18,419</u>	<u>18,419</u>	<u>6,966</u>	<u>11,453</u>
Capital outlay	—	—	—	—	56	56	62	(6)
Total expenditures	<u>709</u>	<u>709</u>	<u>59</u>	<u>650</u>	<u>18,475</u>	<u>18,475</u>	<u>7,028</u>	<u>11,447</u>
Revenues over (under) expenditures	<u>(360)</u>	<u>(360)</u>	<u>(32)</u>	<u>328</u>	<u>(10,974)</u>	<u>(10,974)</u>	<u>4,599</u>	<u>15,573</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	25	25	25	—
Transfers out to other funds	—	—	—	—	(320)	(320)	(320)	—
Total other financing uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(295)</u>	<u>(295)</u>	<u>(295)</u>	<u>—</u>
Net change in fund balances	<u>(360)</u>	<u>(360)</u>	<u>(32)</u>	<u>328</u>	<u>(11,269)</u>	<u>(11,269)</u>	<u>4,304</u>	<u>15,573</u>
Fund balances July 1, 2015	<u>360</u>	<u>360</u>	<u>382</u>	<u>22</u>	<u>11,269</u>	<u>11,269</u>	<u>12,179</u>	<u>910</u>
Fund balances June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>350</u>	<u>350</u>	<u>—</u>	<u>—</u>	<u>16,483</u>	<u>16,483</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, 2016  
 (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	\$ 2,721	2,721	2,408	(313)	13,110	14,936	13,911	(1,025)
Charges for services	50	50	42	(8)	826	826	981	155
Miscellaneous revenues	10	10	2	(8)	37	37	80	43
Interfund revenues	89	89	89	—	90	90	89	(1)
<b>Total revenues</b>	<b>2,870</b>	<b>2,870</b>	<b>2,541</b>	<b>(329)</b>	<b>14,063</b>	<b>15,889</b>	<b>15,061</b>	<b>(828)</b>
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	17,936	19,762	16,817	2,945
Housing, health and human services	3,014	3,014	2,567	447	—	—	—	—
Operating contingency	8	8	—	8	—	—	—	—
<b>Total current</b>	<b>3,022</b>	<b>3,022</b>	<b>2,567</b>	<b>455</b>	<b>17,936</b>	<b>19,762</b>	<b>16,817</b>	<b>2,945</b>
Capital outlay	—	—	—	—	40	40	37	3
<b>Total expenditures</b>	<b>3,022</b>	<b>3,022</b>	<b>2,567</b>	<b>455</b>	<b>17,976</b>	<b>19,802</b>	<b>16,854</b>	<b>2,948</b>
Revenues under expenditures	(152)	(152)	(26)	126	(3,913)	(3,913)	(1,793)	2,120
Other financing sources:								
Transfers in from other funds	83	83	83	—	2,606	2,606	2,606	—
<b>Total other financing sources</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>—</b>	<b>2,606</b>	<b>2,606</b>	<b>2,606</b>	<b>—</b>
<b>Net change in fund balances</b>	<b>(69)</b>	<b>(69)</b>	<b>57</b>	<b>126</b>	<b>(1,307)</b>	<b>(1,307)</b>	<b>813</b>	<b>2,120</b>
Fund balances July 1, 2015	69	69	211	142	1,307	1,307	1,691	384
Fund balances June 30, 2016	\$ —	—	268	268	—	—	2,504	2,504

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2016  
 (Dollars in thousands)

	Cooperative Library Services Fund				Court Security Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Taxes	\$ 9,098	9,272	9,259	(13)	—	—	—	—
Intergovernmental revenues	47	47	36	(11)	—	—	—	—
Charges for services	5	5	6	1	—	—	—	—
Fines and forfeitures	—	—	—	—	275	275	506	231
Miscellaneous revenues	89	89	96	7	—	—	75	75
Interfund revenues	—	—	—	—	—	—	5	5
Total revenues	<u>9,239</u>	<u>9,413</u>	<u>9,397</u>	<u>(16)</u>	<u>275</u>	<u>275</u>	<u>586</u>	<u>311</u>
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	454	454	478	(24)
Culture, education and recreation	26,796	27,315	26,068	1,247	—	—	—	—
Operating contingency	5,092	5,092	—	5,092	257	257	—	257
Total current	<u>31,888</u>	<u>32,407</u>	<u>26,068</u>	<u>6,339</u>	<u>711</u>	<u>711</u>	<u>478</u>	<u>233</u>
Capital outlay	68	68	5	63	130	130	62	68
Total expenditures	<u>31,956</u>	<u>32,475</u>	<u>26,073</u>	<u>6,402</u>	<u>841</u>	<u>841</u>	<u>540</u>	<u>301</u>
Revenues over (under) expenditures	<u>(22,717)</u>	<u>(23,062)</u>	<u>(16,676)</u>	<u>6,386</u>	<u>(566)</u>	<u>(566)</u>	<u>46</u>	<u>612</u>
Other financing sources (uses):								
Transfers in from other funds	17,945	18,290	18,290	—	—	—	—	—
Transfers out to other funds	(743)	(743)	(792)	(49)	—	—	—	—
Total other financing sources	<u>17,202</u>	<u>17,547</u>	<u>17,498</u>	<u>(49)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(5,515)</u>	<u>(5,515)</u>	<u>822</u>	<u>6,337</u>	<u>(566)</u>	<u>(566)</u>	<u>46</u>	<u>612</u>
Fund balances July 1, 2015	5,515	5,515	6,239	724	566	566	686	120
Fund balances June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>7,061</u>	<u>7,061</u>	<u>—</u>	<u>—</u>	<u>732</u>	<u>732</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, 2016  
 (Dollars in thousands)

	Department of Housing Services Fund				Development Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 2,776	2,776	2,711	(65)	80	80	183	103
Charges for services	—	—	—	—	2,129	2,129	2,759	630
Fines and forfeitures	—	—	—	—	—	—	2	2
Miscellaneous revenues	4,139	4,139	4,008	(131)	11	11	42	31
Interfund revenues	—	—	—	—	36	36	25	(11)
<b>Total revenues</b>	<b>6,915</b>	<b>6,915</b>	<b>6,719</b>	<b>(196)</b>	<b>2,256</b>	<b>2,256</b>	<b>3,011</b>	<b>755</b>
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	2,814	2,814	2,171	643
Housing, health and human services	7,357	7,357	7,084	273	—	—	—	—
Operating contingency	66	66	—	66	1,892	1,892	—	1,892
<b>Total current</b>	<b>7,423</b>	<b>7,423</b>	<b>7,084</b>	<b>339</b>	<b>4,706</b>	<b>4,706</b>	<b>2,171</b>	<b>2,535</b>
Revenues over (under) expenditures	(508)	(508)	(365)	143	(2,450)	(2,450)	840	3,290
Other financing sources (uses):								
Transfers in from other funds	586	586	579	(7)	359	359	338	(21)
Transfers out to other funds	(185)	(185)	(179)	6	(121)	(121)	(121)	—
<b>Total other financing sources</b>	<b>401</b>	<b>401</b>	<b>400</b>	<b>(1)</b>	<b>238</b>	<b>238</b>	<b>217</b>	<b>(21)</b>
<b>Net change in fund balances</b>	<b>(107)</b>	<b>(107)</b>	<b>35</b>	<b>142</b>	<b>(2,212)</b>	<b>(2,212)</b>	<b>1,057</b>	<b>3,269</b>
Fund balances July 1, 2015	107	107	151	44	2,212	2,212	2,528	316
Fund balances June 30, 2016	\$ —	—	186	186	—	—	3,585	3,585

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2016  
 (Dollars in thousands)

	<u>District Patrol Fund</u>				<u>Emergency Medical Services Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Licenses and permits	\$ —	—	—	—	515	515	506	(9)
Charges for services	165	165	194	29	6	6	3	(3)
Miscellaneous revenues	24,004	24,004	21,932	(2,072)	37	37	39	2
Interfund revenues	—	—	19	19	3	3	1	(2)
<b>Total revenues</b>	<u>24,169</u>	<u>24,169</u>	<u>22,145</u>	<u>(2,024)</u>	<u>561</u>	<u>561</u>	<u>549</u>	<u>(12)</u>
Expenditures:								
Current:								
Public safety and justice	23,630	23,630	21,869	1,761	—	—	—	—
Housing, health and human services	—	—	—	—	745	745	600	145
Operating contingency	—	—	—	—	1,113	1,113	—	1,113
<b>Total current</b>	<u>23,630</u>	<u>23,630</u>	<u>21,869</u>	<u>1,761</u>	<u>1,858</u>	<u>1,858</u>	<u>600</u>	<u>1,258</u>
Capital outlay	540	540	248	292	—	—	—	—
<b>Total expenditures</b>	<u>24,170</u>	<u>24,170</u>	<u>22,117</u>	<u>2,053</u>	<u>1,858</u>	<u>1,858</u>	<u>600</u>	<u>1,258</u>
Revenues over (under) expenditures	<u>(1)</u>	<u>(1)</u>	<u>28</u>	<u>29</u>	<u>(1,297)</u>	<u>(1,297)</u>	<u>(51)</u>	<u>1,246</u>
Net change in fund balance (deficit)	(1)	(1)	28	29	(1,297)	(1,297)	(51)	1,246
Fund balance (deficit) July 1, 2015	1	1	(28)	(29)	1,297	1,297	1,430	133
Fund balances June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,379</u>	<u>1,379</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2016  
 (Dollars in thousands)

	<b>Enhanced Sheriff's Patrol District Fund (Component Unit)</b>				<b>Health Share of Oregon Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
<b>Revenues:</b>								
Taxes	\$ 22,935	22,935	23,205	270	—	—	—	—
Intergovernmental revenues	260	260	97	(163)	—	—	—	—
Charges for services	10	10	10	—	29,779	29,779	26,656	(3,123)
Miscellaneous revenues	72	72	152	80	64	64	99	35
Total revenues	<u>23,277</u>	<u>23,277</u>	<u>23,464</u>	<u>187</u>	<u>29,843</u>	<u>29,843</u>	<u>26,755</u>	<u>(3,088)</u>
<b>Expenditures:</b>								
<b>Current:</b>								
Public safety and justice	23,984	23,984	21,851	2,133	—	—	—	—
Housing, health and human services	—	—	—	—	31,807	31,981	27,303	4,678
Operating contingency	11,119	11,119	—	11,119	11,085	10,911	—	10,911
Total current	<u>35,103</u>	<u>35,103</u>	<u>21,851</u>	<u>13,252</u>	<u>42,892</u>	<u>42,892</u>	<u>27,303</u>	<u>15,589</u>
Revenues over (under) expenditures	<u>(11,826)</u>	<u>(11,826)</u>	<u>1,613</u>	<u>13,439</u>	<u>(13,049)</u>	<u>(13,049)</u>	<u>(548)</u>	<u>12,501</u>
<b>Other financing uses:</b>								
Transfers out to other funds	(2,711)	(2,711)	(2,315)	396	—	—	—	—
Total other financing uses	<u>(2,711)</u>	<u>(2,711)</u>	<u>(2,315)</u>	<u>396</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(14,537)</u>	<u>(14,537)</u>	<u>(702)</u>	<u>13,835</u>	<u>(13,049)</u>	<u>(13,049)</u>	<u>(548)</u>	<u>12,501</u>
Fund balances July 1, 2015	<u>14,537</u>	<u>14,537</u>	<u>14,652</u>	<u>115</u>	<u>13,049</u>	<u>13,049</u>	<u>16,985</u>	<u>3,936</u>
Fund balances June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>13,950</u>	<u>13,950</u>	<u>—</u>	<u>—</u>	<u>16,437</u>	<u>16,437</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2016  
 (Dollars in thousands)

	Human Services HB-2145 Fund				Human Services OHP Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Miscellaneous revenues	\$ —	—	—	—	35	35	60	25
Interfund revenues	—	—	331	331	—	—	—	—
Total revenues	—	—	331	331	35	35	60	25
Expenditures:								
Current:								
Operating contingency	419	419	—	419	7,020	7,020	—	7,020
Total current	419	419	—	419	7,020	7,020	—	7,020
Revenues over (under) expenditures	(419)	(419)	331	750	(6,985)	(6,985)	60	7,045
Other financing uses:								
Transfers out to other funds	(50)	(50)	—	50	—	—	—	—
Total other financing uses	(50)	(50)	—	50	—	—	—	—
Net change in fund balances	(469)	(469)	331	800	(6,985)	(6,985)	60	7,045
Fund balances July 1, 2015	469	469	1,174	705	6,985	6,985	7,057	72
Fund balances June 30, 2016	\$ —	—	1,505	1,505	—	—	7,117	7,117

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2016  
 (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	\$ 67	67	67	—	—	—	—	—
Miscellaneous revenues	—	—	—	—	13	13	19	6
Interfund revenues	17,084	17,084	17,077	(7)	—	—	—	—
Total revenues	<u>17,151</u>	<u>17,151</u>	<u>17,144</u>	<u>(7)</u>	<u>13</u>	<u>13</u>	<u>19</u>	<u>6</u>
Expenditures:								
Current:								
Nonoperating	2,544	2,544	2,544	—	—	—	—	—
Operating contingency	—	—	—	—	2,172	2,172	—	2,172
Total current	<u>2,544</u>	<u>2,544</u>	<u>2,544</u>	<u>—</u>	<u>2,172</u>	<u>2,172</u>	<u>—</u>	<u>2,172</u>
Revenues over (under) expenditures	<u>14,607</u>	<u>14,607</u>	<u>14,600</u>	<u>(7)</u>	<u>(2,159)</u>	<u>(2,159)</u>	<u>19</u>	<u>2,178</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	631	631	631	—
Transfers out to other funds	(14,607)	(14,607)	(14,600)	7	(1,083)	(1,083)	(1,083)	—
Total other financing uses	<u>(14,607)</u>	<u>(14,607)</u>	<u>(14,600)</u>	<u>7</u>	<u>(452)</u>	<u>(452)</u>	<u>(452)</u>	<u>—</u>
Net change in fund balances	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,611)</u>	<u>(2,611)</u>	<u>(433)</u>	<u>2,178</u>
Fund balances July 1, 2015	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,611</u>	<u>2,611</u>	<u>2,621</u>	<u>10</u>
Fund balances June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,188</u>	<u>2,188</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2016  
 (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	\$ —	—	—	—	34	34	34	—
Intergovernmental revenues	—	—	—	—	519	519	539	20
Charges for services	—	—	—	—	4	4	5	1
Miscellaneous revenues	392	392	267	(125)	6	6	9	3
<b>Total revenues</b>	<u>392</u>	<u>392</u>	<u>267</u>	<u>(125)</u>	<u>563</u>	<u>563</u>	<u>587</u>	<u>24</u>
Expenditures:								
Current:								
Public safety and justice	315	315	251	64	630	630	583	47
Operating contingency	412	412	—	412	—	—	—	—
<b>Total current</b>	<u>727</u>	<u>727</u>	<u>251</u>	<u>476</u>	<u>630</u>	<u>630</u>	<u>583</u>	<u>47</u>
Capital outlay	15	15	—	15	—	—	—	—
<b>Total expenditures</b>	<u>742</u>	<u>742</u>	<u>251</u>	<u>491</u>	<u>630</u>	<u>630</u>	<u>583</u>	<u>47</u>
Revenues over (under) expenditures	<u>(350)</u>	<u>(350)</u>	<u>16</u>	<u>366</u>	<u>(67)</u>	<u>(67)</u>	<u>4</u>	<u>71</u>
<b>Net change in fund balances</b>	<u>(350)</u>	<u>(350)</u>	<u>16</u>	<u>366</u>	<u>(67)</u>	<u>(67)</u>	<u>4</u>	<u>71</u>
Fund balances July 1, 2015	350	350	391	41	67	67	85	18
Fund balances June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>407</u>	<u>407</u>	<u>—</u>	<u>—</u>	<u>89</u>	<u>89</u>



**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2016  
 (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	\$ 729	729	665	(64)	1,890	1,890	1,915	25
Miscellaneous revenues	10	10	1	(9)	77	77	12	(65)
<b>Total revenues</b>	<u>739</u>	<u>739</u>	<u>666</u>	<u>(73)</u>	<u>1,967</u>	<u>1,967</u>	<u>1,927</u>	<u>(40)</u>
Expenditures:								
Current:								
Public safety and justice	848	848	670	178	2,130	2,130	1,566	564
<b>Total current</b>	<u>848</u>	<u>848</u>	<u>670</u>	<u>178</u>	<u>2,130</u>	<u>2,130</u>	<u>1,566</u>	<u>564</u>
Capital outlay	—	—	—	—	6	6	—	6
<b>Total expenditures</b>	<u>848</u>	<u>848</u>	<u>670</u>	<u>178</u>	<u>2,136</u>	<u>2,136</u>	<u>1,566</u>	<u>570</u>
Revenues over (under) expenditures	<u>(109)</u>	<u>(109)</u>	<u>(4)</u>	<u>105</u>	<u>(169)</u>	<u>(169)</u>	<u>361</u>	<u>530</u>
<b>Net change in fund balance</b>	<u>(109)</u>	<u>(109)</u>	<u>(4)</u>	<u>105</u>	<u>(169)</u>	<u>(169)</u>	<u>361</u>	<u>530</u>
Fund balances July 1, 2015	109	109	89	(20)	169	169	180	11
<b>Fund balances June 30, 2016</b>	<u>\$ —</u>	<u>—</u>	<u>85</u>	<u>85</u>	<u>—</u>	<u>—</u>	<u>541</u>	<u>541</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2016  
 (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	\$ —	—	—	—	22,462	22,462	22,875	413
Intergovernmental revenues	—	—	—	—	425	425	408	(17)
Charges for services	373	373	363	(10)	71	71	28	(43)
Miscellaneous revenues	5	5	9	4	66	66	167	101
<b>Total revenues</b>	<b>378</b>	<b>378</b>	<b>372</b>	<b>(6)</b>	<b>23,024</b>	<b>23,024</b>	<b>23,478</b>	<b>454</b>
Expenditures:								
Current:								
Public safety and justice	455	455	419	36	—	—	—	—
County administration	—	—	—	—	1,087	1,137	1,098	39
Sheriff's office administration	—	—	—	—	1,075	1,075	1,028	47
Law enforcement services	—	—	—	—	10,154	10,154	9,485	669
Sheriff's Office - jail	—	—	—	—	2,448	2,448	2,253	195
District Attorney	—	—	—	—	2,571	2,571	2,492	79
Community corrections	—	—	—	—	1,174	1,174	1,017	157
Juvenile services	—	—	—	—	3,876	3,876	3,712	164
Operating contingency	951	951	—	951	12,941	12,891	—	12,891
<b>Total current</b>	<b>1,406</b>	<b>1,406</b>	<b>419</b>	<b>987</b>	<b>35,326</b>	<b>35,326</b>	<b>21,085</b>	<b>14,241</b>
Capital outlay	—	—	—	—	192	192	95	97
<b>Total expenditures</b>	<b>1,406</b>	<b>1,406</b>	<b>419</b>	<b>987</b>	<b>35,518</b>	<b>35,518</b>	<b>21,180</b>	<b>14,338</b>
Revenues over (under) expenditures	(1,028)	(1,028)	(47)	981	(12,494)	(12,494)	2,298	14,792
Other financing uses:								
Transfers out to other funds	(18)	(18)	(18)	—	—	—	—	—
<b>Total other financing uses</b>	<b>(18)</b>	<b>(18)</b>	<b>(18)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net change in fund balances</b>	<b>(1,046)</b>	<b>(1,046)</b>	<b>(65)</b>	<b>981</b>	<b>(12,494)</b>	<b>(12,494)</b>	<b>2,298</b>	<b>14,792</b>
Fund balances July 1, 2015	1,046	1,046	1,098	52	12,494	12,494	12,998	504
Fund balances June 30, 2016	\$ —	—	1,033	1,033	—	—	15,296	15,296

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2016  
 (Dollars in thousands)

	<b>Lottery Fund</b>				<b>Maintenance Improvement District Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)*</b>	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
<b>Revenues:</b>								
Intergovernmental revenues	\$ 1,899	1,999	1,954	(45)	—	—	—	—
Special assessments	—	—	—	—	35	35	35	—
Miscellaneous revenues	18	18	38	20	1	1	2	1
Total revenues	<u>1,917</u>	<u>2,017</u>	<u>1,992</u>	<u>(25)</u>	<u>36</u>	<u>36</u>	<u>37</u>	<u>1</u>
<b>Expenditures:</b>								
Current:								
Land use and transportation	—	—	—	—	174	174	19	155
Nonoperating	672	672	627	45	—	—	—	—
Operating contingency	—	—	—	—	157	157	—	157
Total current	<u>672</u>	<u>672</u>	<u>627</u>	<u>45</u>	<u>331</u>	<u>331</u>	<u>19</u>	<u>312</u>
Revenues over (under) expenditures	<u>1,245</u>	<u>1,345</u>	<u>1,365</u>	<u>20</u>	<u>(295)</u>	<u>(295)</u>	<u>18</u>	<u>313</u>
<b>Other financing uses:</b>								
Transfers out to other funds	(1,245)	(1,345)	(1,365)	(20)	(1)	(1)	(1)	—
Total other financing uses	<u>(1,245)</u>	<u>(1,345)</u>	<u>(1,365)</u>	<u>(20)</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>—</u>
Net change in fund balances	—	—	—	—	(296)	(296)	17	313
Fund balances July 1, 2015	—	—	—	—	296	296	229	(67)
Fund balances June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>246</u>	<u>246</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, 2016  
 (Dollars in thousands)

	Metzger Park LID Fund				North Bethany County Service District for Roads Fund (Component Unit)			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
<b>Revenues:</b>								
Taxes	\$ —	—	—	—	90	90	102	12
Special assessments	88	88	88	—	—	—	—	—
Miscellaneous revenues	2	2	17	15	1	1	2	1
Total revenues	<u>90</u>	<u>90</u>	<u>105</u>	<u>15</u>	<u>91</u>	<u>91</u>	<u>104</u>	<u>13</u>
<b>Expenditures:</b>								
<b>Current:</b>								
Land use and transportation	—	—	—	—	86	86	14	72
Culture, education and recreation	90	90	69	21	—	—	—	—
Operating contingency	42	42	—	42	—	—	—	—
Total current	<u>132</u>	<u>132</u>	<u>69</u>	<u>63</u>	<u>86</u>	<u>86</u>	<u>14</u>	<u>72</u>
<b>Debt service:</b>								
Principal	—	—	—	—	1,096	1,096	—	1,096
Interest	—	—	—	—	12	12	11	1
Total debt service	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,108</u>	<u>1,108</u>	<u>11</u>	<u>1,097</u>
Total expenditures	<u>132</u>	<u>132</u>	<u>69</u>	<u>63</u>	<u>1,194</u>	<u>1,194</u>	<u>25</u>	<u>1,169</u>
Revenues over (under) expenditures	<u>(42)</u>	<u>(42)</u>	<u>36</u>	<u>78</u>	<u>(1,103)</u>	<u>(1,103)</u>	<u>79</u>	<u>1,182</u>
<b>Other financing sources (uses):</b>								
Transfers in from other funds	—	—	—	—	1,060	1,060	1,060	—
Transfers out to other funds	—	—	—	—	(2)	(2)	(1,062)	(1,060)
Total other financing uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,058</u>	<u>1,058</u>	<u>(2)</u>	<u>(1,060)</u>
Net change in fund balances	<u>(42)</u>	<u>(42)</u>	<u>36</u>	<u>78</u>	<u>(45)</u>	<u>(45)</u>	<u>77</u>	<u>122</u>
Fund balances July 1, 2015	<u>42</u>	<u>42</u>	<u>49</u>	<u>7</u>	<u>45</u>	<u>45</u>	<u>125</u>	<u>80</u>
Fund balances June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>85</u>	<u>85</u>	<u>—</u>	<u>—</u>	<u>202</u>	<u>202</u>
Advances from other funds are recognized as liabilities on a GAAP basis							<u>(710)</u>	
Fund deficit, GAAP basis, June 30, 2016							<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, 2016  
 (Dollars in thousands)

	<b>Office of Community Development Block Grant Fund</b>				<b>PERS Rate Stabilization Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
<b>Revenues:</b>								
Intergovernmental revenues	\$ 4,151	4,151	2,145	(2,006)	—	—	—	—
Miscellaneous revenues	105	105	205	100	33	33	57	24
Total revenues	<u>4,256</u>	<u>4,256</u>	<u>2,350</u>	<u>(1,906)</u>	<u>33</u>	<u>33</u>	<u>57</u>	<u>24</u>
<b>Expenditures:</b>								
<b>Current:</b>								
Housing, health and human services	4,255	4,255	2,258	1,997	—	—	—	—
Nonoperating	—	—	—	—	6,559	6,559	—	6,559
Total current	<u>4,255</u>	<u>4,255</u>	<u>2,258</u>	<u>1,997</u>	<u>6,559</u>	<u>6,559</u>	<u>—</u>	<u>6,559</u>
Revenues over (under) expenditures	<u>1</u>	<u>1</u>	<u>92</u>	<u>91</u>	<u>(6,526)</u>	<u>(6,526)</u>	<u>57</u>	<u>6,583</u>
Net change in fund balances	1	1	92	91	(6,526)	(6,526)	57	6,583
Fund balances July 1, 2015	<u>(1)</u>	<u>(1)</u>	<u>100</u>	<u>101</u>	<u>6,526</u>	<u>6,526</u>	<u>6,544</u>	<u>18</u>
Fund balances June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>192</u>	<u>192</u>	<u>—</u>	<u>—</u>	<u>6,601</u>	<u>6,601</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2016  
 (Dollars in thousands)

	<u>Sheriff's Office Contract Services Fund</u>				<u>Sheriff's Office Forfeitures Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Charges for services	\$ 2,864	2,864	2,876	12	—	—	—	—
Miscellaneous revenues	400	400	244	(156)	620	620	416	(204)
Interfund revenues	60	60	60	—	—	—	—	—
Total revenues	<u>3,324</u>	<u>3,324</u>	<u>3,180</u>	<u>(144)</u>	<u>620</u>	<u>620</u>	<u>416</u>	<u>(204)</u>
Expenditures:								
Current:								
Public safety and justice	<u>3,324</u>	<u>3,324</u>	<u>3,168</u>	<u>156</u>	<u>1,672</u>	<u>1,672</u>	<u>439</u>	<u>1,233</u>
Total current	<u>3,324</u>	<u>3,324</u>	<u>3,168</u>	<u>156</u>	<u>1,672</u>	<u>1,672</u>	<u>439</u>	<u>1,233</u>
Revenues over (under) expenditures	<u>—</u>	<u>—</u>	<u>12</u>	<u>12</u>	<u>(1,052)</u>	<u>(1,052)</u>	<u>(128)</u>	<u>924</u>
Net change in fund balance (deficit)	<u>—</u>	<u>—</u>	<u>12</u>	<u>12</u>	<u>(1,052)</u>	<u>(1,052)</u>	<u>(128)</u>	<u>924</u>
Fund balance (deficit) July 1, 2015	<u>—</u>	<u>—</u>	<u>(11)</u>	<u>(11)</u>	<u>1,052</u>	<u>1,052</u>	<u>651</u>	<u>(401)</u>
Fund balances June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>1</u>	<u>1</u>	<u>—</u>	<u>—</u>	<u>523</u>	<u>523</u>

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2016  
 (Dollars in thousands)

	Sheriff's Office Grants & Donations Fund				Strategic Investment Program and Gain Share Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Intergovernmental revenues	\$ 1,803	1,803	233	(1,570)	22,233	22,233	9,765	(12,468)
Charges for services	—	—	—	—	12,552	12,552	15,131	2,579
Miscellaneous revenues	286	286	276	(10)	130	130	217	87
Total revenues	<u>2,089</u>	<u>2,089</u>	<u>509</u>	<u>(1,580)</u>	<u>34,915</u>	<u>34,915</u>	<u>25,113</u>	<u>(9,802)</u>
Expenditures:								
Current:								
Public safety and justice	1,813	1,813	264	1,549	—	—	—	—
Nonoperating	—	—	—	—	500	500	600	(100)
Total current	<u>1,813</u>	<u>1,813</u>	<u>264</u>	<u>1,549</u>	<u>500</u>	<u>500</u>	<u>600</u>	<u>(100)</u>
Capital outlay	—	—	—	—	15,272	15,272	—	15,272
Debt service:								
Principal	245	245	255	(10)	—	—	—	—
Interest	31	31	21	10	—	—	—	—
Total debt service	<u>276</u>	<u>276</u>	<u>276</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>2,089</u>	<u>2,089</u>	<u>540</u>	<u>1,549</u>	<u>15,772</u>	<u>15,772</u>	<u>600</u>	<u>15,172</u>
Revenues over (under) expenditures	<u>—</u>	<u>—</u>	<u>(31)</u>	<u>(31)</u>	<u>19,143</u>	<u>19,143</u>	<u>24,513</u>	<u>5,370</u>
Other financing uses:								
Transfers out to other funds	—	—	—	—	(32,135)	(32,135)	(21,944)	10,191
Total other financing uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(32,135)</u>	<u>(32,135)</u>	<u>(21,944)</u>	<u>10,191</u>
Net change in fund balance (deficit)	<u>—</u>	<u>—</u>	<u>(31)</u>	<u>(31)</u>	<u>(12,992)</u>	<u>(12,992)</u>	<u>2,569</u>	<u>15,561</u>
Fund balances July 1, 2015	<u>—</u>	<u>—</u>	<u>10</u>	<u>10</u>	<u>12,992</u>	<u>12,992</u>	<u>16,784</u>	<u>3,792</u>
Fund balance (deficit) June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>(21)</u>	<u>(21)</u>	<u>—</u>	<u>—</u>	<u>19,353</u>	<u>19,353</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, 2016  
 (Dollars in thousands)

	Survey Fund				Surveyor-Public Land Corner Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 429	429	747	318	400	400	493	93
Miscellaneous revenues	5	5	19	14	7	7	14	7
Interfund revenues	10	10	24	14	258	258	268	10
Total revenues	444	444	790	346	665	665	775	110
Expenditures:								
Current:								
Land use and transportation	665	665	622	43	691	691	557	134
Operating contingency	569	569	—	569	1,227	1,227	—	1,227
Total current	1,234	1,234	622	612	1,918	1,918	557	1,361
Revenues over (under) expenditures	(790)	(790)	168	958	(1,253)	(1,253)	218	1,471
Other financing sources (uses):								
Transfers in from other funds	73	73	73	—	—	—	—	—
Transfers out to other funds	(21)	(21)	(21)	—	(29)	(29)	(29)	—
Total other financing sources (uses)	52	52	52	—	(29)	(29)	(29)	—
Net change in fund balances	(738)	(738)	220	958	(1,282)	(1,282)	189	1,471
Fund balances July 1, 2015	738	738	791	53	1,282	1,282	1,336	54
Fund balances June 30, 2016	\$ —	—	1,011	1,011	—	—	1,525	1,525



**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Special Revenue Funds  
 For the fiscal year ended June 30, 2016  
 (Dollars in thousands)

	<b>Tourism Dedicated Lodging Tax Fund</b>				<b>Urban Road Maintenance District Fund (Component Unit)</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)*</b>
Revenues:								
Taxes	\$ 3,541	3,541	4,081	540	4,105	4,105	4,330	225
Intergovernmental revenues	—	—	—	—	50	50	—	(50)
Charges for services	—	—	—	—	2	2	23	21
Miscellaneous revenues	13	13	14	1	44	44	97	53
<b>Total revenues</b>	<b>3,554</b>	<b>3,554</b>	<b>4,095</b>	<b>541</b>	<b>4,201</b>	<b>4,201</b>	<b>4,450</b>	<b>249</b>
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	7,200	7,200	3,819	3,381
Culture, education and recreation	4,865	4,865	4,060	805	—	—	—	—
Operating contingency	—	—	—	—	6,836	6,836	—	6,836
<b>Total current</b>	<b>4,865</b>	<b>4,865</b>	<b>4,060</b>	<b>805</b>	<b>14,036</b>	<b>14,036</b>	<b>3,819</b>	<b>10,217</b>
Revenues over (under) expenditures	(1,311)	(1,311)	35	1,346	(9,835)	(9,835)	631	10,466
Other financing uses:								
Transfers out to other funds	—	—	—	—	(25)	(25)	(325)	(300)
<b>Total other financing uses</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(25)</b>	<b>(25)</b>	<b>(325)</b>	<b>(300)</b>
<b>Net change in fund balances</b>	<b>(1,311)</b>	<b>(1,311)</b>	<b>35</b>	<b>1,346</b>	<b>(9,860)</b>	<b>(9,860)</b>	<b>306</b>	<b>10,166</b>
Fund balances July 1, 2015	1,311	1,311	1,313	2	9,860	9,860	10,795	935
Fund balances June 30, 2016	\$ —	—	1,348	1,348	—	—	11,101	11,101

\* 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, 2016  
 (Dollars in thousands)

	Washington County Fair Fund				West Slope Library Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 1,191	1,191	1,361	170	—	—	—	—
Intergovernmental revenues	50	50	54	4	3	3	3	—
Charges for services	441	441	407	(34)	—	—	—	—
Miscellaneous revenues	419	419	371	(48)	35	35	34	(1)
Total revenues	<u>2,101</u>	<u>2,101</u>	<u>2,193</u>	<u>92</u>	<u>38</u>	<u>38</u>	<u>37</u>	<u>(1)</u>
Expenditures:								
Current:								
Culture, education and recreation	1,876	1,876	1,906	(30)	837	837	794	43
Operating contingency	928	928	—	928	359	359	—	359
Total current	<u>2,804</u>	<u>2,804</u>	<u>1,906</u>	<u>898</u>	<u>1,196</u>	<u>1,196</u>	<u>794</u>	<u>402</u>
Capital outlay	105	105	20	85	—	—	—	—
Total expenditures	<u>2,909</u>	<u>2,909</u>	<u>1,926</u>	<u>983</u>	<u>1,196</u>	<u>1,196</u>	<u>794</u>	<u>402</u>
Revenues over (under) expenditures	<u>(808)</u>	<u>(808)</u>	<u>267</u>	<u>1,075</u>	<u>(1,158)</u>	<u>(1,158)</u>	<u>(757)</u>	<u>401</u>
Other financing sources:								
Transfers in from other funds	—	—	16	16	743	743	792	49
Total other financing sources	<u>—</u>	<u>—</u>	<u>16</u>	<u>16</u>	<u>743</u>	<u>743</u>	<u>792</u>	<u>49</u>
Net change in fund balances	<u>(808)</u>	<u>(808)</u>	<u>283</u>	<u>1,091</u>	<u>(415)</u>	<u>(415)</u>	<u>35</u>	<u>450</u>
Fund balances July 1, 2015	<u>808</u>	<u>808</u>	<u>799</u>	<u>(9)</u>	<u>415</u>	<u>415</u>	<u>452</u>	<u>37</u>
Fund balances June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>1,082</u>	<u>1,082</u>	<u>—</u>	<u>—</u>	<u>487</u>	<u>487</u>

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

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Debt Service Fund  
 For the fiscal year ended June 30, 2016  
 (Dollars in thousands)

	<u>Miscellaneous Debt Service Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)*</u>
Expenditures:				
Current:				
Nonoperating	\$ 3	3	3	—
Operating contingency	21	21	—	21
Total current	<u>24</u>	<u>24</u>	<u>3</u>	<u>21</u>
Debt service:				
Principal	4,765	41,355	41,715	(360)
Interest	2,694	4,287	3,780	507
Refunding obligation issuance costs	—	145	142	3
Total debt service	<u>7,459</u>	<u>45,787</u>	<u>45,637</u>	<u>150</u>
Total expenditures	<u>7,483</u>	<u>45,811</u>	<u>45,640</u>	<u>168</u>
Revenues under expenditures	<u>(7,483)</u>	<u>(45,811)</u>	<u>(45,640)</u>	<u>171</u>
Other financing sources:				
Proceeds from refunding obligations	—	38,329	31,960	(6,369)
Premium on refunding obligations	—	—	6,369	6,369
Transfers in from other funds	<u>7,462</u>	<u>7,462</u>	<u>7,320</u>	<u>(142)</u>
Total other financing sources	<u>7,462</u>	<u>45,791</u>	<u>45,649</u>	<u>(142)</u>
Net change in fund balance	(21)	(20)	9	29
Fund balance July 1, 2015	<u>21</u>	<u>20</u>	<u>23</u>	<u>3</u>
Fund balance June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>32</u>	<u>32</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, 2016  
 (Dollars in thousands)

	<u>Building Equipment Replacement Fund</u>				<u>Countywide Traffic Impact Fee 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	1	—	(1)
Special assessments	—	—	—	—	10	10	7	(3)
Miscellaneous revenues	7	7	20	13	12	12	27	15
Total revenues	<u>7</u>	<u>7</u>	<u>20</u>	<u>13</u>	<u>23</u>	<u>23</u>	<u>34</u>	<u>11</u>
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	2,723	2,723	33	2,690
Operating contingency	1,625	1,625	—	1,625	—	—	—	—
Total current	<u>1,625</u>	<u>1,625</u>	<u>—</u>	<u>1,625</u>	<u>2,723</u>	<u>2,723</u>	<u>33</u>	<u>2,690</u>
Capital outlay	1,180	1,180	754	426	—	—	—	—
Total expenditures	<u>2,805</u>	<u>2,805</u>	<u>754</u>	<u>2,051</u>	<u>2,723</u>	<u>2,723</u>	<u>33</u>	<u>2,690</u>
Revenues over (under) expenditures	<u>(2,798)</u>	<u>(2,798)</u>	<u>(734)</u>	<u>2,064</u>	<u>(2,700)</u>	<u>(2,700)</u>	<u>1</u>	<u>2,701</u>
Other financing sources:								
Transfers in from other funds	2,057	2,057	2,056	(1)	6	6	6	—
Total other financing sources	<u>2,057</u>	<u>2,057</u>	<u>2,056</u>	<u>(1)</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>—</u>
Net change in fund balances	<u>(741)</u>	<u>(741)</u>	<u>1,322</u>	<u>2,063</u>	<u>(2,694)</u>	<u>(2,694)</u>	<u>7</u>	<u>2,701</u>
Fund balances July 1, 2015	741	741	1,164	423	2,694	2,694	2,700	6
Fund balances June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>2,486</u>	<u>2,486</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, 2016  
 (Dollars in thousands)

	Facilities General Capital Projects Fund				Facilities Park (THPRD) SDC Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 20	20	22	2	—	—	—	—
Charges for services	—	—	—	—	2	2	16	14
Miscellaneous revenues	150	150	5	(145)	—	—	—	—
Interfund revenues	2,354	2,354	546	(1,808)	—	—	—	—
<b>Total revenues</b>	<b>2,524</b>	<b>2,524</b>	<b>573</b>	<b>(1,951)</b>	<b>2</b>	<b>2</b>	<b>16</b>	<b>14</b>
Expenditures:								
Current:								
Nonoperating	—	—	23	(23)	35	35	—	35
Operating contingency	3,956	3,956	—	3,956	—	—	—	—
<b>Total current</b>	<b>3,956</b>	<b>3,956</b>	<b>23</b>	<b>3,933</b>	<b>35</b>	<b>35</b>	<b>—</b>	<b>35</b>
Capital outlay	22,331	22,331	7,849	14,482	—	—	—	—
<b>Total expenditures</b>	<b>26,287</b>	<b>26,287</b>	<b>7,872</b>	<b>18,415</b>	<b>35</b>	<b>35</b>	<b>—</b>	<b>35</b>
Revenues over (under) expenditures	(23,763)	(23,763)	(7,299)	16,464	(33)	(33)	16	49
Other financing sources:								
Transfers in from other funds	19,660	19,660	7,198	(12,462)	—	—	—	—
<b>Total other financing sources</b>	<b>19,660</b>	<b>19,660</b>	<b>7,198</b>	<b>(12,462)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net change in fund balances</b>	<b>(4,103)</b>	<b>(4,103)</b>	<b>(101)</b>	<b>4,002</b>	<b>(33)</b>	<b>(33)</b>	<b>16</b>	<b>49</b>
Fund balances July 1, 2015	4,103	4,103	406	(3,697)	33	33	37	4
Fund balances June 30, 2016	\$ —	—	305	305	—	—	53	53

\* 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, 2016  
 (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	\$ —	—	28	28	13,496	13,496	9,668	(3,828)
Charges for services	—	—	10	10	—	—	—	—
Miscellaneous revenues	—	—	21	21	209	209	93	(116)
Interfund revenues	<u>1,704</u>	<u>1,704</u>	<u>728</u>	<u>(976)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total revenues	<u>1,704</u>	<u>1,704</u>	<u>787</u>	<u>(917)</u>	<u>13,705</u>	<u>13,705</u>	<u>9,761</u>	<u>(3,944)</u>
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	28,730	28,730	15,906	12,824
Nonoperating	—	—	46	(46)	—	—	—	—
Total current	<u>—</u>	<u>—</u>	<u>46</u>	<u>(46)</u>	<u>28,730</u>	<u>28,730</u>	<u>15,906</u>	<u>12,824</u>
Capital outlay	<u>8,063</u>	<u>8,063</u>	<u>5,422</u>	<u>2,641</u>	<u>1,000</u>	<u>1,000</u>	<u>525</u>	<u>475</u>
Total expenditures	<u>8,063</u>	<u>8,063</u>	<u>5,468</u>	<u>2,595</u>	<u>29,730</u>	<u>29,730</u>	<u>16,431</u>	<u>13,299</u>
Revenues under expenditures	<u>(6,359)</u>	<u>(6,359)</u>	<u>(4,681)</u>	<u>1,678</u>	<u>(16,025)</u>	<u>(16,025)</u>	<u>(6,670)</u>	<u>9,355</u>
Other financing sources (uses):								
Transfers in from other funds	4,577	4,577	4,577	—	5,333	5,333	3,075	(2,258)
Transfers out to other funds	—	—	—	—	(3,850)	(3,850)	(50)	3,800
Total other financing sources	<u>4,577</u>	<u>4,577</u>	<u>4,577</u>	<u>—</u>	<u>1,483</u>	<u>1,483</u>	<u>3,025</u>	<u>1,542</u>
Net change in fund balances	<u>(1,782)</u>	<u>(1,782)</u>	<u>(104)</u>	<u>1,678</u>	<u>(14,542)</u>	<u>(14,542)</u>	<u>(3,645)</u>	<u>10,897</u>
Fund balances July 1, 2015	<u>1,782</u>	<u>1,782</u>	<u>1,830</u>	<u>48</u>	<u>14,542</u>	<u>14,542</u>	<u>12,954</u>	<u>(1,588)</u>
Fund balances June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>1,726</u>	<u>1,726</u>	<u>—</u>	<u>—</u>	<u>9,309</u>	<u>9,309</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, 2016  
 (Dollars in thousands)

	North Bethany SDC Fund				OTIA Capital Projects Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 1,068	1,068	1,987	919	—	—	—	—
Miscellaneous revenues	—	—	14	14	—	—	—	—
Total revenues	1,068	1,068	2,001	933	—	—	—	—
Expenditures:								
Current:								
Land use and transportation	8	8	3	5	1	1	1	—
Total current	8	8	3	5	1	1	1	—
Revenues over (under) expenditures	1,060	1,060	1,998	938	(1)	(1)	(1)	—
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	1	1	1	—
Transfers out to other funds	(1,060)	(1,060)	(1,060)	—	(38)	(38)	(38)	—
Total other financing uses	(1,060)	(1,060)	(1,060)	—	(37)	(37)	(37)	—
Net change in fund balances	—	—	938	938	(38)	(38)	(38)	—
Fund balances July 1, 2015	—	—	370	370	38	38	38	—
Fund balances June 30, 2016	\$ —	—	1,308	1,308	—	—	—	—

**WASHINGTON COUNTY, OREGON**  
 Budgetary Comparison, Continued  
 Non-major Governmental Funds - Capital Projects Funds  
 For the fiscal year ended June 30, 2016  
 (Dollars in thousands)

	<b>Parks and Open Spaces Opportunity Projects Fund</b>				<b>Transportation Development Tax Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
Revenues:								
Charges for services	\$ —	—	—	—	5,826	5,826	17,209	11,383
Miscellaneous revenues	3	3	2	(1)	1,089	1,089	275	(814)
<b>Total revenues</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>(1)</b>	<b>6,915</b>	<b>6,915</b>	<b>17,484</b>	<b>10,569</b>
Expenditures:								
Current:								
Land use and transportation	—	—	—	—	20,730	20,730	370	20,360
<b>Total current</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>20,730</b>	<b>20,730</b>	<b>370</b>	<b>20,360</b>
Capital outlay	314	314	17	297	2,550	2,550	—	2,550
<b>Total expenditures</b>	<b>314</b>	<b>314</b>	<b>17</b>	<b>297</b>	<b>23,280</b>	<b>23,280</b>	<b>370</b>	<b>22,910</b>
Revenues over (under) expenditures	(311)	(311)	(15)	296	(16,365)	(16,365)	17,114	33,479
Other financing uses:								
Transfers out to other funds	—	—	—	—	(21)	(21)	(21)	—
<b>Total other financing uses</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(21)</b>	<b>(21)</b>	<b>(21)</b>	<b>—</b>
<b>Net change in fund balances</b>	<b>(311)</b>	<b>(311)</b>	<b>(15)</b>	<b>296</b>	<b>(16,386)</b>	<b>(16,386)</b>	<b>17,093</b>	<b>33,479</b>
Fund balances July 1, 2015	311	311	303	(8)	16,386	16,386	19,019	2,633
Fund balances June 30, 2016	\$ —	—	288	288	—	—	36,112	36,112



**WASHINGTON COUNTY, OREGON**  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2016  
(Dollars in thousands)

<b>Assets</b>	<b>Fleet Services Fund</b>	<b>Fleet Replacement Fund</b>	<b>Internal Support Services Fund</b>	<b>Liability/ Casualty Insurance Fund</b>	<b>Life Insurance Fund</b>
<b>Current assets:</b>					
Cash and investments	\$ 421	9,171	55	3,847	160
Accounts receivable	4	55	19	271	—
Other assets	1	—	—	—	—
Inventory	315	—	24	—	—
Total current assets	<u>741</u>	<u>9,226</u>	<u>98</u>	<u>4,118</u>	<u>160</u>
<b>Noncurrent assets:</b>					
Capital assets, net of accumulated depreciation	—	9,248	282	—	—
Total noncurrent assets	<u>—</u>	<u>9,248</u>	<u>282</u>	<u>—</u>	<u>—</u>
Total assets	<u>741</u>	<u>18,474</u>	<u>380</u>	<u>4,118</u>	<u>160</u>
<b>Deferred Outflows of Resources</b>					
Pension related	223	—	74	—	—
Total deferred outflows of resources	<u>223</u>	<u>—</u>	<u>74</u>	<u>—</u>	<u>—</u>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	141	133	38	4	—
Accrued payroll liabilities	117	—	27	—	—
Accrued self-insurance	—	—	—	2,080	—
Total current liabilities	<u>258</u>	<u>133</u>	<u>65</u>	<u>2,084</u>	<u>—</u>
<b>Noncurrent liabilities:</b>					
Net OPEB obligation	52	—	17	—	—
PERS net pension liability	970	—	324	—	—
Total noncurrent liabilities	<u>1,022</u>	<u>—</u>	<u>341</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>1,280</u>	<u>133</u>	<u>406</u>	<u>2,084</u>	<u>—</u>
<b>Deferred Inflows of Resources</b>					
Pension related	241	—	80	—	—
Total deferred inflows of resources	<u>241</u>	<u>—</u>	<u>80</u>	<u>—</u>	<u>—</u>
<b>Net Position (Deficit)</b>					
Net investment in capital assets	—	9,248	282	—	—
Restricted for payment of claims	—	—	—	—	—
Unrestricted (deficit)	(557)	9,093	(314)	2,034	160
Total net position (deficit)	<u>\$ (557)</u>	<u>18,341</u>	<u>(32)</u>	<u>2,034</u>	<u>160</u>

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Net Position, Continued  
Internal Service Funds  
June 30, 2016  
(Dollars in thousands)

<b>Assets</b>	<b>Medical Insurance Fund</b>	<b>Unemployment Insurance Fund</b>	<b>Workers' Compensation Insurance Fund</b>	<b>Total Internal Service Funds</b>
<b>Current assets:</b>				
Cash and investments	\$ 1,724	940	3,218	19,536
Restricted cash	100	—	35	135
Accounts receivable	7	—	32	388
Other assets	—	—	—	1
Inventory	—	—	—	339
Total current assets	<u>1,831</u>	<u>940</u>	<u>3,285</u>	<u>20,399</u>
<b>Noncurrent assets:</b>				
Capital assets, net of accumulated depreciation	—	—	—	9,530
Total noncurrent assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>9,530</u>
Total assets	<u>1,831</u>	<u>940</u>	<u>3,285</u>	<u>29,929</u>
<b>Deferred Outflows of Resources</b>				
Pension related	—	—	—	297
Total deferred outflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>297</u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable	60	24	21	421
Accrued payroll liabilities	—	—	—	144
Accrued self-insurance	64	—	1,887	4,031
Total current liabilities	<u>124</u>	<u>24</u>	<u>1,908</u>	<u>4,596</u>
<b>Noncurrent liabilities:</b>				
Net OPEB obligation	—	—	—	69
PERS net pension liability	—	—	—	1,294
Total noncurrent liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,363</u>
Total liabilities	<u>124</u>	<u>24</u>	<u>1,908</u>	<u>5,959</u>
<b>Deferred Inflows of Resources</b>				
Pension related	—	—	—	321
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>321</u>
<b>Net Position</b>				
Net investment in capital assets	—	—	—	9,530
Restricted for payment of claims	100	—	35	135
Unrestricted	1,607	916	1,342	14,281
Total net position	<u>\$ 1,707</u>	<u>916</u>	<u>1,377</u>	<u>23,946</u>

**WASHINGTON COUNTY, OREGON**

Combining Statement of Revenues, Expenses  
and Changes in Net Position

Internal Service Funds

For the fiscal year ended June 30, 2016

(Dollars in thousands)

	<b>Fleet Services Fund</b>	<b>Fleet Replacement Fund</b>	<b>Internal Support Services Fund</b>	<b>Liability/ Casualty Insurance Fund</b>	<b>Life Insurance Fund</b>
Operating revenues:					
Charges for services	\$ 3,644	2,940	1,438	2,579	417
Other	1	325	208	316	—
<b>Total operating revenues</b>	<b>3,645</b>	<b>3,265</b>	<b>1,646</b>	<b>2,895</b>	<b>417</b>
Operating expenses:					
Labor and fringe benefits	2,297	—	730	—	—
Utilities	25	—	—	—	—
Professional services	7	—	—	42	—
Supplies	1,483	—	714	—	—
Administrative costs	267	158	199	712	5
Depreciation and amortization	—	2,017	123	—	—
Insurance claims and premiums	—	—	—	1,359	394
Repairs and maintenance	332	—	121	200	—
<b>Total operating expenses</b>	<b>4,411</b>	<b>2,175</b>	<b>1,887</b>	<b>2,313</b>	<b>399</b>
<b>Operating income (loss)</b>	<b>(766)</b>	<b>1,090</b>	<b>(241)</b>	<b>582</b>	<b>18</b>
Nonoperating income (expense):					
Interest income	1	75	—	33	2
Gain (loss) on sale of capital assets	—	130	(2)	—	—
<b>Total nonoperating income (expense)</b>	<b>1</b>	<b>205</b>	<b>(2)</b>	<b>33</b>	<b>2</b>
<b>Change in net position</b>	<b>(765)</b>	<b>1,295</b>	<b>(243)</b>	<b>615</b>	<b>20</b>
Net position July 1, 2015	208	17,046	211	1,419	140
<b>Net position (deficit) June 30, 2016</b>	<b>\$ (557)</b>	<b>18,341</b>	<b>(32)</b>	<b>2,034</b>	<b>160</b>

**WASHINGTON COUNTY, OREGON**

Combining Statement of Revenues, Expenses  
and Changes in Net Position, Continued

Internal Service Funds

For the fiscal year ended June 30, 2016

(Dollars in thousands)

	<b>Medical Insurance Fund</b>	<b>PERS Rate Stabilization Fund</b>	<b>Unemployment Insurance Fund</b>	<b>Workers' Compensation Insurance Fund</b>	<b>Total Internal Service Funds</b>
Operating revenues:					
Charges for services	\$ 26,522	—	189	1,516	39,245
Other	1,104	—	—	73	2,027
Total operating revenues	<u>27,626</u>	<u>—</u>	<u>189</u>	<u>1,589</u>	<u>41,272</u>
Operating expenses:					
Labor and fringe benefits	—	—	—	—	3,027
Utilities	—	—	—	—	25
Professional services	93	—	4	3	149
Supplies	—	—	—	—	2,197
Administrative costs	131	—	7	247	1,726
Depreciation and amortization	—	—	—	—	2,140
Insurance claims and premiums	27,347	—	109	1,178	30,387
Repairs and maintenance	—	—	—	—	653
Total operating expenses	<u>27,571</u>	<u>—</u>	<u>120</u>	<u>1,428</u>	<u>40,304</u>
Operating income	<u>55</u>	<u>—</u>	<u>69</u>	<u>161</u>	<u>968</u>
Nonoperating income:					
Interest income	24	—	8	26	169
Gain on sale of capital assets	—	—	—	—	128
Total nonoperating income	<u>24</u>	<u>—</u>	<u>8</u>	<u>26</u>	<u>297</u>
Change in net position	<u>79</u>	<u>—</u>	<u>77</u>	<u>187</u>	<u>1,265</u>
Net position July 1, 2015	1,628	6,544	839	1,190	29,225
Restatement (See Note 4)	—	(6,544)	—	—	(6,544)
Net position July 1, 2015, as restated	<u>1,628</u>	<u>—</u>	<u>839</u>	<u>1,190</u>	<u>22,681</u>
Net position June 30, 2016	\$ <u>1,707</u>	<u>—</u>	<u>916</u>	<u>1,377</u>	<u>23,946</u>

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the fiscal year ended June 30, 2016  
(Dollars in thousands)

	<b>Fleet Services Fund</b>	<b>Fleet Replacement Fund</b>	<b>Internal Support Services Fund</b>	<b>Liability/ Casualty Insurance Fund</b>	<b>Life Insurance Fund</b>
Cash flows from (used in) operating activities:					
Cash received for services provided	\$ 2,952	3,209	1,427	2,312	417
Cash payments for labor and fringe benefits	(1,517)	—	(489)	—	—
Cash payments for goods and services	(2,129)	(428)	(1,054)	(2,147)	(399)
Other operating revenue	691	—	210	316	—
	<u>(3)</u>	<u>2,781</u>	<u>94</u>	<u>481</u>	<u>18</u>
Net cash provided by (used in) operating activities					
Cash flows provided by (used in) capital and related financing activities:					
Acquisition of capital assets	—	(4,155)	(153)	—	—
Proceeds from sale of capital assets	—	273	2	—	—
	<u>—</u>	<u>(3,882)</u>	<u>(151)</u>	<u>—</u>	<u>—</u>
Net cash used in capital and related financing activities					
Cash flows from investing activities:					
Interest on investments	1	75	—	33	2
	<u>1</u>	<u>75</u>	<u>—</u>	<u>33</u>	<u>2</u>
Net cash provided by investing activities					
	(2)	(1,026)	(57)	514	20
Net increase (decrease) in cash and investments					
Cash and investments, July 1, 2015	423	10,197	112	3,333	140
Cash and investments, June 30, 2016	<u>421</u>	<u>9,171</u>	<u>55</u>	<u>3,847</u>	<u>160</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	(766)	1,090	(241)	582	18
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	—	2,017	123	—	—
Changes in assets and liabilities:					
Increase (decrease) in accounts payable	7	(270)	(17)	(18)	—
Increase in accrued liabilities	462	—	105	181	—
Increase in accounts receivable	(3)	(56)	(10)	(267)	—
Increase in inventory	(21)	—	(3)	—	—
Decrease in other assets	318	—	137	3	—
	<u>(3)</u>	<u>2,781</u>	<u>94</u>	<u>481</u>	<u>18</u>
Net cash provided by (used in) operating activities					

**WASHINGTON COUNTY, OREGON**  
Combining Statement of Cash Flows, Continued  
Internal Service Funds  
For the fiscal year ended June 30, 2016  
(Dollars in thousands)

	<b>Medical Insurance Fund</b>	<b>PERS Rate Stabilization Fund</b>	<b>Unemployment Insurance Fund</b>	<b>Workers' Compensation Insurance Fund</b>	<b>Total Internal Service Funds</b>
Cash provided by (used in) operating activities:					
Cash received for services provided	\$ 26,515	—	189	1,488	38,509
Cash payments for labor and fringe benefits	—	—	—	—	(2,006)
Cash payments for goods and services	(27,614)	—	(130)	(1,395)	(35,296)
Other operating revenue	1,106	—	—	74	2,397
	<u>7</u>	<u>—</u>	<u>59</u>	<u>167</u>	<u>3,604</u>
Net cash provided by operating activities					
Cash flows provided by (used in) capital and related financing activities:					
Acquisition of capital assets	—	—	—	—	(4,308)
Proceeds from sale of capital assets	—	—	—	—	275
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(4,033)</u>
Net cash used in capital and related financing activities					
Cash flows from investing activities:					
Interest on investments	24	—	8	26	169
	<u>24</u>	<u>—</u>	<u>8</u>	<u>26</u>	<u>169</u>
Net cash provided by investing activities					
	31	—	67	193	(260)
Net increase (decrease) in cash and investments					
Cash and investments, July 1, 2015	1,793	6,544	873	3,060	26,475
Restatement (See Note 4)	—	(6,544)	—	—	(6,544)
Cash and Investments, July 1, 2015, as restated	1,793	—	873	3,060	19,931
Cash and investments, June 30, 2016 <sup>(1)</sup>	<u>1,824</u>	<u>—</u>	<u>940</u>	<u>3,253</u>	<u>19,671</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	55	—	69	161	968
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	—	—	—	—	2,140
Changes in assets and liabilities:					
Decrease in accounts payable	(107)	—	(10)	(58)	(473)
Increase in accrued liabilities	65	—	—	92	905
Increase in accounts receivable	(6)	—	—	(28)	(370)
Increase in inventory	—	—	—	—	(24)
Decrease in other assets	—	—	—	—	458
	<u>7</u>	<u>—</u>	<u>59</u>	<u>167</u>	<u>3,604</u>
Net cash provided by operating activities					

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

Current assets - Cash and investments	1,724	—	940	3,218	19,536
Current assets - Restricted cash	100	—	—	35	135
	<u>\$ 1,824</u>	<u>—</u>	<u>940</u>	<u>3,253</u>	<u>19,671</u>

WASHINGTON COUNTY, OREGON

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

Internal Service Funds

For the fiscal year ended June 30, 2016

(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	\$ 4,010	4,010	3,644	(366)	3,523	3,523	2,894	(629)
Miscellaneous revenues	3	3	3	—	373	373	399	26
Total revenues	<u>4,013</u>	<u>4,013</u>	<u>3,647</u>	<u>(366)</u>	<u>3,896</u>	<u>3,896</u>	<u>3,293</u>	<u>(603)</u>
Expenditures:								
Current:								
General government	4,111	4,111	3,645	466	—	—	—	—
Nonoperating	—	—	—	—	1,484	1,484	717	767
Operating contingency	777	777	—	777	7,731	7,731	—	7,731
Total current	<u>4,888</u>	<u>4,888</u>	<u>3,645</u>	<u>1,243</u>	<u>9,215</u>	<u>9,215</u>	<u>717</u>	<u>8,498</u>
Capital outlay	2	2	—	2	4,631	4,631	3,276	1,355
Total expenditures	<u>4,890</u>	<u>4,890</u>	<u>3,645</u>	<u>1,245</u>	<u>13,846</u>	<u>13,846</u>	<u>3,993</u>	<u>9,853</u>
Revenues over (under) expenditures	(877)	(877)	2	879	(9,950)	(9,950)	(700)	9,250
Fund balances July 1, 2015	<u>877</u>	<u>877</u>	<u>481</u>	<u>(396)</u>	<u>9,950</u>	<u>9,950</u>	<u>9,793</u>	<u>(157)</u>
Fund balances June 30, 2016	\$ <u>—</u>	<u>—</u>	<u>483</u>	<u>483</u>	<u>—</u>	<u>—</u>	<u>9,093</u>	<u>9,093</u>

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

Internal Service Funds

For the fiscal year ended June 30, 2016  
 (Dollars in thousands)

	<b>Internal Support Services Fund</b>				<b>Liability/Casualty Insurance Fund</b>			
	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>	<b>Adopted budget</b>	<b>Revised budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
Revenues:								
Charges for services	\$ 1,530	1,530	1,441	(89)	2,584	2,584	2,579	(5)
Miscellaneous revenues	295	295	208	(87)	97	97	167	70
Total revenues	<u>1,825</u>	<u>1,825</u>	<u>1,649</u>	<u>(176)</u>	<u>2,681</u>	<u>2,681</u>	<u>2,746</u>	<u>65</u>
Expenditures:								
Current:								
General government	1,661	1,661	1,505	156	—	—	—	—
Nonoperating	—	—	—	—	2,127	2,427	2,312	115
Operating contingency	86	86	—	86	1,699	1,399	—	1,399
Total current	<u>1,747</u>	<u>1,747</u>	<u>1,505</u>	<u>242</u>	<u>3,826</u>	<u>3,826</u>	<u>2,312</u>	<u>1,514</u>
Capital outlay	265	265	173	92	—	—	—	—
Total expenditures	<u>2,012</u>	<u>2,012</u>	<u>1,678</u>	<u>334</u>	<u>3,826</u>	<u>3,826</u>	<u>2,312</u>	<u>1,514</u>
Revenues over (under) expenditures	<u>(187)</u>	<u>(187)</u>	<u>(29)</u>	<u>158</u>	<u>(1,145)</u>	<u>(1,145)</u>	<u>434</u>	<u>1,579</u>
Fund balances July 1, 2015	<u>187</u>	<u>187</u>	<u>61</u>	<u>(126)</u>	<u>1,145</u>	<u>1,145</u>	<u>1,419</u>	<u>274</u>
Fund balances June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>32</u>	<u>32</u>	<u>—</u>	<u>—</u>	<u>1,853</u>	<u>1,853</u>



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

Internal Service Funds

For the fiscal year ended June 30, 2016  
 (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	\$ —	—	—	—	30,175	30,175	26,522	(3,653)
Miscellaneous revenues	456	456	419	(37)	1,534	1,534	1,130	(404)
Total revenues	<u>456</u>	<u>456</u>	<u>419</u>	<u>(37)</u>	<u>31,709</u>	<u>31,709</u>	<u>27,652</u>	<u>(4,057)</u>
Expenditures:								
Current:								
Nonoperating	460	460	399	61	33,087	33,087	27,573	5,514
Operating contingency	140	140	—	140	—	—	—	—
Total current	<u>600</u>	<u>600</u>	<u>399</u>	<u>201</u>	<u>33,087</u>	<u>33,087</u>	<u>27,573</u>	<u>5,514</u>
Total expenditures	<u>600</u>	<u>600</u>	<u>399</u>	<u>201</u>	<u>33,087</u>	<u>33,087</u>	<u>27,573</u>	<u>5,514</u>
Revenues over (under) expenditures	<u>(144)</u>	<u>(144)</u>	<u>20</u>	<u>164</u>	<u>(1,378)</u>	<u>(1,378)</u>	<u>79</u>	<u>1,457</u>
Fund balances July 1, 2015	144	144	140	(4)	1,378	1,378	1,628	250
Fund balances June 30, 2016	<u>\$ —</u>	<u>—</u>	<u>160</u>	<u>160</u>	<u>—</u>	<u>—</u>	<u>1,707</u>	<u>1,707</u>

**WASHINGTON COUNTY, OREGON**  
Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Internal Service Funds  
For the fiscal year ended June 30, 2016  
(Dollars in thousands)

	Unemployment Insurance Fund				Workers' Compensation Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 215	215	189	(26)	1,570	1,570	1,516	(54)
Miscellaneous revenues	8	8	8	—	125	125	99	(26)
Total revenues	223	223	197	(26)	1,695	1,695	1,615	(80)
Expenditures:								
Current:								
Nonoperating	312	312	120	192	1,675	1,675	1,428	247
Operating contingency	690	690	—	690	1,181	1,181	—	1,181
Total current	1,002	1,002	120	882	2,856	2,856	1,428	1,428
Total expenditures	1,002	1,002	120	882	2,856	2,856	1,428	1,428
Revenues over (under) expenditures	(779)	(779)	77	856	(1,161)	(1,161)	187	1,348
Fund balances July 1, 2015	779	779	839	60	1,161	1,161	1,190	29
Fund balances June 30, 2016	\$ —	—	916	916	—	—	1,377	1,377

WASHINGTON COUNTY, OREGON

Reconciliation of Fund Balance to Net Position

Internal Service Funds

June 30, 2016

(Dollars in thousands)

	<u>Fleet Services Fund</u>	<u>Fleet Replacement Fund</u>	<u>Internal Support Services Fund</u>	<u>Liability/ Casualty Insurance Fund</u>
Fund balance	\$ 483	9,093	32	1,853
Add revenues earned but not yet collected	—	—	1	181
Add capital assets reported on combining statement of net position	—	9,248	282	—
Less OPEB obligation	(52)	—	(17)	—
Less PERS net pension obligation	(970)	—	(324)	—
Add deferred outflows of resources - pension related	223	—	74	—
Less deferred inflows of resources - pension related	(241)	—	(80)	—
Total net position	<u>\$ (557)</u>	<u>18,341</u>	<u>(32)</u>	<u>2,034</u>

**WASHINGTON COUNTY, OREGON**  
Statement of Changes in Assets and Liabilities  
Agency Fund  
For the fiscal year ended June 30, 2016  
(Dollars in thousands)

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
Assets:				
Cash and investments	\$ 4,213	8,785,157	8,784,076	5,294
Accounts receivable	3,621	33,269	33,658	3,232
Property taxes receivable <sup>(1)</sup>	<u>30,417</u>	<u>34,083</u>	<u>30,417</u>	<u>34,083</u>
Total assets	<u><u>38,251</u></u>	<u><u>8,852,509</u></u>	<u><u>8,848,151</u></u>	<u><u>42,609</u></u>
Liabilities:				
Accounts payable	703	758,396	757,292	1,807
Amounts due to other jurisdictions	7,131	967,869	968,281	6,719
Uncollected taxes	<u>30,417</u>	<u>34,083</u>	<u>30,417</u>	<u>34,083</u>
Total liabilities	<u><u>38,251</u></u>	<u><u>1,760,348</u></u>	<u><u>1,755,990</u></u>	<u><u>42,609</u></u>

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

Property taxes receivable	30,417	34,082	30,417	34,082
Payment in lieu of taxes receivable	<u>—</u>	<u>1</u>	<u>—</u>	<u>1</u>
Total property taxes receivable	<u><u>\$ 30,417</u></u>	<u><u>34,083</u></u>	<u><u>30,417</u></u>	<u><u>34,083</u></u>

**OTHER FINANCIAL SCHEDULE**

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**WASHINGTON COUNTY, OREGON**

Schedule of Accountability of Independently Elected Officials

For the fiscal year ended June 30, 2016

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

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**WASHINGTON COUNTY,  
OREGON**

**STATISTICAL  
SECTION**

**SECTION III**

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## WASHINGTON COUNTY, OREGON

### Statistical Information Section Narrative

June 30, 2016

(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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities</b>										
Net investment in capital assets	\$ 2,151,850	2,135,921	2,134,940	2,108,850	2,098,666	2,079,264	2,054,249	2,022,435	2,001,443	2,028,976
Restricted	170	239	911	6,530	93,002	95,942	96,945	112,861	152,101	176,076
Unrestricted	236,359	245,409	230,574	219,822	140,655	144,559	156,368	177,482	180,047	96,452
<b>Total governmental activities net position</b>	<b>2,388,379</b>	<b>2,381,569</b>	<b>2,366,425</b>	<b>2,335,202</b>	<b>2,332,323</b>	<b>2,319,765</b>	<b>2,307,562</b>	<b>2,312,778</b>	<b>2,333,591</b>	<b>2,301,504</b>
<b>Business-type activities<sup>(1)</sup></b>										
Net investment in capital assets	363,438	395,163	389,728	395,461	384,397	2,206	1,652	1,131	(18)	(798)
Restricted	28,948	27,582	52,406	57,052	69,936	6,156	4,532	3,070	3,978	2,894
Unrestricted	64,206	55,872	52,806	48,554	54,673	801	929	912	995	3,665
<b>Total business-type activities net position</b>	<b>456,592</b>	<b>478,617</b>	<b>494,940</b>	<b>501,067</b>	<b>509,006</b>	<b>9,163</b>	<b>7,113</b>	<b>5,113</b>	<b>4,955</b>	<b>5,761</b>
<b>Primary government<sup>(1)</sup></b>										
Net investment in capital assets	2,515,288	2,531,084	2,524,668	2,504,311	2,477,889	2,076,818	2,055,901	2,023,566	2,001,425	2,028,178
Restricted	29,118	27,821	53,317	63,582	162,938	102,098	101,477	115,931	156,079	178,970
Unrestricted	300,565	301,281	283,380	268,376	200,502	150,012	157,297	178,394	181,042	100,117
<b>Total primary government net position</b>	<b>2,844,971</b>	<b>2,860,186</b>	<b>2,861,365</b>	<b>2,836,269</b>	<b>2,841,329</b>	<b>2,328,928</b>	<b>2,314,675</b>	<b>2,317,891</b>	<b>2,338,546</b>	<b>2,307,265</b>
<b>Component unit<sup>(1)</sup></b>										
Net investment in capital assets	—	—	—	—	—	388,941	391,886	383,718	406,700	436,636
Restricted	—	—	—	—	—	68,909	96,441	119,140	127,787	131,179
Unrestricted	—	—	—	—	—	64,777	79,630	100,907	103,503	119,347
<b>Total component unit net position</b>	<b>\$ —</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>522,627</b>	<b>567,957</b>	<b>603,765</b>	<b>637,990</b>	<b>687,162</b>

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

Source: Current and prior years financial statements.

WASHINGTON COUNTY, OREGON

Changes in Net Position by Component

Last Ten Fiscal Years

(Dollars in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Primary Government										
Governmental activities:										
General government	\$ 35,283	41,833	42,319	42,869	39,318	38,677	46,517	51,051	35,191	66,480
Public safety and justice	107,566	101,859	97,512	98,562	104,664	109,222	111,808	115,730	92,801	160,300
Land use and transportation	181,858	111,906	106,306	108,616	115,096	119,714	110,622	123,464	103,196	128,019
Housing, health and human services	56,507	51,555	56,474	58,467	59,013	58,443	59,979	61,068	52,051	90,559
Culture, education and recreation	27,854	23,218	25,728	26,261	26,882	28,476	29,435	30,172	30,009	36,422
Non-operating expense	5,119	21,078	11,663	10,653	9,225	9,234	14,273	5,542	8,465	7,842
Interest	6,370	6,818	5,665	5,013	4,599	4,202	3,430	3,235	2,932	2,071
<b>Total governmental activities</b>	<b>420,557</b>	<b>358,267</b>	<b>345,667</b>	<b>350,441</b>	<b>358,797</b>	<b>367,968</b>	<b>376,064</b>	<b>390,262</b>	<b>324,645</b>	<b>491,693</b>
Business-type activities:										
Housing authority	25,967	27,112	27,421	28,132	28,400	28,496	28,581	29,198	31,287	31,537
Sanitation and surface water	84,199	87,319	91,279	97,252	100,941	—	—	—	—	—
Street lighting	1,726	1,775	1,856	1,842	1,803	1,839	1,838	1,918	1,917	1,945
<b>Total business-type activities expenses</b>	<b>111,892</b>	<b>116,206</b>	<b>120,556</b>	<b>127,226</b>	<b>131,144</b>	<b>30,335</b>	<b>30,419</b>	<b>31,116</b>	<b>33,204</b>	<b>33,482</b>
<b>Total primary government expenses</b>	<b>532,449</b>	<b>474,473</b>	<b>466,223</b>	<b>477,667</b>	<b>489,941</b>	<b>398,303</b>	<b>406,483</b>	<b>421,378</b>	<b>357,849</b>	<b>525,175</b>
Component unit:										
Sanitation and surface water	—	—	—	—	—	97,604	102,309	108,897	99,272	117,728
<b>Total component unit expenses</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>97,604</b>	<b>102,309</b>	<b>108,897</b>	<b>99,272</b>	<b>117,728</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	21,499	24,551	6,363	5,371	4,797	5,334	5,833	4,728	1,603	2,095
Public safety and justice	3,651	1,683	5,536	5,719	7,140	8,048	7,410	8,031	9,867	10,362
Land use and transportation	20,591	33,387	10,837	10,568	11,974	13,636	16,934	23,187	27,097	43,858
Housing, health and human services	12,253	11,526	19,671	21,800	26,420	23,308	24,727	28,179	36,395	37,156
Culture, education and recreation	571	1,030	1,488	1,241	1,309	1,497	1,471	1,384	1,519	1,265
Non-operating revenue	22,868	24,628	16,387	16,604	20,013	17,777	18,051	19,015	24,099	25,412
Operating grants and contributions	98,844	88,512	91,902	92,531	97,640	100,922	97,116	101,600	112,651	111,190
Capital grants and contributions	71,081	1,690	1,851	686	1,462	1,608	12,130	12,278	18,625	9,862
<b>Total governmental activities program revenue</b>	<b>251,358</b>	<b>187,007</b>	<b>154,035</b>	<b>154,520</b>	<b>170,755</b>	<b>172,130</b>	<b>183,672</b>	<b>198,402</b>	<b>231,856</b>	<b>241,200</b>
Business-type activities:										
Charges for services:										
Housing authority	4,295	5,212	5,099	5,779	5,790	5,994	6,130	6,384	6,863	7,718
Sanitation and surface water	78,523	84,754	89,585	96,329	103,374	—	—	—	—	—
Street lighting	1,902	1,840	1,828	1,725	1,746	1,929	1,787	1,709	2,237	2,125
Operating grants and contributions	18,920	19,801	20,141	20,855	21,574	19,885	19,906	20,918	23,788	23,473
Capital grants and contributions	17,732	22,442	16,629	6,803	5,053	165	509	111	34	340
<b>Total business-type activities program revenue</b>	<b>121,372</b>	<b>134,049</b>	<b>133,282</b>	<b>131,491</b>	<b>137,537</b>	<b>27,973</b>	<b>28,332</b>	<b>29,122</b>	<b>32,922</b>	<b>33,656</b>
<b>Total primary government program revenue</b>	<b>372,730</b>	<b>321,056</b>	<b>287,317</b>	<b>286,011</b>	<b>308,292</b>	<b>200,103</b>	<b>212,004</b>	<b>227,524</b>	<b>264,778</b>	<b>274,856</b>
Component unit:										
Charges for services:										
Sanitation and surface water	—	—	—	—	—	107,029	117,098	121,680	125,449	130,052
Operating grants and contributions	—	—	—	—	—	—	—	—	—	—
Capital grants and contributions	—	—	—	—	—	14,296	33,875	23,194	29,004	34,606
<b>Total component unit program revenue</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>121,325</b>	<b>150,973</b>	<b>144,874</b>	<b>154,453</b>	<b>164,658</b>
<b>Net Revenue (Expense)</b>										
Governmental activities	(169,199)	(171,260)	(191,632)	(195,921)	(188,042)	(195,838)	(192,392)	(191,860)	(92,789)	(250,493)
Business-type activities	9,480	17,843	12,726	4,265	6,393	(2,362)	(2,087)	(1,994)	(282)	174
<b>Total primary government net revenues (expenses)</b>	<b>(159,719)</b>	<b>(153,417)</b>	<b>(178,906)</b>	<b>(191,656)</b>	<b>(181,649)</b>	<b>(198,200)</b>	<b>(194,479)</b>	<b>(193,854)</b>	<b>(93,071)</b>	<b>(250,319)</b>
Component unit	\$ —	—	—	—	—	23,721	48,664	35,977	55,181	46,930

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total primary government net revenues (expenses) (brought forward)	\$ (159,719)	(153,417)	(178,906)	(191,656)	(181,649)	(198,200)	(194,479)	(193,854)	(93,071)	(250,319)
Total component unit net revenues (brought forward)	—	—	—	—	—	23,721	48,664	35,977	55,181	46,930
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	104,314	135,409	142,298	147,250	152,065	157,586	158,919	167,160	174,441	185,477
Property taxes, levied for debt service	7,633	7,770	6,137	6,335	6,407	6,389	6,260	6,398	—	—
Other taxes	10,124	10,253	7,775	7,497	8,450	9,094	10,323	11,390	13,708	15,902
Interest income	13,031	10,377	8,247	3,197	1,984	2,575	1,264	2,833	3,330	4,147
Miscellaneous revenue	22,645	641	13,024	419	16,257	7,636	3,416	9,703	7,583	13,016
Transfers in from proprietary funds	—	—	—	—	—	—	7	31	(91)	(136)
Total governmental activities revenue	157,747	164,450	177,481	164,698	185,163	183,280	180,189	197,515	198,971	218,406
Business-type activities:										
Interest income	4,922	3,475	2,636	1,514	1,568	52	19	25	33	55
Gain on sale of capital assets	—	2,724	1,031	418	54	—	25	—	—	13
Gain (loss) on equity in limited partnership	—	(82)	(70)	(70)	(76)	—	—	—	—	428
Miscellaneous revenue	6,236	—	—	—	—	—	—	—	—	—
Transfers in (out) to governmental funds	—	—	—	—	—	—	(7)	(31)	91	136
Total business-type activities revenue	11,158	6,117	3,597	1,862	1,546	52	37	(6)	124	632
Total primary government	168,905	170,567	181,078	166,560	186,709	183,332	180,226	197,509	199,095	219,038
Component unit: <sup>(1)</sup>										
Interest income	—	—	—	—	—	1,562	517	1,653	1,888	2,319
Gain on sale of capital assets	—	—	—	—	—	(116)	(3,774)	—	—	—
Loss on equity in joint venture	—	—	—	—	—	(73)	(77)	(78)	(75)	(77)
Total component unit	—	—	—	—	—	1,373	(3,334)	1,575	1,813	2,242
<b>Change in Net Position</b>										
Governmental activities	(11,452)	(6,810)	(14,151)	(31,223)	(2,879)	(12,558)	(12,203)	5,655	106,182	(32,087)
Restatement	—	—	(993)	—	—	—	—	(439)	(85,369)	—
Total Governmental activities	(11,452)	(6,810)	(15,144)	(31,223)	(2,879)	(12,558)	(12,203)	5,216	20,813	(32,087)
Business-type activities	20,638	23,960	16,323	6,127	7,939	(2,310)	(2,050)	(2,000)	(158)	806
Restatement	(193)	(1,935)	—	—	—	(497,533)	—	—	—	—
Total Business-type activities	20,445	22,025	16,323	6,127	7,939	(499,843)	(2,050)	(2,000)	(158)	806
Total primary government	8,993	15,215	1,179	(25,096)	5,060	(512,401)	(14,253)	3,216	20,655	(31,281)
Component unit	—	—	—	—	—	25,094	45,330	37,552	56,994	49,172
Restatement	—	—	—	—	—	497,533	—	(1,744)	(22,769)	—
Total component unit	\$ —	—	—	—	—	522,627	45,330	35,808	34,225	49,172

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

<sup>(2)</sup> Years prior to restatements have not been restated

Source: Current and prior years financial statements

WASHINGTON COUNTY, OREGON

Fund Balances of Governmental Funds<sup>(1)</sup>

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Dollars in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ —	4,000	2,000	177	—	—	—	—	—	—
Nonspendable	—	—	—	—	155	134	122	116	109	106
Assigned	—	—	—	—	527	530	646	809	791	7,612
Unreserved/unassigned	43,480	37,522	30,806	33,874	32,513	29,642	33,321	39,828	54,397	59,595
Total General Fund	43,480	41,522	32,806	34,051	33,195	30,306	34,089	40,753	55,297	67,313
All other governmental funds										
Reserved	1,043	1,321	320	295	—	—	—	—	—	—
Nonspendable	—	—	—	—	127	135	2,416	2,414	1,886	128
Restricted	—	—	—	—	93,002	95,942	96,945	112,861	152,101	176,076
Committed	—	—	—	—	55,278	62,637	67,972	81,821	97,063	81,334
Assigned	—	—	—	—	773	149	2,992	841	2,133	2,014
Unreserved/unassigned	143,210	149,012	146,267	142,105	(203)	(32)	(225)	(2,317)	(1,684)	(529)
Total all other governmental funds	144,253	150,333	146,587	142,400	148,977	158,831	170,100	195,620	251,499	259,023
Total governmental funds	\$ 187,733	191,855	179,393	176,451	182,172	189,137	204,189	236,373	306,796	326,336

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

Source: Current and prior years financial statements.

WASHINGTON COUNTY, OREGON

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Dollars in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues:</b>										
Taxes	\$ 121,977	149,442	154,379	160,234	166,766	170,704	175,520	183,966	188,103	199,949
Licenses and permits	8,882	9,213	8,126	8,200	8,482	9,167	10,895	11,350	12,438	13,445
Intergovernmental revenues	152,681	85,993	89,839	90,197	96,237	100,540	106,863	111,339	120,523	118,912
Charges for services	30,525	41,039	39,625	41,180	48,865	46,053	49,400	55,618	74,043	84,006
Fines and forfeitures	3,728	3,533	2,826	3,058	3,431	3,658	3,044	3,077	3,330	3,243
Special assessments	249	224	241	190	188	134	232	181	175	173
Miscellaneous revenues	35,697	37,069	34,534	28,256	30,784	30,466	30,178	34,214	43,849	36,295
Interfund revenues	26,272	28,283	28,423	29,160	29,619	27,924	28,494	29,764	29,906	32,551
Total revenues	380,011	354,796	357,993	360,475	384,372	388,646	404,626	429,509	472,367	488,574
<b>Expenditures:</b>										
Current:										
General government	31,134	32,609	36,136	34,265	35,019	36,912	36,874	39,030	40,953	43,039
Public safety and justice	104,517	114,416	120,744	121,021	129,651	134,389	137,305	144,170	149,900	155,493
Land use and transportation	127,152	94,595	99,590	92,495	97,662	95,019	94,605	94,749	90,023	123,864
Housing, health and human services	68,393	52,605	58,405	60,313	60,975	59,989	61,495	63,072	61,804	79,232
Culture, education and recreation	15,655	23,081	25,774	26,353	27,193	29,526	29,305	30,356	31,702	34,114
Nonoperating	6,359	7,902	7,372	5,673	6,153	5,736	10,773	2,717	3,790	3,843
Capital outlay	26,176	9,360	8,739	9,288	8,097	10,066	6,923	9,146	15,895	28,000
Debt service:										
Principal	9,485	44,049	8,452	8,908	9,340	10,181	10,552	10,807	4,967	42,204
Interest	6,750	6,186	5,748	5,098	4,683	4,267	6,164	3,309	2,969	3,840
Issuance costs	—	—	—	—	—	—	199	—	—	142
Total expenditures	395,621	384,803	370,960	363,414	378,773	386,085	394,195	397,356	402,003	513,771
Excess (deficiency) of revenues over (under) expenditures	(15,610)	(30,007)	(12,967)	(2,939)	5,599	2,561	10,431	32,153	70,364	(25,197)
<b>Other financing sources (uses):</b>										
Proceeds from issuance of debt	—	34,125	—	—	—	2,284	18,860	—	150	31,960
Premiums	—	—	—	—	—	—	2,355	—	—	6,369
Payment to refunded bond escrow agent	—	—	—	—	—	—	(18,530)	—	—	—
Transfers in from other funds	91,364	69,224	73,738	79,801	61,538	69,330	80,020	75,945	82,826	90,071
Transfers out to other funds	(91,362)	(69,224)	(73,234)	(81,795)	(61,416)	(67,210)	(78,084)	(75,914)	(82,917)	(90,207)
Total other financing sources (uses)	2	34,125	504	(1,994)	122	4,404	4,621	31	59	38,193
Net change in fund balances	\$ (15,608)	4,118	(12,463)	(4,933)	5,721	6,965	15,052	32,184	70,423	12,996
Debt service as a percentage of noncapital expenditures	4.83%	14.49%	4.49%	4.20%	4.26%	4.24%	4.75%	3.84%	2.25%	11.15%

Source: Current and prior years financial statements.

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## **REVENUE CAPACITY**

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**WASHINGTON COUNTY, OREGON**  
Valuation of Taxable Property  
Last Ten Fiscal Years  
(Dollars in thousands, except direct tax rate)

Fiscal year ended June 30	Assessed Value				Total direct tax rate <sup>(1)</sup>	True cash valuation	Ratio of assessed valuation to true cash valuation
	Real property	Personal property	Public utility property	Total			
2007	\$ 36,728,957	1,652,097	1,198,560	39,579,614	2.45	69,903,003	56.62 %
2008	38,669,431	1,760,359	1,266,893	41,696,683	3.03	76,919,205	54.21
2009	40,540,532	1,911,303	1,411,287	43,863,122	2.99	79,498,937	55.17
2010	41,974,973	1,833,195	1,591,315	45,399,483	2.99	75,512,292	60.12
2011	43,397,583	1,781,436	1,622,849	46,801,868	2.98	71,983,750	65.02
2012	44,863,711	1,818,743	1,554,328	48,236,782	2.98	69,045,256	69.86
2013	45,951,024	1,873,616	1,531,019	49,355,659	2.97	67,614,912	73.00
2014	47,642,930	1,961,029	1,576,282	51,180,241	2.97	75,755,731	67.56
2015	49,735,366	2,083,823	1,696,673	53,515,862	2.84	84,758,607	63.14
2016	52,937,496	2,258,296	1,715,100	56,910,892	2.84	90,947,469	62.58

<sup>(1)</sup> The total direct tax rate is comprised of the following:

Fiscal year ended June 30	General	Special revenue	Debt service	Total direct tax rate
2007	\$ 2.25	—	0.20	2.45
2008	2.25	0.59	0.19	3.03
2009	2.25	0.59	0.15	2.99
2010	2.25	0.59	0.15	2.99
2011	2.25	0.59	0.14	2.98
2012	2.25	0.59	0.14	2.98
2013	2.25	0.59	0.13	2.97
2014	2.25	0.59	0.13	2.97
2015	2.25	0.59	—	2.84
2016	2.25	0.59	—	2.84

Source: Washington County Department of Assessment and Taxation

**WASHINGTON COUNTY, OREGON**

Certified Property Tax Levies -  
Direct and Overlapping Governments

Last Ten Fiscal Years

(Dollars in thousands)

<b>Fiscal year ended June 30</b>	<b>Total Tax Levies</b>	<b>Washington County</b> <sup>(1)</sup>	<b>Component Units of Washington County</b> <sup>(2)</sup>	<b>School Districts</b>	<b>Fire Districts</b>
2007	\$ 598,942	96,775	19,575	269,116	54,774
2008	690,048	125,988	19,988	310,212	59,800
2009	715,850	130,338	23,855	313,624	61,864
2010	766,167	135,477	24,234	334,352	65,439
2011	783,036	140,212	24,614	341,593	67,422
2012	800,942	144,382	25,198	350,927	70,828
2013	817,382	147,070	25,505	353,922	72,173
2014	876,877	152,306	27,748	386,896	74,193
2015	915,947	152,359	29,213	411,644	76,789
2016	962,850	161,901	30,699	432,959	89,169

(Continued)

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

<sup>(2)</sup> Includes ESPD (Enhanced Sheriff's Patrol District), NBCSD (North Bethany County Service District), URMD (Urban Road Maintenance District), and SDL (Street Lighting District)

Source: Washington County Department of Assessment and Taxation



<u>Cities</u>	<u>Parks and Recreation</u>	<u>Development and Urban Renewal Agencies</u>	<u>Port of Portland</u>	<u>Portland Community College</u>	<u>Metropolitan Service District</u>	<u>Other</u>
92,893	22,776	5,348	2,750	19,099	13,729	2,107
98,422	23,818	6,145	2,894	20,771	19,848	2,162
108,078	25,139	6,652	3,040	21,738	19,398	2,124
112,334	31,528	7,180	3,145	28,367	21,948	2,163
120,524	33,394	913	3,269	29,567	21,528	—
125,758	34,105	1,022	3,371	28,649	16,702	—
124,802	34,955	4,429	3,446	32,538	18,542	—
131,051	36,124	5,554	3,570	37,265	22,170	—
137,563	37,286	6,173	3,732	38,397	22,791	—
148,174	36,981	5,344	3,970	33,097	20,556	—

**WASHINGTON COUNTY, OREGON**

Property Tax Levies and Collections<sup>(1)</sup>

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal year ended June 30	Certified tax levies			Collected within the fiscal year of the levy		Collections in subsequent years	Total collections to date	
	General Fund	Special levies	Total	Amount	Percentage of levy		Amount	Percentage of levy
2007	\$ 88,968	27,501	116,469	110,902	95.22	% \$ 2,492	113,394	97.36
2008	93,588	45,498	139,086	132,062	94.95	3,394	135,456	97.39
2009	98,297	56,017	154,314	145,503	94.29	4,891	150,394	97.46
2010	102,210	57,501	159,711	150,799	94.42	4,232	155,031	97.07
2011	106,055	58,771	164,826	156,041	94.67	2,950	158,991	96.46
2012	109,453	60,127	169,580	161,338	95.14	2,561	163,899	96.65
2013	111,611	60,964	172,575	164,775	95.48	2,882	167,657	97.15
2014	115,908	64,145	180,053	171,302	95.14	2,431	173,733	96.49
2015	121,112	60,460	181,572	173,583	95.60	1,452	175,035	96.40
2016	128,654 <sup>(1)</sup>	63,947	192,601	184,069	95.57	—	184,069	95.57

<sup>(1)</sup> Includes small levies paid off early to other jurisdictions by the General Fund totaling \$462 in 2015-16.

Source: Washington County Finance Division

**WASHINGTON COUNTY, OREGON**

Principal Taxpayers Within the County  
Current Year and Nine Years Ago

(Dollars in Thousands)

	2016				2007		
	Rank	Assessed valuation	Percent of total		Rank	Assessed valuation	Percent of total
Private enterprises:							
Intel Corporation	1	\$ 2,218,044	3.9 %	1	\$ 1,043,165	2.6 %	
Nike, Inc.	2	661,926	1.2	3	333,402	0.8	
Pacific Realty Associates	4	339,536	0.6	6	245,937	0.6	
Comcast Corporation	6	314,888	0.6			—	
Frontier Communciations	7	190,166	0.3		—	—	
Verizon Communications	8	177,142	0.3	2	352,921	0.9	
Genentech, Inc.	9	165,226	0.3			—	
PPR Washington Square, LLC	10	142,626	0.3		—	—	
Maxim Integrated Products, Inc.		—	—	7	152,395	0.4	
Tektronix, Inc.		—	—	8	135,416	0.3	
ERP Operating, LP		—	—	9	108,788	0.3	
Novellus Systems, Inc.		—	—	10	105,491	0.3	
Public utilities:							
Portland General Electric	3	478,753	0.8	4	317,363	0.8	
Northwest Natural Gas	5	319,249	0.6	5	262,931	0.7	
All other taxpayers		<u>51,903,336</u>	<u>91.1</u>		<u>36,521,805</u>	<u>92.3</u>	
Total		<u>\$ 56,910,892</u>	<u>100.0</u>		<u>\$ 39,579,614</u>	<u>100.0</u>	

Source: Washington County Department of Assessment and Taxation

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## **DEBT CAPACITY**

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WASHINGTON COUNTY, OREGON

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

County

<u>Fiscal Year</u>	<u>Governmental Activities GO Bonds Payable</u>	<u>Business-Type Activities GO Bonds Payable</u>	<u>Premiums, Discounts, &amp; Adjustments</u>	<u>Net GO Bonds Payable</u>	<u>Total Taxable Assessed Value</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Debt Outstanding Per Capita</u>
2007	\$ 40,260	—	177	40,437	39,579,614	0.1 %	\$ 81
2008	33,570	—	248	33,818	41,696,683	0.1	66
2009	28,570	—	201	28,771	43,863,122	0.1	55
2010	23,325	—	155	23,480	45,399,483	0.1	45
2011	17,845	—	109	17,954	46,801,868	—	34
2012	12,140	—	62	12,202	48,236,782	—	23
2013	6,195	—	16	6,211	49,355,659	—	11
2014	—	—	—	—	51,180,241	—	—
2015	—	—	—	—	53,515,862	—	—
2016	—	—	—	—	56,910,892	—	—

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

WASHINGTON COUNTY, OREGON

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

**County**

Fiscal Year	Governmental Activities				
	General Obligation Bonds Payable	Other Bonds & Notes Payable	Premiums, Discounts, & Adjustments	Contracts Payable	Capital Lease Obligations
2007	\$ 40,260	91,108	61	603	1,754
2008	33,570	88,121	149	555	1,525
2009	28,570	84,930	115	505	1,343
2010	23,325	81,510	79	454	1,160
2011	17,845	77,897	45	402	964
2012	12,140	74,149	3	380	2,586
2013	6,195	70,352	(308)	357	2,092
2014	—	66,133	3,551	334	1,715
2015	—	61,719	3,222	312	1,334
2016	—	51,890	7,918	290	941

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

Fiscal Year	Component Unit				
	General Obligation Bonds Payable	Other Bonds & Notes Payable	Premiums, Discounts, & Adjustments	Contracts Payable	Capital Lease Obligations
2007	\$ —	—	—	—	—
2008	—	—	—	—	—
2009	—	—	—	—	—
2010	—	—	—	—	—
2011	—	—	—	—	—
2012	—	287,865	9,631	—	—
2013	—	265,260	8,179	—	—
2014	—	251,990	7,827	—	—
2015	—	238,175	6,557	—	—
2016	—	223,690	5,448	—	—

(Continued)

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

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

Source: Washington County Finance Division



<b>Business-Type Activities</b>						
<b>General Obligation Bonds Payable</b>	<b>Other Bonds &amp; Notes Payable</b>	<b>Premiums, Discounts, &amp; Adjustments</b>	<b>Contracts Payable</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Outstanding Debt Per Capita</b>
—	214,452	(553)	—	347,685	1.8 %	\$ 694
—	196,366	(471)	—	319,815	1.6	626
—	236,201	1,592	—	353,256	1.7	679
—	316,078	(83)	—	422,523	2.0	802
—	295,506	(340)	—	392,319	1.8	736
—	31,124	(2,524)	—	117,858	0.5	220
—	30,577	(2,376)	—	106,889	0.5	197
—	30,043	(236)	—	101,540	0.4	184
—	31,572	(220)	—	97,939	0.4	175
—	31,023	(204)	—	91,858	N/A	161

<b>Total Component Unit</b>	<b>Percentage of Personal Income</b>	<b>Outstanding Debt Per Capita</b>
—	— %	\$ —
—	—	—
—	—	—
—	—	—
297,496	1.3	555
273,439	1.0	504
259,817	1.0	472
244,732	1.0	436
229,138	N/A	401

**WASHINGTON COUNTY, OREGON**

Legal Debt Margin Information

Last Ten Fiscal Years

(Dollars in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</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	\$ 90,947,469	84,758,607	75,755,731	67,614,912	69,045,256
Debt limit rate	2.00%	2.00%	2.00%	2.00%	2.00%
Debt limit	1,818,949	1,695,172	1,515,115	1,352,298	1,380,905
Less general obligation debt at June 30 <sup>(1)</sup>	—	—	—	6,211	12,202
Legal debt margin	<u>1,818,949</u>	<u>1,695,172</u>	<u>1,515,115</u>	<u>1,346,087</u>	<u>1,368,703</u>
Total net debt applicable to the limit as a percentage of debt limit	—	—	—	0.46%	0.88%

-ORS 287A.105 provides a debt limit on full faith and credit obligations of 1% of the real market value of all taxable property within the County's legal boundaries.

Real market value	<u>90,947,469</u>	<u>84,758,607</u>	<u>75,755,731</u>	<u>67,614,912</u>	<u>69,045,256</u>
Debt limit rate	1.00%	1.00%	1.00%	1.00%	1.00%
Debt limit	909,475	847,586	757,557	676,149	690,453
Less full faith and credit obligations at June 30 <sup>(1)</sup>	<u>59,053</u>	<u>63,992</u>	<u>68,646</u>	<u>68,806</u>	<u>72,686</u>
Legal debt margin	<u>850,422</u>	<u>783,594</u>	<u>688,911</u>	<u>607,343</u>	<u>617,767</u>
Total net debt applicable to the limit as a percentage of debt limit	6.49%	7.55%	9.06%	10.18%	10.53%

Housing Authority of Washington County:

-ORS 451.545 provides a debt limit on general obligation bonds of 13% of the real market value of all taxable property within the Authority's legal boundaries.

Real market value	<u>90,947,469</u>	<u>84,758,607</u>	<u>75,755,731</u>	<u>67,614,912</u>	<u>69,045,256</u>
Debt limit rate	13.00%	13.00%	13.00%	13.00%	13.00%
Debt limit	11,823,171	11,018,619	9,848,245	8,789,939	8,975,883
Less general obligation debt at June 30 <sup>(1)</sup>	—	—	—	—	—
Legal debt margin	<u>11,823,171</u>	<u>11,018,619</u>	<u>9,848,245</u>	<u>8,789,939</u>	<u>8,975,883</u>
Total net debt applicable to the limit as a percentage of debt limit	—	—	—	—	—

Clean Water Services:

-ORS 451.545 provides a debt limit on general obligation bonds of 13% of the real market value of all taxable property within the District's legal boundaries

Real market value	<u>82,980,385</u>	<u>77,171,791</u>	<u>68,905,327</u>	<u>60,917,987</u>	<u>61,998,156</u>
Debt limit rate	13.00%	13.00%	13.00%	13.00%	13.00%
Debt limit	10,787,450	10,032,333	8,957,693	7,919,338	8,059,760
Less general obligation debt at June 30 <sup>(1)</sup>	—	—	—	—	—
Legal debt margin	\$ <u>10,787,450</u>	<u>10,032,333</u>	<u>8,957,693</u>	<u>7,919,338</u>	<u>8,059,760</u>
Total net debt applicable to the limit as a percentage of debt limit	—	—	—	—	—

(Continued)

<sup>(1)</sup> Amounts expressed net of premiums, discounts, and adjustments

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>71,983,750</u>	<u>75,512,292</u>	<u>79,498,937</u>	<u>76,919,205</u>	<u>69,903,003</u>
2.00%	2.00%	2.00%	2.00%	2.00%
1,439,675	1,510,246	1,589,979	1,538,384	1,398,060
<u>17,954</u>	<u>23,480</u>	<u>28,771</u>	<u>33,818</u>	<u>40,437</u>
<u>1,421,721</u>	<u>1,486,766</u>	<u>1,561,208</u>	<u>1,504,566</u>	<u>1,357,623</u>
1.25%	1.55%	1.81%	2.20%	2.89%
<u>71,983,750</u>	<u>75,512,292</u>	<u>79,498,937</u>	<u>76,919,205</u>	<u>69,903,003</u>
1.00%	1.00%	1.00%	1.00%	1.00%
719,838	755,123	794,989	769,192	699,030
<u>76,236</u>	<u>79,639</u>	<u>82,834</u>	<u>85,806</u>	<u>88,579</u>
<u>643,602</u>	<u>675,484</u>	<u>712,155</u>	<u>683,386</u>	<u>610,451</u>
10.59%	10.55%	10.42%	11.16%	12.67%
<u>71,983,750</u>	<u>75,512,292</u>	<u>79,498,937</u>	<u>76,919,205</u>	<u>69,903,003</u>
13.00%	13.00%	13.00%	13.00%	13.00%
9,357,888	9,816,598	10,334,862	9,999,497	9,087,390
—	—	—	—	—
<u>9,357,888</u>	<u>9,816,598</u>	<u>10,334,862</u>	<u>9,999,497</u>	<u>9,087,390</u>
—	—	—	—	—
<u>64,712,780</u>	<u>67,333,674</u>	<u>67,466,438</u>	<u>65,485,068</u>	<u>59,132,300</u>
13.00%	13.00%	13.00%	13.00%	13.00%
8,412,661	8,753,378	8,770,637	8,513,059	7,687,199
—	—	—	—	—
<u>8,412,661</u>	<u>8,753,378</u>	<u>8,770,637</u>	<u>8,513,059</u>	<u>7,687,199</u>
—	—	—	—	—

WASHINGTON COUNTY, OREGON

Direct and Overlapping Governmental Activities Debt

June 30, 2016

(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	\$ 330	100.0 %	\$ 330
City of Banks	1,532	100.0	1,532
City of Beaverton	722	100.0	722
City of Cornelius	2,034	100.0	2,034
City of Durham	520	100.0	520
City of Forest Grove	—	100.0	—
City of Hillsboro	34,975	100.0	34,975
City of Lake Oswego	18	0.1	—
City of North Plains	1,346	100.0	1,346
City of Portland	378	0.2	1
City of Sherwood	28,092	100.0	28,092
City of Tigard	24,708	100.0	24,708
City of Tualatin	5,882	85.3	5,017
City of Wilsonville	—	10.5	—
Clackamas County Education Service District	107	0.5	1
Clackamas County School District 3J (West Linn - Wilsonville)	3,489	1.4	49
Clackamas County School District 7J (Lake Oswego)	831	0.9	7
Columbia County School District 1J (Scappoose)	157	0.5	1
Columbia County School District 47J (Vernonia)	311	1.9	6
Metro	61,183	30.6	18,722
Multnomah County School District 1J (Portland)	3,736	0.5	19
Multnomah Education Service District	—	0.4	—
Northwest Regional Education Service District	—	79.0	—
Port of Portland	—	30.2	—
Portland Community College	137,723	41.1	56,604
Rivergrove Water District 14J	9	1.4	—
Tualatin Hills Parks & Recreation District	86,865	100.0	86,865
Tualatin Valley Fire & Rescue District	42,766	82.2	35,154
Washington County Enhanced Patrol District	90	100.0	90
Washington County School District 13 (Banks)	14,975	100.0	14,975
Washington County School District 15 (Forest Grove)	101,687	100.0	101,687
Washington County School District 1J (Hillsboro 7 Bond)	4,583	100.0	4,583
Washington County School District 1J (Hillsboro)	269,411	100.0	269,411
Washington County School District 23J (Tigard - Tualatin)	82,291	95.3	78,423
Washington County School District 48J (Beaverton)	804,906	99.6	801,686
Washington County School District 511J (Gaston)	2,632	83.6	2,200
Washington County School District 88J (Sherwood)	93,407	93.5	87,336
Willamette Education Service District	37	0.3	—
Yamhill County School District 29J (Newberg)	2,025	3.6	73
<b>Total overlapping debt outstanding</b>	<b>1,813,758</b>		<b>1,657,169</b>
Direct debt outstanding:			
Washington County <sup>(1)</sup>	61,039	100.00	61,039
<b>Total direct and overlapping debt outstanding</b>	<b>\$ 1,874,797</b>		<b>\$ 1,718,208</b>

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

Contracts, notes, and bonds outstanding	52,180
Unamortized bond premiums and discounts	7,918
Capital lease obligations	941
<b>Total direct debt outstanding</b>	<b>61,039</b>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Oregon State Treasury, Debt Management Division

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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**WASHINGTON COUNTY, OREGON**

Demographic Statistics

Last Ten Fiscal Years

(Amounts in thousands, except Personal Income)

<u>Fiscal Year</u>	<u>Population (estimated)</u>		<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2007	501	\$	18,767	37	4.3 %
2008	511		19,945	39	4.8
2009	520		21,186	41	10.2
2010	527		21,205	40	8.4
2011	533		21,587	41	7.6
2012	536		23,043	43	6.8
2013	543		24,314	45	6.3
2014	551		24,840	45	5.7
2015	561		26,299	47	4.6
2016	571		N/A	N/A	4.1

N/A: Information not available as of printing.

Source: Portland State University Population Research Center, Bureau of Economic Analysis, and Oregon Employment Department.

WASHINGTON COUNTY, OREGON

Major Employment Industries

Current Year and Nine Years Ago

	2016*		2007	
	Annual Average Positions	% of Total	Annual Average Positions	% of Total
Construction	13,160	5%	15,508	6%
Manufacturing:				
Wood products	992		1,554	
Fabricated metal products	3,289		3,278	
Food	1,851		1,608	
Plastics and rubber products	1,993		2,400	
Computer and electronic products	27,806		27,046	
Machinery	4,302		3,635	
Other	6,948		7,923	
Total Manufacturing	47,181	17%	47,444	19%
Trade, Transportation, and Utilities:				
Wholesale	12,831		17,727	
Retail	30,939		29,913	
Transportation, Warehousing, and Utilities	4,340		3,842	
Total Trade, Transportation, and Utilities	48,110	17%	51,482	21%
Information:				
Publishing	3,141		3,734	
Telecommunications	2,173		2,122	
Other (broadcasting, ISP's, etc.)	2,085		2,088	
Total Information	7,399	3%	7,944	3%
Financial Activities:				
Finance and Insurance	10,616		10,668	
Real Estate	3,397		3,802	
Total Financial Activities	14,013	5%	14,470	6%
Professional and Business Services	52,907	19%	35,073	14%
Educational Services	5,139	2%	4,463	2%
Healthcare and Social Assistance	27,924	10%	21,165	8%
Leisure and Hospitality	23,999	9%	20,235	8%
Other Services (agriculture, repairs, private homes, misc.)	12,496	5%	11,723	5%
Government (federal, state, and local)	22,599	8%	21,168	8%
Total Employment	<u>274,927</u>	<u>100%</u>	<u>250,675</u>	<u>100%</u>

\*Fiscal year 2016 information includes data through December 31, 2015.

Source: Oregon Labor Market Information System (OLMIS)



## **OPERATING INFORMATION**

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WASHINGTON COUNTY, OREGON

Full-time Equivalent Employees by Function

Last Ten Fiscal Years

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government	284.4	292.8	299.8	297.0	297.3	297.0	297.8	299.1	304.0	318.0
Public safety and justice	782.8	815.3	834.3	836.9	833.4	823.4	824.9	824.3	941.0	945.0
Land use and transportation	416.6	426.0	423.9	391.8	357.4	348.8	336.5	335.7	324.0	286.0
Housing, health and human services	228.8	231.8	240.2	239.4	250.0	253.5	255.2	251.8	260.0	322.0
Culture, education and recreation	36.6	40.0	44.3	45.3	44.3	47.3	47.3	48.3	50.0	53.0
Total	<u>1,749.2</u>	<u>1,805.9</u>	<u>1,842.5</u>	<u>1,810.3</u>	<u>1,782.4</u>	<u>1,770.0</u>	<u>1,761.7</u>	<u>1,759.2</u>	<u>1,879.0</u>	<u>1,924.0</u>

Source: Washington County Support Services Department

WASHINGTON COUNTY, OREGON

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010
<b>General Government:</b>				
Assessment & Taxation:				
Real property accounts	168,846	173,542	177,155	177,924
Personal property accounts	23,278	23,791	24,100	24,591
Mobile home accounts	5,930	5,569	5,336	5,239
Utility property accounts	997	977	940	1,026
County Counsel:				
Hours booked for General Fund programs	5,670	6,023	6,072	8,376
Hours booked for Special Revenue funds and miscellaneous	7,118	6,938	7,081	5,639
Hours booked for internal work	2,519	2,406	2,087	2,187
Support Services:				
Number of budgeted permanent FTE positions within the County	1,749	1,806	1,843	1,810
Number of collective bargaining units	5	5	5	5
<b>Public Safety &amp; Justice:</b>				
Sheriff (measured in calendar years):				
Citizen generated calls for service	52,121	52,481	49,296	48,343
Officer-initiated calls for service (including traffic responses)	75,023	72,432	88,239	96,182
Bookings per year at jail	19,181	18,560	18,698	17,967
Average length of stay in jail (in days)	17	10	19	18
Average daily jail population	547	545	613	579
Case numbers issued (all documented law enforcement actions taken)	23,030	21,536	20,657	20,386
Juvenile (measured in calendar years):				
Total referrals to juvenile department	4,416	4,646	4,087	4,106
Percent of youth with no new offenses	72%	71%	74%	74%
Total admissions to secure detention	586	632	724	727
Total admissions to shelter care evaluation	167	165	163	160
Community Corrections:				
Number of offenders residing at the Community Corrections Center	2,030	2,100	2,026	2,040
Average daily Community Corrections Center population	198	190	194	198
Average length of stay in Community Corrections Center (in days)	37	36	33	36
Number of offenders on supervision	4,176	4,205	4,162	4,123
Law Library:				
Total in-library users	8,788	9,214	9,797	9,630
Items checked out	864	800	802	865
<b>Land Use, Housing, &amp; Transportation:</b>				
Land Use & Transportation:				
Total land use case files	278	434	413	380
Total land use actions	360	549	488	456
New subdivisions	52	14	4	8
Building permits issued (single family residential & remodels/additions)	1,639	1,212	988	1,110
Measure 37 claims received	—	—	—	—
Housing Services:				
Rent subsidies (units)	2,569	2,581	2,610	2,810
Affordable housing (units)	2,684	2,684	2,684	2,005
Public housing (units)	297	265	257	255
Homeownership (units)	7	7	6	4
Homeless services (beds)	483	548	544	604
Community Development:				
Number of people served by all CDBG programs	30,647	24,767	19,978	14,509
Number of households served by all CDBG programs	293	468	341	523
<b>Health &amp; Human Services:</b>				
Health & Human Services:				
Swimming pool inspections, reviews, investigations	1,178	1,156	1,328	1,264
Solid waste and recycling phone calls received	3,500	3,187	3,442	3,502
Health clinic - communicable disease client visits	11,862	11,683	10,378	11,169
Birth certificates received	8,177	4,172	N/A	N/A
Emergency Medical Services:				
CPR/AED people trained (measured in calendar years)	686	1,002	605	556
Ambulance licenses issued	113	103	98	99
Total ambulances inspected	27	—	7	10
Wheelchair car licenses issued	103	131	134	135
<b>Culture, Education, &amp; Recreation:</b>				
Cooperative Library Services:				
Total library materials circulated	7,389,681	8,442,266	9,776,585	11,143,345
New users registered	38,189	41,715	44,797	38,108
Attendance at summer reading programs and events	36,672	38,966	41,234	48,136
Items delivered to member libraries via WCCLS couriers	2,125,504	2,714,141	3,170,517	3,721,876

N/A: Information not available

(Continued)

Source: Washington County Support Services Department

	2011	2012	2013	2014	2015	2016
	178,440	178,971	179,843	180,705	181,985	183,721
	24,077	23,893	24,210	23,614	23,672	22,673
	5,205	5,188	5,142	5,118	5,101	5,096
	1,167	1,278	1,443	1,492	1,458	1,477
	6,102	6,945	5,851	6,536	7,127	7,087
	6,223	6,200	7,915	7,204	6,417	6,456
	2,066	2,269	2,710	2,489	2,902	2,757
	1,782	1,770	1,762	1,759	1,818	1,872
	5	5	5	5	5	5
	47,050	49,109	48,058	52,041	56,186	N/A
	94,258	94,258	89,252	88,551	96,321	N/A
	17,761	17,761	18,020	17,944	17,173	N/A
	48	48	18	17	19	N/A
	568	568	565	547	538	N/A
	19,249	19,249	19,344	20,374	20,802	N/A
	3,738	3,539	3,309	2,975	2,822	2,165
	75%	74%	72%	75%	72%	N/A
	715	597	650	644	574	498
	134	121	127	108	111	105
	2,044	1,953	1,765	2,060	2,169	2,044
	195	181	170	182	179	181
	36	34	35	32	32	32
	4,035	3,694	3,540	3,725	3,797	3,286
	5,569	4,833	8,529	9,115	9,892	8,140
	867	796	1,405	1,437	1,502	1,909
	357	394	432	495	456	519
	431	476	529	584	568	652
	5	7	22	29	31	27
	1,053	1,254	1,183	1,511	1,735	2,081
	—	—	—	—	—	—
	2,810	2,823	2,823	2,882	2,981	2,981
	2,086	1,135	1,138	1,138	1,138	1,139
	255	255	255	255	255	255
	4	4	5	5	4	4
	594	739	796	940	905	881
	16,763	21,184	14,727	20,051	27,121	73,550
	491	435	283	306	314	280
	1,196	1,130	1,145	1,083	1,190	1,183
	3,600	4,200	3,672	4,100	3,900	3,470
	13,257	8,943	9,866	7,857	7,672	2,917
	N/A	N/A	N/A	N/A	N/A	N/A
	468	N/A	505	346	637	420
	97	111	149	121	140	158
	—	4	4	28	39	13
	144	174	192	190	196	226
	12,711,299	13,047,677	13,070,159	12,742,087	12,240,066	11,872,665
	40,374	35,770	32,951	32,788	31,981	31,659
	46,846	51,009	50,157	58,233	59,506	63,358
	4,138,471	4,108,984	3,978,705	3,649,568	3,704,098	3,616,203

WASHINGTON COUNTY, OREGON

Capital Assets

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Government:</b>										
Facilities:										
Number of buildings - owned	22	23	23	23	23	23	24	24	25	25
Number of buildings - leased	10	8	9	9	8	7	9	9	10	12
Square feet - owned space	1,297,265	1,304,265	1,304,265	1,304,265	1,304,265	1,304,265	1,304,265	1,304,265	1,378,190	1,378,190
Square feet - leased space	31,642	24,282	24,722	24,722	24,079	19,867	21,659	18,652	27,252	37,207
Fleet:										
Number of units maintained	551	559	564	561	562	557	562	572	605	626
Gallons of fuel dispensed	400,205	443,112	433,119	426,712	445,207	436,180	422,455	416,709	415,547	407,414
Miles driven	4,475,521	4,705,659	4,554,668	4,565,634	4,613,964	4,485,547	4,510,196	4,434,719	4,593,052	4,467,139
Number of work orders	3,820	4,187	4,440	3,837	4,145	4,059	3,930	4,024	4,034	3,975
Information Technology Services:										
Computers supported	1,739	2,028	2,127	2,116	2,116	2,385	2,173	2,149	2,372	2,425
Applications supported	608	630	665	698	709	783	844	851	1,028	1,320
<b>Land Use, Housing, and Transportation:</b>										
County road system:										
Total miles maintained	1,285	1,271	1,271	1,280	1,300	1,279	1,279	1,286	1,286	1,290
Paved miles	1,033	1,035	1,035	1,055	1,075	1,062	1,062	1,068	1,073	1,073
Gravel miles	252	236	236	225	225	217	217	218	218	217
Urban miles	627	630	630	639	639	650	650	657	657	661
Rural miles	657	641	641	641	661	629	629	629	629	629
Bridges	187	187	187	189	189	188	188	186	186	186
Traffic signals	325	369	379	404	445	470	470	472	505	515

Source: Washington County Support Services Department

**WASHINGTON COUNTY,  
OREGON**

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

**SECTION IV**

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& Warwick, LLP**

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

Board of County Commissioners  
Washington County, Oregon  
Hillsboro, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Oregon (the County), as of and for the year ended June 30, 2016, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 13, 2016. Our report includes a reference to other auditors. We did not audit the financial statements of Clean Water Services (CWS), the discretely presented component unit of the County. The financial statements of CWS were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditors.

### **COMPLIANCE**

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

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

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

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

**COMPLIANCE (Continued)**

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

- Under ORS 294.471(3)(b), when a supplemental budget changes estimated expenditures by less than 10%, then a notice of a regular meeting in which the changes will be considered, is required to be published prior to the meeting date. The County failed to publish notice of meeting dates related to two such supplemental budgets.
- Under ORS 294.473(1)(b), when a supplemental budget changes estimated expenditures by more than 10%, then a notice of public hearing and a summary of proposed changes must be published prior to the public hearing date. The County failed to publish notice and proposed changes for one such supplemental budget.
- The Sheriff's Office Grants and Donations Fund reported a deficit fund balance of \$21,000.
- The North Bethany County Service District for Roads Fund (a component unit) reported a deficit fund balance of \$508,000 on a GAAP basis.
- The Internal Support Services Fund reported a deficit fund balance of \$32,000 on a GAAP basis.
- The Fleet Services Fund reported a deficit fund balance of \$557,000 on a GAAP basis.

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

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

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

**RESTRICTIONS ON USE**

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

*Talbot, Korvola & Warwick, LLP*

Lake Oswego, Oregon  
December 13, 2016

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