



Comprehensive *Annual* Financial Report



year ended June 30, 2014

photo courtesy of the Washington County Visitors Association

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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, 2014

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, 2014

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

Administrative Staff

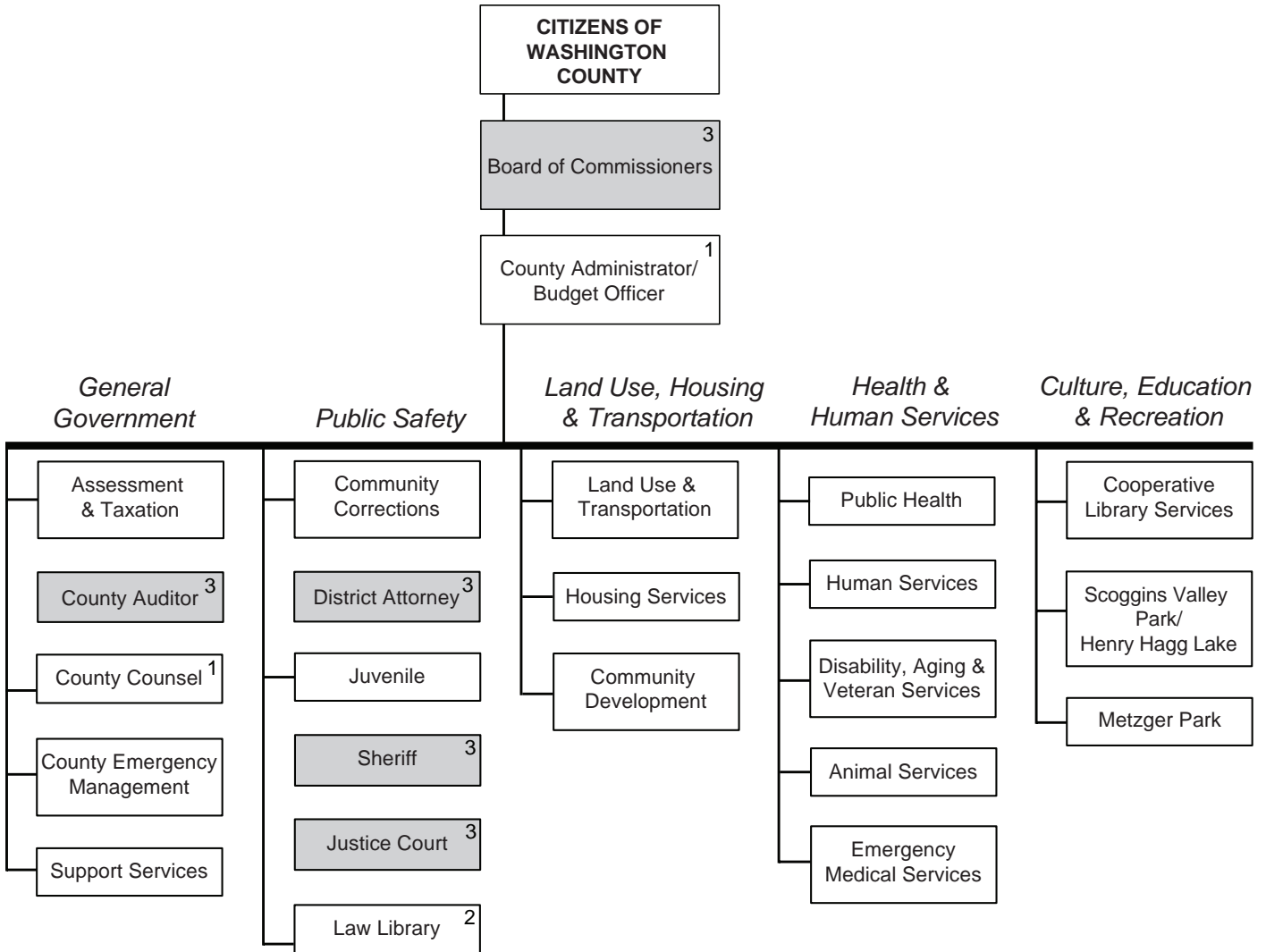
Robert Davis, County Administrator
Don Bohn, Assistant County Administrator
Rob Massar, Assistant County Administrator
Mary Gruss, Chief Finance Officer
Roger Dawes, Controller
Josh Salaets, Chief Accountant

Administrative Offices

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

WASHINGTON COUNTY, OREGON

Organizational Chart



1. Appointed by County Commissioner

2. Appointed by Circuit Court

3. Gray boxes denote elected positions

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



December 22, 2014

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

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, unless extended, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

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, 2014. 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 Federal Single Audit Act. Information related to the single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs and auditors' reports on the internal controls and statutory and regulatory compliance is presented in a separate report.

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

Profile of the County

Washington County was incorporated in 1849 and is located in the northwestern part of Oregon, south of the Columbia River and immediately to the west of Portland, the state's largest city. The County is the second largest county in the state, encompasses 727 square miles, and serves a population of approximately 555,000. There are 16 incorporated cities in the County. The three largest cities, Hillsboro, Beaverton and Tigard account for 43% of the overall population; the unincorporated area has 41% of the County's population. This unincorporated area would be the second largest city in the state after Portland if it were incorporated. Most local governments, including the County, have permanent authority to levy property taxes for operations at a maximum tax rate (permanent tax rate). All property tax levies exceeding the permanent tax rate require voter approval at a general election; levies funding operations are limited to five years, levies dedicated to capital expenditures are limited to ten years, and levies to pay general obligation bonds are limited by the debt service requirements of the bonds.

Washington County operates under a home rule charter initially adopted by voters in November 1962; voters approved a general revision and update of the charter in November 2008. The County is governed by a Board of five commissioners elected for four-year overlapping terms. Four are elected from districts, and the Board Chair is elected at-large. The County Administrator is hired by the Board of County

Commissioners and exercises administrative direction, based on Board policy. The Sheriff, Auditor, Justice Court Judge and District Attorney are elected officials.

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

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

Local Economy

The County is part of the Portland-Vancouver Metropolitan Statistical Area (Portland PMSA), which includes Clackamas, Columbia, Multnomah, Washington and Yamhill Counties in Oregon and Clark and Skamania Counties in Washington. The economy of the Portland metropolitan area is broad and widely diversified. The Portland PMSA includes the state’s largest employers, including Intel, Providence Health System, 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 accounts for 18%, government jobs 8%, professional and business services 19%, education and health services 12% and leisure and hospitality 8%.

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

Company	Products/Services	Location	Number of Employees
Intel Corporation	Semiconductor integrated circuits	Hillsboro	17,500
Nike, Inc.	Athletic footwear and apparel	Beaverton	8,709
Providence St. Vincent Hospital	Health Care	various	5,570
Beaverton School District	Education	Beaverton	4,091
Hillsboro School District	Education	Hillsboro	2,425
Home Depot	Home improvement	Tigard	2,000
Kasier Permanente	Health Care	various	2,000
Fred Meyer	Retail	Portland	1,900
Washington County	Government	Hillsboro	1,818
Tigard-Tualatin School District	Education	Tigard	1,500

Source: Westside Economic Alliance, 2014 Data

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

In 2005 Intel and the County entered into a strategic investment program covering the potential investment of \$25 million to commence when the 1999 SIP agreement reached the limits of its investment ceiling; the 1999 agreement ended in 2013-14. The 2005 agreement went into effect July 1, 2010 and will end in 2025-26. The intent of the 2005 SIP is to extend the competitive tax structure in the County that is essential for Intel to provide high-value, family wage jobs in Oregon and continue to contribute to the State’s quality of life. Obligations from Intel are similar to the 1999 agreement providing for guaranteed annual payments, a community service fee and fee in lieu of property taxes; with funds being split with other jurisdictions. The County anticipates receiving an estimated \$115 million over the life of this agreement.

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

<u>Agreements</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
1994/96 Intel	\$ 1,316	1,103	-	-	-
1999 Intel	9,332	9,066	8,715	8,482	8,266
2005 Intel	-	2,115	2,316	2,692	10,593
2006 Genentech	-	500	500	547	896
Totals	<u>10,648</u>	<u>12,784</u>	<u>11,531</u>	<u>11,721</u>	<u>19,755</u>
Distributed to:					
Washington County	5,846	7,752	7,644	7,790	12,905
Other agencies	4,802	5,032	3,887	3,931	6,850
Totals	<u>\$ 10,648</u>	<u>12,784</u>	<u>11,531</u>	<u>11,721</u>	<u>19,755</u>

The Gain Share program was approved 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 the SIP. Gain Share provides the state a vehicle to distribute tax dollars back to communities where local property tax abatement helped create the jobs. In August 2013 Washington County received 96.5% of the Gain Share monies distributed by the state or \$18.89 million. The Gain Share program will continue to be scrutinized by the legislature as they work to find solutions to fund Oregon schools. The state projects disbursing \$56 million in Gain Share monies in the 2013-15 biennium. The Board approved \$8,240 in capital projects funded by Gain Share revenue in the 2013-14 fiscal year.

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.

Long term financial planning

The 2014-15 adopted budget includes General Fund reserves of \$19 million or 21% of the adopted General Fund revenues. In March 2007 the Board adopted a policy to maintain a reserve of 20% or more and not less than 15% of General Fund revenues. With guidance from the Budget Committee during the 2013-14 budget process, annual transfers to the Major Streets Transportation Improvement Program (MSTIP) and the Washington County Cooperative Library System (WCCLS) have been excluded from General Fund revenues for purposes of calculating the fund balance reserve. Executive management will work with departments periodically to meet the upper reserve amount at each fiscal year end. The Board will be updated on the General Fund forecast, and other funds as deemed appropriate.

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

Funding for MSTIP projects comes from the County's permanent tax rate. The 2014-15 budget includes over \$34 million for this program from the County's property tax collections. This program currently consists of a number of projects to widen and improve existing roadways to accommodate increased traffic volume and provide additional traffic safety. The County has also developed an interim list of projects to continue the program while the next generation of projects is developed through a public process.

Relevant financial policies

Cash Management

Cash not required for current operations is invested according to the County investment policy as authorized by the Board of 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.

Debt Management

The County has the following outstanding obligations – limited tax bonded indebtedness, notes, contracts, and revenue bonds. The County’s current general obligation (GO) rating from Moody’s and S&P (Standard & Poor’s) are Aa1 and AA+, respectively; and Aa2 by Moody’s for limited tax bonded indebtedness (backed by the full faith and credit of the County). The revenue bond rating for the County’s component unit – Clean Water Services – was Aa2 from Moody’s and AA from S&P. Since making the final payment during November, 2013 the County no longer has any GO debt. The Finance Division manages the County’s debt and is responsible for evaluating funding needs and determining the appropriate means to raise necessary funds.

Independent Audit

Pursuant to the Oregon Municipal Audit Law, ORS 297.405-297.555 all Oregon counties must obtain an audit annually. The required audit may be performed by the State Division of Audits or by independent public accountants certified by the State as capable of auditing municipal corporations. The accounting firm of Talbot, Korvola & Warwick, LLP conducted the audit for the fiscal year ended June 30, 2014.

Risk Management

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

Major initiatives

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

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

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

Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to Washington County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This was the twenty-eighth 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



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, 2013

Executive Director/CEO

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**WASHINGTON COUNTY,
OREGON**

**FINANCIAL
SECTION**

SECTION II

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Talbot, Korvola
& Warwick, LLP

Certified Public Accountants
& Consultants

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Washington County, Oregon
Hillsboro, Oregon

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washington County, Oregon, (the County) as of and for the year ended June 30, 2014, and the related notes to 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, a discretely presented component unit of the County. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Clean Water Services, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Board of Commissioners
Washington County, Oregon

AUDITOR'S RESPONSIBILITY (Continued)

accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

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

OPINIONS

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Board of Commissioners
Washington County, Oregon

OTHER MATTERS (Continued)

Required Supplementary Information (Continued)

accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Supplementary Information

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

The Other Supplementary Information and Other Financial Schedules 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 Other Financial Schedules 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.

REPORT 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 22, 2014, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

INDEPENDENT AUDITOR'S REPORT (Continued)

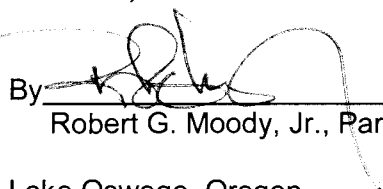
Board of Commissioners
Washington County, Oregon

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 22, 2014, 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  _____
Robert G. Moody, Jr., Partner

Lake Oswego, Oregon
December 22, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

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WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 through 8 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

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

Financial Highlights

- The assets of Washington County exceeded its liabilities at June 30, 2014 by \$2,317,891. Net investment in capital assets was \$2,015,810 and account for 87% of total net position. Of the remaining net position, \$186,150 may be used to meet the County's ongoing obligations to citizens and creditors.
- As of June 30, 2014, Washington County's governmental funds reported combined unassigned ending fund balances of \$37,511.
- Unassigned fund balance for the General Fund was \$39,828 at June 30, 2014, amounting to 32% of total General Fund expenditures for 2014.
- Committed fund balance for the Major Streets Transportation Improvement Program III Fund (MSTIP III) was \$70,342 at June 30, 2014, amounting to 248% of total MSTIP III expenditures. Restricted fund balance for the Road Fund was \$18,879 at June 30, 2014, amounting to 56% of total Road Fund expenditures. Restricted fund balance for the Human Services Fund was \$4,593 or 23% of fund expenditures.
- Washington County issued general obligation bonds for capital construction, capital acquisition and refunding bonds to refund prior bond issuances with higher interest rates. The bonds were paid in full during fiscal year 2014. All the general obligation bonds and refunding bonds were paid with property tax revenues.
- Washington County's governmental activities did not have any general obligation debt at June 30, 2014, allowing for the potential to have voter-approved general obligation debt up to \$1,515,115. Total non-voter approved full faith and credit debt at June 30, 2014 was \$64,768, net of premiums and adjustments, with remaining capacity for this type of debt at \$692,789.
- Full faith and credit obligations were issued in a prior year on behalf of the Authority to provide for the current refunding and consolidation of several revenue bond issues. The obligations were issued to reduce the annual debt service incurred by the Authority through lower interest rates and a longer maturity. The obligations are payable through fiscal year 2044 and will be paid with revenues from the Authority's Affordable Housing program.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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

Overview of the Financial Statements

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

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

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

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

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

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

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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.

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

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

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

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

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

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

WASHINGTON COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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 91 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Washington County's major governmental funds and schedules of funding progress related to other postemployment benefits. Required supplementary information can be found beginning on page 92 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 106 through 166 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 by \$2,317,891 at the close of the most recent fiscal year.

		Statement of Net Position						Discretely Presented Component Unit	
		Washington County - Primary Government							
		Government activities		Business-type activities		County Total		District	
		2014	2013	2014	2013	2014	2013	2014	2013
Current assets	\$	119,107	122,602	6,928	8,465	126,035	131,067	235,692	218,945
Noncurrent assets		245,442	195,135	169	561	245,611	195,696	18,198	19,012
Capital assets (net of depreciation)		<u>2,089,857</u>	<u>2,132,407</u>	<u>28,460</u>	<u>29,853</u>	<u>2,118,317</u>	<u>2,162,260</u>	<u>630,676</u>	<u>623,315</u>
Total assets		<u>2,454,406</u>	<u>2,450,144</u>	<u>35,557</u>	<u>38,879</u>	<u>2,489,963</u>	<u>2,489,023</u>	<u>884,566</u>	<u>861,272</u>
Deferred outflows of resources		<u>3,878</u>	<u>-</u>	<u>2,478</u>	<u>-</u>	<u>6,356</u>	<u>-</u>	<u>880</u>	<u>-</u>
Current liabilities		<u>73,684</u>	<u>68,084</u>	<u>3,858</u>	<u>4,311</u>	<u>77,542</u>	<u>72,395</u>	<u>36,145</u>	<u>33,575</u>
Noncurrent liabilities		<u>71,822</u>	<u>74,498</u>	<u>29,064</u>	<u>27,455</u>	<u>100,886</u>	<u>101,953</u>	<u>245,536</u>	<u>259,740</u>
Total liabilities		<u>145,506</u>	<u>142,582</u>	<u>32,922</u>	<u>31,766</u>	<u>178,428</u>	<u>174,348</u>	<u>281,681</u>	<u>293,315</u>
Net position:									
Net investment in capital assets		2,014,679	2,045,765	1,131	1,652	2,015,810	2,047,417	383,718	391,886
Restricted		112,861	96,945	3,070	4,532	115,931	101,477	119,140	96,441
Unrestricted		<u>185,238</u>	<u>164,852</u>	<u>912</u>	<u>929</u>	<u>186,150</u>	<u>165,781</u>	<u>100,907</u>	<u>79,630</u>
Total net position	\$	<u><u>2,312,778</u></u>	<u><u>2,307,562</u></u>	<u><u>5,113</u></u>	<u><u>7,113</u></u>	<u><u>2,317,891</u></u>	<u><u>2,314,675</u></u>	<u><u>603,765</u></u>	<u><u>567,957</u></u>

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

By far the largest portion of the County's net position (87%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Washington County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$186,150) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County reported positive balances in all three categories of net position, both for the County as a whole and for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The County's net position increased by \$3,216 during the current fiscal year; the result of a \$2,000 decrease in business-type activity net position and a \$5,216 increase in governmental activity net position, inclusive of the effects of a restatement of beginning net position in governmental activities.

Business Type – The Authority's restricted net position decreased by \$1,462, which is attributable to a change in reserve requirements on the Authority's outstanding debt service agreements and the cash restrictions imposed on the Authority by the Department of Housing and Urban Development (HUD) through various contracts and agreements.

Component Unit – The District's restricted net position increased by \$22,699 net of restatement, which is primarily the result of additional funds being restricted for debt service reserve requirements as well as for capital asset construction.

Governmental activities. Governmental activities increased the County's net position by \$5,216 net of restatement. Key elements of this increase are as follows:

- Overall program expenses increased \$14,198 during the fiscal year primarily due to a \$12,842 increase in expenses in the Land Use and Transportation functional area due to more spending on non-capitalized items compared to prior year.
- Program income increased overall by \$14,730. This would include Land Use and Transportation increases of \$6,253 in charges for services and \$3,466 in operating grants and contributions. Health and Human Services also had increases of \$3,452 in charges for services. General revenues increased \$17,326 compared to the prior year. The general revenues had increases of \$8,378 in property taxes along with an additional \$1,067 in other taxes including transient lodging and real property transfer taxes. Miscellaneous revenues increased by \$6,287 because of donated infrastructure and capital assets this year.

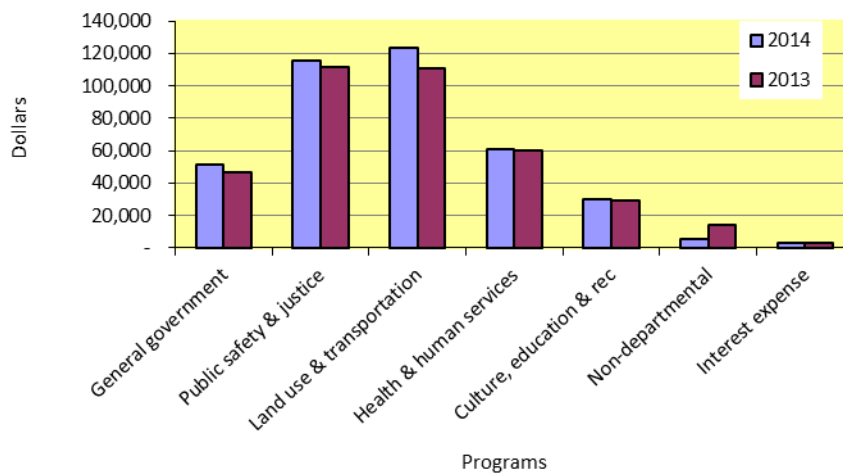
WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

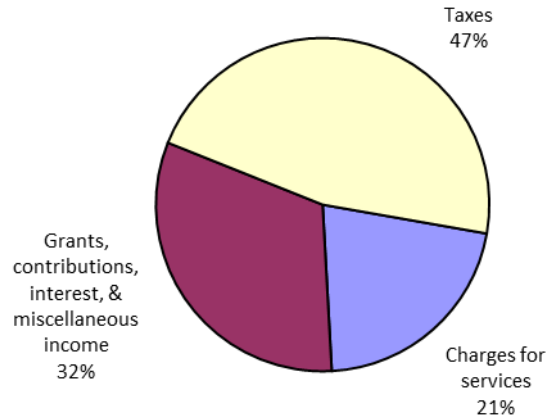
	Washington County - Primary Government						Discretely Presented Component Unit	
	Government activities		Business-type activities		County Total		District	
	2014	2013	2014	2013	2014	2013	2014	2013
Changes in Net Position								
Revenues								
Program Revenues								
Charges for services	\$ 84,524	74,426	8,093	7,917	92,617	82,343	121,680	117,098
Operating grants and contributions	101,600	97,116	20,918	19,906	122,518	117,022	-	-
Capital grants and contributions	12,278	12,130	111	509	12,389	12,639	23,194	33,875
General Revenues								
Taxes	184,948	175,502	-	-	184,948	175,502	-	-
Interest income	2,833	1,264	25	19	2,858	1,283	1,653	517
Miscellaneous revenue	9,703	3,416	-	-	9,703	3,416	-	-
Gain (Loss) on disposal of capital assets	-	-	-	25	-	25	-	-
Transfer in (out)	31	7	(31)	(7)	-	-	-	-
Loss on equity in joint venture	-	-	-	-	-	-	(78)	(77)
Total revenues	395,917	363,861	29,116	28,369	425,033	392,230	146,449	151,413
Program Expenses								
General government	51,051	46,517	-	-	51,051	46,517	-	-
Public safety and justice	115,730	111,808	-	-	115,730	111,808	-	-
Land use, housing and transportation	123,464	110,622	29,198	28,581	152,662	139,203	-	-
Health and human services	61,068	59,979	-	-	61,068	59,979	-	-
Culture, education and recreation	30,172	29,435	-	-	30,172	29,435	-	-
Sanitation and surface water	-	-	-	-	-	-	108,897	106,083
Street lighting	-	-	1,918	1,838	1,918	1,838	-	-
Non-operating	5,542	14,273	-	-	5,542	14,273	-	-
Interest expense	3,235	3,430	-	-	3,235	3,430	-	-
Total expenses	390,262	376,064	31,116	30,419	421,378	406,483	108,897	106,083
Change in net position	5,655	(12,203)	(2,000)	(2,050)	3,655	(14,253)	37,552	45,330
Net position July 1, 2013	2,307,562	2,319,765	7,113	9,163	2,314,675	2,328,928	567,957	522,627
Restatement (See Note 4)	(439)	-	-	-	(439)	-	(1,744)	-
Net position July 1, 2013, as restated	2,307,123	2,319,765	7,113	9,163	2,314,236	2,328,928	566,213	522,627
Net position June 30, 2014	\$ 2,312,778	2,307,562	5,113	7,113	2,317,891	2,314,675	603,765	567,957

Expenses - Governmental Activities



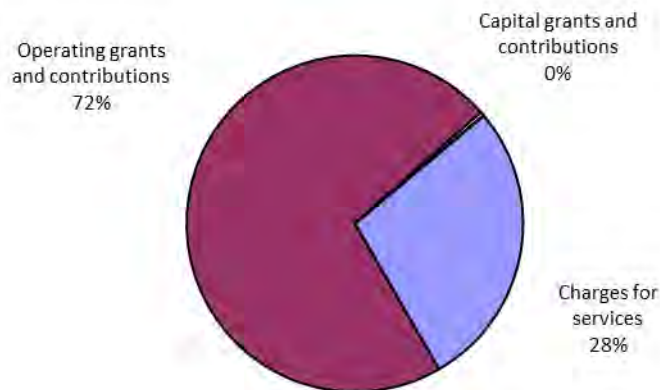
WASHINGTON COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

Revenues by Source - Governmental Activities



Business-type activities – Business-type activities net position decreased by \$2,000. The Authority's total net position decreased by \$1,793, due to total operating expenses exceeding total operating revenues by \$437, nonoperating expenses exceeding nonoperating revenues \$1,444, and capital contributions exceeding transfers out to governmental funds by \$88. The Street Lighting District's net position decreased \$207, with operating expenses exceeding operating revenues by \$209, nonoperating interest income of \$10, and transfers out to governmental funds of \$8.

Revenues by Source - Business-type Activities

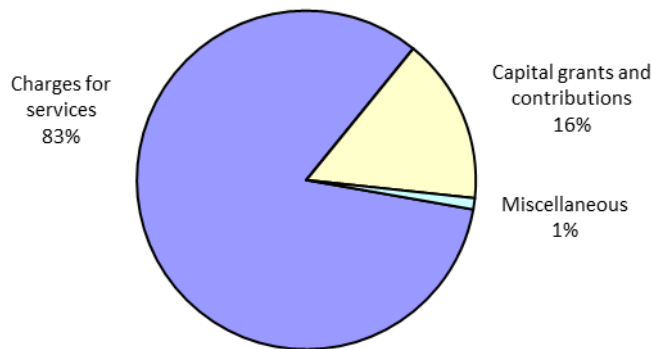


WASHINGTON COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

Component unit – District - Total net position increased by \$37,552 during fiscal year 2014, due to total revenues exceeding total expenses by \$14,358 and capital contributions from developers of \$23,194.

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 \$236,373; an increase of \$32,184 in comparison with the prior year. Of this amount, \$37,511 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 \$39,828. As a measure of the General Fund's liquidity it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Both unassigned and total fund balance represents approximately 32% of total General Fund expenditures.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

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The fund balance of the County's General Fund increased by \$6,664 during the current fiscal year primarily due to a decrease in expenditures of \$7,877 in the nonoperating functional area; the result of a change in distribution methodology of strategic investment program and gain share revenues.

The Major Streets Transportation Improvement Program III fund has a total committed fund balance of \$70,342; all of which has been committed to road improvements within the County. The fund balance increased \$9,601 from the prior year due to the timing in completion of road projects and additional transfers in from other funds due to an increase in property tax collections.

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 \$948 and the Housing Authority deficit was \$36. The total decrease in net position for these two funds was \$207 and \$1,793 respectively.

General Fund Budgetary Highlights

During the year there was a net \$1,945 increase in appropriations between the adopted and revised budget. The increases and decreases were due to additional property taxes and grant revenues along with a reduction in the PERS rate after reforms passed by the legislature. The main components of the changes are as follows:

- \$1,725 increase in revenues related to \$429 in additional property taxes, \$958 in additional intergovernmental revenues (state grants), and \$338 in additional charges for services in parks and the sheriff's office.
- \$2,728 appropriation decrease in the five functional areas due to the PERS legislative reforms - \$833 in general government, \$1,370 in public safety and justice, \$83 in land use, housing and transportation, \$429 in health and human services, and \$13 in culture, education and recreation.
- \$2,948 appropriation increase in the five functional areas due to a rate adjustment in the Liability/Causality fund, a COLA and VEBA adjustment in to the WCPOA contract, and additional staffing needs in parks. The appropriation increases include \$17 in general government, \$1,198 in public safety and justice, \$675 in land use, housing and transportation, \$8 in health and human services, and \$153 in culture, education and recreation.
- These changes also had an effect on transfers in and out, with transfers in from other funds decreasing \$1,075 due to the PERS rate reduction and transfers out to other funds increasing \$429 due to the additional property taxes collected.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Total expenditures in the General Fund were \$28,893 or 19% under the final revised budget for the year. Key factors in this savings include:

- \$19,157 in operating contingency that was not utilized during the fiscal year
- \$3,574 in total cost savings across all programs in the General Government functional area; \$1,068 of which is attributable to savings in the Assessment and Taxation program area
- \$3,415 in savings recognized in the Public Safety and Justice functional area
- \$1,087 in savings recognized in the Health and Human Services functional area during the fiscal year; \$929 of which is due to expenditures being lower than anticipated in the Public Health program area
- The remaining \$1,660 reduction is from savings recognized in other functional areas of the General Fund, including \$1,655 from Land Use Housing, and Transportation, \$19 from Culture, Education, and Recreation, and a \$14 overage in miscellaneous expenditures from the nonoperating functional area

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, 2014, amounts to \$2,118,317 (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 1.3% 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	
	2014	2013	2014	2013	2014	2013	2014	2013
Land and Artwork	\$ 949,801	945,692	8,169	8,169	957,970	953,861	17,731	17,344
Land improvements	1,243	1,182	-	-	1,243	1,182	-	-
Buildings and improvements	95,513	98,686	20,219	21,624	115,732	120,310	105,843	97,304
Sewer lines	-	-	-	-	-	-	148,283	136,240
Treatment plants	-	-	-	-	-	-	270,876	249,990
Machinery and equipment	15,102	15,078	27	40	15,129	15,118	36,139	31,077
Infrastructure	967,612	1,004,024	-	-	967,612	1,004,024	-	-
Construction in progress	60,586	67,745	45	20	60,631	67,765	51,804	91,360
	\$ 2,089,857	2,132,407	28,460	29,853	2,118,317	2,162,260	630,676	623,315

Additional information on the County's capital assets can be found in the Capital Assets note on pages 55 through 57 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$92,635, all of which is debt backed by the full faith and credit of the County.

WASHINGTON COUNTY, OREGON

MANAGEMENT’S DISCUSSION AND ANALYSIS

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Component unit – District - At the end of the current fiscal year, the District had \$251,990 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	
	2014	2013	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ -	6,195	-	-	-	6,195	-	-
Full Faith & Credit bonds	65,095	69,130	27,540	27,925	92,635	97,055	-	-
Revenue bonds	-	-	-	-	-	-	251,990	265,260
	\$ 65,095	75,325	27,540	27,925	92,635	103,250	251,990	265,260

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 \$1,515,115.

Additional information on the County’s long-term debt can be found on pages 58 through 70 of this report.

Economic Factors and Next Year’s Budgets and Rates

The unemployment rate for the County is currently 5.7%, which is a decrease from a rate of 6.3% a year ago. This compares favorably to the state’s average unemployment rate of 6.8% and to the national average rate of 6.1%.

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

Over the past several years, the County funded an enhanced level of public safety and library services through local option levies approved by the voters. In November 2010 voters approved the renewal of both levies for an additional five years with an expiration date of June 30, 2016. In November 2012 voters approved an Enhanced Sheriff Patrol District levy with an expiration date of June 30, 2018. Property tax revenues continue to increase over prior years due to an increase in property values and new construction.

All of these factors were considered in preparing the County’s budget for the 2014-15 fiscal year.

During the current fiscal year, the unassigned fund balance in the General Fund increased to \$39,828.

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, 2014

(Dollars in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Clean Water Services of Washington County (District)
Current assets:				
Cash and investments	\$ 85,420	1,853	87,273	77,454
Restricted cash	54	4,495	4,549	136,377
Property taxes receivable	8,141	—	8,141	—
Assessments receivable, short-term portion	66	87	153	—
Accounts receivable	18,143	553	18,696	17,289
Prepays	—	—	—	720
Accrued interest receivable	3,996	—	3,996	—
Housing Authority Loan receivable, short term portion-internal balance	98	(98)	—	—
Contract receivable, short-term portion	1,488	4	1,492	—
Connection charges receivable	—	—	—	1,176
Supply inventory	600	—	600	890
Prepaid pension obligation, short-term portion	678	—	678	584
Other current assets	423	34	457	1,202
Total current assets	119,107	6,928	126,035	235,692
Noncurrent assets:				
Long-term investments	211,658	—	211,658	—
Long-term assessments receivable	298	401	699	322
Contracts receivable, net - long-term portion	24,903	—	24,903	—
Housing Authority loan receivable, net - internal balance long-term portion	232	(232)	—	—
Investments in Joint Venture	—	—	—	2,643
Other noncurrent assets	—	—	—	4,441
Prepaid pension obligation, net	8,351	—	8,351	10,792
Non-capital assets	245,442	169	245,611	18,198
Capital assets:				
Land, CIP and other assets not being depreciated	1,010,387	8,214	1,018,601	69,535
Buildings and equipment, infrastructure and other assets net of depreciation	1,079,470	20,246	1,099,716	561,141
Capital assets, net	2,089,857	28,460	2,118,317	630,676
Total noncurrent assets	2,335,299	28,629	2,363,928	648,874
Total assets	2,454,406	35,557	2,489,963	884,566
Deferred outflows of resources:				
Deferred charge on refunding	3,878	2,478	6,356	880
Current liabilities:				
Overdraft	—	1,868	1,868	—
Accounts payable	14,893	317	15,210	13,864
Accrued payroll liabilities	4,964	—	4,964	4,181
Accrued self insurance, current portion	3,598	—	3,598	54
Accrued HSO payable	3,000	—	3,000	—
Amounts held in trust	420	—	420	—
Unearned revenue	19,852	10	19,862	—
Tenant and other deposits	11,227	580	11,807	—
Accrued interest payable	338	670	1,008	2,962
Pollution remediation obligation, current portion	39	—	39	—
Capital lease obligations, current portion	1,715	—	1,715	—
Other long-term obligations, current portion, net of discount	13,638	413	14,051	15,084
Total current liabilities	73,684	3,858	77,542	36,145
Noncurrent liabilities:				
Accrued self insurance	—	—	—	250
Pollution remediation obligation	943	—	943	—
Capital lease obligations	—	—	—	—
Bond and bond anticipation notes payable, net of discount	—	—	—	244,733
Noncurrent portion of other long term obligations, net of discount	65,153	29,064	94,217	—
Other postemployment benefits obligation	5,726	—	5,726	553
Total noncurrent portion of long-term obligations	71,822	29,064	100,886	245,536
Total liabilities	145,506	32,922	178,428	281,681
Net position:				
Net investment in capital assets	2,014,679	1,131	2,015,810	383,718
Restricted for:				
Law enforcement	30,123	—	30,123	—
Community support programs	855	—	855	—
Road maintenance, repair and improvement	28,434	—	28,434	—
Building inspection	9,136	—	9,136	—
Land development	3,268	—	3,268	—
Community health programs	20,277	—	20,277	—
County fair, parks and tourism	1,910	—	1,910	—
Debt service	21	3,070	3,091	15,544
Capital projects	18,837	—	18,837	103,596
Total restricted	112,861	3,070	115,931	119,140
Unrestricted	185,238	912	186,150	100,907
Total net position	\$ 2,312,778	5,113	2,317,891	603,765

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Activities

For the fiscal year ended June 30, 2014

(Dollars in thousands)

	Net Revenue (Expense) and Changes in Net Position							Component Unit Clean Water Services of Washington County (District)
	Program Income				Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total	
Functions/Programs:								
Primary Government:								
Governmental activities:								
General government	\$ 51,051	4,728	2,304	—	(44,019)	—	(44,019)	—
Public safety and justice	115,730	8,031	18,458	415	(88,826)	—	(88,826)	—
Land use, housing and transportation	123,464	23,187	43,552	347	(56,378)	—	(56,378)	—
Health and human services	61,068	28,179	29,770	35	(3,084)	—	(3,084)	—
Culture, education and recreation	30,172	1,384	449	—	(28,339)	—	(28,339)	—
Non-operating functional area	5,542	19,015	7,067	11,481	32,021	—	32,021	—
Interest expense	3,235	—	—	—	(3,235)	—	(3,235)	—
Total governmental activities	390,262	84,524	101,600	12,278	(191,860)	—	(191,860)	—
Business-type activities:								
Housing authority	29,198	6,384	20,918	111	—	(1,785)	(1,785)	—
Street lighting	1,918	1,709	—	—	—	(209)	(209)	—
Total business-type activities	31,116	8,093	20,918	111	—	(1,994)	(1,994)	—
Total primary government	421,378	92,617	122,518	12,389	(191,860)	(1,994)	(193,854)	—
Component Unit:								
Sanitation and surface water	\$ 108,897	121,680	—	23,194	—	—	—	35,977
General revenues:								
Taxes:								
Property taxes, levied for general purposes					167,160	—	167,160	—
Property taxes, levied for debt service					6,398	—	6,398	—
Other taxes:								
Transient lodging tax					6,641	—	6,641	—
Real property transfer tax					3,859	—	3,859	—
County fuel tax					833	—	833	—
Other tax					57	—	57	—
Total taxes					184,948	—	184,948	—
Interest income					2,833	25	2,858	1,653
Miscellaneous revenues					9,703	—	9,703	—
Transfers in (out)					31	(31)	—	—
Loss on equity in joint venture					—	—	—	(78)
Total general revenues					197,515	(6)	197,509	1,575
Change in net position					5,655	(2,000)	3,655	37,552
Net position July 1, 2013					2,307,562	7,113	2,314,675	567,957
Restatement (See Note 4)					(439)	—	(439)	(1,744)
Net position July 1, 2013, as restated					2,307,123	7,113	2,314,236	566,213
Net position June 30, 2014					\$ 2,312,778	5,113	2,317,891	603,765

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Balance Sheet
 Governmental Funds
 June 30, 2014
 (Dollars in thousands)

Assets	General Fund	HOME Fund	Human Services Fund	Major Streets	Road Fund	Other Governmental Funds	Total
				Transportation Improvement Program III Fund			
Cash and investments	\$ 41,285	—	23,605	72,995	25,556	110,349	273,790
Property taxes receivable ⁽¹⁾	5,616	—	—	—	—	2,525	8,141
Assessments receivable	—	—	—	—	226	138	364
Accounts receivable	6,026	478	790	829	2,501	7,399	18,023
Accrued interest receivable	1,341	2,415	—	—	—	240	3,996
Contracts receivable	—	21,448	—	—	—	4,943	26,391
Due from other funds	1,526	—	—	—	—	—	1,526
Advances to other funds	—	—	—	2,300	—	—	2,300
Inventory	116	—	—	—	113	1	230
Other assets	342	—	3	—	4	74	423
Total assets	56,252	24,341	24,398	76,124	28,400	125,669	335,184
Liabilities							
Accounts payable	2,610	92	2,087	3,460	1,137	5,084	14,470
Accrued payroll liabilities	3,292	2	101	—	368	1,162	4,925
Deposits payable	3,446	—	—	—	7,348	433	11,227
Amounts held in trust	391	—	—	—	11	18	420
Accrued HSO payable	—	—	—	—	—	3,000	3,000
Due to other funds	—	383	—	—	—	1,143	1,526
Advances from other funds	—	—	—	—	—	2,300	2,300
Unearned revenue	158	—	17,617	—	302	1,775	19,852
Total liabilities	9,897	477	19,805	3,460	9,166	14,915	57,720
Deferred Inflows of Resources							
Unavailable revenue	5,602	23,864	—	22	242	11,361	41,091
Total deferred inflows of resources	5,602	23,864	—	22	242	11,361	41,091
Fund Balances (Deficit)							
Nonspendable	116	—	—	2,300	113	1	2,530
Restricted	—	—	4,593	—	18,879	89,389	112,861
Committed	—	—	—	70,342	—	11,479	81,821
Assigned	809	—	—	—	—	841	1,650
Unassigned	39,828	—	—	—	—	(2,317)	37,511
Total fund balances	40,753	—	4,593	72,642	18,992	99,393	236,373
Total liabilities, deferred inflows of resources, and fund balances	56,252	24,341	24,398	76,124	28,400	125,669	335,184

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

Property taxes receivable	5,611	—	—	—	—	2,523	8,134
Payment in lieu of taxes receivable	5	—	—	—	—	2	7
Total property taxes receivable	\$ 5,616	—	—	—	—	2,525	8,141

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, 2014

(Dollars in thousands)

Fund balances - total governmental funds	\$	236,373
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.		2,082,460
Prepaid pension obligations are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net unamortized value.		9,029
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		330
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		41,091
Long-term liabilities, including bonds payable, are not due and payable in the current period, and; therefore, are not reported in the governmental funds.		(83,533)
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>27,028</u>
Net Position of governmental activities	\$	<u><u>2,312,778</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, 2014

(Dollars in thousands)

	General Fund	HOME Fund	Human Services Fund	Major Streets Transportation Improvement Program III Fund	Road Fund	Other Governmental Funds	Total
Revenues:							
Taxes	\$ 118,662	—	—	—	833	64,471	183,966
Licenses and permits	6,439	—	—	—	417	4,494	11,350
Intergovernmental revenues	28,861	587	18,494	4,518	28,311	30,568	111,339
Charges for services	20,595	—	19	—	489	34,515	55,618
Fines and forfeitures	2,545	—	—	—	—	532	3,077
Special assessments	—	—	—	—	68	113	181
Miscellaneous revenues	4,570	472	195	535	363	28,079	34,214
Interfund revenues	20,941	—	147	—	7,018	1,658	29,764
Total revenues	202,613	1,059	18,855	5,053	37,499	164,430	429,509
Expenditures:							
Current:							
General government	39,030	—	—	—	—	—	39,030
Public safety and justice	62,712	—	—	—	—	81,458	144,170
Land use, housing and transportation	3,200	1,059	—	27,595	33,779	29,116	94,749
Health and human services	17,449	—	20,276	—	—	25,347	63,072
Culture, education and recreation	1,163	—	—	—	—	29,193	30,356
Nonoperating	2,181	—	—	—	—	536	2,717
Total current	125,735	1,059	20,276	27,595	33,779	165,650	374,094
Capital outlay	211	—	—	758	14	8,163	9,146
Debt service:							
Principal	223	—	—	—	—	10,584	10,807
Interest	48	—	—	—	—	3,261	3,309
Total debt service	271	—	—	—	—	13,845	14,116
Total expenditures	126,217	1,059	20,276	28,353	33,793	187,658	397,356
Revenues over (under) expenditures	76,396	—	(1,421)	(23,300)	3,706	(23,228)	32,153
Other financing sources (uses):							
Transfers in from other funds	1,027	—	1,577	33,082	608	39,651	75,945
Transfers out to other funds	(70,759)	—	—	(181)	(963)	(4,011)	(75,914)
Total other financing sources (uses)	(69,732)	—	1,577	32,901	(355)	35,640	31
Net changes in fund balances	6,664	—	156	9,601	3,351	12,412	32,184
Fund balances July 1, 2013	34,089	—	4,437	63,041	15,641	86,981	204,189
Fund balances June 30, 2014	\$ 40,753	—	4,593	72,642	18,992	99,393	236,373

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, 2014

(Dollars in thousands)

Net change in fund balances - Governmental Funds \$ 32,184

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	\$ 29,953	
Current year depreciation expense	<u>(73,038)</u>	(43,085)

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

Repayment of long-term debt	10,807	
Amortization of premiums, discounts and related deferrals	<u>19</u>	10,826

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		4,299
--	--	-------

Prepaid pension obligation -- current year amortization		(678)
---	--	-------

Change in net OPEB obligation		(65)
-------------------------------	--	------

Change in net pollution remediation obligation		39
--	--	----

Internal Service funds are used by management to charge the costs of certain activities to individual funds. These funds are designed to recover all costs. The amount of expenses in excess of revenues reported in the Statement of Activities		<u>2,135</u>
--	--	--------------

Change in net position		\$ <u><u>5,655</u></u>
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See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Net Position - Proprietary Funds

June 30, 2014

(Dollars in thousands)

	Enterprise Funds			Internal Service Funds
	Housing Authority of Washington County	Washington County Service District for Lighting No. 1	Total	
Assets				
Current assets:				
Cash and investments	\$ 846	1,007	1,853	23,288
Restricted cash	4,495	—	4,495	54
Assessments receivable	—	87	87	—
Accounts receivable - net of allowance for uncollectibles	553	—	553	120
Short-term portion of contracts receivable	4	—	4	—
Supply inventory	—	—	—	370
Other current assets	34	—	34	—
Total current assets	5,932	1,094	7,026	23,832
Noncurrent assets:				
Long-term assessments and contracts receivable	401	—	401	—
Capital assets:				
Land, artwork, CIP, and other assets not being depreciated	8,214	—	8,214	—
Buildings and equipment and infrastructure, net of depreciation	20,246	—	20,246	7,397
Total noncurrent assets	28,861	—	28,861	7,397
Total assets	34,793	1,094	35,887	31,229
Deferred Outflows of Resources				
Deferred charge on refunding	2,478	—	2,478	—
Total deferred outflows of resources	2,478	—	2,478	—
Liabilities				
Current liabilities:				
Overdraft	1,868	—	1,868	—
Accounts payable	171	146	317	423
Accrued payroll liabilities	—	—	—	113
Accrued self insurance	—	—	—	3,598
Deposits	580	—	580	—
Unearned revenue	10	—	10	—
Accrued interest payable	670	—	670	—
Long term obligations, current portion, net of discount	511	—	511	—
Total current liabilities	3,810	146	3,956	4,134
Noncurrent liabilities:				
Other long term obligations	29,296	—	29,296	—
Net other postemployment benefits obligation	—	—	—	67
Total noncurrent liabilities	29,296	—	29,296	67
Total liabilities	33,106	146	33,252	4,201
Net Position				
Net position:				
Net investment in capital assets	1,131	—	1,131	7,397
Restricted for:				
Debt service	3,070	—	3,070	—
Unrestricted (deficit)	(36)	948	912	19,577
Total net position	4,165	948	5,113	27,028
Total liabilities and net position	\$ 37,271	1,094	38,365	31,229

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, 2014

(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	\$ —	—	—	36,364
Intergovernmental revenue	20,918	—	20,918	—
Rental income	5,522	—	5,522	—
Street lighting assessments	—	1,709	1,709	—
Other	862	—	862	2,397
Total operating revenues	27,302	1,709	29,011	38,761
Operating expenses:				
Labor and fringe benefits	—	—	—	1,888
Housing assistance payments	19,134	—	19,134	—
Utilities	580	1,724	2,304	25
Professional services	—	—	—	361
Supplies	—	1	1	2,718
Administrative costs	3,643	193	3,836	1,557
Depreciation and amortization	1,691	—	1,691	1,754
Insurance claims and premiums	—	—	—	27,894
Repairs and maintenance	2,356	—	2,356	531
Other	335	—	335	—
Total operating expenses	27,739	1,918	29,657	36,728
Operating income (loss)	(437)	(209)	(646)	2,033
Nonoperating income (expense):				
Interest income	15	10	25	171
Gain (loss) on sale of capital assets	—	—	—	(69)
Interest expense	(1,459)	—	(1,459)	—
Total nonoperating income (expense)	(1,444)	10	(1,434)	102
Change in net position before contributions and transfers	(1,881)	(199)	(2,893)	2,135
Contributions and transfers:				
Capital contributions	111	—	111	—
Transfers out to Governmental Funds	(23)	(8)	(31)	—
Total contributions and transfers	88	(8)	80	—
Change in net position	(1,793)	(207)	(2,000)	2,135
Net position July 1, 2013	5,958	1,155	7,113	24,893
Net position June 30, 2014	\$ 4,165	948	5,113	27,028

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON
Statement of Cash Flows - Proprietary Funds
For the fiscal year ended June 30, 2014
(Dollars in thousands)

	<u>Enterprise Funds</u>			
	<u>Housing Authority of Washington County</u>	<u>Washington County Service District for Lighting No. 1</u>	<u>Total</u>	<u>Internal Service Funds</u>
Cash flows provided by (used in) operating activities:				
Cash received for services provided	\$ 27,057	1,709	28,766	35,765
Cash payments for labor and fringe benefits	(3,499)	—	(3,499)	(1,879)
Cash payments for goods and services	(22,624)	(1,916)	(24,540)	(33,297)
Other operating revenue	—	—	—	2,974
Net cash provided by (used in) operating activities	<u>934</u>	<u>(207)</u>	<u>727</u>	<u>3,563</u>
Cash flows used in noncapital financing activities:				
Payment to Department of Housing Services	(23)	—	(23)	—
Net cash used in noncapital financing activities	<u>(23)</u>	<u>—</u>	<u>(23)</u>	<u>—</u>
Cash flows provided by (used in) capital and related financing activities:				
Proceeds of borrowings	30	—	30	—
Acquisition and construction of capital assets	(298)	—	(298)	(2,480)
Proceeds from sale of capital assets	—	—	—	121
Decrease in contracts receivable	4	—	4	—
Principal paid on notes payable	(564)	—	(564)	—
Interest paid on bonds and notes payable	(1,282)	—	(1,282)	—
Capital grants	111	—	111	—
Principal payments on capital lease obligations	—	—	—	(6)
Net cash used in capital and related financing activities	<u>(1,999)</u>	<u>—</u>	<u>(1,999)</u>	<u>(2,365)</u>
Cash flows provided by investing activities:				
Interest on investments	15	10	25	171
Net increase (decrease) in cash and investments	<u>(1,073)</u>	<u>(197)</u>	<u>(1,270)</u>	<u>1,369</u>
Cash and investments, July 1, 2013	<u>4,546</u>	<u>1,204</u>	<u>5,750</u>	<u>21,973</u>
Cash and investments, June 30, 2014 ⁽¹⁾	<u><u>3,473</u></u>	<u><u>1,007</u></u>	<u><u>4,480</u></u>	<u><u>23,342</u></u>
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	(437)	(217)	(654)	2,033
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,691	—	1,691	1,755
Transfers out to governmental funds	—	—	—	—
Changes in assets and liabilities:				
Increase in accounts receivable	(247)	—	(247)	(19)
Increase in supply inventory	—	—	—	(31)
Decrease (increase) in other assets	(3)	—	(3)	3
Increase (decrease) in accounts payable	(78)	10	(68)	15
Increase in deposits	6	—	6	—
Increase in unearned revenue	2	—	2	—
Decrease in accrued liabilities	—	—	—	(193)
Net cash provided by (used in) operating activities	<u>934</u>	<u>(207)</u>	<u>727</u>	<u>3,563</u>

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

Current assets - Cash and investments	846	1,007	1,853	23,288
Current assets - Restricted cash	4,495	—	4,495	54
Current liabilities - Bank overdraft	(1,868)	—	(1,868)	—
	<u>\$ 3,473</u>	<u>1,007</u>	<u>4,480</u>	<u>23,342</u>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON
Statement of Fiduciary Net Position

June 30, 2014

(Dollars in thousands)

	Private- Purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and investments	\$ 675	4,631
Accounts receivable	—	2,912
Property taxes receivable ⁽¹⁾	—	31,251
Total assets	<u>675</u>	<u>38,794</u>
Liabilities:		
Accounts payable	—	507
Amounts held in trust	—	7,036
Undistributed taxes	—	31,251
Total liabilities	<u>—</u>	<u>38,794</u>
Net position		
Amounts held in trust and other purposes	<u>675</u>	

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

Property taxes receivable	—	31,222
Payment in lieu of taxes receivable	—	29
Total property taxes receivable	<u>—</u>	<u>31,251</u>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON
Statement of Changes in Fiduciary Net Position
For the fiscal year ended June 30, 2014
(Dollars in thousands)

	Private- Purpose Trust Funds
Additions:	
Intergovernmental revenues	\$ 2,256
Contributions	44
Interest earnings	4
Total additions	2,304
Deductions:	
Distributions	1,958
Change in net position	346
Net position July 1, 2013	329
Net position June 30, 2014	\$ 675

See accompanying notes to basic financial statements.

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WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2014

(Dollars in thousands)

1. Summary of significant accounting policies

Reporting entity

Washington County (County) is a municipal corporation established in 1849 and is governed by a five member Board. The accompanying financial statements present the activities of the County and its five blended component units, and one discretely presented component unit, which are separate legal entities that meet the component unit criteria and whose governing body is the same or substantially the same as the County Board of Commissioners.

Blended Component Units

Housing Authority of Washington County (Authority)

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

Enhanced Sheriff Patrol District (ESPD)

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

Service District for Lighting No. 1 (SDL)

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

North Bethany County Service District for Roads (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.

Urban Road Maintenance Service District (URMD)

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Discretely (separate) Presented Component Unit

Clean Water Services (District)

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

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

District - Reporting Entity

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

CWI is a nonprofit 501(c)(3) formed to advance watershed restoration and resource recovery through innovative strategies and to promote scientific research, education, and environmental protection activities that benefit watersheds throughout the country and around the world. For the fiscal year ended June 30, 2014, the transactions between the District and CWI are deemed to be immaterial, and therefore, CWI is not reported as a component unit of the District.

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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

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

Measurement focus, basis of accounting, and financial statement presentation

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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

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

The County reports the following major proprietary funds:

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

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

Additionally, the County reports the following fund types:

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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

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

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

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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

Deposits and investments

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

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

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

Receivables and payables

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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

Inventories and prepaid items

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

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

Capital assets

In the government-wide financial statements, capital assets include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets (easements and land rights) 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 and Authority constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the County values these capital assets at the estimated fair value as of the date of its donation.

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Investment in joint ventures - District

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

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report 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. The County has one type of item that qualifies for reporting in this category. The government-wide statement of net position reports a deferred charge on refunding that is recognized as a deferred outflow of resources and will be amortized to interest expense over the remaining life of the existing debt.

In addition to liabilities, the statement of net position will sometimes report 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. The County has one type of item, which arises only under modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue (largely made up of property taxes and contracts), is reported only in the governmental funds balance sheet. These amounts are 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 (continued)

June 30, 2014

(Dollars in thousands)

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

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

Long-term obligations

In the government-wide financial statements and proprietary fund 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 District amortizes premiums and discounts on bonds payable by the effective interest method over the life of the respective debt instruments. Bonds payable are reported net of the applicable bond premium or discount.

Self-insurance - County

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

The County is fully self-insured for unemployment, workers' compensation benefits, and losses resulting from torts, 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 (continued)

June 30, 2014

(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 (continued)

June 30, 2014

(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, 2014 were as follows:

	<u>General Fund</u>	<u>Human Services Fund</u>	<u>Major Streets Transportation Improvement Program III Fund</u>	<u>Road Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fund balances (deficit):						
Nonspendable:						
Inventory	\$ 116	—	—	113	1	230
Advances and notes receivable	—	—	2,300	—	—	2,300
Total nonspendable fund balances	<u>116</u>	<u>—</u>	<u>2,300</u>	<u>113</u>	<u>1</u>	<u>2,530</u>
Restricted for:						
Law enforcement	—	—	—	—	30,123	30,123
Community support programs	—	—	—	—	855	855
Road maintenance, repair and improvement	—	—	—	18,879	9,555	28,434
Building inspection	—	—	—	—	9,136	9,136
Land development	—	—	—	—	3,268	3,268
Community health programs	—	4,593	—	—	15,684	20,277
County fair, parks and tourism	—	—	—	—	1,910	1,910
Debt service	—	—	—	—	21	21
Capital projects	—	—	—	—	18,837	18,837
Total restricted fund balances	<u>—</u>	<u>4,593</u>	<u>—</u>	<u>18,879</u>	<u>89,389</u>	<u>112,861</u>
Committed to:						
Library operations	—	—	—	—	5,824	5,824
Capital projects	—	—	70,342	—	5,655	75,997
Total committed fund balances	<u>—</u>	<u>—</u>	<u>70,342</u>	<u>—</u>	<u>11,479</u>	<u>81,821</u>
Assigned to:						
Land development	809	—	—	—	—	809
Capital projects	—	—	—	—	841	841
Total assigned fund balances	<u>809</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>841</u>	<u>1,650</u>
Unassigned	<u>39,828</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,317)</u>	<u>37,511</u>
Total fund balances	<u>40,753</u>	<u>4,593</u>	<u>72,642</u>	<u>18,992</u>	<u>99,393</u>	<u>236,373</u>
Fund balances (deficit) summary:						
Nonspendable	116	—	2,300	113	1	2,530
Restricted	—	4,593	—	18,879	89,389	112,861
Committed	—	—	70,342	—	11,479	81,821
Assigned	809	—	—	—	841	1,650
Unassigned	39,828	—	—	—	(2,317)	37,511
Total fund balances	\$ <u>40,753</u>	<u>4,593</u>	<u>72,642</u>	<u>18,992</u>	<u>99,393</u>	<u>236,373</u>

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(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, 2014:

Petty cash	\$	30
Deposits		3,641
Investments		303,247
		<u>306,918</u>

Cash and investments are reported as follows:

Unrestricted:		
Cash and investments		298,931
Restricted for:		
Contractor working capital, construction, and payment of bond debt service		4,549
Overdraft		<u>(1,868)</u>
Primary government cash and investments		301,612
Fiduciary Funds		5,306
	\$	<u>306,918</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

District – Discretely Presented Component Unit

Cash and investments are comprised of the following at June 30, 2014:

Petty cash	\$	4
Deposits		325
Investments		213,502
		<u>213,831</u>

Cash and investments are reported as follows:

Unrestricted:		
Cash and investments		77,454
Restricted for:		
Contractor working capital, construction, and payment of bond debt service		136,377
	\$	<u>213,831</u>

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

Governmental Funds	\$	273,790
Internal Service Funds		23,342
Enterprise Funds		6,348
Overdraft		(1,868)
District		213,831
Fiduciary Funds		5,306
	\$	<u>520,749</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, 2014, the carrying amount of the County and its blended component units' deposits was \$3,641 and the bank balance was \$8,307. \$494 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 (continued)

June 30, 2014

(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, 2014, the carrying amount of the District’s deposits was \$325 and the bank balance was \$741. \$109 of the bank balance was covered by the Federal Depository Insurance Corporation (FDIC). As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result the District’s remaining deposits in excess of FDIC insurance are considered to be fully collateralized.

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%	28%
5 years or less	100%	100%
Weighted Average Maturity	2.5 years	1.7 years

Interest rate risk – District

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Investment credit risk – County and Blended Component Units

This is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized rating organization and is minimized by purchasing only those securities which are rated by two of the nationally recognized credit rating agencies at the time of purchase. The County’s investment policy specifies ratings – Standard & Poor’s = minimum AA-, and Moody’s Investors Services = minimum Aa3. The following information includes Fiduciary Funds investments of \$5,306. The actual rating at year-end for each investment type is as follows:

Rating by Standard & Poor's Investment Service	AAA	AA	Not Rated	Total Invested Value	Percent Allocation
Federal agency coupon securities	\$ 11,730	189,630	-	201,360	67%
Corporate notes	-	12,703	-	12,703	4%
Treasury coupon securities	-	62,044	-	62,044	20%
Bankers acceptances - amortizing	-	-	5,864	5,864	2%
State of Oregon Local Government Investment Pool (LGIP)	-	-	21,276	21,276	7%
Total Investments	\$ 11,730	264,377	27,140	303,247	100%

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, 2014.

LGIP Maturity	Actual
Up to 93 days	61%
94 days to 1 year	13%
1 to 3 years	26%

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Investment credit risk – District

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

Rating by Standard & Poor's Investment Service	AAA	AA	Not Rated	Total Invested Value	Percent Allocation
Federal agency coupon securities	\$ 8,260	133,498	-	141,758	67%
Corporate notes	-	8,945	-	8,945	4%
Treasury coupon securities	-	43,688	-	43,688	20%
Bankers acceptances - amortizing	-	-	4,129	4,129	2%
State of Oregon Local Government Investment Pool (LGIP)	-	-	14,982	14,982	7%
Total Investments	\$ 8,260	186,131	19,111	213,502	100%

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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, 2014:

	Accounts	Intergovernmental	
	Receivable	Revenues	
	Receivable	Receivable	Total
General Fund	\$ 3,693	2,333	6,026
HOME Fund	478	-	478
Human Services Fund	128	662	790
MSTIP III Fund	822	7	829
Road Fund	53	2,448	2,501
Other Governmental Funds	<u>2,085</u>	<u>5,314</u>	<u>7,399</u>
Total governmental funds	7,259	10,764	18,023
Internal Service Funds	24	96	120
Fiduciary Funds	<u>677</u>	<u>2,235</u>	<u>2,912</u>
Total accounts receivable	\$ <u>7,960</u>	<u>13,095</u>	<u>21,055</u>

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, 2014, the allowance was \$310.

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. The County only has one item that qualifies for reporting in this category, which is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. At June 30, 2014, the total deferred charge on refunding for the County was \$6,356.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The County only has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet, and is deferred and recognized as an inflow of resources in the period that the amounts become available. The various components of unavailable revenue reported in the governmental funds balance sheet is as of June 30, 2014, were as follows:

	<u>Property</u> <u>Taxes</u>	<u>Assessments</u>	<u>Contracts</u> <u>Receivable</u>	<u>Accounts</u> <u>Receivable</u>	<u>Total</u>
General Fund	\$ 5,165	-	-	437	5,602
HOME Fund	-	-	23,864	-	23,864
MSTIP III Fund	-	-	-	22	22
Road Fund	-	225	-	17	242
Other Governmental Funds	<u>2,323</u>	<u>134</u>	<u>5,214</u>	<u>3,690</u>	<u>11,361</u>
Total unavailable revenue \$	<u>7,488</u>	<u>359</u>	<u>29,078</u>	<u>4,166</u>	<u>41,091</u>

Deferred outflows 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/expenditure) until a future period. The District only has one item that qualifies for reporting in this category, which is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. At June 30, 2014, the total deferred charge on refunding for the District was \$880.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Capital assets

Capital asset activity for governmental activities for the year ended June 30, 2014 was as follows:

	Governmental Activities				
	Balance	Increases	Decreases	Transfers	Balance
	July 1, 2013				June 30, 2014
Capital assets not being depreciated:					
Land	\$ 945,341	6,965	(2,856)	-	949,450
Artwork	351	-	-	-	351
Construction in progress	67,745	20,709	(119)	(27,749)	60,586
Total capital assets not being depreciated	<u>1,013,437</u>	<u>27,674</u>	<u>(2,975)</u>	<u>(27,749)</u>	<u>1,010,387</u>
Capital assets being depreciated:					
Land improvements	4,795	232	-	-	5,027
Buildings and improvements	154,306	622	1	-	154,929
Machinery and equipment	46,658	3,870	(2,226)	-	48,302
Road network	1,771,991	9,434	(6,890)	21,352	1,795,887
Bridge network	100,783	-	(775)	5,276	105,284
Culverts	15,585	10	(118)	-	15,477
Signals	60,374	1,176	(330)	1,121	62,341
Total capital assets being depreciated	<u>2,154,492</u>	<u>15,344</u>	<u>(10,338)</u>	<u>27,749</u>	<u>2,187,247</u>
Less accumulated depreciation for:					
Land improvements	(3,613)	(171)	-	-	(3,784)
Building and improvements	(55,620)	(3,795)	(1)	-	(59,416)
Machinery and equipment	(31,580)	(3,599)	1,979	-	(33,200)
Road network	(861,723)	(62,667)	131	-	(924,259)
Bridge network	(31,897)	(1,981)	343	-	(33,535)
Culverts	(5,553)	(314)	30	-	(5,837)
Signals	(45,536)	(2,263)	53	-	(47,746)
Total accumulated depreciation	<u>(1,035,522)</u>	<u>(74,790)</u>	<u>2,535</u>	<u>-</u>	<u>(1,107,777)</u>
Total capital assets being depreciated, net	<u>1,118,970</u>	<u>(59,446)</u>	<u>(7,803)</u>	<u>27,749</u>	<u>1,079,470</u>
Governmental activities capital assets, net	\$ <u>2,132,407</u>	<u>(31,772)</u>	<u>(10,778)</u>	<u>-</u>	<u>2,089,857</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 2,192
Public safety and justice	3,471
Land use, housing, and transportation	68,500
Health and human services	176
Culture, education, and recreation	451
Total depreciation expense	\$ <u>74,790</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Capital asset activity for business-type activities for the year ended June 30, 2014 was as follows:

	Business-type Activities				
	Balance July 1, 2013	Increases	Decreases	Transfers	Balance June 30, 2014
Capital assets not being depreciated:					
Land	\$ 8,169	-	-	-	8,169
Construction in progress	20	25	-	-	45
Total capital assets not being depreciated	<u>8,189</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>8,214</u>
Capital assets being depreciated:					
Buildings and improvements	46,856	273	-	-	47,129
Automotive equipment	282	-	-	-	282
Office equipment	107	-	-	-	107
Total capital assets being depreciated	<u>47,245</u>	<u>273</u>	<u>-</u>	<u>-</u>	<u>47,518</u>
Less accumulated depreciation for:					
Buildings and improvements	(25,232)	(1,678)	-	-	(26,910)
Automotive equipment	(241)	(13)	-	-	(254)
Office equipment	(108)	-	-	-	(108)
Total accumulated depreciation	<u>(25,581)</u>	<u>(1,691)</u>	<u>-</u>	<u>-</u>	<u>(27,272)</u>
Total capital assets being depreciated, net	<u>21,664</u>	<u>(1,418)</u>	<u>-</u>	<u>-</u>	<u>20,246</u>
Business-type activities capital assets, net	\$ <u>29,853</u>	<u>(1,393)</u>	<u>-</u>	<u>-</u>	<u>28,460</u>
Depreciation expense was charged to functions as follows:					
Business-type activities:					
Housing		\$ <u>1,691</u>			

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Capital asset activity for the District for the year ended June 30, 2014 was as follows:

	<u>District activities</u>				Balance June 30, 2014
	Balance July 1, 2013	Increases	Decreases	Transfers	
Capital assets not being depreciated:					
Land	\$ 17,344	319	(110)	178	17,731
Construction in progress	91,360	48,675	(5,703)	(82,528)	51,804
Total capital assets not being depreciated	<u>108,704</u>	<u>48,994</u>	<u>(5,813)</u>	<u>(82,350)</u>	<u>69,535</u>
Capital assets being depreciated:					
Buildings and improvements	214,216	4,440	-	13,056	231,712
Treatment plants	575,941	-	(1,255)	41,946	616,632
Sewer lines	207,258	1,547	-	14,798	223,603
Plant equipment	71,496	-	(80)	11,422	82,838
Automotive equipment	10,407	-	(346)	432	10,493
Plans and studies	13,100	-	-	26	13,126
Office equipment	18,520	-	(1,136)	670	18,054
Total capital assets being depreciated	<u>1,110,938</u>	<u>5,987</u>	<u>(2,817)</u>	<u>82,350</u>	<u>1,196,458</u>
Less accumulated depreciation for:					
Buildings and improvements	(116,912)	(8,957)	-	-	(125,869)
Treatment plants	(325,951)	(19,805)	-	-	(345,756)
Sewer lines	(71,018)	(4,302)	-	-	(75,320)
Plant equipment	(44,891)	(5,281)	74	-	(50,098)
Automotive equipment	(8,871)	(647)	346	-	(9,172)
Plans and studies	(11,045)	(1,135)	-	-	(12,180)
Office equipment	(17,639)	(419)	1,136	-	(16,922)
Total accumulated depreciation	<u>(596,327)</u>	<u>(40,546)</u>	<u>1,556</u>	<u>-</u>	<u>(635,317)</u>
Total capital assets being depreciated, net	<u>514,611</u>	<u>(34,559)</u>	<u>(1,261)</u>	<u>82,350</u>	<u>561,141</u>
Component-type activities capital assets, net	\$ <u>623,315</u>	<u>14,435</u>	<u>(7,074)</u>	<u>-</u>	<u>630,676</u>
Depreciation expense was charged to functions as follows:					
Component activities:					
Sanitation	\$ 34,093				
Surface Water Management	6,453				
Total depreciation expense	<u>40,546</u>				
Decrease in construction in progress is comprised of:					
Capital donations		5,116			
Items ineligible for capitalization		697			
Total decrease in construction in progress		<u>5,813</u>			

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Joint Ventures – District

The Barney Reservoir Joint Ownership Commission (the Commission) was formed to own, operate, and expand the JW Barney Reservoir. Ownership of the joint venture is comprised of the District (10%), Tualatin Valley Water District (35%), and the cities of Hillsboro (31%), Forest Grove (2.5%), and Beaverton (21.5%). The Commission is governed by one member from each entity. The District’s year-end equity investment in the Commission was \$2,643.

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

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, 2013</u>	<u>Increase</u>	<u>Decreases</u>	<u>June 30, 2014</u>	<u>One Year</u>	<u>portion</u>
Governmental activities:						
Compensated absences	\$ 8,409	8,773	8,409	8,773	8,773	-
Contracts Payable						
US Dept of Interior	357	-	23	334	22	312
Subtotal Contracts Payable	357	-	23	334	22	312
Notes Payable						
State of Oregon, Dept. of Energy	174	-	75	99	75	24
State of Oregon, Econ. Dev. Dept.	1,048	-	109	939	114	825
Full Faith & Credit Obligations						
Series 2004	1,910	-	290	1,620	300	1,320
Series 2006 - Refunding	44,265	-	2,340	41,925	2,550	39,375
Series 2006 - New Money	4,295	-	1,360	2,935	1,430	1,505
Series 2013 - Refunding	18,660	-	45	18,615	45	18,570
Subtotal Notes and FF&C						
Obligations	70,352	-	4,219	66,133	4,514	61,619
General Obligation Bonds						
Series 2007 - Refunding	6,195	-	6,195	-	-	-
Total Notes and bonds	76,904	-	10,437	66,467	4,514	61,619
Total governmental activities	\$ 85,313	8,773	18,846	75,240	13,309	61,931
				Unamortized bond premium		
				3,551	329	3,222
				78,791	13,638	65,153
From the Statement of Net Position:						
Other long-term obligations, current portion, net of discount				13,638		
Noncurrent portion of other long term obligations, net of discount				65,153		
Total governmental activities				78,791		

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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

	<u>Balance</u>			<u>Balance</u>	<u>Due In</u>	<u>Long-term</u>
	<u>July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2014</u>	<u>One Year</u>	<u>portion</u>
Business-type activities:						
Notes Payable						
Farmers Home Administration	\$ 331	-	4	327	4	323
State of Oregon	48	-	8	40	10	30
Office of Community Development	652	-	-	652	-	652
HOME Contracts	1,104	-	-	1,104	-	1,104
Washington County IGA	428	-	98	330	98	232
Berkadia Bank Mortgage	89	-	69	20	20	-
Community Housing Fund	-	30	-	30	-	30
Subtotal Notes Payable	<u>2,652</u>	<u>30</u>	<u>179</u>	<u>2,503</u>	<u>132</u>	<u>2,371</u>
Housing Authority FF&C Obligations						
Series 2009 - Refunding	27,925	-	385	27,540	395	27,145
Total notes and bonds	<u>30,577</u>	<u>30</u>	<u>564</u>	<u>30,043</u>	<u>527</u>	<u>29,516</u>
Total business-type activities	\$ <u>30,577</u>	<u>30</u>	<u>564</u>	30,043	527	29,516
				<u>(236)</u>	<u>(16)</u>	<u>(220)</u>
				<u>29,807</u>	<u>511</u>	<u>29,296</u>
Housing Authority Note Payable to County, current portion*				98		
Other long-term obligations, current portion, net of discount				<u>413</u>		
Total long term obligations, current portion, net of discount				<u>511</u>		
Housing Authority Note Payable to County, noncurrent portion*				232		
Noncurrent portion of other long term obligations, net of discount				<u>29,064</u>		
Total other long term obligations, noncurrent portion				<u>29,296</u>		
Total business-type activities				<u>29,807</u>		

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(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, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2014</u>	<u>One Year</u>	<u>portion</u>
District activities:						
Compensated absences	\$ 2,107	2,178	2,107	2,178	2,178	-
Sewer Revenue Bonds						
2004 Refunding of 1996 Bonds	14,310	-	3,310	11,000	3,480	7,520
Series A 2009	58,755	-	2,535	56,220	2,625	53,595
Series A 2010	8,895	-	2,850	6,045	2,965	3,080
Series B 2010	90,260	-	-	90,260	-	90,260
Series A 2011	27,825	-	2,590	25,235	2,640	22,595
Series B 2011	50,000	-	1,655	48,345	1,700	46,645
Revenue Pension Bonds						
Series 2004	15,215	-	330	14,885	405	14,480
Total notes and bonds	265,260	-	13,270	251,990	13,815	238,175
Total district activities	\$ 267,367	2,178	15,377	254,168	15,993	238,175
				7,849	1,280	6,569
				(22)	(11)	(11)
				261,995	17,262	244,733
District compensated absences (recorded in business-type activities as an accrued payroll liability)				2,178		
Other long-term obligations, current portion, net of discount				15,084		
Total current				17,262		
Noncurrent portion of other long term obligations, net of discount				244,733		
Total district activities				261,995		

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>
2015	\$ 22	12	3.500%
2016	22	11	3.500%
2017	22	10	3.500%
2018	22	9	3.500%
2019	22	9	3.500%
2020 - 2024	112	31	3.500%
2025 - 2029	112	12	3.500%
	\$ 334	94	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(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. The final maturity is in September 2017. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ 10	2	5.750%
2016	10	1	5.750%
2017	11	-	5.750%
2018	3	-	5.750%
	\$ <u>34</u>	<u>3</u>	

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ <u>65</u>	<u>2</u>	4.500%

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 follows:

2015	\$ 114	51	5.280%
2016	120	45	5.280%
2017	126	38	5.280%
2018	133	31	5.280%
2019	139	24	5.280%
2020-2021	307	25	5.280%
	\$ <u>939</u>	<u>214</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(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>
2015	\$ 300	66	4.500%
2016	310	52	4.400%
2017	325	38	4.400%
2018	335	24	4.500%
2019	350	8	4.600%
	\$ <u>1,620</u>	<u>188</u>	

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ 2,550	1,987	5.500%
2016	2,785	1,880	5.500%
2017	3,010	1,767	5.000%
2018	3,290	1,617	5.500%
2019	3,595	1,452	5.000%
2020 - 2024	18,265	4,465	5.000 - 5.125%
2025 - 2026	8,430	551	5.000%
	\$ <u>41,925</u>	<u>13,719</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 is June 2026, however these obligations were partially refunded in 2013 and the final payment will be made in 2016. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ 1,430	147	5.000%
2016	1,505	75	5.000%
	\$ <u>2,935</u>	<u>222</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Series 2013 Refunding - In February 2013, Full Faith and Credit obligations were issued for \$18,860 and placed into an irrevocable trust in order to fund the partial advance refunding of the March 2006 - Series 2006 New Money Full Faith & Credit Issue in the amount of \$18,530. As a result, the refunded obligations are considered defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$2,241. This amount is amortized over the remaining life of the refunded debt. This transaction was undertaken to reduce total future debt service costs, and resulted in an economic gain of \$1,230 and a reduction of \$1,394 in future debt service payments. The final maturity for these obligations is in June 2026. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ 45	643	3.000%
2016	45	641	4.000%
2017	1,580	640	1.500%
2018	1,600	616	5.000%
2019	1,620	592	2.125%
2020 - 2024	9,440	1,656	2.125 - 5.000%
2025 - 2026	4,285	149	2.250 - 2.350%
	<u>\$ 18,615</u>	<u>4,937</u>	

General Obligation Bonds

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Business-type Activities

Housing Authority Notes Payable

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ 4	31	9.000 - 9.500%
2016	4	30	9.000 - 9.500%
2017	5	30	9.000 - 9.500%
2018	5	30	9.000 - 9.500%
2019	6	29	9.000 - 9.500%
2020 - 2024	38	136	9.000 - 9.500%
2025 - 2029	61	112	9.000 - 9.500%
2030 - 2034	98	75	9.000 - 9.500%
2035 - 2038	106	20	9.000 - 9.500%
	\$ <u>327</u>	<u>493</u>	

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ 7	2	8.970%
2016	8	2	8.970%
2017	9	1	8.970%
2018	5	-	8.970%
	\$ <u>29</u>	<u>5</u>	

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ 3	-	0.000%
2016	3	-	0.000%
2017	3	-	0.000%
2018	2	-	0.000%
	\$ <u>11</u>	<u>-</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
Due on sale	\$ 652	-	0.000%

HOME Contracts - In November 1995, the OCD Home Loan for the Authority was issued at the time of the purchase of Amberwood. This property was financed with this note as well as with two revenue bond issues. This note was in the amount of \$604. The final maturity date will be October 2016. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ -	18	3.000%
2016	-	18	3.000%
2017	604	6	3.000%
	\$ <u>604</u>	<u>42</u>	

HOME Contracts - In September 2003, the OCD Home Loan for the Authority was issued to finance improvements to the Bonita Villa affordable housing property. This note was in the amount of \$500. The final maturity is in June 2029. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ -	15	3.000%
2016	-	15	3.000%
2017	-	15	3.000%
2018	-	15	3.000%
2019	-	15	3.000%
2020 - 2024	-	75	3.000%
2025 - 2029	500	75	3.000%
	\$ <u>500</u>	<u>225</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(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>
2015	\$ 98	2	Variable
2016	99	1	Variable
2017	99	1	Variable
2018	34	1	Variable
	<u>\$ 330</u>	<u>5</u>	

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

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

Community Housing Fund - In July 2013, the Authority was awarded a \$30 loan from the Community Housing Fund of Washington County, a local nonprofit organization, for the rehabilitation of a duplex acquired from the County as the result of a tax foreclosure. The final maturity is in March 2016. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	-	-	2.000%
2016	30	2	2.000%
	<u>\$ 30</u>	<u>2</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Housing Authority Full Faith & Credit Obligations

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ 395	1,199	2.500%
2016	405	1,189	2.750%
2017	-	1,183	2.750%
2018	435	1,176	3.250%
2019	450	1,161	3.500%
2020 - 2024	3,040	5,464	3.500 - 5.000%
2025 - 2029	3,315	4,748	4.000%
2030 - 2034	4,675	3,957	4.000 - 4.500%
2035 - 2039	5,850	2,781	4.500%
2040 - 2044	7,290	1,290	4.500 - 4.625%
2045	1,685	42	5.000%
	<u>\$ 27,540</u>	<u>24,190</u>	

District-type activities

Sewer Revenue Bonds

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ 3,480	482	5.000%
2016	3,660	299	5.250%
2017	3,860	101	5.250%
	<u>\$ 11,000</u>	<u>882</u>	

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ 2,625	2,715	4.000%
2016	2,735	2,608	4.000%
2017	2,845	2,496	4.000%
2018	2,975	2,365	5.000%
2019	3,130	2,212	5.000%
2020 - 2024	18,265	8,437	5.000 - 5.250%
2025 - 2029	23,645	3,053	4.750 - 5.250%
	<u>\$ 56,220</u>	<u>23,886</u>	

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ 2,965	198	3.000%
2016	3,080	154	5.000%
	<u>\$ 6,045</u>	<u>352</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Series B 2010 - Issued April 2010 in the amount of \$90,260. The final maturity is in October 2035. Detail obligation and interest rates follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ -	4,792	3.970%
2016	-	4,792	3.970%
2017	3,300	4,726	4.120%
2018	3,385	4,591	4.428%
2019	3,475	4,444	4.528%
2020 - 2024	18,980	19,682	4.628 - 5.078%
2025 - 2029	22,290	14,434	5.228 - 5.701%
2030 - 2034	26,695	7,495	5.701 - 5.801%
2035 - 2036	12,135	710	5.801%
	<u>\$ 90,260</u>	<u>65,669</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>
2015	\$ 2,640	1,196	5.000%
2016	2,775	1,060	5.000%
2017	2,915	918	5.000%
2018	3,060	769	5.000%
2019	3,210	612	5.000%
2020 - 2022	10,635	815	5.000%
	<u>\$ 25,235</u>	<u>5,370</u>	

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ 1,700	1,992	3.000%
2016	1,755	1,940	3.000%
2017	1,815	1,877	4.000%
2018	1,890	1,803	4.000%
2019	1,965	1,726	4.000%
2020 - 2024	11,355	7,116	4.000 - 5.000%
2025 - 2029	14,215	4,255	4.000 - 5.000%
2030 - 2033	13,650	1,119	4.000%
	<u>\$ 48,345</u>	<u>21,829</u>	

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Sewer Pension Revenue Bonds

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$ 405	898	5.671%
2016	480	875	5.771%
2017	565	847	5.871%
2018	660	814	5.941%
2019	760	775	6.015%
2020 - 2024	5,665	3,045	6.015 - 6.095%
2025 - 2028	6,350	924	6.095%
	<u>\$ 14,885</u>	<u>8,178</u>	

Defeased Debt – County

In prior years, the County defeased certain obligations by placing the proceeds of refunding obligations in an irrevocable trust to provide for all future debt service on the defeased obligations. Accordingly, the trust account assets and the related liability for those defeased obligations are not included in the County's financial statements. As of June 30, 2014, the prior year's refunded Full Faith and Credit obligations defeased totaled \$18,530.

Defeased Debt – District

In prior years, the District defeased certain bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service on the defeased bonds. Accordingly, the trust account assets and the related liability for those defeased bonds are not included in the District's financial statements. As of June 30, 2014, prior years' refunded revenue bonds defeased totaled \$40,220.

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.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

As of June 30, 2014, there was one series of multi-family Housing Revenue Bonds outstanding, with an aggregate principal amount payable of \$9,500.

Capital lease obligations - County

The following is a schedule, by fiscal year, of future minimum lease payments with the present value of the future minimum lease payments as of June 30, 2014:

<u>Fiscal Year</u>	<u>Future Minimum Payments</u>
2015	\$ 429
2016	429
2017	429
2018	276
2019	276
Future minimum lease payments	1,839
Less amounts representing interest	(124)
Present value of future minimum lease payments	<u>1,715</u>
Current portion	381
Long-term portion	1,334
	<u>\$ 1,715</u>

Changes in the capital lease obligations for the year ended June 30, 2014, are as follows:

	<u>Outstanding July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding June 30, 2014</u>
Capital lease obligations \$	<u>2,092</u>	<u>-</u>	<u>(377)</u>	<u>1,715</u>

Multnomah County - 1997 - In 1997 the County entered into a capital lease obligation with Multnomah County for the purchase of juvenile detention facility space for the amount of \$1,862. This 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>
2015	\$ 131	22	5.330%
2016	139	15	5.330%
2017	146	8	5.330%
	<u>\$ 416</u>	<u>45</u>	

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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

Motorola Solutions 2011 Lease - In 2011 the County entered into a capital lease obligation with Motorola Solutions for the purchase of a Zone Controller Tower at Washington County Consolidated Communication Agency in the amount of \$2,284. This is a non-cancelable lease agreement. Final maturity is in October 2018. Detail obligation and interest rates follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2015	\$	250	26	1.989%
2016		254	21	1.989%
2017		260	16	1.989%
2018		265	10	1.989%
2019		270	5	1.989%
	\$	<u>1,299</u>	<u>78</u>	

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 \$247 for the year ended June 30, 2014.

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

<u>Fiscal Year</u>		<u>Amount</u>
2015	\$	190
2016		25
2017		25
2018		25
2019		11
	\$	<u>276</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Operating leases - District

The District leases various equipment, buildings and land for use in their operations under cancelable and non-cancelable operating leases. Total costs for such leases were approximately \$66 for the year ended June 30, 2014.

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

<u>Fiscal Year</u>		<u>Amount</u>
2015	\$	66
2016		69
2017		69
2018		69
	\$	<u>273</u>

Due To/From and Advances From/To Other funds

Interfund accounts at June 30, 2014, 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	\$ —	1,526	—	—
HOME Fund	383	—	—	—
Major Streets Transportation Improvement Program III Fund	—	—	—	2,300
Other Governmental Funds	1,143	—	2,300	—
	\$ <u>1,526</u>	<u>1,526</u>	<u>2,300</u>	<u>2,300</u>

Interfund receivables of the General Fund consist of \$383 in cash loaned to the HOME Fund and \$1,143 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, 2014.

Interfund advances of the Major Streets Improvement Program III Fund consist of \$2,300 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 (continued)

June 30, 2014

(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, 2013</u>	<u>Decrease</u>	<u>Outstanding June 30, 2014</u>
Washington County IGA	variable	\$ <u>428</u>	<u>(98)</u>	<u>330</u>

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

4. Other information

Pension Plan - County

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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

The State of Oregon PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700 or by calling 1-888-320-7377 or by viewing the PERS website at www.oregon.gov/pers.

Funding Policy - County

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

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

The County's annual required contribution rate for fiscal year 2014 was 15.23% of covered employees' salaries for PERS, 11.15% for general OPSRP and 13.88% for police OPSRP. The employee contribution rate is 6% for the County.

Annual Pension Cost - County

For fiscal year 2014, the County's actual annual pension cost of \$17,682 was equal to their annual required contributions plus current fiscal year amortization of prepaid pension assets. The actual pension cost without amortization of the prepaid pension obligation was \$9,029. The required contribution was determined as part of the actuarial valuation at December 31, 2012 using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation included: (a) rate of return on the investment of present and future assets of 7.75%; (b) projected salary increases of 3.75% compounded annually; (c) post-retirement benefit

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

increases of 1.5% for 2013 and 1.25% for the first \$60 of annual benefit and 0.15% on annual benefits over \$60 for years beyond 2013; (d) consumer price inflation of 2.75% compounded annually; (e) healthcare cost inflation graded from 8.00% in 2013 to 4.70% in 2083; and (f) amortization of the unfunded actuarial liability as a level percentage of projected annual payroll over a closed 20 year period for PERS and a closed 16 year period for OPSRP.

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

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

		<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Prepaid pension obligation</u>
2012	\$	16,822	100 %	\$ 10,385
2013		17,252	100	9,707
2014		17,682	100	9,029

Pension Plan - District

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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

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

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

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

Funding Policy - District

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

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

The District's annual contribution rate for fiscal year 2014 was 8.01% for PERS and 6.87% for OPSRP. The employee contribution rate is 6% for the District.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Annual Pension Cost - District

For fiscal year 2014, the District's actual annual pension cost was \$2,415, which was equal to their annual required contributions plus current fiscal year amortization of prepaid pension assets. The actual pension cost without amortization of the prepaid pension obligation was \$1,831. The required contribution was determined as part of the actuarial valuation at December 31, 2012 using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation included: (a) rate of return on the investment of present and future assets of 7.75%; (b) projected salary increases of 3.75% compounded annually; (c) post-retirement benefit increases of 1.5% for 2013 and 1.25% for the first \$60 of annual benefit and 0.15% on annual benefits over \$60 for years beyond 2013; (d) consumer price inflation of 2.75% compounded annually; (e) healthcare cost inflation graded from 8.00% in 2013 to 4.70% in 2083; and (f) amortization of the unfunded actuarial liability as a level percentage of projected annual payroll over 20 years for PERS and 16 years for OPSRP.

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

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

	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Prepaid pension obligation</u>
2012	2,380	100 %	12,544
2013	2,354	100	11,960
2014	2,415	100	11,376

Other Post Employment Benefits - County

Plan Description

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Funding Policy

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

For fiscal year 2013-14, the County contributed \$462 and retirees made payments of \$1,472. The County has elected to not pre-fund the actuarially determined future cost amount of \$646.

Below are the required monthly contributions of the plan members for the year ending June 30, 2014. 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	Moda	Moda Vision	Willamette
Employee	\$ 527	503	53	9	37
Employee + 1	1,054	1,005	105	9	71
Full Family	1,580	1,508	166	9	139
Employee + Children	948	905	109	9	104

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:

		June 30, 2014	June 30, 2013	June 30, 2012
Annual required contribution (ARC)	\$	646	1,074	1,074
Interest on net OPEB obligation		169	158	147
Adjustment to ARC		(289)	(261)	(243)
Annual OPEB cost		526	971	978
Contributions made		(462)	(573)	(609)
Increase in net OPEB obligation		64	398	369
Net OPEB obligation, beginning of year		5,662	5,264	4,895
Net OPEB obligation, end of year	\$	5,726	5,662	5,264
Percent of Annual OPEB cost contributed		87.83%	59.01%	62.27%

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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 \$6,746, which also equaled the unfunded actuarial accrued liability (UAAL). The annual payroll of active employees covered by the plan (covered payroll) for 2013-14 was \$117,971 the ratio of the UAAL to the covered payroll was 5.7%

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, 2014 valuation, the entry age normal actuarial cost method was used. Under this method, the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level dollar basis over the service of the active employee. The investment return for the County was assumed to be 3.0% to reflect the rate of return on the county's investment portfolio. Health care cost trends (net of inflation) were assumed to be 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 40% to 30% based on recent County experience as well as the recently implemented provisions of the Affordable Care Act. This assumption change led to a decrease in liabilities of approximately 25% for active employees.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Other Post Employment Benefits - District

Plan Description

The District does not have a formal post-employment benefits plan for any employee groups; however the District offers health benefits to retirees under age 65 as well as their qualified dependents at the same rate provided to current employees, as required by Oregon Revised Statutes 243.303. Retirees electing to remain on the District sponsored health plans pay the entire premium for that coverage in order to maintain coverage. Even though the District does not pay any portion of the retiree premium there is an implicit rate subsidy with respect to retired employees because the medical premium rates charged are less than they would be if the retirees were in a separately rated health plan. Actual medical premium rates are determined by blending both active employee and retiree experience. This “plan” is a single-employer plan and is not a stand-alone plan, and therefore, does not issue its own financial statements.

Funding Policy

The District collects insurance premiums from all retirees each month. The District then pays the health insurance premiums for all retirees at the blended rate for each family classification. The required contributions to the plan include the 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 2013-14, the District contributed \$111 consisting of retiree payments. The District has elected to not pre-fund the actuarially determined future cost amount of \$553. The required monthly contributions of the plan members were as follows for the year ended June 30, 2014:

(Not in \$1,000's)	Health Insurance	
	Providence	Kaiser
Employee	\$ 432	553
Employee + 1	877	1,128
Full Family	1,231	1,576

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Annual OPEB Cost and Net OPEB Obligation

The District's annual other post employment benefit cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a 30 year period. The following schedule shows the components of the District's 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, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Annual required contribution (ARC)	\$	134	156	151
Interest on net OPEB obligation		23	22	21
Adjustment to ARC		<u>(46)</u>	<u>(44)</u>	<u>(42)</u>
Annual OPEB cost		111	134	130
Contributions made		<u>(111)</u>	<u>(117)</u>	<u>(108)</u>
Increase in net OPEB obligation		-	17	22
Net OPEB obligation, beginning of year		<u>553</u>	<u>536</u>	<u>514</u>
Net OPEB obligation, end of year	\$	<u><u>553</u></u>	<u><u>553</u></u>	<u><u>536</u></u>
Percent of Annual OPEB cost contributed		100.00%	87.31%	83.08%

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 \$1,369, which also equaled the unfunded actuarial accrued liability (UAAL). The annual payroll of active employees covered by the plan (covered payroll) for 2013-14 was \$23,363 the ratio of the UAAL to the covered payroll was 5.9%.

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

Actuarial Methods and Assumptions

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

In the July 1, 2013 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 3.5% inflation component, and (c) healthcare cost trend rate of 7.5% for 2014 grading down over nineteen years to 5%. The UAAL is being amortized over an open period of 30 years as a level percentage of payrolls for Non-Represented Retirees and over a closed period of eight years as a flat dollar amount for Represented Retirees.

Retirement Health Insurance Account (RHIA) - County

Plan Description

As members of Oregon Public Employees Retirement System (OPERS), the County contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefits other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the 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 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 0.59% of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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, 2012, 2013 and 2014 were \$682, \$676 and \$696, 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 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 0.59% of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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, 2012, 2013 and 2014 were \$144, \$142, and \$143, respectively, which equaled the required contributions each year.

Insured Risks - County

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

As required by an agreement with the third-party administrator of Medicaid funds received from the State, the County has set aside a \$3,000 reserve in the form of an accrued liability 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>
2011-12	\$ 3,633	1,229	(1,096)	3,766
2012-13	3,766	2,388	(2,354)	3,800
2013-14	3,800	1,421	(1,623)	3,598

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Insured Risks - District

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

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

Liabilities for the District are recorded when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. 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>
2011-12	\$ 254	45	(33)	266
2012-13	266	72	(77)	261
2013-14	261	126	(83)	304

Solid Waste Landfill Closure and Postclosure Care Costs

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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 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, 2014 for the ongoing monitoring and DEQ reporting costs is \$982.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Transfers

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

Transfers in:		
General fund	\$ 1,027	1%
Human services fund	1,577	2%
Major streets transportation improvement program III fund	33,082	44%
Road fund	608	1%
Non-major funds	39,651	52%
Total governmental funds	<u>75,945</u>	<u>100%</u>
Transfers out:		
General fund	70,759	94%
Major streets transportation improvement program III fund	181	0%
Road fund	963	1%
Non-major funds	4,011	5%
Total governmental funds	<u>75,914</u>	<u>100%</u>
Housing Authority of Washington County	23	0%
Washington County Service District for Lighting No. 1	8	0%
	<u>\$ 75,945</u>	<u>100%</u>

The following are the major reasons for the above transfers:

Major streets improvement programs and the Cooperative Library Services operated on fixed-rate serial levies until 1998-99. With the passage of Measures 47 and 50, those fixed-rate serial levies were combined with the County's permanent tax rate and now receive a majority of their funding directly from the County's General Fund. These transfers comprise approximately \$33,082 to major streets improvement programs and \$16,450 to Cooperative Library Services. These transfers are responsible for 65% of all transfers. Transfers between the other operating departments are a result of normal course of operations.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Related Party Transactions

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 \$286 during fiscal year 2013-14.

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 \$6 for such services under the Operating Agreement for fiscal year ended June 30, 2014.

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 2014, CWI was charged \$2 in interest and made payments totaling \$24, leaving a loan balance of \$264 as of June 30, 2014.

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 \$24 to the District in fiscal year 2013-14 which were applied against the loan balance referenced above.

Clean Water Institute billed the District approximately \$24 for professional services during fiscal year 2013-14.

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.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

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 \$47,073 to fund certain specific road construction projects over the next three to four years; \$3,115 for jail inmate health care services over the next year, \$38,558 for Countywide library services over the next two years, \$2,181 for kitchen services at the jail through July, 2016, and \$233 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 \$1,212.

The County has contracted for fuel for all County vehicles and equipment for \$4,753 for the next three years and \$4,908 for janitorial services for all County facilities over the next five years.

Juvenile detention services at the Donald E. Long facility have been contracted for with Multnomah County for approximately \$3,972 over the next year.

Commitments – District

The District is committed for approximately \$79,500 for various construction projects at June 30, 2014.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2014

(Dollars in thousands)

Restatements - County

The County implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in the current fiscal year. This resulted in a restatement of the beginning net position for debt issuance costs previously amortized over the period the debt was outstanding. Debt issuance costs are now expensed in the year incurred. This change in accounting principal resulted in a reduction of the beginning net position of the County of \$439.

Restatements - District

The District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in the current fiscal year. This resulted in a restatement of the beginning net position for debt issuance costs previously amortized over the period the debt was outstanding. Debt issuance costs are now expensed in the year incurred. This change in accounting principal resulted in a reduction of the beginning net position of the District of \$1,744.

Subsequent Events

In August 2014 the Authority executed a loan of \$2,100 to refinance one of the Authority's properties, the 80-unit Aloha Park apartment complex. Approximately \$740 of the loan proceeds will be used for improvements to the property and \$1,100 will be used for improvements to other Authority properties and for other purposes as needed. The Authority received 72 tenant-based Housing Choice Vouchers related to this transaction.

REQUIRED SUPPLEMENTARY INFORMATION

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WASHINGTON COUNTY, OREGON

Budgetary Comparison

General Fund

For the fiscal year ended June 30, 2014

(Dollars in thousands)

	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:				
Taxes	\$ 115,751	116,180	118,662	2,482
Licenses and permits	6,585	6,585	6,439	(146)
Intergovernmental revenues	16,584	17,542	17,320	(222)
Charges for services	7,968	8,306	7,217	(1,089)
Fines and forfeitures	2,217	2,217	2,545	328
Miscellaneous revenues	4,039	4,039	4,484	445
Interfund revenues	5,713	5,713	5,951	238
Total revenues	<u>158,857</u>	<u>160,582</u>	<u>162,618</u>	<u>2,036</u>
Expenditures:				
General government:				
Board of County Commissioners	428	422	416	6
County administrative office	2,015	1,960	1,872	88
Community network	530	530	530	—
County counsel	1,978	1,922	1,802	120
County auditor	370	360	349	11
County emergency management	592	583	542	41
Elections	2,133	2,112	1,325	787
Assessment and taxation	9,297	9,061	7,993	1,068
County communications	789	769	712	57
Financial management	2,254	2,204	2,138	66
Human resources	2,086	2,038	1,833	205
Information services	11,125	10,924	10,288	636
Purchasing	462	450	445	5
Facilities management	8,362	8,270	7,786	484
Subtotal	<u>42,421</u>	<u>41,605</u>	<u>38,031</u>	<u>3,574</u>
Public safety and justice:				
Law enforcement services	17,435	17,739	17,093	646
Jail operations	21,913	21,942	21,265	677
Sheriff's office administration	4,253	4,173	4,016	157
Jail health care	4,877	4,877	3,899	978
District Attorney	10,083	9,819	9,217	602
Washington County justice court	780	762	686	76
Juvenile	5,815	5,713	5,453	260
Juvenile administration	1,384	1,343	1,324	19
Subtotal	<u>66,540</u>	<u>66,368</u>	<u>62,953</u>	<u>3,415</u>
Land use, housing and transportation				
Planning	3,715	4,312	2,671	1,641
Water Master	186	181	167	14
Subtotal	<u>3,901</u>	<u>4,493</u>	<u>2,838</u>	<u>1,655</u>
Health and human services:				
Public health	14,882	14,557	13,628	929
Health and human services administration	1,049	1,021	1,004	17
Animal services	2,269	2,221	2,109	112
Veterans services	794	774	745	29
Subtotal	<u>18,994</u>	<u>18,573</u>	<u>17,486</u>	<u>1,087</u>
Culture, education and recreation:				
Agriculture activities	307	307	307	—
Parks	770	910	891	19
Subtotal	<u>1,077</u>	<u>1,217</u>	<u>1,198</u>	<u>19</u>
Non-operating:				
Miscellaneous	1,154	1,154	1,168	(14)
Subtotal	<u>1,154</u>	<u>1,154</u>	<u>1,168</u>	<u>(14)</u>
Operating contingency				
	18,260	19,157	—	19,157
Total expenditures	<u>152,347</u>	<u>152,567</u>	<u>123,674</u>	<u>28,893</u>
Revenues over expenditures	<u>6,510</u>	<u>8,015</u>	<u>38,944</u>	<u>30,929</u>
Other financing sources (uses):				
Transfers in from other funds	27,056	25,981	25,521	(460)
Transfers out to other funds	(60,890)	(61,319)	(61,270)	49
Total other financing uses	<u>(33,834)</u>	<u>(35,338)</u>	<u>(35,749)</u>	<u>(411)</u>
Net change in fund balance	<u>(27,324)</u>	<u>(27,323)</u>	<u>3,195</u>	<u>30,518</u>
Fund balance July 1, 2013	27,324	27,323	31,099	3,776
Fund balance June 30, 2014	\$ <u>—</u>	<u>—</u>	<u>34,294</u>	<u>34,294</u>
Certain governmental funds are reported in the General Fund on a GAAP basis:				
Strategic Investment Program and Gain Share Fund			5,650	
Survey Fund			809	
Fund balance, GAAP basis, June 30, 2014			\$ <u>40,753</u>	

WASHINGTON COUNTY, OREGON
 Budgetary Comparison
 Major Special Revenue Funds
 For the fiscal year ended June 30, 2014
 (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	\$ 3,528	3,528	587	(2,941)	32,340	32,340	18,494	(13,846)
Charges for services	—	—	—	—	15	15	19	4
Miscellaneous revenues	228	228	472	244	122	122	195	73
Interfund revenues	—	—	—	—	334	334	147	(187)
Total revenues	<u>3,756</u>	<u>3,756</u>	<u>1,059</u>	<u>(2,697)</u>	<u>32,811</u>	<u>32,811</u>	<u>18,855</u>	<u>(13,956)</u>
Expenditures:								
Current:								
Land use, housing and transportation	3,754	3,754	1,059	2,695	—	—	—	—
Health and human services	—	—	—	—	34,814	34,661	20,385	14,276
Operating contingency	2	2	—	2	3,468	3,562	—	3,562
Total current	<u>3,756</u>	<u>3,756</u>	<u>1,059</u>	<u>2,697</u>	<u>38,282</u>	<u>38,223</u>	<u>20,385</u>	<u>17,838</u>
Total expenditures	<u>3,756</u>	<u>3,756</u>	<u>1,059</u>	<u>2,697</u>	<u>38,282</u>	<u>38,223</u>	<u>20,385</u>	<u>17,838</u>
Revenues under expenditures	—	—	—	—	(5,471)	(5,412)	(1,530)	3,882
Other financing sources:								
Transfers in from other funds	—	—	—	—	2,117	2,058	1,577	(481)
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,117</u>	<u>2,058</u>	<u>1,577</u>	<u>(481)</u>
Net change in fund balances	—	—	—	—	(3,354)	(3,354)	47	3,401
Fund balances July 1, 2013	—	—	—	—	3,354	3,354	3,749	395
Fund balances June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,796</u>	<u>3,796</u>

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

797
Fund balance, GAAP basis, June 30, 2014 \$ 4,593

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Major Special Revenue Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	Road Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:				
Taxes	\$ 820	820	833	13
Licenses and permits	219	219	417	198
Intergovernmental revenues	26,470	26,470	28,311	1,841
Charges for services	364	364	489	125
Special assessments	65	65	68	3
Miscellaneous revenues	205	205	363	158
Interfund revenues	7,571	7,571	7,018	(553)
Total revenues	<u>35,714</u>	<u>35,714</u>	<u>37,499</u>	<u>1,785</u>
Expenditures:				
Current:				
Land use, housing and transportation:				
Administration	6,586	6,485	5,727	758
Engineering services	4,166	4,123	3,423	700
Capital projects management	5,429	5,354	4,785	569
Operations and maintenance	21,508	21,400	19,844	1,556
Operating contingency	13,389	13,494	—	13,494
Total current	<u>51,078</u>	<u>50,856</u>	<u>33,779</u>	<u>17,077</u>
Capital outlay	<u>172</u>	<u>172</u>	<u>14</u>	<u>158</u>
Total expenditures	<u>51,250</u>	<u>51,028</u>	<u>33,793</u>	<u>17,235</u>
Revenues over (under) expenditures	<u>(15,536)</u>	<u>(15,314)</u>	<u>3,706</u>	<u>19,020</u>
Other financing sources (uses):				
Transfers in from other funds	830	608	608	—
Transfers out to other funds	(1,089)	(1,089)	(963)	126
Total other financing uses	<u>(259)</u>	<u>(481)</u>	<u>(355)</u>	<u>126</u>
Net change in fund balances	<u>(15,795)</u>	<u>(15,795)</u>	<u>3,351</u>	<u>19,146</u>
Fund balances July 1, 2013	<u>15,795</u>	<u>15,795</u>	<u>15,641</u>	<u>(154)</u>
Fund balances June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>18,992</u>	<u>18,992</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>
6/30/12	\$ —	10,638	10,638	0%	\$ 115,644	9.2%
6/30/13	—	10,939	10,939	0%	114,537	9.6%
6/30/14	—	6,746	6,746	0%	117,971	5.7%

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>
7/1/09	\$ —	1,885	1,885	0%	\$ 20,314	9.3%
7/1/11	—	1,548	1,548	0%	21,609	7.2%
7/1/13	—	1,369	1,369	0%	23,363	5.9%

WASHINGTON COUNTY, OREGON

Notes to Required Supplementary Information

June 30, 2014

(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.

Appropriations and Budgetary Controls Description

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

After budget approval, the Board of Commissioners may approve supplemental appropriations and appropriation transfers between organizational units or major programs if an occurrence, condition, or need exists which was not known at the time the budget was adopted. The County had two supplemental budgets and three contingency transfers during the year ended June 30, 2014. Both the original adopted budget and the revised budget comparisons are presented in the accompanying budgetary schedules. Appropriations lapse at the end of the fiscal year.

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OTHER SUPPLEMENTARY INFORMATION

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WASHINGTON COUNTY, OREGON

Budgetary Comparison

Major Capital Projects Fund

For the fiscal year ended June 30, 2014

(Dollars in thousands)

	Major Streets Transportation Improvement Program III Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental revenues	\$ 2,808	2,808	4,518	1,710
Miscellaneous revenues	506	506	535	29
Total revenues	<u>3,314</u>	<u>3,314</u>	<u>5,053</u>	<u>1,739</u>
Expenditures:				
Current:				
Land use, housing and transportation:				
Administration	83,588	83,588	27,595	55,993
Total current	<u>83,588</u>	<u>83,588</u>	<u>27,595</u>	<u>55,993</u>
Capital outlay	8,330	8,330	758	7,572
Total expenditures	<u>91,918</u>	<u>91,918</u>	<u>28,353</u>	<u>63,565</u>
Revenues under expenditures	<u>(88,604)</u>	<u>(88,604)</u>	<u>(23,300)</u>	<u>65,304</u>
Other financing sources (uses):				
Transfers in from other funds	32,721	32,721	33,082	361
Transfers out to other funds	(1,732)	(1,732)	(181)	1,551
Total other financing sources	<u>30,989</u>	<u>30,989</u>	<u>32,901</u>	<u>1,912</u>
Net change in fund balances	(57,615)	(57,615)	9,601	67,216
Fund balance July 1, 2013	57,615	57,615	60,741	3,126
Fund balance June 30, 2014	\$ <u>—</u>	<u>—</u>	70,342	<u>70,342</u>
Advances to other funds are recognized as receivables on a GAAP basis			<u>2,300</u>	
Fund balance, GAAP basis, June 30, 2014			\$ <u><u>72,642</u></u>	

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NON-MAJOR FUND FINANCIAL STATEMENTS

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WASHINGTON COUNTY, OREGON

Fund Descriptions

Non-major Funds

June 30, 2014

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.
- 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 Housing Authority of Washington County housing programs.
- 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.

WASHINGTON COUNTY, OREGON

Fund Descriptions

Non-major Funds

June 30, 2014

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

WASHINGTON COUNTY, OREGON

Fund Descriptions

Non-major Funds

June 30, 2014

- 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.
- 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.

WASHINGTON COUNTY, OREGON

Fund Descriptions

Non-major Funds

June 30, 2014

- Sheriff's Office Forfeitures Fund – This fund accounts for resources from asset forfeitures that typically come from the sale of real and/or personal property seized from offenders involved in drug-related criminal activity. Specific and strict guidelines govern the use of all forfeiture proceeds. These laws change periodically so funds accumulated at different times are subject to varying legal requirements for their use and are accounted for in different programs within this fund.
- Sheriff's Office Grants and Donations Fund – This fund accounts for donations specifically identified for support of the Drug Abuse Resistance Education (DARE) programs and the Local Law Enforcement Block Grant (LLEBG) federal grant awards that require identification and control of related revenues and expenditures.
- Surveyor – Public Land Corner Fund – This fund accounts for activities related to the remonumentation of government survey corners funded through the public land corner preservation fee.
- Tourism Dedicated Lodging Tax Fund – This fund accounts for revenues generated by the three-ninths portion of the Washington County lodging tax that is tourism-dedicated.
- Urban Road Maintenance Service District Fund (Component Unit) – The District provides an enhanced level of maintenance services to local, minor collector, and public roads in the urban unincorporated areas of Washington County and is funded by an established permanent rate. The District contracts with private firms and with Washington County to provide the required road maintenance services.
- Washington County Fair Fund – This fund accounts for the operation and management of the fairground facilities which provide various services to the public, including the annual County fair.
- 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, 2014

The following funds are presented individually for budgetary purposes. For reporting purposes these funds are combined with the General Fund in accordance with Generally Accepted Accounting Principles. See combining schedules on pages 106 and 117.

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

The following fund is presented individually for budgetary purposes. For reporting purposes this fund is combined with the Human Services Fund in accordance with Generally Accepted Accounting Principles. See combining schedules on pages 107 and 118.

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

- Criminal Justice Bond Fund – This fund is used to pay principal and interest on the Series 2007 refunding of the Criminal Justice Facilities Bonds.
- Miscellaneous Debt Service Fund – This fund is an accounting unit for the payment of all other debt owed by the County.

WASHINGTON COUNTY, OREGON

Fund Descriptions

Non-major Funds

June 30, 2014

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, 2014

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

INTERNAL SERVICE FUNDS

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

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

WASHINGTON COUNTY, OREGON

Fund Descriptions

Non-major Funds

June 30, 2014

- 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, 2014

(Dollars in thousands)

Assets	General Fund	Strategic Investment Program and Gain Share Fund	Survey Fund	Total General Fund
Cash and investments	\$ 34,034	5,650	1,601	41,285
Property taxes receivable ⁽¹⁾	5,616	—	—	5,616
Accounts receivable	6,025	—	1	6,026
Investment interest receivable	1,341	—	—	1,341
Due from other funds	1,526	—	—	1,526
Inventory	116	—	—	116
Other assets	341	—	1	342
Total assets	<u>48,999</u>	<u>5,650</u>	<u>1,603</u>	<u>56,252</u>
Liabilities				
Accounts payable	2,569	—	41	2,610
Accrued payroll liabilities	3,286	—	6	3,292
Deposits payable	2,699	—	747	3,446
Amounts held in trust	391	—	—	391
Unearned revenue	158	—	—	158
Total liabilities	<u>9,103</u>	<u>—</u>	<u>794</u>	<u>9,897</u>
Deferred Inflows of Resources				
Unavailable revenue	5,602	—	—	5,602
Total deferred inflows of resources	<u>5,602</u>	<u>—</u>	<u>—</u>	<u>5,602</u>
Fund Balances				
Nonspendable	116	—	—	116
Assigned	—	—	809	809
Unassigned	34,178	5,650	—	39,828
Total fund balances	<u>34,294</u>	<u>5,650</u>	<u>809</u>	<u>40,753</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>48,999</u>	<u>5,650</u>	<u>1,603</u>	<u>56,252</u>

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

Property taxes receivable	5,611	—	—	5,611
Payment in lieu of taxes receivable	5	—	—	5
Total property taxes receivable	<u>\$ 5,616</u>	<u>—</u>	<u>—</u>	<u>5,616</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Human Services Fund

June 30, 2014

(Dollars in thousands)

	Human Services Fund	Human Services HB-2145 Fund	Total Human Services Fund
Assets			
Cash and investments	\$ 22,808	797	23,605
Accounts receivable	790	—	790
Other assets	3	—	3
Total assets	<u>23,601</u>	<u>797</u>	<u>24,398</u>
Liabilities			
Accounts payable	2,087	—	2,087
Accrued payroll liabilities	101	—	101
Unearned revenue	<u>17,617</u>	<u>—</u>	<u>17,617</u>
Total liabilities	<u>19,805</u>	<u>—</u>	<u>19,805</u>
Fund Balances			
Restricted	<u>3,796</u>	<u>797</u>	<u>4,593</u>
Total fund balances	<u>3,796</u>	<u>797</u>	<u>4,593</u>
Total liabilities and fund balances	<u>\$ 23,601</u>	<u>797</u>	<u>24,398</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Non-major Governmental Funds - Summary

June 30, 2014

(Dollars in thousands)

Assets	Total Special Revenue Funds	Miscellaneous Debt Service Fund	Total Capital Projects Funds	Total Non-major Funds
Cash and investments	\$ 85,263	21	25,065	110,349
Property taxes receivable ⁽¹⁾	2,525	—	—	2,525
Assessments receivable	4	—	134	138
Accounts receivable	4,183	—	3,216	7,399
Investment interest receivable	240	—	—	240
Contracts receivable	4,943	—	—	4,943
Inventory	1	—	—	1
Other assets	74	—	—	74
Total assets	97,233	21	28,415	125,669
Liabilities				
Accounts payable	3,844	—	1,240	5,084
Accrued payroll liabilities	1,162	—	—	1,162
Deposits payable	433	—	—	433
Amounts held in trust	18	—	—	18
Accrued HSO payable	3,000	—	—	3,000
Due to other funds	1,143	—	—	1,143
Advances from other funds	2,300	—	—	2,300
Unearned revenue	1,775	—	—	1,775
Total liabilities	13,675	—	1,240	14,915
Deferred Inflows of Resources				
Unavailable revenue	8,011	—	3,350	11,361
Total deferred inflows of resources	8,011	—	3,350	11,361
Fund Balances (Deficit)				
Nonspendable	1	—	—	1
Restricted	70,531	21	18,837	89,389
Committed	7,332	—	4,147	11,479
Assigned	—	—	841	841
Unassigned	(2,317)	—	—	(2,317)
Total fund balances	75,547	21	23,825	99,393
Total liabilities, deferred inflows of resources, and fund balances	97,233	21	28,415	125,669

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

Property taxes receivable	2,523	—	—	2,523
Payment in lieu of taxes receivable	2	—	—	2
Total property taxes receivable	\$ 2,525	—	—	2,525

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Non-major Governmental Funds - Special Revenue Funds

June 30, 2014

(Dollars in thousands)

Assets	Aging, Disability & Veteran Services Fund	Animal Services Gifts and Donation Fund	Building Services Fund	Children and Youth Services Commission Fund	Community Corrections Fund	Cooperative Library Services Fund
Cash and investments	\$ —	807	9,375	151	2,829	5,400
Property taxes receivable ⁽¹⁾	—	—	—	—	—	394
Accounts receivable	454	—	11	467	49	8
Other assets	—	—	10	—	13	27
Total assets	<u>454</u>	<u>807</u>	<u>9,396</u>	<u>618</u>	<u>2,891</u>	<u>5,829</u>
Liabilities						
Accounts payable	130	—	44	358	218	40
Accrued payroll liabilities	27	—	72	3	155	49
Deposits payable	—	—	140	—	—	—
Amounts held in trust	—	—	—	—	16	—
Due to other funds	56	—	—	—	—	—
Unearned revenue	88	403	—	256	859	—
Total liabilities	<u>301</u>	<u>403</u>	<u>256</u>	<u>617</u>	<u>1,248</u>	<u>89</u>
Deferred Inflows of Resources						
Unavailable revenue	—	—	4	—	—	363
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>4</u>	<u>—</u>	<u>—</u>	<u>363</u>
Fund Balances						
Restricted	153	404	9,136	1	1,643	—
Committed	—	—	—	—	—	5,377
Total fund balances	<u>153</u>	<u>404</u>	<u>9,136</u>	<u>1</u>	<u>1,643</u>	<u>5,377</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>454</u>	<u>807</u>	<u>9,396</u>	<u>618</u>	<u>2,891</u>	<u>5,829</u>

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

Property taxes receivable	—	—	—	—	—	394
Total property taxes receivable	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>394</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2014
(Dollars in thousands)

Assets	Court Security Fund	Department of Housing Services Fund	Development Services Fund	District Patrol Fund	Emergency Medical Services Fund	Enhanced Sheriff Patrol District Fund (Component Unit)
Cash and investments	\$ 555	70	2,264	371	1,401	13,796
Property taxes receivable ⁽¹⁾	—	—	—	—	—	970
Accounts receivable	75	167	36	1	43	—
Other assets	—	—	1	—	1	—
Total assets	<u>630</u>	<u>237</u>	<u>2,301</u>	<u>372</u>	<u>1,445</u>	<u>14,766</u>
Liabilities						
Accounts payable	63	77	19	39	15	—
Accrued payroll liabilities	—	55	28	333	6	—
Deposits payable	—	—	292	—	—	—
Unearned revenue	—	—	13	—	—	—
Total liabilities	<u>63</u>	<u>132</u>	<u>352</u>	<u>372</u>	<u>21</u>	<u>—</u>
Deferred Inflows of Resources						
Unavailable revenue	—	—	—	—	43	890
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>43</u>	<u>890</u>
Fund Balances						
Restricted	567	105	1,949	—	1,381	13,876
Total fund balances	<u>567</u>	<u>105</u>	<u>1,949</u>	<u>—</u>	<u>1,381</u>	<u>13,876</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>630</u>	<u>237</u>	<u>2,301</u>	<u>372</u>	<u>1,445</u>	<u>14,766</u>

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

Property taxes receivable	—	—	—	—	—	969
Payment in lieu of taxes receivable	—	—	—	—	—	1
Total property taxes receivable	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>970</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2014
(Dollars in thousands)

	Health Share of Oregon Fund	Human Services OHP Fund	ITS Systems Replacement Fund	Jail Commissary Fund	Juvenile Conciliation Services Fund	Juvenile Grants Fund
Assets						
Cash and investments	\$ 11,402	7,003	1,508	346	60	—
Accounts receivable	—	—	—	5	—	278
Other assets	3	—	—	—	—	—
Total assets	<u>11,405</u>	<u>7,003</u>	<u>1,508</u>	<u>351</u>	<u>60</u>	<u>278</u>
Liabilities						
Accounts payable	1,068	—	—	—	—	1
Accrued payroll liabilities	37	—	—	—	8	10
Amounts held in trust	—	—	—	1	—	—
Accrued HSO payable	3,000	—	—	—	—	—
Due to other funds	—	—	—	—	—	165
Total liabilities	<u>4,105</u>	<u>—</u>	<u>—</u>	<u>1</u>	<u>8</u>	<u>176</u>
Deferred Inflows of Resources						
Unavailable revenue	—	—	—	—	—	1
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1</u>
Fund Balances						
Restricted	7,300	7,003	—	350	52	101
Committed	—	—	1,508	—	—	—
Total fund balances	<u>7,300</u>	<u>7,003</u>	<u>1,508</u>	<u>350</u>	<u>52</u>	<u>101</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,405</u>	<u>7,003</u>	<u>1,508</u>	<u>351</u>	<u>60</u>	<u>278</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2014
(Dollars in thousands)

Assets	Juvenile High Risk Prevention Fund	Law Library Fund	Local Option Levy Fund	Lottery Fund	Maintenance Improvement District Fund	Metzger Park LID Fund
Cash and investments	\$ 20	1,178	11,743	—	289	46
Property taxes receivable ⁽¹⁾	—	—	974	—	—	—
Assessments receivable	—	—	—	—	—	4
Accounts receivable	565	—	98	427	—	—
Inventory	1	—	—	—	—	—
Other assets	—	1	4	—	—	—
Total assets	<u>586</u>	<u>1,179</u>	<u>12,819</u>	<u>427</u>	<u>289</u>	<u>50</u>
Liabilities						
Accounts payable	163	5	61	—	—	4
Accrued payroll liabilities	16	4	300	—	—	—
Due to other funds	334	—	—	427	—	—
Total liabilities	<u>513</u>	<u>9</u>	<u>361</u>	<u>427</u>	<u>—</u>	<u>4</u>
Deferred Inflows of Resources						
Unavailable revenue	222	—	993	—	—	4
Total deferred inflows of resources	<u>222</u>	<u>—</u>	<u>993</u>	<u>—</u>	<u>—</u>	<u>4</u>
Fund Balances (Deficit)						
Nonspendable	1	—	—	—	—	—
Restricted	—	1,170	11,465	—	289	42
Unassigned	(150)	—	—	—	—	—
Total fund balances (deficit)	<u>(149)</u>	<u>1,170</u>	<u>11,465</u>	<u>—</u>	<u>289</u>	<u>42</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>586</u>	<u>1,179</u>	<u>12,819</u>	<u>427</u>	<u>289</u>	<u>50</u>

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

Property taxes receivable	—	—	973	—	—	—
Payment in lieu of taxes receivable	—	—	1	—	—	—
Total property taxes receivable	<u>\$ —</u>	<u>—</u>	<u>974</u>	<u>—</u>	<u>—</u>	<u>—</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2014
(Dollars in thousands)

	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	Surveyor - Public Land Corner Fund
Assets						
Cash and investments	\$ 360	—	—	1,051	—	1,324
Accounts receivable	—	387	77	—	118	6
Investment interest receivable	—	240	—	—	—	—
Contracts receivable	—	4,943	—	—	—	—
Other assets	—	—	—	6	—	—
Total assets	360	5,570	77	1,057	118	1,330
Liabilities						
Accounts payable	146	284	1	5	43	—
Accrued payroll liabilities	—	9	11	—	2	11
Due to other funds	—	25	65	—	71	—
Advances from other funds	2,300	—	—	—	—	—
Total liabilities	2,446	318	77	5	116	11
Deferred Inflows of Resources						
Unavailable revenue	—	5,213	—	—	83	—
Total deferred inflows of resources	—	5,213	—	—	83	—
Fund Balances (Deficits)						
Restricted	—	39	—	1,052	—	1,319
Unassigned	(2,086)	—	—	—	(81)	—
Total fund balances (deficits)	(2,086)	39	—	1,052	(81)	1,319
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 360	5,570	77	1,057	118	1,330

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2014
(Dollars in thousands)

Assets	Tourism Dedicated Lodging Tax Fund	Urban Road Maintenance Service District Fund (Component Unit)	Washington County Fair Fund	West Slope Library Fund	Total Special Revenue Funds
Cash and investments	\$ 1,458	9,455	532	469	85,263
Property taxes receivable ⁽¹⁾	—	187	—	—	2,525
Assessments receivable	—	—	—	—	4
Accounts receivable	664	22	225	—	4,183
Investment interest receivable	—	—	—	—	240
Contracts receivable	—	—	—	—	4,943
Inventory	—	—	—	—	1
Other assets	—	—	8	—	74
Total assets	2,122	9,664	765	469	97,233
Liabilities					
Accounts payable	821	205	23	11	3,844
Accrued payroll liabilities	—	—	15	11	1,162
Deposits payable	—	—	1	—	433
Amounts held in trust	—	—	1	—	18
Accrued HSO payable	—	—	—	—	3,000
Due to other funds	—	—	—	—	1,143
Advances from other funds	—	—	—	—	2,300
Unearned revenue	—	—	156	—	1,775
Total liabilities	821	205	196	22	13,675
Deferred Inflows of Resources					
Unavailable revenue	—	193	2	—	8,011
Total deferred inflows of resources	—	193	2	—	8,011
Fund Balances (Deficit)					
Nonspendable	—	—	—	—	1
Restricted	1,301	9,266	567	—	70,531
Committed	—	—	—	447	7,332
Unassigned	—	—	—	—	(2,317)
Total fund balances	1,301	9,266	567	447	75,547
Total liabilities, deferred inflows of resources, and fund balances	2,122	9,664	765	469	97,233

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

Property taxes receivable	—	187	—	—	2,523
Payment in lieu of taxes receivable	—	—	—	—	2
Total property taxes receivable	\$ —	187	—	—	2,525

WASHINGTON COUNTY, OREGON

Combining Balance Sheet

Non-major Governmental Funds - Capital Projects Funds

June 30, 2014

(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
Assets						
Cash and investments	\$ 1,896	3,414	2,430	30	1,172	4,888
Assessments receivable	—	51	—	—	—	—
Accounts receivable	—	—	—	—	—	3,216
Total assets	<u>1,896</u>	<u>3,465</u>	<u>2,430</u>	<u>30</u>	<u>1,172</u>	<u>8,104</u>
Liabilities						
Accounts payable	154	145	25	—	649	262
Total liabilities	<u>154</u>	<u>145</u>	<u>25</u>	<u>—</u>	<u>649</u>	<u>262</u>
Deferred Inflows of Resources						
Unavailable revenue	—	51	—	—	—	3,216
Total deferred inflows of resources	<u>—</u>	<u>51</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,216</u>
Fund Balances						
Restricted	—	3,269	—	30	—	4,626
Committed	1,742	—	2,405	—	—	—
Assigned	—	—	—	—	523	—
Total fund balances	<u>1,742</u>	<u>3,269</u>	<u>2,405</u>	<u>30</u>	<u>523</u>	<u>4,626</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>1,896</u>	<u>3,465</u>	<u>2,430</u>	<u>30</u>	<u>1,172</u>	<u>8,104</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Capital Projects Funds
June 30, 2014
(Dollars in thousands)

	OTIA Capital Projects Fund	Parks and Open Spaces Opportunity Projects Fund	Transportation Development Tax Fund	Total Capital Projects Funds
Assets				
Cash and investments	\$ 44	318	10,873	25,065
Assessments receivable	83	—	—	134
Accounts receivable	—	—	—	3,216
Total assets	<u>127</u>	<u>318</u>	<u>10,873</u>	<u>28,415</u>
Liabilities				
Accounts payable	2	—	3	1,240
Total liabilities	<u>2</u>	<u>—</u>	<u>3</u>	<u>1,240</u>
Deferred Inflows of Resources				
Unavailable revenue	83	—	—	3,350
Total deferred inflows of resources	<u>83</u>	<u>—</u>	<u>—</u>	<u>3,350</u>
Fund Balances				
Restricted	42	—	10,870	18,837
Committed	—	—	—	4,147
Assigned	—	318	—	841
Total fund balances	<u>42</u>	<u>318</u>	<u>10,870</u>	<u>23,825</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>127</u>	<u>318</u>	<u>10,873</u>	<u>28,415</u>

WASHINGTON COUNTY, OREGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

General Fund

For the fiscal year ended June 30, 2014

(Dollars in thousands)

	General Fund	Indirect Cost Reimburse- ment Fund	Strategic Investment Program and Gain Share Fund	Survey Fund	Net Consolidation Adjustments	Total General Fund
Revenues:						
Taxes	\$ 118,662	—	—	—	—	118,662
Licenses and permits	6,439	—	—	—	—	6,439
Intergovernmental revenues	17,320	60	11,481	—	—	28,861
Charges for services	7,217	—	12,905	473	—	20,595
Fines and forfeitures	2,545	—	—	—	—	2,545
Miscellaneous revenues	4,484	—	76	10	—	4,570
Interfund revenues	5,951	15,003	—	43	(56)	20,941
Total revenues	162,618	15,063	24,462	526	(56)	202,613
Expenditures:						
Current:						
General government	39,030	—	—	—	—	39,030
Public safety and justice	62,712	—	—	—	—	62,712
Land use, housing and transportation	2,838	—	—	418	(56)	3,200
Health and human services	17,449	—	—	—	—	17,449
Culture, education and recreation	1,163	—	—	—	—	1,163
Nonoperating	—	1,931	250	—	—	2,181
Total current	123,192	1,931	250	418	(56)	125,735
Capital outlay	211	—	—	—	—	211
Debt service:						
Principal	223	—	—	—	—	223
Interest	48	—	—	—	—	48
Total debt service	271	—	—	—	—	271
Total expenditures	123,674	1,931	250	418	(56)	126,217
Revenues over expenditures	38,944	13,132	24,212	108	—	76,396
Other financing sources (uses):						
Transfers in	25,520	—	—	73	(24,566)	1,027
Transfers out	(61,269)	(13,132)	(20,906)	(18)	24,566	(70,759)
Total other financing sources (uses)	(35,749)	(13,132)	(20,906)	55	—	(69,732)
Net change in fund balances	3,195	—	3,306	163	—	6,664
Fund balances July 1, 2013	31,099	—	2,344	646	—	34,089
Fund balances June 30, 2014	\$ 34,294	—	5,650	809	—	40,753

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

Human Services Fund

For the fiscal year ended June 30, 2014

(Dollars in thousands)

	Human Services Fund	Human Services HB-2145 Fund	Net Consolidation Adjustments	Total Human Services Fund
Revenues:				
Intergovernmental revenues	\$ 18,494	—	—	18,494
Charges for services	19	—	—	19
Miscellaneous revenues	195	—	—	195
Interfund revenues	147	109	(109)	147
	<u>18,855</u>	<u>109</u>	<u>(109)</u>	<u>18,855</u>
Total revenues				
Expenditures:				
Current:				
Health and human services	20,385	—	(109)	20,276
	<u>20,385</u>	<u>—</u>	<u>(109)</u>	<u>20,276</u>
Total current				
Total expenditures	20,385	—	(109)	20,276
	<u>20,385</u>	<u>—</u>	<u>(109)</u>	<u>20,276</u>
Revenues over (under) expenditures	(1,530)	109	—	(1,421)
	<u>(1,530)</u>	<u>109</u>	<u>—</u>	<u>(1,421)</u>
Other financing sources:				
Transfers in	1,577	—	—	1,577
Transfers out	—	—	—	—
	<u>1,577</u>	<u>—</u>	<u>—</u>	<u>1,577</u>
Total other financing sources				
Net change in fund balances	47	109	—	156
	<u>47</u>	<u>109</u>	<u>—</u>	<u>156</u>
Fund balances July 1, 2013	3,749	688	—	4,437
	<u>3,749</u>	<u>688</u>	<u>—</u>	<u>4,437</u>
Fund balances June 30, 2014	\$ 3,796	797	—	4,593
	<u><u>3,796</u></u>	<u><u>797</u></u>	<u><u>—</u></u>	<u><u>4,593</u></u>

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, 2014

(Dollars in thousands)

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Non-major Funds
Revenues:				
Taxes	\$ 58,128	6,343	—	64,471
Licenses and permits	4,494	—	—	4,494
Intergovernmental revenues	27,336	—	3,232	30,568
Charges for services	29,980	—	4,535	34,515
Fines and forfeitures	532	—	—	532
Special assessments	106	—	7	113
Miscellaneous revenues	27,541	1	537	28,079
Interfund revenues	554	—	1,104	1,658
Total revenues	148,671	6,344	9,415	164,430
Expenditures:				
Current:				
Public safety and justice	81,458	—	—	81,458
Land use, housing and transportation	23,301	—	5,815	29,116
Health and human services	25,347	—	—	25,347
Culture, education and recreation	29,193	—	—	29,193
Nonoperating	513	3	20	536
Total current	159,812	3	5,835	165,650
Capital outlay	1,569	—	6,594	8,163
Debt service:				
Principal	246	10,338	—	10,584
Interest	43	3,218	—	3,261
Total debt service	289	13,556	—	13,845
Total expenditures	161,670	13,559	12,429	187,658
Revenues under expenditures	(12,999)	(7,215)	(3,014)	(23,228)
Other financing sources (uses):				
Transfers in	22,332	7,232	10,087	39,651
Transfers out	(2,687)	(29)	(1,295)	(4,011)
Total other financing sources	19,645	7,203	8,792	35,640
Net change in fund balances	6,646	(12)	5,778	12,412
Fund balances July 1, 2013	68,901	33	18,047	86,981
Fund balances June 30, 2014	\$ 75,547	21	23,825	99,393

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, 2014
(Dollars in thousands)

	Aging, Disability & Veterans Services Fund	Animal Services Gifts and Donation Fund	Building Services Fund	Children and Youth Services Commission Fund	Community Corrections Fund	Cooperative Library Services Fund
Revenues:						
Taxes	\$ —	—	—	—	—	8,316
Licenses and permits	—	—	3,966	—	—	—
Intergovernmental revenues	2,440	53	76	1,899	11,025	35
Charges for services	—	—	3,236	—	864	7
Fines and forfeitures	—	—	3	—	—	—
Miscellaneous revenues	29	16	77	—	67	69
Interfund revenues	—	—	114	85	157	—
Total revenues	2,469	69	7,472	1,984	12,113	8,427
Expenditures:						
Current:						
Public safety and justice	—	—	—	—	13,935	—
Land use, housing and transportation	—	—	5,582	—	—	—
Health and human services	3,045	55	—	2,204	—	—
Culture, education and recreation	—	—	—	—	—	23,492
Total current	3,045	55	5,582	2,204	13,935	23,492
Capital outlay	—	—	50	—	—	—
Total expenditures	3,045	55	5,632	2,204	13,935	23,492
Revenues over (under) expenditures	(576)	14	1,840	(220)	(1,822)	(15,065)
Other financing sources (uses):						
Transfers in	246	—	25	83	2,541	16,450
Transfers out	—	—	(177)	—	—	(707)
Total other financing sources (uses)	246	—	(152)	83	2,541	15,743
Net change in fund balances	(330)	14	1,688	(137)	719	678
Fund balances July 1, 2013	483	390	7,448	138	924	4,699
Fund balances June 30, 2014	\$ 153	404	9,136	1	1,643	5,377

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, 2014
(Dollars in thousands)

	Court Security Fund	Department of Housing Services Fund	Development Services Fund	District Patrol Fund	Emergency Medical Services Fund	Enhanced Sheriff Patrol District Fund (Component Unit)
Revenues:						
Taxes	\$ —	—	—	—	—	21,240
Licenses and permits	—	—	—	—	498	—
Intergovernmental revenues	—	2,529	74	—	—	52
Charges for services	—	—	2,170	21	3	13
Fines and forfeitures	510	—	19	—	—	—
Miscellaneous revenues	3	3,771	19	21,461	11	123
Interfund revenues	10	—	38	1	2	—
Total revenues	523	6,300	2,320	21,483	514	21,428
Expenditures:						
Current:						
Public safety and justice	406	—	—	20,326	—	21,649
Land use, housing and transportation	—	6,642	1,985	—	—	—
Health and human services	—	—	—	—	585	—
Total current	406	6,642	1,985	20,326	585	21,649
Capital outlay	—	—	—	1,157	—	—
Total expenditures	406	6,642	1,985	21,483	585	21,649
Revenues over (under) expenditures	117	(342)	335	—	(71)	(221)
Other financing sources (uses):						
Transfers in	—	401	327	—	—	—
Transfers out	—	(24)	(83)	—	—	—
Total other financing sources	—	377	244	—	—	—
Net change in fund balances	117	35	579	—	(71)	(221)
Fund balances July 1, 2013	450	70	1,370	—	1,452	14,097
Fund balances June 30, 2014	\$ 567	105	1,949	—	1,381	13,876

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, 2014
(Dollars in thousands)

	Health Share of Oregon Fund	Human Services OHP Fund	ITS Systems Replacement Fund	Jail Commissary Fund	Juvenile Conciliation Services Fund	Juvenile Grants Fund
Revenues:						
Licenses and permits	\$ —	—	—	—	30	—
Intergovernmental revenues	—	—	—	—	524	732
Charges for services	21,874	—	—	—	8	—
Miscellaneous revenues	79	59	9	119	—	8
Total revenues	21,953	59	9	119	562	740
Expenditures:						
Current:						
Public safety and justice	—	—	—	118	540	736
Health and human services	19,458	—	—	—	—	—
Total current	19,458	—	—	118	540	736
Total expenditures	19,458	—	—	118	540	736
Revenues over expenditures	2,495	59	9	1	22	4
Other financing sources (uses):						
Transfers in	—	—	1,474	—	—	—
Transfers out	—	(18)	—	—	—	—
Total other financing sources (uses)	—	(18)	1,474	—	—	—
Net change in fund balances	2,495	41	1,483	1	22	4
Fund balances July 1, 2013	4,805	6,962	25	349	30	97
Fund balances June 30, 2014	\$ 7,300	7,003	1,508	350	52	101

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, 2014
(Dollars in thousands)

	Juvenile High Risk Prevention Fund	Law Library Fund	Local Option Levy Fund	Lottery Fund	Maintenance Improvement District Fund	Metzger Park LID Fund
Revenues:						
Taxes	\$ —	—	20,546	—	—	—
Intergovernmental revenues	1,544	—	258	1,727	—	—
Charges for services	—	351	88	—	—	—
Special assessments	—	—	—	—	18	88
Miscellaneous revenues	14	9	142	22	3	9
Total revenues	1,558	360	21,034	1,749	21	97
Expenditures:						
Current:						
Public safety and justice	1,537	370	20,138	—	—	—
Land use, housing and transportation	—	—	—	—	2	—
Culture, education and recreation	—	—	—	—	—	100
Nonoperating	—	—	—	513	—	—
Total current	1,537	370	20,138	513	2	100
Capital outlay	—	—	131	—	—	—
Total expenditures	1,537	370	20,269	513	2	100
Revenues over (under) expenditures	21	(10)	765	1,236	19	(3)
Other financing uses:						
Transfers out	—	(18)	—	(1,236)	(1)	—
Total other financing uses	—	(18)	—	(1,236)	(1)	—
Net change in fund balances (deficit)	21	(28)	765	—	18	(3)
Fund balances (deficit) July 1, 2013	(170)	1,198	10,700	—	271	45
Fund balances (deficit) June 30, 2014	\$ (149)	1,170	11,465	—	289	42

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, 2014

(Dollars in thousands)

	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	Surveyor - Public Land Corner Fund
Revenues:						
Taxes	\$ 36	—	—	—	—	—
Intergovernmental revenues	654	2,634	—	—	1,016	—
Charges for services	—	—	456	—	—	416
Miscellaneous revenues	8	170	—	402	276	11
Interfund revenues	—	—	50	—	—	97
Total revenues	698	2,804	506	402	1,292	524
Expenditures:						
Current:						
Public safety and justice	—	—	506	327	870	—
Land use, housing and transportation	2,523	2,804	—	—	—	645
Total current	2,523	2,804	506	327	870	645
Capital outlay	—	—	—	22	173	—
Debt service:						
Principal	—	—	—	—	245	—
Interest	12	—	—	—	31	—
Total debt service	12	—	—	—	276	—
Total expenditures	2,535	2,804	506	349	1,319	645
Revenues over (under) expenditures	(1,837)	—	—	53	(27)	(121)
Other financing sources (uses):						
Transfers in	78	—	—	—	—	—
Transfers out	(390)	—	—	—	—	(23)
Total other financing uses	(312)	—	—	—	—	(23)
Net change in fund balances (deficits)	(2,149)	—	—	53	(27)	(144)
Fund balances (deficit) July 1, 2013	63	39	—	999	(54)	1,463
Fund balances (deficits) June 30, 2014	\$ (2,086)	39	—	1,052	(81)	1,319

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, 2014
(Dollars in thousands)

	Tourism Dedicated Lodging Tax Fund	Urban Road Maintenance Service District Fund (Component Unit)	Washington County Fair Fund	West Slope Library Fund	Total Special Revenue Funds
Revenues:					
Taxes	\$ 3,018	3,966	1,006	—	58,128
Licenses and permits	—	—	—	—	4,494
Intergovernmental revenues	—	11	51	2	27,336
Charges for services	—	3	470	—	29,980
Fines and forfeitures	—	—	—	—	532
Special assessments	—	—	—	—	106
Miscellaneous revenues	12	90	416	37	27,541
Interfund revenues	—	—	—	—	554
Total revenues	3,030	4,070	1,943	39	148,671
Expenditures:					
Current:					
Public safety and justice	—	—	—	—	81,458
Land use, housing and transportation	—	3,118	—	—	23,301
Health and human services	—	—	—	—	25,347
Culture, education and recreation	3,018	—	1,847	736	29,193
Nonoperating	—	—	—	—	513
Total current	3,018	3,118	1,847	736	159,812
Capital outlay	—	—	36	—	1,569
Debt service:					
Principal	—	—	1	—	246
Interest	—	—	—	—	43
Total debt service	—	—	1	—	289
Total expenditures	3,018	3,118	1,884	736	161,670
Revenues over (under) expenditures	12	952	59	(697)	(12,999)
Other financing sources (uses):					
Transfers in	—	—	—	707	22,332
Transfers out	—	(10)	—	—	(2,687)
Total other financing sources (uses)	—	(10)	—	707	19,645
Net change in fund balances	12	942	59	10	6,646
Fund balances July 1, 2013	1,289	8,324	508	437	68,901
Fund balances June 30, 2014	\$ 1,301	9,266	567	447	75,547

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

Debt Service Funds
For the fiscal year ended June 30, 2014
(Dollars in thousands)

	Criminal Justice Bond Fund	Miscellaneous Debt Service Fund	Total Debt Service Funds
Revenues:			
Taxes	\$ 6,343	—	6,343
Miscellaneous revenues	1	—	1
Total revenues	6,344	—	6,344
Expenditures:			
Current:			
Nonoperating	—	3	3
Total current	—	3	3
Debt service:			
Principal	6,195	4,143	10,338
Interest	132	3,086	3,218
Total debt service	6,327	7,229	13,556
Total expenditures	6,327	7,232	13,559
Revenues over (under) expenditures	17	(7,232)	(7,215)
Other financing sources (uses):			
Transfers in	—	7,232	7,232
Transfers out	(29)	—	(29)
Total other financing sources (uses)	(29)	7,232	7,203
Net change in fund balances	(12)	—	(12)
Fund balances July 1, 2013	12	21	33
Fund balances June 30, 2014	\$ —	21	21

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

Capital Projects Funds

For the fiscal year ended June 30, 2014

(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	\$ —	1,593	13	—	—	1,626
Charges for services	—	336	—	23	—	—
Special assessments	—	7	—	—	—	—
Miscellaneous revenues	14	34	35	—	12	23
Interfund revenues	—	—	108	—	996	—
Total revenues	14	1,970	156	23	1,008	1,649
Expenditures:						
Current:						
Land use, housing and transportation Nonoperating	—	1,823	—	—	—	3,487
	—	—	20	—	—	—
Total current	—	1,823	20	—	—	3,487
Capital outlay	919	215	681	—	3,616	1,107
Total expenditures	919	2,038	701	—	3,616	4,594
Revenues over (under) expenditures	(905)	(68)	(545)	23	(2,608)	(2,945)
Other financing sources (uses):						
Transfers in	970	305	2,557	—	1,373	4,882
Transfers out	—	(63)	—	—	(1,209)	(18)
Total other financing sources	970	242	2,557	—	164	4,864
Net change in fund balances	65	174	2,012	23	(2,444)	1,919
Fund balances July 1, 2013	1,677	3,095	393	7	2,967	2,707
Fund balances June 30, 2014	\$ 1,742	3,269	2,405	30	523	4,626

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

Capital Projects Funds

For the fiscal year ended June 30, 2014

(Dollars in thousands)

	OTIA Capital Projects Fund	Parks and Open Spaces Opportunity Projects Fund	Transportation Development Tax Fund	Total Capital Projects Funds
Revenues:				
Intergovernmental revenues	\$ —	—	—	3,232
Charges for services	—	—	4,176	4,535
Special assessments	—	—	—	7
Miscellaneous revenues	—	349	70	537
Interfund revenues	—	—	—	1,104
Total revenues	—	349	4,246	9,415
Expenditures:				
Current:				
Land use, housing and transportation Nonoperating	11	—	494	5,815
	—	—	—	20
Total current	11	—	494	5,835
Capital outlay	—	56	—	6,594
Total expenditures	11	56	494	12,429
Revenues over (under) expenditures	(11)	293	3,752	(3,014)
Other financing sources (uses):				
Transfers in	—	—	—	10,087
Transfers out	(4)	—	(1)	(1,295)
Total other financing sources (uses)	(4)	—	(1)	8,792
Net change in fund balances	(15)	293	3,751	5,778
Fund balances July 1, 2013	57	25	7,119	18,047
Fund balances June 30, 2014	\$ 42	318	10,870	23,825

WASHINGTON COUNTY, OREGON
 Budgetary Comparison
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	Aging, Disability & Veteran Services Fund				Animal Services Gifts and Donations Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 3,182	3,182	2,440	(742)	214	214	53	(161)
Miscellaneous revenues	2	2	29	27	21	21	16	(5)
Total revenues	3,184	3,184	2,469	(715)	235	235	69	(166)
Expenditures:								
Current:								
Health and human services	3,769	3,740	3,045	695	264	264	55	209
Operating contingency	154	171	—	171	303	303	—	303
Total current	3,923	3,911	3,045	866	567	567	55	512
Total expenditures	3,923	3,911	3,045	866	567	567	55	512
Revenues over (under) expenditures	(739)	(727)	(576)	151	(332)	(332)	14	346
Other financing sources:								
Transfers in from other funds	258	246	246	—	—	—	—	—
Total other financing sources	258	246	246	—	—	—	—	—
Net change in fund balances	(481)	(481)	(330)	151	(332)	(332)	14	346
Fund balances July 1, 2013	481	481	483	2	332	332	390	58
Fund balances June 30, 2014	\$ —	—	153	153	—	—	404	404

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	Building Services Fund				Children and Youth Services Commission Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Licenses and permits	\$ 2,962	2,962	3,966	1,004	—	—	—	—
Intergovernmental revenues	48	48	76	28	2,536	2,536	1,899	(637)
Charges for services	2,368	2,368	3,236	868	60	60	—	(60)
Fines and forfeitures	—	—	3	3	—	—	—	—
Miscellaneous revenues	68	68	77	9	42	42	—	(42)
Interfund revenues	144	144	114	(30)	—	—	85	85
Total revenues	5,590	5,590	7,472	1,882	2,638	2,638	1,984	(654)
Expenditures:								
Current:								
Land use, housing and transportation	6,942	7,037	5,582	1,455	—	—	—	—
Health and human services	—	—	—	—	2,731	2,721	2,204	517
Operating contingency	5,916	5,777	—	5,777	96	102	—	102
Total current	12,858	12,814	5,582	7,232	2,827	2,823	2,204	619
Capital outlay	54	54	50	4	—	—	—	—
Total expenditures	12,912	12,868	5,632	7,236	2,827	2,823	2,204	619
Revenues over (under) expenditures	(7,322)	(7,278)	1,840	9,118	(189)	(185)	(220)	(35)
Other financing sources (uses):								
Transfers in from other funds	69	25	25	—	87	83	83	—
Transfers out to other funds	(177)	(177)	(177)	—	—	—	—	—
Total other financing sources (uses)	(108)	(152)	(152)	—	87	83	83	—
Net change in fund balances	(7,430)	(7,430)	1,688	9,118	(102)	(102)	(137)	(35)
Fund balances July 1, 2013	7,430	7,430	7,448	18	102	102	138	36
Fund balances June 30, 2014	\$ —	—	9,136	9,136	—	—	1	1

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	<u>Community Corrections Fund</u>				<u>Cooperative Library 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:								
Taxes	\$ —	—	—	—	8,264	8,264	8,316	52
Intergovernmental revenues	9,045	11,556	11,025	(531)	85	85	35	(50)
Charges for services	852	852	864	12	7	7	7	—
Miscellaneous revenues	41	41	67	26	96	96	69	(27)
Interfund revenues	192	192	157	(35)	—	—	—	—
Total revenues	<u>10,130</u>	<u>12,641</u>	<u>12,113</u>	<u>(528)</u>	<u>8,452</u>	<u>8,452</u>	<u>8,427</u>	<u>(25)</u>
Expenditures:								
Current:								
Public safety and justice	13,721	16,036	13,935	2,101	—	—	—	—
Culture, education and recreation	—	—	—	—	24,347	24,270	23,492	778
Operating contingency	—	111	—	111	3,862	3,907	—	3,907
Total current	<u>13,721</u>	<u>16,147</u>	<u>13,935</u>	<u>2,212</u>	<u>28,209</u>	<u>28,177</u>	<u>23,492</u>	<u>4,685</u>
Capital outlay	—	—	—	—	133	133	—	133
Total expenditures	<u>13,721</u>	<u>16,147</u>	<u>13,935</u>	<u>2,212</u>	<u>28,342</u>	<u>28,310</u>	<u>23,492</u>	<u>4,818</u>
Revenues under expenditures	<u>(3,591)</u>	<u>(3,506)</u>	<u>(1,822)</u>	<u>1,684</u>	<u>(19,890)</u>	<u>(19,858)</u>	<u>(15,065)</u>	<u>4,793</u>
Other financing sources (uses):								
Transfers in from other funds	2,627	2,541	2,541	—	16,349	16,318	16,450	132
Transfers out to other funds	—	—	—	—	(707)	(707)	(707)	—
Total other financing sources	<u>2,627</u>	<u>2,541</u>	<u>2,541</u>	<u>—</u>	<u>15,642</u>	<u>15,611</u>	<u>15,743</u>	<u>132</u>
Net change in fund balances	<u>(964)</u>	<u>(965)</u>	<u>719</u>	<u>1,684</u>	<u>(4,248)</u>	<u>(4,247)</u>	<u>678</u>	<u>4,925</u>
Fund balances July 1, 2013	<u>964</u>	<u>965</u>	<u>924</u>	<u>(41)</u>	<u>4,248</u>	<u>4,247</u>	<u>4,699</u>	<u>452</u>
Fund balances June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>1,643</u>	<u>1,643</u>	<u>—</u>	<u>—</u>	<u>5,377</u>	<u>5,377</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	Court Security Fund				Department of Housing Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	2,639	2,639	2,529	(110)
Fines and forfeitures	275	275	510	235	—	—	—	—
Miscellaneous revenues	—	—	3	3	3,881	3,881	3,771	(110)
Interfund revenues	—	—	10	10	—	—	—	—
Total revenues	<u>275</u>	<u>275</u>	<u>523</u>	<u>248</u>	<u>6,520</u>	<u>6,520</u>	<u>6,300</u>	<u>(220)</u>
Expenditures:								
Current:								
Public safety and justice	409	409	406	3	—	—	—	—
Land use, housing and transportation	—	—	—	—	6,943	6,851	6,642	209
Operating contingency	38	38	—	38	26	117	—	117
Total current	<u>447</u>	<u>447</u>	<u>406</u>	<u>41</u>	<u>6,969</u>	<u>6,968</u>	<u>6,642</u>	<u>326</u>
Total expenditures	<u>447</u>	<u>447</u>	<u>406</u>	<u>41</u>	<u>6,969</u>	<u>6,968</u>	<u>6,642</u>	<u>326</u>
Revenues over (under) expenditures	<u>(172)</u>	<u>(172)</u>	<u>117</u>	<u>289</u>	<u>(449)</u>	<u>(448)</u>	<u>(342)</u>	<u>106</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	366	366	401	35
Transfers out to other funds	—	—	—	—	(1)	(1)	(24)	(23)
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>365</u>	<u>365</u>	<u>377</u>	<u>12</u>
Net change in fund balances	<u>(172)</u>	<u>(172)</u>	<u>117</u>	<u>289</u>	<u>(84)</u>	<u>(83)</u>	<u>35</u>	<u>118</u>
Fund balances July 1, 2013	<u>172</u>	<u>172</u>	<u>450</u>	<u>278</u>	<u>84</u>	<u>83</u>	<u>70</u>	<u>(13)</u>
Fund balances June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>567</u>	<u>567</u>	<u>—</u>	<u>—</u>	<u>105</u>	<u>105</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, 2014
 (Dollars in thousands)

	Development Services Fund				District Patrol Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Intergovernmental revenues	\$ 46	46	74	28	—	—	—	—
Charges for services	1,553	1,553	2,170	617	21	21	21	—
Fines and forfeitures	25	25	19	(6)	—	—	—	—
Miscellaneous revenues	11	11	19	8	22,019	22,096	21,461	(635)
Interfund revenues	40	40	38	(2)	—	—	1	1
Total revenues	<u>1,675</u>	<u>1,675</u>	<u>2,320</u>	<u>645</u>	<u>22,040</u>	<u>22,117</u>	<u>21,483</u>	<u>(634)</u>
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	21,223	21,154	20,326	828
Land use, housing and transportation	2,428	2,373	1,985	388	—	—	—	—
Operating contingency	1,080	1,115	—	1,115	—	—	—	—
Total current	<u>3,508</u>	<u>3,488</u>	<u>1,985</u>	<u>1,503</u>	<u>21,223</u>	<u>21,154</u>	<u>20,326</u>	<u>828</u>
Capital outlay	—	—	—	—	963	963	1,157	(194)
Total expenditures	<u>3,508</u>	<u>3,488</u>	<u>1,985</u>	<u>1,503</u>	<u>22,186</u>	<u>22,117</u>	<u>21,483</u>	<u>634</u>
Revenues over (under) expenditures	<u>(1,833)</u>	<u>(1,813)</u>	<u>335</u>	<u>2,148</u>	<u>(146)</u>	—	—	—
Other financing sources (uses):								
Transfers in from other funds	619	599	327	(272)	145	—	—	—
Transfers out to other funds	(83)	(83)	(83)	—	—	—	—	—
Total other financing sources	<u>536</u>	<u>516</u>	<u>244</u>	<u>(272)</u>	<u>145</u>	—	—	—
Net change in fund balances	<u>(1,297)</u>	<u>(1,297)</u>	<u>579</u>	<u>1,876</u>	<u>(1)</u>	—	—	—
Fund balances July 1, 2013	<u>1,297</u>	<u>1,297</u>	<u>1,370</u>	<u>73</u>	<u>1</u>	—	—	—
Fund balances June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>1,949</u>	<u>1,949</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</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, 2014
 (Dollars in thousands)

	Emergency Medical Services Fund				Enhanced Sheriff Patrol District Fund (Component Unit)			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ —	—	—	—	20,990	20,990	21,240	250
Licenses and permits	482	482	498	16	—	—	—	—
Intergovernmental revenues	—	—	—	—	71	71	52	(19)
Charges for services	12	12	3	(9)	8	8	13	5
Miscellaneous revenues	5	5	11	6	141	141	123	(18)
Interfund revenues	3	3	2	(1)	—	—	—	—
Total revenues	502	502	514	12	21,210	21,210	21,428	218
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	22,249	22,249	21,649	600
Health and human services	744	735	585	150	—	—	—	—
Operating contingency	1,084	1,089	—	1,089	13,223	13,223	—	13,223
Total current	1,828	1,824	585	1,239	35,472	35,472	21,649	13,823
Total expenditures	1,828	1,824	585	1,239	35,472	35,472	21,649	13,823
Revenues under expenditures	(1,326)	(1,322)	(71)	1,251	(14,262)	(14,262)	(221)	14,041
Other financing sources:								
Transfers in from other funds	4	—	—	—	—	—	—	—
Total other financing sources	4	—	—	—	—	—	—	—
Net change in fund balances	(1,322)	(1,322)	(71)	1,251	(14,262)	(14,262)	(221)	14,041
Fund balances July 1, 2013	1,322	1,322	1,452	130	14,262	14,262	14,097	(165)
Fund balances June 30, 2014	\$ —	—	1,381	1,381	—	—	13,876	13,876

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	Health Share of Oregon Fund				Human Services HB-2145 Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 19,049	19,049	21,874	2,825	—	—	—	—
Miscellaneous revenues	22	22	79	57	—	—	—	—
Interfund revenues	—	—	—	—	—	—	109	109
Total revenues	19,071	19,071	21,953	2,882	—	—	109	109
Expenditures:								
Current:								
Health and human services	19,091	19,033	19,458	(425)	—	—	—	—
Operating contingency	4,337	4,374	—	4,374	35	35	—	35
Total current	23,428	23,407	19,458	3,949	35	35	—	35
Total expenditures	23,428	23,407	19,458	3,949	35	35	—	35
Revenues over (under) expenditures	(4,357)	(4,336)	2,495	6,831	(35)	(35)	109	144
Other financing sources (uses):								
Transfers in from other funds	21	—	—	—	—	—	—	—
Transfers out to other funds	—	—	—	—	(400)	(400)	—	400
Total other financing sources (uses)	21	—	—	—	(400)	(400)	—	400
Net change in fund balances	(4,336)	(4,336)	2,495	6,831	(435)	(435)	109	544
Fund balances July 1, 2013	4,336	4,336	4,805	469	435	435	688	253
Fund balances June 30, 2014	\$ —	—	7,300	7,300	—	—	797	797

* 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, 2014
 (Dollars in thousands)

	Human Services OHP Fund				Indirect Cost Reimbursement Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	60	60	60	—
Miscellaneous revenues	21	21	59	38	—	—	—	—
Interfund revenues	—	—	—	—	15,037	15,037	15,003	(34)
Total revenues	21	21	59	38	15,097	15,097	15,063	(34)
Expenditures:								
Current:								
Health and human services	1	1	—	1	—	—	—	—
Nonoperating	—	—	—	—	1,931	1,931	1,931	—
Operating contingency	5,300	5,300	—	5,300	—	—	—	—
Total current	5,301	5,301	—	5,301	1,931	1,931	1,931	—
Total expenditures	5,301	5,301	—	5,301	1,931	1,931	1,931	—
Revenues over (under) expenditures	(5,280)	(5,280)	59	5,339	13,166	13,166	13,132	(34)
Other financing uses:								
Transfers out to other funds	(99)	(99)	(18)	81	(13,167)	(13,167)	(13,132)	35
Total other financing uses	(99)	(99)	(18)	81	(13,167)	(13,167)	(13,132)	35
Net change in fund balances	(5,379)	(5,379)	41	5,420	(1)	(1)	—	1
Fund balances July 1, 2013	5,379	5,379	6,962	1,583	1	1	—	(1)
Fund balances June 30, 2014	\$ —	—	7,003	7,003	—	—	—	—

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	ITS Systems Replacement Fund				Jail Commissary Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Miscellaneous revenues	\$ —	—	9	9	99	99	119	20
Total revenues	—	—	9	9	99	99	119	20
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	136	136	118	18
Operating contingency	50	50	—	50	296	296	—	296
Total current	50	50	—	50	432	432	118	314
Total expenditures	50	50	—	50	432	432	118	314
Revenues over (under) expenditures	(50)	(50)	9	59	(333)	(333)	1	334
Other financing sources:								
Transfers in from other funds	25	25	1,474	1,449	—	—	—	—
Total other financing sources	25	25	1,474	1,449	—	—	—	—
Net change in fund balances	(25)	(25)	1,483	1,508	(333)	(333)	1	334
Fund balances July 1, 2013	25	25	25	—	333	333	349	16
Fund balances June 30, 2014	\$ —	—	1,508	1,508	—	—	350	350

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	<u>Juvenile Conciliation Services Fund</u>				<u>Juvenile Grants Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Licenses and permits	\$ 33	33	30	(3)	—	—	—	—
Intergovernmental revenues	559	559	524	(35)	715	715	732	17
Charges for services	10	10	8	(2)	—	—	—	—
Miscellaneous revenues	—	—	—	—	13	13	8	(5)
Total revenues	<u>602</u>	<u>602</u>	<u>562</u>	<u>(40)</u>	<u>728</u>	<u>728</u>	<u>740</u>	<u>12</u>
Expenditures:								
Current:								
Public safety and justice	609	597	540	57	831	814	736	78
Operating contingency	—	7	—	7	—	10	—	10
Total current	<u>609</u>	<u>604</u>	<u>540</u>	<u>64</u>	<u>831</u>	<u>824</u>	<u>736</u>	<u>88</u>
Total expenditures	<u>609</u>	<u>604</u>	<u>540</u>	<u>64</u>	<u>831</u>	<u>824</u>	<u>736</u>	<u>88</u>
Revenues over (under) expenditures	<u>(7)</u>	<u>(2)</u>	<u>22</u>	<u>24</u>	<u>(103)</u>	<u>(96)</u>	<u>4</u>	<u>100</u>
Other financing sources:								
Transfers in from other funds	5	—	—	—	7	—	—	—
Total other financing sources	<u>5</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(2)</u>	<u>(2)</u>	<u>22</u>	<u>24</u>	<u>(96)</u>	<u>(96)</u>	<u>4</u>	<u>100</u>
Fund balances July 1, 2013	<u>2</u>	<u>2</u>	<u>30</u>	<u>28</u>	<u>96</u>	<u>96</u>	<u>97</u>	<u>1</u>
Fund balances June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>52</u>	<u>52</u>	<u>—</u>	<u>—</u>	<u>101</u>	<u>101</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	<u>Juvenile High Risk Prevention Fund</u>				<u>Law Library Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Intergovernmental revenues	\$ 1,788	1,788	1,544	(244)	—	—	—	—
Charges for services	—	—	—	—	380	380	351	(29)
Miscellaneous revenues	26	26	14	(12)	11	11	9	(2)
Total revenues	<u>1,814</u>	<u>1,814</u>	<u>1,558</u>	<u>(256)</u>	<u>391</u>	<u>391</u>	<u>360</u>	<u>(31)</u>
Expenditures:								
Current:								
Public safety and justice	1,835	1,800	1,537	263	452	444	370	74
Operating contingency	—	18	—	18	1,071	1,076	—	1,076
Total current	<u>1,835</u>	<u>1,818</u>	<u>1,537</u>	<u>281</u>	<u>1,523</u>	<u>1,520</u>	<u>370</u>	<u>1,150</u>
Total expenditures	<u>1,835</u>	<u>1,818</u>	<u>1,537</u>	<u>281</u>	<u>1,523</u>	<u>1,520</u>	<u>370</u>	<u>1,150</u>
Revenues over (under) expenditures	<u>(21)</u>	<u>(4)</u>	<u>21</u>	<u>25</u>	<u>(1,132)</u>	<u>(1,129)</u>	<u>(10)</u>	<u>1,119</u>
Other financing sources (uses):								
Transfers in from other funds	17	—	—	—	3	—	—	—
Transfers out to other funds	—	—	—	—	(18)	(18)	(18)	—
Total other financing sources (uses)	<u>17</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(15)</u>	<u>(18)</u>	<u>(18)</u>	<u>—</u>
Net change in fund balance (deficit)	<u>(4)</u>	<u>(4)</u>	<u>21</u>	<u>25</u>	<u>(1,147)</u>	<u>(1,147)</u>	<u>(28)</u>	<u>1,119</u>
Fund balance (deficit) July 1, 2013	<u>4</u>	<u>4</u>	<u>(170)</u>	<u>(174)</u>	<u>1,147</u>	<u>1,147</u>	<u>1,198</u>	<u>51</u>
Fund balance (deficit) June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>(149)</u>	<u>(149)</u>	<u>—</u>	<u>—</u>	<u>1,170</u>	<u>1,170</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	Local Option Levy Fund				Lottery Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 20,424	20,424	20,546	122	—	—	—	—
Intergovernmental revenues	384	384	258	(126)	2,117	2,117	1,727	(390)
Charges for services	52	52	88	36	—	—	—	—
Miscellaneous revenues	127	127	142	15	20	20	22	2
Interfund revenues	25	25	—	(25)	—	—	—	—
Total revenues	21,012	21,012	21,034	22	2,137	2,137	1,749	(388)
Expenditures:								
Current:								
County administration	1,127	1,127	1,127	—	—	—	—	—
Sheriff's office administration	1,015	996	945	51	—	—	—	—
Law enforcement services	9,527	9,522	9,189	333	—	—	—	—
Sheriff's Office - Jail	2,188	2,175	2,039	136	—	—	—	—
District Attorney	2,503	2,440	2,359	81	—	—	—	—
Community corrections	1,058	1,068	1,040	28	—	—	—	—
Juvenile services	3,665	3,589	3,439	150	—	—	—	—
Nonoperating	—	—	—	—	614	614	513	101
Operating contingency	10,686	10,694	—	10,694	—	—	—	—
Total current	31,769	31,611	20,138	11,473	614	614	513	101
Capital outlay	145	145	131	14	—	—	—	—
Total expenditures	31,914	31,756	20,269	11,487	614	614	513	101
Revenues over (under) expenditures	(10,902)	(10,744)	765	11,509	1,523	1,523	1,236	(287)
Other financing sources (uses):								
Transfers in from other funds	158	—	—	—	—	—	—	—
Transfers out to other funds	—	—	—	—	(1,523)	(1,523)	(1,236)	287
Total other financing sources (uses)	158	—	—	—	(1,523)	(1,523)	(1,236)	287
Net change in fund balances	(10,744)	(10,744)	765	11,509	—	—	—	—
Fund balances July 1, 2013	10,744	10,744	10,700	(44)	—	—	—	—
Fund balances June 30, 2014	\$ —	—	11,465	11,465	—	—	—	—

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	Maintenance Improvement District Fund				Metzger Park LID Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Special assessments	\$ 18	18	18	—	88	88	88	—
Miscellaneous revenues	1	1	3	2	28	28	9	(19)
Total revenues	19	19	21	2	116	116	97	(19)
Expenditures:								
Current:								
Land use, housing and transportation	200	200	2	198	—	—	—	—
Culture, education and recreation	—	—	—	—	133	132	100	32
Operating contingency	70	70	—	70	21	22	—	22
Total current	270	270	2	268	154	154	100	54
Total expenditures	270	270	2	268	154	154	100	54
Revenues over (under) expenditures	(251)	(251)	19	270	(38)	(38)	(3)	35
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	1	—	—	—
Transfers out to other funds	(1)	(1)	(1)	—	—	—	—	—
Total other financing sources (uses)	(1)	(1)	(1)	—	1	—	—	—
Net change in fund balances	(252)	(252)	18	270	(37)	(38)	(3)	35
Fund balances July 1, 2013	252	252	271	19	37	38	45	7
Fund balances June 30, 2014	\$ —	—	289	289	—	—	42	42

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	North Bethany County Service District for Roads Fund (Component Unit)				Office of Community Development Block Grant Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 32	32	36	4	—	—	—	—
Intergovernmental revenues	—	1,000	654	(346)	4,050	4,050	2,634	(1,416)
Miscellaneous revenues	10	10	8	(2)	48	48	170	122
Total revenues	42	1,042	698	(344)	4,098	4,098	2,804	(1,294)
Expenditures:								
Current:								
Land use, housing and transportation	1,784	3,184	2,523	661	4,034	4,034	2,804	1,230
Operating contingency	—	—	—	—	64	64	—	64
Total current	1,784	3,184	2,523	661	4,098	4,098	2,804	1,294
Capital outlay	200	200	—	200	—	—	—	—
Debt service:								
Interest	12	12	12	—	—	—	—	—
Total debt service	12	12	12	—	—	—	—	—
Total expenditures	1,996	3,396	2,535	861	4,098	4,098	2,804	1,294
Revenues under expenditures	(1,954)	(2,354)	(1,837)	517	—	—	—	—
Other financing sources (uses):								
Transfers in from other funds	—	—	78	78	—	—	—	—
Transfers out to other funds	(9)	(9)	(390)	(381)	—	—	—	—
Total other financing uses	(9)	(9)	(312)	(303)	—	—	—	—
Net change in fund balances	(1,963)	(2,363)	(2,149)	214	—	—	—	—
Fund balances July 1, 2013	1,963	2,363	2,363	—	—	—	39	39
Fund balances June 30, 2014	\$ —	—	214	214	—	—	39	39
Advances from other funds are recognized as liabilities on a GAAP basis			(2,300)					
Fund balance, GAAP basis, June 30, 2014			\$ (2,086)					

* 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, 2014
 (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	\$ 662	667	456	(211)	—	—	—	—
Miscellaneous revenues	110	108	—	(108)	562	562	402	(160)
Interfund revenues	50	50	50	—	—	—	—	—
Total revenues	<u>822</u>	<u>825</u>	<u>506</u>	<u>(319)</u>	<u>562</u>	<u>562</u>	<u>402</u>	<u>(160)</u>
Expenditures:								
Current:								
Public safety and justice	<u>826</u>	<u>825</u>	<u>506</u>	<u>319</u>	<u>1,740</u>	<u>1,740</u>	<u>327</u>	<u>1,413</u>
Total current	<u>826</u>	<u>825</u>	<u>506</u>	<u>319</u>	<u>1,740</u>	<u>1,740</u>	<u>327</u>	<u>1,413</u>
Capital outlay	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>22</u>	<u>(22)</u>
Total expenditures	<u>826</u>	<u>825</u>	<u>506</u>	<u>319</u>	<u>1,740</u>	<u>1,740</u>	<u>349</u>	<u>1,391</u>
Revenues over (under) expenditures	<u>(4)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,178)</u>	<u>(1,178)</u>	<u>53</u>	<u>1,231</u>
Other financing sources:								
Transfers in from other funds	<u>4</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing sources	<u>4</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,178)</u>	<u>(1,178)</u>	<u>53</u>	<u>1,231</u>
Fund balances July 1, 2013	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,178</u>	<u>1,178</u>	<u>999</u>	<u>(179)</u>
Fund balances June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,052</u>	<u>1,052</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, 2014
 (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	\$ 2,087	2,087	1,016	(1,071)	13,231	13,231	11,481	(1,750)
Charges for services	—	—	—	—	13,092	13,092	12,905	(187)
Miscellaneous revenues	286	286	276	(10)	21	21	76	55
Total revenues	<u>2,373</u>	<u>2,373</u>	<u>1,292</u>	<u>(1,081)</u>	<u>26,344</u>	<u>26,344</u>	<u>24,462</u>	<u>(1,882)</u>
Expenditures:								
Current:								
Public safety and justice	2,090	2,087	870	1,217	—	—	—	—
Nonoperating	—	—	—	—	—	500	250	250
Operating contingency	—	2	—	2	—	—	—	—
Total current	<u>2,090</u>	<u>2,089</u>	<u>870</u>	<u>1,219</u>	<u>—</u>	<u>500</u>	<u>250</u>	<u>250</u>
Capital outlay	—	—	173	(173)	13,877	4,977	—	4,977
Debt service:								
Principal	245	245	245	—	—	—	—	—
Interest	31	31	31	—	—	—	—	—
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>2,366</u>	<u>2,365</u>	<u>1,319</u>	<u>1,046</u>	<u>13,877</u>	<u>5,477</u>	<u>250</u>	<u>5,227</u>
Revenues over (under) expenditures	<u>7</u>	<u>8</u>	<u>(27)</u>	<u>(35)</u>	<u>12,467</u>	<u>20,867</u>	<u>24,212</u>	<u>3,345</u>
Other financing sources (uses):								
Transfers in from other funds	1	—	—	—	—	—	—	—
Transfers out to other funds	—	—	—	—	(15,072)	(23,472)	(20,906)	2,566
Total other financing sources (uses)	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(15,072)</u>	<u>(23,472)</u>	<u>(20,906)</u>	<u>2,566</u>
Net change in fund balance (deficit)	<u>8</u>	<u>8</u>	<u>(27)</u>	<u>(35)</u>	<u>(2,605)</u>	<u>(2,605)</u>	<u>3,306</u>	<u>5,911</u>
Fund balance (deficit) July 1, 2013	<u>(8)</u>	<u>(8)</u>	<u>(54)</u>	<u>(46)</u>	<u>2,605</u>	<u>2,605</u>	<u>2,344</u>	<u>(261)</u>
Fund balance (deficit) June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>(81)</u>	<u>(81)</u>	<u>—</u>	<u>—</u>	<u>5,650</u>	<u>5,650</u>

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WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	<u>Survey Fund</u>				<u>Surveyor-Public Land Corner Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Charges for services	\$ 284	284	473	189	475	475	416	(59)
Miscellaneous revenues	8	8	10	2	13	13	11	(2)
Interfund revenues	52	52	43	(9)	17	17	97	80
Total revenues	<u>344</u>	<u>344</u>	<u>526</u>	<u>182</u>	<u>505</u>	<u>505</u>	<u>524</u>	<u>19</u>
Expenditures:								
Current:								
Land use, housing and transportation	477	470	418	52	683	673	645	28
Operating contingency	500	504	—	504	1,171	1,175	—	1,175
Total current	<u>977</u>	<u>974</u>	<u>418</u>	<u>556</u>	<u>1,854</u>	<u>1,848</u>	<u>645</u>	<u>1,203</u>
Total expenditures	<u>977</u>	<u>974</u>	<u>418</u>	<u>556</u>	<u>1,854</u>	<u>1,848</u>	<u>645</u>	<u>1,203</u>
Revenues over (under) expenditures	<u>(633)</u>	<u>(630)</u>	<u>108</u>	<u>738</u>	<u>(1,349)</u>	<u>(1,343)</u>	<u>(121)</u>	<u>1,222</u>
Other financing sources (uses):								
Transfers in from other funds	77	73	73	—	7	—	—	—
Transfers out to other funds	(18)	(18)	(18)	—	(23)	(23)	(23)	—
Total other financing sources (uses)	<u>59</u>	<u>55</u>	<u>55</u>	<u>—</u>	<u>(16)</u>	<u>(23)</u>	<u>(23)</u>	<u>—</u>
Net change in fund balances	<u>(574)</u>	<u>(575)</u>	<u>163</u>	<u>738</u>	<u>(1,365)</u>	<u>(1,366)</u>	<u>(144)</u>	<u>1,222</u>
Fund balances July 1, 2013	<u>574</u>	<u>575</u>	<u>646</u>	<u>71</u>	<u>1,365</u>	<u>1,366</u>	<u>1,463</u>	<u>97</u>
Fund balances June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>809</u>	<u>809</u>	<u>—</u>	<u>—</u>	<u>1,319</u>	<u>1,319</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	Tourism Dedicated Lodging Tax Fund				Urban Road Maintenance Service District Fund (Component Unit)			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 2,774	2,774	3,018	244	3,769	3,769	3,966	197
Intergovernmental revenues	—	—	—	—	15	15	11	(4)
Charges for services	—	—	—	—	2	2	3	1
Miscellaneous revenues	13	13	12	(1)	25	25	90	65
Total revenues	<u>2,787</u>	<u>2,787</u>	<u>3,030</u>	<u>243</u>	<u>3,811</u>	<u>3,811</u>	<u>4,070</u>	<u>259</u>
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	4,892	4,892	3,118	1,774
Culture, education and recreation	4,080	4,080	3,018	1,062	—	—	—	—
Operating contingency	—	—	—	—	7,133	7,133	—	7,133
Total current	<u>4,080</u>	<u>4,080</u>	<u>3,018</u>	<u>1,062</u>	<u>12,025</u>	<u>12,025</u>	<u>3,118</u>	<u>8,907</u>
Total expenditures	<u>4,080</u>	<u>4,080</u>	<u>3,018</u>	<u>1,062</u>	<u>12,025</u>	<u>12,025</u>	<u>3,118</u>	<u>8,907</u>
Revenues over (under) expenditures	<u>(1,293)</u>	<u>(1,293)</u>	<u>12</u>	<u>1,305</u>	<u>(8,214)</u>	<u>(8,214)</u>	<u>952</u>	<u>9,166</u>
Other financing uses:								
Transfers out to other funds	—	—	—	—	(10)	(10)	(10)	—
Total other financing uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(10)</u>	<u>(10)</u>	<u>(10)</u>	<u>—</u>
Net change in fund balances	<u>(1,293)</u>	<u>(1,293)</u>	<u>12</u>	<u>1,305</u>	<u>(8,224)</u>	<u>(8,224)</u>	<u>942</u>	<u>9,166</u>
Fund balances July 1, 2013	<u>1,293</u>	<u>1,293</u>	<u>1,289</u>	<u>(4)</u>	<u>8,224</u>	<u>8,224</u>	<u>8,324</u>	<u>100</u>
Fund balances June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>1,301</u>	<u>1,301</u>	<u>—</u>	<u>—</u>	<u>9,266</u>	<u>9,266</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2014
 (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	\$ 919	919	1,006	87	—	—	—	—
Intergovernmental revenues	50	50	51	1	2	2	2	—
Charges for services	516	516	470	(46)	—	—	—	—
Miscellaneous revenues	480	480	416	(64)	33	33	37	4
Total revenues	<u>1,965</u>	<u>1,965</u>	<u>1,943</u>	<u>(22)</u>	<u>35</u>	<u>35</u>	<u>39</u>	<u>4</u>
Expenditures:								
Current:								
Culture, education and recreation	1,849	1,834	1,847	(13)	787	770	736	34
Operating contingency	634	642	—	642	368	378	—	378
Total current	<u>2,483</u>	<u>2,476</u>	<u>1,847</u>	<u>629</u>	<u>1,155</u>	<u>1,148</u>	<u>736</u>	<u>412</u>
Capital outlay	100	100	36	64	—	—	—	—
Debt service:								
Principal	1	1	1	—	—	—	—	—
Total debt service	<u>1</u>	<u>1</u>	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>2,584</u>	<u>2,577</u>	<u>1,884</u>	<u>693</u>	<u>1,155</u>	<u>1,148</u>	<u>736</u>	<u>412</u>
Revenues over (under) expenditures	<u>(619)</u>	<u>(612)</u>	<u>59</u>	<u>671</u>	<u>(1,120)</u>	<u>(1,113)</u>	<u>(697)</u>	<u>416</u>
Other financing sources:								
Transfers in from other funds	8	—	—	—	714	707	707	—
Total other financing sources	<u>8</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>714</u>	<u>707</u>	<u>707</u>	<u>—</u>
Net change in fund balances	<u>(611)</u>	<u>(612)</u>	<u>59</u>	<u>671</u>	<u>(406)</u>	<u>(406)</u>	<u>10</u>	<u>416</u>
Fund balances July 1, 2013	<u>611</u>	<u>612</u>	<u>508</u>	<u>(104)</u>	<u>406</u>	<u>406</u>	<u>437</u>	<u>31</u>
Fund balances June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>567</u>	<u>567</u>	<u>—</u>	<u>—</u>	<u>447</u>	<u>447</u>

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

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Debt Service Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	Criminal Justice Bond Fund				Miscellaneous Debt Service Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 6,329	6,479	6,343	(136)	—	—	—	—
Miscellaneous revenues	—	—	1	1	—	—	—	—
Total revenues	<u>6,329</u>	<u>6,479</u>	<u>6,344</u>	<u>(135)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Expenditures:								
Current:								
Nonoperating	—	—	—	—	3	3	3	—
Operating contingency	—	—	—	—	9	9	—	9
Total current	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>12</u>	<u>12</u>	<u>3</u>	<u>9</u>
Debt service:								
Principal	6,195	6,195	6,195	—	4,143	4,143	4,143	—
Interest	132	132	132	—	3,086	3,086	3,086	—
Total debt service	<u>6,327</u>	<u>6,327</u>	<u>6,327</u>	<u>—</u>	<u>7,229</u>	<u>7,229</u>	<u>7,229</u>	<u>—</u>
Total expenditures	<u>6,327</u>	<u>6,327</u>	<u>6,327</u>	<u>—</u>	<u>7,241</u>	<u>7,241</u>	<u>7,232</u>	<u>9</u>
Revenues over (under) expenditures	<u>2</u>	<u>152</u>	<u>17</u>	<u>(135)</u>	<u>(7,241)</u>	<u>(7,241)</u>	<u>(7,232)</u>	<u>9</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	7,232	7,232	7,232	—
Transfers out to other funds	—	(150)	(29)	121	—	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>(150)</u>	<u>(29)</u>	<u>121</u>	<u>7,232</u>	<u>7,232</u>	<u>7,232</u>	<u>—</u>
Net change in fund balance	<u>2</u>	<u>2</u>	<u>(12)</u>	<u>(14)</u>	<u>(9)</u>	<u>(9)</u>	<u>—</u>	<u>9</u>
Fund balances July 1, 2013	(2)	(2)	12	14	9	9	21	12
Fund balances June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>21</u>	<u>21</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2014
 (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:								
Intergovernmental revenues	\$ —	—	—	—	—	—	1,593	1,593
Charges for services	—	—	—	—	15	15	336	321
Special assessments	—	—	—	—	—	—	7	7
Miscellaneous revenues	13	13	14	1	58	58	34	(24)
Total revenues	13	13	14	1	73	73	1,970	1,897
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	4,230	4,230	1,823	2,407
Operating contingency	100	100	—	100	—	—	—	—
Total current	100	100	—	100	4,230	4,230	1,823	2,407
Capital outlay	2,302	2,302	919	1,383	300	300	215	85
Total expenditures	2,402	2,402	919	1,483	4,530	4,530	2,038	2,492
Revenues under expenditures	(2,389)	(2,389)	(905)	1,484	(4,457)	(4,457)	(68)	4,389
Other financing sources (uses):								
Transfers in from other funds	970	970	970	—	1,302	1,302	305	(997)
Transfers out to other funds	—	—	—	—	(63)	(63)	(63)	—
Total other financing sources (uses)	970	970	970	—	1,239	1,239	242	(997)
Net change in fund balances	(1,419)	(1,419)	65	1,484	(3,218)	(3,218)	174	3,392
Fund balances July 1, 2013	1,419	1,419	1,677	258	3,218	3,218	3,095	(123)
Fund balances June 30, 2014	\$ —	—	1,742	1,742	—	—	3,269	3,269

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	Facilities General Capital Projects Fund				Facilities Park (THPRD) SDC Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 50	50	13	(37)	—	—	—	—
Charges for services	—	—	—	—	17	17	23	6
Miscellaneous revenues	15	15	35	20	—	—	—	—
Interfund revenues	558	558	108	(450)	—	—	—	—
Total revenues	623	623	156	(467)	17	17	23	6
Expenditures:								
Current:								
Nonoperating	15	15	20	(5)	23	23	—	23
Total current	15	15	20	(5)	23	23	—	23
Capital outlay	1,572	5,472	681	4,791	—	—	—	—
Total expenditures	1,587	5,487	701	4,786	23	23	—	23
Revenues over (under) expenditures	(964)	(4,864)	(545)	4,319	(6)	(6)	23	29
Other financing sources:								
Transfers in from other funds	589	4,489	2,557	(1,932)	—	—	—	—
Total other financing sources	589	4,489	2,557	(1,932)	—	—	—	—
Net change in fund balances	(375)	(375)	2,012	2,387	(6)	(6)	23	29
Fund balances July 1, 2013	375	375	393	18	6	6	7	1
Fund balances June 30, 2014	\$ —	—	2,405	2,405	—	—	30	30

* 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, 2014
 (Dollars in thousands)

	ITS Capital Projects Fund				Major Streets Capital Projects Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	2,298	2,298	1,626	(672)
Miscellaneous revenues	—	—	12	12	31	31	23	(8)
Interfund revenues	2,026	2,026	996	(1,030)	—	—	—	—
Total revenues	2,026	2,026	1,008	(1,018)	2,329	2,329	1,649	(680)
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	4,053	8,553	3,487	5,066
Total current	—	—	—	—	4,053	8,553	3,487	5,066
Capital outlay	6,606	6,606	3,616	2,990	2,813	2,813	1,107	1,706
Total expenditures	6,606	6,606	3,616	2,990	6,866	11,366	4,594	6,772
Revenues under expenditures	(4,580)	(4,580)	(2,608)	1,972	(4,537)	(9,037)	(2,945)	6,092
Other financing sources (uses):								
Transfers in from other funds	2,129	2,129	1,373	(756)	401	4,901	4,882	(19)
Transfers out to other funds	—	—	(1,209)	(1,209)	(18)	(18)	(18)	—
Total other financing sources	2,129	2,129	164	(1,965)	383	4,883	4,864	(19)
Net change in fund balances	(2,451)	(2,451)	(2,444)	7	(4,154)	(4,154)	1,919	6,073
Fund balances July 1, 2013	2,451	2,451	2,967	516	4,154	4,154	2,707	(1,447)
Fund balances June 30, 2014	\$ —	—	523	523	—	—	4,626	4,626

* 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, 2014
 (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	\$ 25	25	—	(25)	—	—	—	—
Total revenues	<u>25</u>	<u>25</u>	<u>—</u>	<u>(25)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Expenditures:								
Current:								
Land use, housing and transportation	25	25	—	25	224	224	11	213
Total current	<u>25</u>	<u>25</u>	<u>—</u>	<u>25</u>	<u>224</u>	<u>224</u>	<u>11</u>	<u>213</u>
Total expenditures	<u>25</u>	<u>25</u>	<u>—</u>	<u>25</u>	<u>224</u>	<u>224</u>	<u>11</u>	<u>213</u>
Revenues under expenditures	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(224)</u>	<u>(224)</u>	<u>(11)</u>	<u>213</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	150	150	—	(150)
Transfers out to other funds	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(4)</u>	<u>(4)</u>	<u>(4)</u>	<u>—</u>
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>146</u>	<u>146</u>	<u>(4)</u>	<u>(150)</u>
Net change in fund balances	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(78)</u>	<u>(78)</u>	<u>(15)</u>	<u>63</u>
Fund balances July 1, 2013	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>78</u>	<u>78</u>	<u>57</u>	<u>(21)</u>
Fund balances June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>42</u>	<u>42</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2014
 (Dollars in thousands)

	Parks and Open Spaces Opportunity Projects Fund				Transportation Development Tax Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ —	—	—	—	3,210	3,210	4,176	966
Miscellaneous revenues	117	117	349	232	65	65	70	5
Total revenues	117	117	349	232	3,275	3,275	4,246	971
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	8,340	8,340	494	7,846
Total current	—	—	—	—	8,340	8,340	494	7,846
Capital outlay	137	137	56	81	2,000	2,000	—	2,000
Total expenditures	137	137	56	81	10,340	10,340	494	9,846
Revenues over (under) expenditures	(20)	(20)	293	313	(7,065)	(7,065)	3,752	10,817
Other financing uses:								
Transfers out to other funds	—	—	—	—	(1)	(1)	(1)	—
Total other financing uses	—	—	—	—	(1)	(1)	(1)	—
Net change in fund balances	(20)	(20)	293	313	(7,066)	(7,066)	3,751	10,817
Fund balances July 1, 2013	20	20	25	5	7,066	7,066	7,119	53
Fund balances June 30, 2014	\$ —	—	318	318	—	—	10,870	10,870

WASHINGTON COUNTY, OREGON
Combining Statement of Net Position
Internal Service Funds
June 30, 2014
(Dollars in thousands)

Assets	Fleet Services Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/ Casualty Insurance Fund	Life Insurance Fund
Current assets:					
Cash and investments	\$ 507	8,802	248	2,397	120
Accounts receivable	2	—	—	9	—
Inventory	342	—	28	—	—
Total current assets	851	8,802	276	2,406	120
Capital assets, net of accumulated depreciation	—	7,000	397	—	—
Total assets	<u>851</u>	<u>15,802</u>	<u>673</u>	<u>2,406</u>	<u>120</u>
Liabilities and Net Position					
Current liabilities:					
Accounts payable	154	5	114	21	—
Accrued payroll liabilities	93	—	20	—	—
Accrued self-insurance	—	—	—	1,798	—
Total current liabilities	247	5	134	1,819	—
Noncurrent liabilities:					
Net OPEB obligation	49	—	18	—	—
Total liabilities	<u>296</u>	<u>5</u>	<u>152</u>	<u>1,819</u>	<u>—</u>
Net position:					
Net investment in capital assets	—	7,000	397	—	—
Unrestricted	555	8,797	124	587	120
Total net position	<u>555</u>	<u>15,797</u>	<u>521</u>	<u>587</u>	<u>120</u>
Total liabilities and net position	<u>\$ 851</u>	<u>15,802</u>	<u>673</u>	<u>2,406</u>	<u>120</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Net Position, Continued
Internal Service Funds
June 30, 2014
(Dollars in thousands)

Assets	Medical Insurance Fund	PERS Rate Stabilization Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total Internal Service Funds
Current assets:					
Cash and investments	\$ 975	6,494	856	2,889	23,288
Restricted cash	—	—	—	54	54
Accounts receivable	96	—	—	13	120
Inventory	—	—	—	—	370
Total current assets	1,071	6,494	856	2,956	23,832
Capital assets, net of accumulated depreciation	—	—	—	—	7,397
Total assets	1,071	6,494	856	2,956	31,229
Liabilities and Net Position					
Current liabilities:					
Accounts payable	3	—	32	94	423
Accrued payroll liabilities	—	—	—	—	113
Accrued self-insurance	—	—	—	1,800	3,598
Total current liabilities	3	—	32	1,894	4,134
Noncurrent liabilities:					
Net OPEB obligation	—	—	—	—	67
Total liabilities	3	—	32	1,894	4,201
Net position:					
Net investment in capital assets	—	—	—	—	7,397
Restricted for payment of claims	—	—	—	54	54
Unrestricted	1,068	6,494	824	1,008	19,577
Total net position	1,068	6,494	824	1,062	27,028
Total liabilities and net position	\$ 1,071	6,494	856	2,956	31,229

WASHINGTON COUNTY, OREGON

Combining Statement of Revenues, Expenses
and Changes in Net Position

Internal Service Funds

For the fiscal year ended June 30, 2014

(Dollars in thousands)

	Fleet Services Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/ Casualty Insurance Fund	Life Insurance Fund
Operating revenues:					
Charges for services	\$ 4,095	2,709	1,426	1,967	398
Other	1	217	163	426	—
Total operating revenues	4,096	2,926	1,589	2,393	398
Operating expenses:					
Labor and fringe benefits	1,447	—	441	—	—
Utilities	25	—	—	—	—
Professional services	7	—	—	267	—
Supplies	1,958	—	759	—	—
Administrative costs	266	86	199	654	6
Depreciation and amortization	—	1,601	153	—	—
Insurance claims and premiums	—	—	—	982	397
Repairs and maintenance	357	83	91	—	—
Total operating expenses	4,060	1,770	1,643	1,903	403
Operating income (loss)	36	1,156	(54)	490	(5)
Nonoperating income (expense):					
Interest income	3	61	2	18	1
Loss on sale of capital assets	—	(61)	(8)	—	—
Total nonoperating income (expense)	3	—	(6)	18	1
Change in net position	39	1,156	(60)	508	(4)
Net position July 1, 2013	516	14,641	581	79	124
Net position June 30, 2014	\$ <u>555</u>	<u>15,797</u>	<u>521</u>	<u>587</u>	<u>120</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenses
and Changes in Net Position, Continued
Internal Service Funds
For the fiscal year ended June 30, 2014
(Dollars in thousands)

	Medical Insurance Fund	PERS Rate Stabilization Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total Internal Service Funds
Operating revenues:					
Charges for services	\$ 23,880	—	265	1,624	36,364
Other	1,481	—	—	109	2,397
Total operating revenues	<u>25,361</u>	<u>—</u>	<u>265</u>	<u>1,733</u>	<u>38,761</u>
Operating expenses:					
Labor and fringe benefits	—	—	—	—	1,888
Utilities	—	—	—	—	25
Professional services	80	—	4	3	361
Supplies	1	—	—	—	2,718
Administrative costs	104	—	8	234	1,557
Depreciation and amortization	—	—	—	—	1,754
Insurance claims and premiums	25,086	—	162	1,267	27,894
Repairs and maintenance	—	—	—	—	531
Total operating expenses	<u>25,271</u>	<u>—</u>	<u>174</u>	<u>1,504</u>	<u>36,728</u>
Operating income	<u>90</u>	<u>—</u>	<u>91</u>	<u>229</u>	<u>2,033</u>
Nonoperating income (expense):					
Interest income	10	49	6	21	171
Loss on sale of capital assets	—	—	—	—	(69)
Total nonoperating income	<u>10</u>	<u>49</u>	<u>6</u>	<u>21</u>	<u>102</u>
Change in net position	100	49	97	250	2,135
Net position July 1, 2013	<u>968</u>	<u>6,445</u>	<u>727</u>	<u>812</u>	<u>24,893</u>
Net position June 30, 2014	<u>\$ 1,068</u>	<u>6,494</u>	<u>824</u>	<u>1,062</u>	<u>27,028</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the fiscal year ended June 30, 2014
(Dollars in thousands)

	Fleet Services Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/ Casualty Insurance Fund	Life Insurance Fund
Cash flows from (used in) operating activities:					
Cash received for services provided	\$ 3,303	2,926	1,425	1,959	397
Cash payments for labor and fringe benefits	(1,442)	—	(437)	—	—
Cash payments for goods and services	(2,672)	(199)	(982)	(1,961)	(402)
Other operating revenue	796	—	163	425	—
Net cash provided by (used in) operating activities	<u>(15)</u>	<u>2,727</u>	<u>169</u>	<u>423</u>	<u>(5)</u>
Cash flows provided by (used in) capital and related financing activities:					
Acquisition of capital assets	—	(2,306)	(174)	—	—
Principal payments on capital lease obligations	—	—	(6)	—	—
Proceeds from sale of capital assets	—	121	—	—	—
Net cash used in capital and related financing activities	<u>—</u>	<u>(2,185)</u>	<u>(180)</u>	<u>—</u>	<u>—</u>
Cash flows from investing activities:					
Interest on investments	3	61	2	18	1
Net cash provided by investing activities	<u>3</u>	<u>61</u>	<u>2</u>	<u>18</u>	<u>1</u>
Net increase (decrease) in cash and investments	(12)	603	(9)	441	(4)
Cash and investments, July 1, 2013	<u>519</u>	<u>8,199</u>	<u>257</u>	<u>1,956</u>	<u>124</u>
Cash and investments, June 30, 2014 ⁽¹⁾	<u><u>507</u></u>	<u><u>8,802</u></u>	<u><u>248</u></u>	<u><u>2,397</u></u>	<u><u>120</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	36	1,156	(54)	490	(5)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	—	1,602	153	—	—
Increase (decrease) in accounts payable	(28)	(31)	67	(4)	—
Increase (decrease) in accrued liabilities	6	—	3	(58)	—
Decrease (increase) in accounts receivable	2	—	—	(8)	—
Increase in supply inventory	(31)	—	—	—	—
Decrease in other assets	—	—	—	3	—
Net cash provided by (used in) operating activities	<u>(15)</u>	<u>2,727</u>	<u>169</u>	<u>423</u>	<u>(5)</u>

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

Current assets - Cash and investments	<u>507</u>	<u>8,802</u>	<u>248</u>	<u>2,397</u>	<u>120</u>
	<u>\$ 507</u>	<u>8,802</u>	<u>248</u>	<u>2,397</u>	<u>120</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Cash Flows, Continued
Internal Service Funds
For the fiscal year ended June 30, 2014
(Dollars in thousands)

	Medical Insurance Fund	PERS Rate Stabilization Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total Internal Service Funds
Cash provided by (used in) operating activities:					
Cash received for services provided	\$ 23,878	—	265	1,612	35,765
Cash payments for labor and fringe benefits	—	—	—	—	(1,879)
Cash payments for goods and services	(25,272)	—	(171)	(1,638)	(33,297)
Other operating revenue	1,481	—	—	109	2,974
Net cash provided by operating activities	<u>87</u>	<u>—</u>	<u>94</u>	<u>83</u>	<u>3,563</u>
Cash flows provided by (used in) capital and related financing activities:					
Acquisition of capital assets	—	—	—	—	(2,480)
Principal payments on capital lease obligations	—	—	—	—	(6)
Proceeds from sale of capital assets	—	—	—	—	121
Net cash used in capital and related financing activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,365)</u>
Cash flows from investing activities:					
Interest on investments	10	49	6	21	171
Net cash provided by investing activities	<u>10</u>	<u>49</u>	<u>6</u>	<u>21</u>	<u>171</u>
Net increase in cash and investments	97	49	100	104	1,369
Cash and investments, July 1, 2013	<u>878</u>	<u>6,445</u>	<u>756</u>	<u>2,839</u>	<u>21,973</u>
Cash and investments, June 30, 2014 ⁽¹⁾	<u><u>975</u></u>	<u><u>6,494</u></u>	<u><u>856</u></u>	<u><u>2,943</u></u>	<u><u>23,342</u></u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	90	—	91	229	2,033
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	—	—	—	—	1,755
Increase (decrease) in accounts payable	(2)	—	3	10	15
Decrease in accrued liabilities	—	—	—	(144)	(193)
Increase in accounts receivable	(1)	—	—	(12)	(19)
Increase in supply inventory	—	—	—	—	(31)
Decrease in other assets	—	—	—	—	3
Net cash provided by operating activities	<u><u>87</u></u>	<u><u>—</u></u>	<u><u>94</u></u>	<u><u>83</u></u>	<u><u>3,563</u></u>

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

Current assets - Cash and investments	975	6,494	856	2,889	23,288
Current assets - Restricted cash	—	—	—	54	54
	<u><u>\$ 975</u></u>	<u><u>6,494</u></u>	<u><u>856</u></u>	<u><u>2,943</u></u>	<u><u>23,342</u></u>

WASHINGTON COUNTY, OREGON
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis)
Internal Service Funds
For the fiscal year ended June 30, 2014
(Dollars in thousands)

	<u>Fleet Services Fund</u>				<u>Fleet Replacement Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)*</u>
Revenues:								
Charges for services	\$ 4,329	4,329	4,095	(234)	2,643	2,643	2,859	216
Miscellaneous revenues	<u>2</u>	<u>2</u>	<u>4</u>	<u>2</u>	<u>251</u>	<u>251</u>	<u>278</u>	<u>27</u>
Total revenues	<u>4,331</u>	<u>4,331</u>	<u>4,099</u>	<u>(232)</u>	<u>2,894</u>	<u>2,894</u>	<u>3,137</u>	<u>243</u>
Expenditures:								
Current:								
General government	4,332	4,304	4,060	244	—	—	—	—
Nonoperating	—	—	—	—	713	713	740	(27)
Operating contingency	<u>672</u>	<u>683</u>	<u>—</u>	<u>683</u>	<u>8,242</u>	<u>8,242</u>	<u>—</u>	<u>8,242</u>
Total current	<u>5,004</u>	<u>4,987</u>	<u>4,060</u>	<u>927</u>	<u>8,955</u>	<u>8,955</u>	<u>740</u>	<u>8,215</u>
Capital outlay	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,116</u>	<u>2,116</u>	<u>1,764</u>	<u>352</u>
Total expenditures	<u>5,004</u>	<u>4,987</u>	<u>4,060</u>	<u>927</u>	<u>11,071</u>	<u>11,071</u>	<u>2,504</u>	<u>8,567</u>
Revenues over (under) expenditures	(673)	(656)	39	695	(8,177)	(8,177)	633	8,810
Other financing sources:								
Transfers in from other funds	<u>17</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing sources	<u>17</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	(656)	(656)	39	695	(8,177)	(8,177)	633	8,810
Fund balances July 1, 2013	<u>656</u>	<u>656</u>	<u>565</u>	<u>(91)</u>	<u>8,177</u>	<u>8,177</u>	<u>8,164</u>	<u>(13)</u>
Fund balances June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>604</u>	<u>604</u>	<u>—</u>	<u>—</u>	<u>8,797</u>	<u>8,797</u>

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

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

Internal Service Funds

For the fiscal year ended June 30, 2014
(Dollars in thousands)

	Internal Support Services Fund				Liability/Casualty Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 1,626	1,626	1,426	(200)	1,961	1,961	1,967	6
Miscellaneous revenues	133	133	164	31	67	67	92	25
Interfund revenues	—	—	—	—	—	351	351	—
Total revenues	<u>1,759</u>	<u>1,759</u>	<u>1,590</u>	<u>(169)</u>	<u>2,028</u>	<u>2,379</u>	<u>2,410</u>	<u>31</u>
Expenditures:								
Current:								
General government	1,566	1,553	1,482	71	—	—	—	—
Nonoperating	—	—	—	—	2,087	2,438	1,902	536
Operating contingency	310	318	—	318	—	—	—	—
Total current	<u>1,876</u>	<u>1,871</u>	<u>1,482</u>	<u>389</u>	<u>2,087</u>	<u>2,438</u>	<u>1,902</u>	<u>536</u>
Capital outlay	<u>177</u>	<u>177</u>	<u>180</u>	<u>(3)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Debt service:								
Principal	—	—	7	(7)	—	—	—	—
Total debt service	<u>—</u>	<u>—</u>	<u>7</u>	<u>(7)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>2,053</u>	<u>2,048</u>	<u>1,669</u>	<u>379</u>	<u>2,087</u>	<u>2,438</u>	<u>1,902</u>	<u>536</u>
Revenues over (under) expenditures	<u>(294)</u>	<u>(289)</u>	<u>(79)</u>	<u>210</u>	<u>(59)</u>	<u>(59)</u>	<u>508</u>	<u>567</u>
Other financing sources:								
Transfers in from other funds	5	—	—	—	—	—	—	—
Total other financing sources	<u>5</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(289)</u>	<u>(289)</u>	<u>(79)</u>	<u>210</u>	<u>(59)</u>	<u>(59)</u>	<u>508</u>	<u>567</u>
Fund balances July 1, 2013	<u>289</u>	<u>289</u>	<u>221</u>	<u>(68)</u>	<u>59</u>	<u>59</u>	<u>79</u>	<u>20</u>
Fund balances June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>142</u>	<u>142</u>	<u>—</u>	<u>—</u>	<u>587</u>	<u>587</u>

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

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

Internal Service Funds

For the fiscal year ended June 30, 2014

(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	\$ —	—	—	—	25,059	25,059	23,880	(1,179)
Miscellaneous revenues	417	417	398	(19)	1,675	1,675	1,490	(185)
Total revenues	<u>417</u>	<u>417</u>	<u>398</u>	<u>(19)</u>	<u>26,734</u>	<u>26,734</u>	<u>25,370</u>	<u>(1,364)</u>
Expenditures:								
Current:								
Nonoperating	423	423	402	21	27,643	27,643	25,270	2,373
Operating contingency	125	125	—	125	—	—	—	—
Total current	<u>548</u>	<u>548</u>	<u>402</u>	<u>146</u>	<u>27,643</u>	<u>27,643</u>	<u>25,270</u>	<u>2,373</u>
Total expenditures	<u>548</u>	<u>548</u>	<u>402</u>	<u>146</u>	<u>27,643</u>	<u>27,643</u>	<u>25,270</u>	<u>2,373</u>
Revenues over (under) expenditures	<u>(131)</u>	<u>(131)</u>	<u>(4)</u>	<u>127</u>	<u>(909)</u>	<u>(909)</u>	<u>100</u>	<u>1,009</u>
Other financing sources (uses):								
Transfers in from other funds	5	5	—	(5)	—	—	—	—
Transfers out to other funds	—	—	—	—	(5)	(5)	—	5
Total other financing sources (uses)	<u>5</u>	<u>5</u>	<u>—</u>	<u>(5)</u>	<u>(5)</u>	<u>(5)</u>	<u>—</u>	<u>5</u>
Net change in fund balances	<u>(126)</u>	<u>(126)</u>	<u>(4)</u>	<u>122</u>	<u>(914)</u>	<u>(914)</u>	<u>100</u>	<u>1,014</u>
Fund balances July 1, 2013	<u>126</u>	<u>126</u>	<u>124</u>	<u>(2)</u>	<u>914</u>	<u>914</u>	<u>968</u>	<u>54</u>
Fund balances June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>120</u>	<u>120</u>	<u>—</u>	<u>—</u>	<u>1,068</u>	<u>1,068</u>

WASHINGTON COUNTY, OREGON
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis)
Internal Service Funds
For the fiscal year ended June 30, 2014
(Dollars in thousands)

	PERS Rate Stabilization Fund				Unemployment Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ —	—	—	—	376	376	265	(111)
Miscellaneous revenues	50	50	49	(1)	7	7	5	(2)
Total revenues	50	50	49	(1)	383	383	270	(113)
Expenditures:								
Current:								
Nonoperating	4,562	6,526	—	6,526	713	713	173	540
Operating contingency	—	—	—	—	293	293	—	293
Total current	4,562	6,526	—	6,526	1,006	1,006	173	833
Total expenditures	4,562	6,526	—	6,526	1,006	1,006	173	833
Revenues over (under) expenditures	(4,512)	(6,476)	49	6,525	(623)	(623)	97	720
Other financing uses:								
Transfers out to other funds	(1,964)	—	—	—	—	—	—	—
Total other financing uses	(1,964)	—	—	—	—	—	—	—
Net change in fund balances	(6,476)	(6,476)	49	6,525	(623)	(623)	97	720
Fund balances July 1, 2013	6,476	6,476	6,445	(31)	623	623	727	104
Fund balances June 30, 2014	\$ —	—	6,494	6,494	—	—	824	824

WASHINGTON COUNTY, OREGON
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis)
Internal Service Funds
For the fiscal year ended June 30, 2014
(Dollars in thousands)

	Workers' Compensation Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:				
Charges for services	\$ 1,617	1,617	1,624	7
Miscellaneous revenues	79	79	131	52
Total revenues	<u>1,696</u>	<u>1,696</u>	<u>1,755</u>	<u>59</u>
Expenditures:				
Current:				
Nonoperating	1,512	1,512	1,505	7
Operating contingency	1,103	1,103	—	1,103
Total current	<u>2,615</u>	<u>2,615</u>	<u>1,505</u>	<u>1,110</u>
Total expenditures	<u>2,615</u>	<u>2,615</u>	<u>1,505</u>	<u>1,110</u>
Revenues over (under) expenditures	<u>(919)</u>	<u>(919)</u>	<u>250</u>	<u>1,169</u>
Net change in fund balances	<u>(919)</u>	<u>(919)</u>	<u>250</u>	<u>1,169</u>
Fund balance July 1, 2013	<u>919</u>	<u>919</u>	<u>812</u>	<u>(107)</u>
Fund balance June 30, 2014	<u>\$ —</u>	<u>—</u>	<u>1,062</u>	<u>1,062</u>

WASHINGTON COUNTY, OREGON

Reconciliation of Fund Balance to Net Position

Internal Service Funds

June 30, 2014

(Dollars in thousands)

	Fleet Services Fund	Fleet Replacement Fund	Internal Support Services Fund
Fund balance	\$ 604	8,797	142
Add capital assets reported on combining balance sheet	—	7,000	397
Less OPEB obligation	<u>(49)</u>	<u>—</u>	<u>(18)</u>
Total net position	<u>\$ 555</u>	<u>15,797</u>	<u>521</u>

WASHINGTON COUNTY, OREGON
Statement of Changes in Assets and Liabilities
Agency Fund
For the fiscal year ended June 30, 2014
(Dollars in thousands)

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
Assets:				
Cash and investments	\$ 5,202	9,169,076	9,169,647	4,631
Accounts receivable	2,119	55,417	54,624	2,912
Property taxes receivable ⁽¹⁾	<u>29,310</u>	<u>31,251</u>	<u>29,310</u>	<u>31,251</u>
Total assets	<u>36,631</u>	<u>9,255,744</u>	<u>9,253,581</u>	<u>38,794</u>
Liabilities:				
Accounts payable	295	1,572,095	1,571,883	507
Amounts held in trust	7,026	894,796	894,786	7,036
Uncollected taxes	<u>29,310</u>	<u>31,251</u>	<u>29,310</u>	<u>31,251</u>
Total liabilities	<u>36,631</u>	<u>2,498,142</u>	<u>2,495,979</u>	<u>38,794</u>

⁽¹⁾ Property taxes receivable is comprised of the following

Property taxes receivable	29,297	31,222	29,297	31,222
Payment in lieu of taxes receivable	<u>13</u>	<u>29</u>	<u>13</u>	<u>29</u>
Total property taxes receivable	<u>\$ 29,310</u>	<u>31,251</u>	<u>29,310</u>	<u>31,251</u>

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OTHER FINANCIAL SCHEDULES

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WASHINGTON COUNTY, OREGON

Schedule of Property Tax and Assessment
Transactions and Outstanding Balances

For the fiscal year ended June 30, 2014

(Dollars in thousands)

	Taxes receivable July, 1 2013	Certified levies	Corrections and adjustments	Collections	Discounts allowed	Interest on delinquent taxes	Taxes receivable June 30, 2014
2013-14	\$ —	876,877	(2,395)	(834,221)	(23,102)	233	17,392
2012-13	17,081	—	(369)	(8,942)	(82)	569	8,257
2011-12	8,704	—	188	(3,345)	1	497	6,045
2010-11	6,456	—	216	(3,108)	—	650	4,214
2009-10	3,892	—	(176)	(1,010)	—	281	2,987
2008-09	384	—	(77)	(164)	—	57	200
2007-08 & Prior	608	—	(157)	(159)	1	59	352
	<u>\$ 37,125</u>	<u>876,877</u>	<u>(2,770)</u>	<u>(850,949)</u>	<u>(23,182)</u>	<u>2,346</u>	<u>39,447</u>

Reconciliation to Receivables on Basic Financial Statements:

Governmental Activities property taxes receivable	\$	8,134
Metzger Park LID assessments receivable		4
Agency funds property taxes receivable		31,222
Assessments receivable for Lighting District		87
	\$	<u>39,447</u>

WASHINGTON COUNTY, OREGON

Schedule of Accountability of Independently Elected Officials

For the fiscal year ended June 30, 2014

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

**WASHINGTON COUNTY,
OREGON**

**STATISTICAL
SECTION**

SECTION III

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WASHINGTON COUNTY, OREGON

Statistical Information Section Narrative

June 30, 2014

(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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 242,734	2,148,086	2,151,850	2,135,921	2,134,940	2,108,850	2,093,492	2,074,612	2,045,765	2,014,679 ⁽¹⁾
Restricted	1,272	1,069	170	239	911	6,530	93,002	95,942	96,945	112,861
Unrestricted	206,770	250,676	236,359	245,409	230,574	219,822	145,829	149,211	164,852	185,238
Total governmental activities net position	450,776	2,399,831	2,388,379	2,381,569	2,366,425	2,335,202	2,332,323	2,319,765	2,307,562	2,312,778
Business-type activities ⁽³⁾										
Net investment in capital assets	245,840	328,060	363,438	395,163	389,728	395,461	384,397	2,206	1,652	1,131 ⁽²⁾
Restricted	58,656	58,052	28,948	27,582	52,406	57,052	69,936	6,156	4,532	3,070
Unrestricted	49,249	50,035	64,206	55,872	52,806	48,554	54,673	801	929	912
Total business-type activities net position	353,745	436,147	456,592	478,617	494,940	501,067	509,006	9,163	7,113	5,113
Primary government ⁽³⁾										
Net investment in capital assets	488,574	2,476,146	2,515,288	2,531,084	2,524,668	2,504,311	2,477,889	2,076,818	2,047,417	2,015,810
Restricted	59,928	59,121	29,118	27,821	53,317	63,582	162,938	102,098	101,477	115,931
Unrestricted	256,019	300,711	300,565	301,281	283,380	268,376	200,502	150,012	165,781	186,150
Total primary government net position	804,521	2,835,978	2,844,971	2,860,186	2,861,365	2,836,269	2,841,329	2,328,928	2,314,675	2,317,891
Component unit ⁽³⁾										
Net investment in capital assets	—	—	—	—	—	—	—	388,941	391,886	383,718
Restricted	—	—	—	—	—	—	—	68,909	96,441	119,140
Unrestricted	—	—	—	—	—	—	—	64,777	79,630	100,907
Total component unit net position	\$ —	—	—	—	—	—	—	522,627	567,957	603,765

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

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

⁽³⁾ Years prior to 2012 not restated for reporting of component units under GASB #61

Source: Current and prior years financial statements.

WASHINGTON COUNTY, OREGON

Changes in Net Position by Component

Last Ten Fiscal Years

(Dollars in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Primary Government										
Governmental activities:										
General government	\$ 29,711	30,466	35,283	41,833	42,319	42,869	39,318	38,677	46,517	51,051
Public safety	79,547	89,097	107,566	101,859	97,512	98,562	104,664	109,222	111,808	115,730
Land use, housing and transportation	52,167	138,315	181,858	111,906	106,306	108,616	115,096	119,714	110,622	123,464
Health and human Services	58,364	61,292	56,507	51,555	56,474	58,467	59,013	58,443	59,979	61,068
Culture, education and recreation	14,181	15,038	27,854	23,218	25,728	26,261	26,882	28,476	29,435	30,172
Non-operating expense	15,048	—	5,119	21,078	11,663	10,653	9,225	9,234	14,273	5,542
Interest expense	821	5,882	6,370	6,818	5,665	5,013	4,599	4,202	3,430	3,235
Total governmental activities	249,839	340,090	420,557	358,267	345,667	350,441	358,797	367,968	376,064	390,262
Business-type activities:										
Housing authority	26,104	24,579	25,967	27,112	27,421	28,132	28,400	28,496	28,581	29,198
Sanitation and surface water	75,061	81,589	84,199	87,319	91,279	97,252	100,941	—	—	—
Street lighting district	1,667	1,671	1,726	1,775	1,856	1,842	1,803	1,839	1,838	1,918
Total business-type activities expenses	102,832	107,839	111,892	116,206	120,556	127,226	131,144	30,335	30,419	31,116
Total primary government expenses	352,671	447,929	532,449	474,473	466,223	477,667	489,941	398,303	406,483	421,378
Component unit:										
Sanitation and surface water	—	—	—	—	—	—	—	97,604	102,309	108,897
Total component unit expenses	—	—	—	—	—	—	—	97,604	102,309	108,897
Program Revenues										
Governmental activities:										
Charges for services:										
General government	7,199	32,572	21,499	24,551	6,363	5,371	4,797	5,334	5,833	4,728
Public safety	6,324	17,935	3,651	1,683	5,536	5,719	7,140	8,048	7,410	8,031
Land use, housing and transportation	15,488	17,297	20,591	33,387	10,837	10,568	11,974	13,636	16,934	23,187
Health and human Services	16,350	5,431	12,253	11,526	19,671	21,800	26,420	23,308	24,727	28,179
Culture, education and recreation	1,303	961	571	1,030	1,488	1,241	1,309	1,497	1,471	1,384
Non-operating revenue	27,571	—	22,868	24,628	16,387	16,604	20,013	17,777	18,051	19,015
Operating grants and contributions	90,677	106,147	98,844	88,512	91,902	92,531	97,640	100,922	97,116	101,600
Capital grants and contributions	5,349	3,751	71,081	1,690	1,851	686	1,462	1,608	12,130	12,278
Total governmental activities program revenue	170,261	184,094	251,358	187,007	154,035	154,520	170,755	172,130	183,672	198,402
Business-type activities:										
Charges for services:										
Housing authority	4,102	4,201	4,295	5,212	5,099	5,779	5,790	5,994	6,130	6,384
Sanitation and surface water	70,387	75,216	78,523	84,754	89,585	96,329	103,374	—	—	—
Street lighting district	1,724	1,707	1,902	1,840	1,828	1,725	1,746	1,929	1,787	1,709
Operating grants and contributions	19,039	19,203	18,920	19,801	20,141	20,855	21,574	19,885	19,906	20,918
Capital grants and contributions	16,970	18,056	17,732	22,442	16,629	6,803	5,053	165	509	111
Total business-type activities program revenue	112,222	118,383	121,372	134,049	133,282	131,491	137,537	27,973	28,332	29,122
Total primary government program revenue	282,483	302,477	372,730	321,056	287,317	286,011	308,292	200,103	212,004	227,524
Component unit:										
Charges for services:										
Sanitation and surface water	—	—	—	—	—	—	—	107,029	117,098	121,680
Operating grants and contributions	—	—	—	—	—	—	—	—	—	—
Capital grants and contributions	—	—	—	—	—	—	—	14,296	33,875	23,194
Total component unit program revenue	—	—	—	—	—	—	—	121,325	150,973	144,874
Net Revenue (expense)										
Governmental activities	(79,578)	(155,996)	(169,199)	(171,260)	(191,632)	(195,921)	(188,042)	(195,838)	(192,392)	(191,860)
Business-type activities	9,390	10,544	9,480	17,843	12,726	4,265	6,393	(2,362)	(2,087)	(1,994)
Total primary government net revenues (expenses)	(70,188)	(145,452)	(159,719)	(153,417)	(178,906)	(191,656)	(181,649)	(198,200)	(194,479)	(193,854)
Component unit	\$ —	—	—	—	—	—	—	23,721	48,664	35,977

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total primary government net revenues (expenses) (brought forward)	\$ (70,188)	(145,452)	(159,719)	(153,417)	(178,906)	(191,656)	(181,649)	(198,200)	(194,479)	(193,854)
Total component unit net revenues (brought forward)	—	—	—	—	—	—	—	23,721	48,664	35,977
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	108,025	112,150	104,314	135,409	142,298	147,250	152,065	157,586	158,919	167,160
Property taxes, levied for debt service	8,056	7,886	7,633	7,770	6,137	6,335	6,407	6,389	6,260	6,398
Other taxes	8,264	9,878	10,124	10,253	7,775	7,497	8,450	9,094	10,323	11,390
Interest income	4,535	9,197	13,031	10,377	8,247	3,197	1,984	2,575	1,264	2,833
Gain (loss) on sale of capital assets	—	—	—	—	—	—	—	—	—	—
Miscellaneous revenue	7	9	22,645	641	13,024	419	16,257	7,636	3,416	9,703
Capital contributions	—	—	—	—	—	—	—	—	—	—
Transfers in from proprietary funds	—	—	—	—	—	—	—	—	7	31
Total governmental activities revenue	128,887	139,120	157,747	164,450	177,481	164,698	185,163	183,280	180,189	197,515
Business-type activities:										
Taxes										
Property taxes, levied for general purposes	—	—	—	—	—	—	—	—	—	—
Interest income	2,159	3,563	4,922	3,475	2,636	1,514	1,568	52	19	25
Gain on sale of capital assets	—	—	—	2,724	1,031	418	54	—	25	—
Loss on equity in joint venture	—	—	—	(82)	(70)	(70)	(76)	—	—	—
Miscellaneous revenue	3,448	4,944	6,236	—	—	—	—	—	—	—
Capital contributions	—	—	—	—	—	—	—	—	—	—
Transfers out to governmental funds	—	—	—	—	—	—	—	—	(7)	(31)
Total business-type activities revenue	5,607	8,507	11,158	6,117	3,597	1,862	1,546	52	37	(6)
Total primary government	134,494	147,627	168,905	170,567	181,078	166,560	186,709	183,332	180,226	197,509
Component unit:										
Taxes										
Property taxes, levied for general purposes	—	—	—	—	—	—	—	—	—	—
Property taxes, levied for debt service	—	—	—	—	—	—	—	—	—	—
Other taxes	—	—	—	—	—	—	—	—	—	—
Interest income	—	—	—	—	—	—	—	1,562	517	1,653
Gain on sale of capital assets	—	—	—	—	—	—	—	(116)	(3,774)	—
Loss on equity in joint venture	—	—	—	—	—	—	—	(73)	(77)	(78)
Miscellaneous revenue	—	—	—	—	—	—	—	—	—	—
Capital contributions	—	—	—	—	—	—	—	—	—	—
Transfers	—	—	—	—	—	—	—	—	—	—
Total component unit	—	—	—	—	—	—	—	1,373	(3,334)	1,575
Change in Net Position										
Governmental activities	49,309	(16,876)	(11,452)	(6,810)	(14,151)	(31,223)	(2,879)	(12,558)	(12,203)	5,655
Prior period adjustment (restatement)	(26,940)	1,965,931	—	—	(993)	—	—	—	—	(439)
Total Governmental activities	22,369	1,949,055	(11,452)	(6,810)	(15,144)	(31,223)	(2,879)	(12,558)	(12,203)	5,216
Business-type activities	14,997	19,051	20,638	23,960	16,323	6,127	7,939	(2,310)	(2,050)	(2,000)
Prior period adjustment (restatement)	—	63,351	(193)	(1,935)	—	—	—	(497,533)	—	—
Total Business-type activities	14,997	82,402	20,445	22,025	16,323	6,127	7,939	(499,843)	(2,050)	(2,000)
Total primary government	37,366	2,031,457	8,993	15,215	1,179	(25,096)	5,060	(512,401)	(14,253)	3,216
Component unit	—	—	—	—	—	—	—	25,094	45,330	37,552
Prior period adjustment (restatement)	—	—	—	—	—	—	—	497,533	—	(1,744)
Total component unit	\$ —	—	—	—	—	—	—	522,627	45,330	35,808

⁽¹⁾ Years prior to restatements have not been restated

Source: Current and prior years financial statements

WASHINGTON COUNTY, OREGON

Fund Balances of Governmental Funds⁽¹⁾

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Dollars in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Reserved	\$ —	—	—	4,000	2,000	177	—	—	—	—
Nonspendable	—	—	—	—	—	—	155	134	122	116
Assigned	—	—	—	—	—	—	527	530	646	809
Unreserved/unassigned	33,253	41,792	43,480	37,522	30,806	33,874	32,513	29,642	33,321	39,828
Total general fund	33,253	41,792	43,480	41,522	32,806	34,051	33,195	30,306	34,089	40,753
All other governmental funds										
Reserved	2,218	1,169	1,043	1,321	320	295	—	—	—	—
Nonspendable	—	—	—	—	—	—	127	135	2,416	2,414
Restricted	—	—	—	—	—	—	93,002	95,942	96,945	112,861
Committed	—	—	—	—	—	—	55,278	62,637	67,972	81,821
Assigned	—	—	—	—	—	—	773	149	2,992	841
Unreserved/unassigned	125,053	160,380	143,210	149,012	146,267	142,105	(203)	(32)	(225)	(2,317)
Total all other governmental funds	127,271	161,549	144,253	150,333	146,587	142,400	148,977	158,831	170,100	195,620
Total governmental funds	\$ 160,524	203,341	187,733	191,855	179,393	176,451	182,172	189,137	204,189	236,373

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

Source: Current and prior years financial statements.

WASHINGTON COUNTY, OREGON

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Dollars in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Taxes	\$ 124,866	130,181	121,977	149,442	154,379	160,234	166,766	170,704	175,520	183,966
Licenses and permits	9,613	10,253	8,882	9,213	8,126	8,200	8,482	9,167	10,895	11,350
Intergovernmental revenues	94,351	104,434	152,681	85,993	89,839	90,197	96,237	100,540	106,863	111,339
Charges for services	47,440	34,457	30,525	41,039	39,625	41,180	48,865	46,053	49,400	55,618
Fines and forfeitures	3,029	3,210	3,728	3,533	2,826	3,058	3,431	3,658	3,044	3,077
Special assessments	211	235	249	224	241	190	188	134	232	181
Miscellaneous revenues	29,633	33,363	35,697	37,069	34,534	28,256	30,784	30,466	30,178	34,214
Interfund revenues	24,187	23,417	26,272	28,283	28,423	29,160	29,619	27,924	28,494	29,764
Total revenues	333,330	339,550	380,011	354,796	357,993	360,475	384,372	388,646	404,626	429,509
Expenditures:										
Current:										
General government	29,125	30,123	31,134	32,609	36,136	34,265	35,019	36,912	36,874	39,030
Public safety and justice	97,605	100,587	104,517	114,416	120,744	121,021	129,651	134,389	137,305	144,170
Land use, housing and transportation	91,616	81,633	127,152	94,595	99,590	92,495	97,662	95,019	94,605	94,749
Health and human services	59,418	60,526	68,393	52,605	58,405	60,313	60,975	59,989	61,495	63,072
Culture, education and recreation	14,402	14,751	15,655	23,081	25,774	26,353	27,193	29,526	29,305	30,356
Nonoperating	8,025	7,013	6,359	7,902	7,372	5,673	6,153	5,736	10,773	2,717
Capital outlay	7,703	13,716	26,176	9,360	8,739	9,288	8,097	10,066	6,923	9,146
Debt service:										
Principal	11,598	14,897	9,485	44,049	8,452	8,908	9,340	10,181	10,552	10,807
Interest	6,399	5,352	6,750	6,186	5,748	5,098	4,683	4,267	6,164	3,309
Total expenditures	325,891	328,598	395,621	384,803	370,960	363,414	378,773	386,085	393,996	397,356
Excess (deficiency) of revenues over (under) expenditures	7,439	10,952	(15,610)	(30,007)	(12,967)	(2,939)	5,599	2,561	10,630	32,153
Other financing sources (uses):										
Issuance of debt	274	83,401	—	34,125	—	—	—	2,284	18,860	—
Payment to refunded bond escrow agent	—	(51,540)	—	—	—	—	—	—	(18,530)	—
Transfers in from other funds	70,271	80,292	91,364	69,224	73,738	79,801	61,538	69,330	80,020	75,945
Transfers out to other funds	(70,267)	(80,288)	(91,362)	(69,224)	(73,234)	(81,795)	(61,416)	(67,210)	(78,084)	(75,914)
Total other financing sources (uses)	278	31,865	2	34,125	504	(1,994)	122	4,404	2,266	31
Net change in fund balances	\$ 7,717	42,817	(15,608)	4,118	(12,463)	(4,933)	5,721	6,965	12,896	32,184
Debt service as a percentage of noncapital expenditures	5.95%	7.05%	4.83%	14.49%	4.49%	4.20%	4.26%	4.24%	4.70%	3.84%

Source: Current and prior years financial statements.

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REVENUE CAPACITY

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

Fiscal year ended June 30	Assessed Value				Total direct tax rate ⁽¹⁾	True cash valuation	Ratio of assessed valuation to true cash valuation
	Real property	Personal property	Public utility property	Total			
2005	\$ 33,025,666	1,626,433	1,140,884	35,792,983	2.87	52,646,589	67.99 %
2006	34,866,509	1,608,701	1,155,643	37,630,853	2.84	58,389,427	64.45
2007	36,728,957	1,652,098	1,198,560	39,579,615	2.45	69,903,003	56.62
2008	38,669,431	1,760,359	1,266,893	41,696,683	3.03	76,919,205	54.21
2009	40,540,532	1,911,303	1,411,287	43,863,122	2.99	79,498,937	55.17
2010	41,974,973	1,833,195	1,591,315	45,399,483	2.99	75,512,292	60.12
2011	43,397,583	1,781,436	1,622,849	46,801,868	2.98	71,983,750	65.02
2012	44,863,711	1,818,743	1,554,328	48,236,782	2.98	69,045,256	69.86
2013	45,951,024	1,873,616	1,531,019	49,355,659	2.97	67,614,912	73.00
2014	47,642,930	1,961,029	1,576,282	51,180,241	2.97	75,755,731	67.56

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

Fiscal year ended June 30	General	Special revenue	Debt service	Total direct tax rate
2005	\$ 2.25	0.39	0.23	2.87
2006	2.25	0.37	0.22	2.84
2007	2.25	—	0.20	2.45
2008	2.25	0.59	0.19	3.03
2009	2.25	0.59	0.15	2.99
2010	2.25	0.59	0.15	2.99
2011	2.25	0.59	0.14	2.98
2012	2.25	0.59	0.14	2.98
2013	2.25	0.59	0.13	2.97
2014	2.25	0.59	0.13	2.97

Source: Washington County Department of Assessment and Taxation

WASHINGTON COUNTY, OREGON

Certified Property Tax Levies -
Direct and Overlapping Governments

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal year ended June 30	Total Tax Levies	Washington County ⁽¹⁾	Component Units of Washington County ⁽²⁾	School Districts	Fire Districts
2005	\$ 565,497	102,382	18,695	251,279	49,269
2006	610,420	106,501	18,980	282,295	52,089
2007	598,942	96,775	19,575	269,116	54,774
2008	690,048	125,988	19,988	310,212	59,800
2009	715,850	130,338	23,855	313,624	61,864
2010	766,167	135,477	24,234	334,352	65,439
2011	783,036	140,212	24,614	341,593	67,422
2012	800,942	144,382	25,198	350,927	70,828
2013	817,382	147,070	25,505	353,922	72,173
2014	876,877	152,306	27,748	386,896	74,193

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

⁽²⁾ Includes ESPD (Enhanced Sheriff's Patrol District), URMD (Urban Road Maintenance District), and SDL (Street Lighting District) bonds and interest

Source: Washington County Department of Assessment and Taxation

<u>Cities</u>	<u>Parks and Recreation</u>	<u>Development and Urban Renewal Agencies</u>	<u>Port of Portland</u>	<u>Portland Community College</u>	<u>Metropolitan Service District</u>	<u>Other</u>
81,830	20,804	4,587	2,488	18,017	13,053	3,093
86,783	21,736	4,868	2,616	18,386	14,053	2,113
92,893	22,776	5,348	2,750	19,099	13,729	2,107
98,422	23,818	6,145	2,894	20,771	19,848	2,162
108,078	25,139	6,652	3,040	21,738	19,398	2,124
112,334	31,528	7,180	3,145	28,367	21,948	2,163
120,524	33,394	913	3,269	29,567	21,528	—
125,758	34,105	1,022	3,371	28,649	16,702	—
124,802	34,955	4,429	3,446	32,538	18,542	—
131,051	36,124	5,554	3,570	37,265	22,170	—

WASHINGTON COUNTY, OREGON

Property Tax Levies and Collections⁽¹⁾

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal year ended June 30	Certified tax levies			Collected within the fiscal year of the levy		Collections in subsequent years	Total collections to date	
	General Fund	Special levies	Total	Amount	Percentage of levy		Amount	Percentage of levy
2005	\$ 80,327	40,901	121,228	115,082	94.93	2,643	117,725	97.11
2006	84,583	41,013	125,596	119,454	95.11	2,399	121,853	97.02
2007	88,968	27,501	116,469	110,902	95.22	2,481	113,383	97.35
2008	93,588	45,498	139,086	132,062	94.95	3,380	135,442	97.38
2009	98,297	56,017	154,314	145,503	94.29	4,876	150,379	97.45
2010	102,210	57,501	159,711	150,799	94.42	4,169	154,968	97.03
2011	106,055	58,771	164,826	156,041	94.67	2,703	158,744	96.31
2012	109,453	60,127	169,580	161,338	95.14	1,866	163,204	96.24
2013	111,611	60,964	172,575	164,775	95.48	1,898	166,673	96.58
2014	115,908 ⁽¹⁾	64,145	180,053	171,302	95.14	-	171,302	95.14

⁽¹⁾ Includes small levies paid off early to other jurisdictions by the General Fund totaling \$418 in 2013-14.

Source: Washington County Finance Division

WASHINGTON COUNTY, OREGON

Principal Taxpayers Within the County
Current Year and Nine Years Ago

(Dollars in Thousands)

	2014				2005		
	Rank	Assessed valuation	Percent of total		Rank	Assessed valuation	Percent of total
Private enterprises:							
Intel Corporation	1	\$ 1,269,465	2.5 %	1	\$ 1,027,637	2.9 %	
Nike, Inc.	2	566,111	1.1	3	329,849	0.9	
Pacific Realty Associates	4	308,313	0.6	5	217,218	0.6	
Comcast Corporation	5	267,863	0.5			—	
Frontier Communciations	7	249,585	0.5			—	
Fred Meyer	8	149,478	0.3			—	
Maxim Integrated Products, Inc.	9	142,394	0.3	10	119,068	0.3	
PPR Washington Square, LLC	10	134,846	0.3			—	
PS Business Parks LP		—	—	7	134,810	0.4	
Verizon Northwest, Inc.		—	—	2	350,287	1.0	
Novellus Systems, Inc		—	—	8	128,605	0.4	
Tektronix, Inc		—	—	9	128,404	0.4	
Public utilities:							
Portland General Electric	3	412,348	0.8	4	313,885	0.9	
Northwest Natural Gas	6	299,588	0.6	6	215,907	0.6	
All other taxpayers		<u>47,380,250</u>	<u>92.5</u>		<u>32,827,313</u>	<u>91.6</u>	
Total		<u>\$ 51,180,241</u>	<u>100.0</u>		<u>\$ 35,792,983</u>	<u>100.0</u>	

Source: Washington County Department of Assessment and Taxation

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DEBT CAPACITY

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WASHINGTON COUNTY, OREGON

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

County

Fiscal Year	Governmental Activities Bonds Payable	Business-Type Activities Bonds Payable	Premiums, Discounts, & Adjustments	Net Bonds Payable	Total Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Debt Outstanding Per Capita
2005	\$ 51,545	243,855	(1,440)	293,960	35,792,983	0.8 %	\$ 612
2006	46,015	227,640	(751)	272,904	37,630,853	0.7	557
2007	40,260	210,735	(826)	250,169	39,579,614	0.6	499
2008	33,570	193,100	(223)	226,447	41,696,683	0.5	443
2009	28,570	233,375	1,793	263,738	43,863,122	0.6	507
2010	23,325	233,375	2,743	259,443	45,399,483	0.6	492
2011	17,845	263,845	2,333	284,023	46,801,868	0.6	533
2012	12,140	—	62	12,202	48,236,782	—	23
2013	6,195	—	16	6,211	49,355,659	—	11
2014	—	—	—	—	51,180,241	—	—

District⁽¹⁾

Fiscal Year	Component Unit Bonds Payable	Premiums, Discounts, & Adjustments	Net Bonds Payable	Total Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Debt Outstanding Per Capita
2005	\$ —	—	—	—	— %	\$ —
2006	—	—	—	—	—	—
2007	—	—	—	—	—	—
2008	—	—	—	—	—	—
2009	—	—	—	—	—	—
2010	—	—	—	—	—	—
2011	—	—	—	—	—	—
2012	287,865	9,632	297,497	44,456,105	0.7	555
2013	265,260	8,179	273,439	45,465,533	0.6	504
2014	251,990	7,827	259,817	47,177,560	0.6	472

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

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

WASHINGTON COUNTY, OREGON

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

County

Fiscal Year	Governmental Activities				
	Bonds Payable	Notes Payable	Premiums, Discounts, & Adjustments	Contracts Payable	Capital Lease Obligations
2005	\$ 51,545	72,176	(254)	696	2,153
2006	46,015	94,593	(288)	650	1,951
2007	40,260	91,108	61	603	1,754
2008	33,570	88,121	149	555	1,525
2009	28,570	84,930	115	505	1,343
2010	23,325	81,510	79	454	1,160
2011	17,845	77,897	45	402	964
2012	12,140	74,149	3	380	2,586
2013	6,195	70,352	(308)	357	2,092
2014	—	66,133	3,551	334	1,715

District⁽¹⁾

Fiscal Year	Component Unit				
	Bonds Payable	Notes Payable	Premiums, Discounts, & Adjustments	Contracts Payable	Capital Lease Obligations
2005	\$ —	—	—	—	—
2006	—	—	—	—	—
2007	—	—	—	—	—
2008	—	—	—	—	—
2009	—	—	—	—	—
2010	—	—	—	—	—
2011	—	—	—	—	—
2012	287,865	—	9,631	—	—
2013	265,260	—	8,179	—	—
2014	251,990	—	7,827	—	—

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

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

Source: Washington County Finance Division

Business-Type Activities				Total Primary Government	Percentage of Personal Income	Outstanding Debt Per Capita
Bonds Payable	Notes Payable	Premiums, Discounts, & Adjustments	Contracts Payable			
243,855	4,754	(1,451)	386	373,860	2.2 %	\$ 779
227,640	4,488	(960)	196	374,285	2.1	764
210,735	3,717	(553)	—	347,685	1.8	694
193,100	3,266	(471)	—	319,815	1.6	626
233,375	2,826	1,592	—	353,256	1.7	679
284,260	31,818	(83)	—	422,523	2.0	802
263,845	31,661	(340)	—	392,319	1.8	736
—	31,124	(2,524)	—	117,858	0.5	220
—	30,577	(2,376)	—	106,889	0.5	197
—	30,043	(236)	—	101,540	N/A	184

Total Component Unit	Percentage of Personal Income	Outstanding Debt Per Capita
—	— %	\$ —
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
297,496	1.3	555
273,439	1.0	504
259,817	N/A	472

WASHINGTON COUNTY, OREGON

Legal Debt Margin Information

Last Ten Fiscal Years

(Dollars in thousands)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</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	\$ 75,755,731	67,614,912	69,045,256	71,983,750	75,512,292
Debt limit rate	2.00%	2.00%	2.00%	2.00%	2.00%
Debt limit	1,515,115	1,352,298	1,380,905	1,439,675	1,510,246
Less general obligation debt at June 30 ⁽¹⁾	-	6,211	12,202	17,954	23,480
Legal debt margin	<u>1,515,115</u>	<u>1,346,087</u>	<u>1,368,703</u>	<u>1,421,721</u>	<u>1,486,766</u>
Total net debt applicable to the limit as a percentage of debt limit	—	0.46%	0.88%	1.25%	1.55%

-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>75,755,731</u>	<u>67,614,912</u>	<u>69,045,256</u>	<u>71,983,750</u>	<u>75,512,292</u>
Debt limit rate	1.00%	1.00%	1.00%	1.00%	1.00%
Debt limit	757,557	676,149	690,453	719,838	755,123
Less full faith and credit obligations at June 30 ⁽¹⁾	<u>64,768</u>	<u>68,806</u>	<u>72,686</u>	<u>76,236</u>	<u>79,639</u>
Legal debt margin	<u>692,789</u>	<u>607,343</u>	<u>617,767</u>	<u>643,602</u>	<u>675,484</u>
Total net debt applicable to the limit as a percentage of debt limit	8.55%	10.18%	10.53%	10.59%	10.55%

Housing Authority of Washington County:

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

Real market value	<u>75,755,731</u>	<u>67,614,912</u>	<u>69,045,256</u>	<u>71,983,750</u>	<u>75,512,292</u>
Debt limit rate	13.00%	13.00%	13.00%	13.00%	13.00%
Debt limit	9,848,245	8,789,939	8,975,883	9,357,888	9,816,598
Less general obligation debt at June 30 ⁽¹⁾	—	—	—	—	—
Legal debt margin	<u>9,848,245</u>	<u>8,789,939</u>	<u>8,975,883</u>	<u>9,357,888</u>	<u>9,816,598</u>
Total net debt applicable to the limit as a percentage of debt limit	—	—	—	—	—

Clean Water Services:

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

Real market value	<u>68,905,327</u>	<u>60,917,987</u>	<u>61,998,156</u>	<u>64,712,780</u>	<u>67,333,674</u>
Debt limit rate	13.00%	13.00%	13.00%	13.00%	13.00%
Debt limit	8,957,693	7,919,338	8,059,760	8,412,661	8,753,378
Less general obligation debt at June 30 ⁽¹⁾	—	—	—	—	—
Legal debt margin	\$ <u>8,957,693</u>	<u>7,919,338</u>	<u>8,059,760</u>	<u>8,412,661</u>	<u>8,753,378</u>
Total net debt applicable to the limit as a percentage of debt limit	—	—	—	—	—

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

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>79,498,937</u>	<u>76,919,205</u>	<u>69,903,003</u>	<u>58,389,427</u>	<u>52,646,589</u>
2.00%	2.00%	2.00%	2.00%	2.00%
1,589,979	1,538,384	1,398,060	1,167,789	1,052,932
<u>28,771</u>	<u>33,818</u>	<u>40,437</u>	<u>46,224</u>	<u>51,556</u>
<u>1,561,208</u>	<u>1,504,566</u>	<u>1,357,623</u>	<u>1,121,565</u>	<u>1,001,376</u>
1.81%	2.20%	2.89%	3.96%	4.90%
<u>79,498,937</u>	<u>76,919,205</u>	<u>69,903,003</u>	<u>58,389,427</u>	<u>52,646,589</u>
1.00%	1.00%	1.00%	1.00%	1.00%
794,989	769,192	699,030	583,894	526,466
<u>82,834</u>	<u>85,806</u>	<u>88,579</u>	<u>91,493</u>	<u>69,130</u>
<u>712,155</u>	<u>683,386</u>	<u>610,451</u>	<u>492,401</u>	<u>457,336</u>
10.42%	11.16%	12.67%	15.67%	13.13%
<u>79,498,937</u>	<u>76,919,205</u>	<u>69,903,003</u>	<u>58,389,427</u>	<u>52,646,589</u>
13.00%	13.00%	13.00%	13.00%	13.00%
10,334,862	9,999,497	9,087,390	7,590,626	6,844,057
—	—	—	—	—
<u>10,334,862</u>	<u>9,999,497</u>	<u>9,087,390</u>	<u>7,590,626</u>	<u>6,844,057</u>
—	—	—	—	—
<u>67,466,438</u>	<u>65,485,068</u>	<u>59,132,300</u>	<u>48,348,600</u>	<u>48,571,562</u>
13.00%	13.00%	13.00%	13.00%	13.00%
8,770,637	8,513,059	7,687,199	6,285,318	6,314,303
—	—	—	—	—
<u>8,770,637</u>	<u>8,513,059</u>	<u>7,687,199</u>	<u>6,285,318</u>	<u>6,314,303</u>
—	—	—	—	—

WASHINGTON COUNTY, OREGON

Direct and Overlapping Governmental Activities Debt

June 30, 2014

(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	\$ 625	100.0 %	\$ 625
City of Banks	1,395	100.0	1,395
City of Cornelius	2,025	100.0	2,025
City of Durham	875	100.0	875
City of Forest Grove	985	100.0	985
City of Hillsboro	35,595	100.0	35,595
City of Lake Oswego	46	0.2	—
City of North Plains	250	100.0	250
City of Portland	283	0.2	1
City of Sherwood	3,425	100.0	3,425
City of Tigard	26,820	100.0	26,820
City of Tualatin	7,180	84.9	6,096
Clackamas County School District 3J (West Linn - Wilsonville)	2,821	1.5	42
Clackamas County School District 7J (Lake Oswego)	889	0.9	8
Columbia County School District 1J (Scappoose)	166	0.5	1
Columbia County School District 47J (Vernonia)	290	1.9	6
Metro	69,729	31.3	21,825
Multnomah County School District 1J (Portland)	2,957	0.6	18
Portland Community College	70,243	41.8	29,362
Tualatin Hills Parks & Recreation District	96,674	100.0	96,674
Tualatin Valley Fire & Rescue District	35,275	82.8	29,208
Washington County School District 13 (Banks)	16,757	100.0	16,757
Washington County School District 15 (Forest Grove)	113,719	100.0	113,719
Washington County School District 1J (Hillsboro)	279,559	100.0	279,559
Washington County School District 23J (Tigard - Tualatin)	105,288	94.9	99,918
Washington County School District 48J (Beaverton)	414,446	99.5	412,374
Washington County School District 511J (Gaston)	2,622	78.3	2,053
Washington County School District 88J (Sherwood)	102,273	93.6	95,728
Willamette Education Service District	5	0.3	—
Yamhill County School District 29J (Newberg)	2,509	3.5	88
Total overlapping debt outstanding	1,395,726		1,275,432
Direct debt outstanding:			
Washington County ⁽¹⁾	71,733	100.00	71,733
Total direct and overlapping debt outstanding	\$ 1,467,459		\$ 1,347,165

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

Contracts, notes, and bonds outstanding	66,467
Unamortized bond premiums and discounts	3,551
Capital lease obligations	1,715
Total direct debt outstanding	71,733

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

Source: Oregon State Treasury, Debt Management Division

DEMOGRAPHIC AND ECONOMIC INFORMATION

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WASHINGTON COUNTY, OREGON

Demographic Statistics

Last Ten Fiscal Years

(Dollars in thousands, except Personal Income)

<u>Fiscal Year</u>	<u>Population (estimated)</u>		<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2005	480	\$	16,121	34	5.1 %
2006	490		17,254	35	4.4
2007	501		18,767	37	4.3
2008	511		19,945	39	4.8
2009	520		21,186	41	10.2
2010	527		21,205	40	8.4
2011	533		21,587	41	7.6
2012	536		23,043	43	6.8
2013	543		24,314	44	6.3
2014	551		N/A	N/A	5.7

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

	2014*		2005	
	Annual Average Positions	% of Total	Annual Average Positions	% of Total
Construction	12,545	5%	14,145	6%
Manufacturing:				
Wood products	1,018		1,681	
Fabricated metal products	2,961		2,896	
Food	1,704		1,729	
Plastics and rubber products	1,656		2,051	
Computer and electronic products	26,609		26,943	
Machinery	3,765		3,612	
Other	6,419		7,778	
Total Manufacturing	44,132	17%	46,690	20%
Trade, Transportation, and Utilities:				
Wholesale	12,530		17,100	
Retail	28,934		27,822	
Transportation, Warehousing, and Utilities	3,850		4,021	
Total Trade, Transportation, and Utilities	45,314	18%	48,943	21%
Information:				
Publishing	3,113		3,525	
Telecommunications	2,145		1,880	
Other (broadcasting, ISP's, etc.)	2,045		1,543	
Total Information	7,303	3%	6,948	3%
Financial Activities:				
Finance and Insurance	11,525		10,278	
Real Estate	3,117		3,790	
Total Financial Activities	14,642	6%	14,068	6%
Professional and Business Services	47,573	19%	32,467	14%
Educational Services	5,082	2%	4,497	2%
Healthcare and Social Assistance	25,733	10%	18,510	8%
Leisure and Hospitality	21,357	8%	18,504	8%
Other Services (agriculture, repairs, private homes, misc.)	11,644	4%	11,101	4%
Government (federal, state, and local)	21,274	8%	19,319	8%
Total Employment	<u>256,599</u>	<u>100%</u>	<u>235,192</u>	<u>100%</u>

*Fiscal year 2014 information includes data through December 31, 2013.

Source: Oregon Employment Department Labor Market Information System (OLMIS)

OPERATING INFORMATION

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WASHINGTON COUNTY, OREGON

Full-time Equivalent Employees by Function

Last Ten Fiscal Years

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General government	279.6	280.5	284.4	292.8	299.8	297.0	297.3	297.0	297.8	299.1
Public safety and justice	775.4	772.3	782.8	815.3	834.3	836.9	833.4	823.4	824.9	824.3
Land use, housing and transportation	405.4	398.6	416.6	426.0	423.9	391.8	357.4	348.8	336.5	335.7
Health and human services	222.1	220.6	228.8	231.8	240.2	239.4	250.0	253.5	255.2	251.8
Culture, education and recreation	36.6	36.6	36.6	40.0	44.3	45.3	44.3	47.3	47.3	48.3
Total	<u>1,719.1</u>	<u>1,708.6</u>	<u>1,749.2</u>	<u>1,805.9</u>	<u>1,842.5</u>	<u>1,810.3</u>	<u>1,782.4</u>	<u>1,770.0</u>	<u>1,761.7</u>	<u>1,759.2</u>

Source: Washington County Support Services Department

WASHINGTON COUNTY, OREGON

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008
General Government:				
Assessment & Taxation:				
Real property accounts	160,490	164,548	168,846	173,542
Personal property accounts	21,141	22,283	23,278	23,791
Mobile home accounts	6,227	6,092	5,930	5,569
Utility property accounts	1,072	941	997	977
County Counsel:				
Hours booked for General Fund programs	6,517	5,650	5,670	6,023
Hours booked for Special Revenue funds and miscellaneous	6,918	6,628	7,118	6,938
Hours booked for internal work	2,021	2,456	2,519	2,406
Support Services:				
Number of budgeted permanent FTE positions within the County	1,720	1,709	1,749	1,806
Number of collective bargaining units	4	5	5	5
Public Safety & Justice:				
Sheriff (measured in calendar years):				
Citizen generated calls for service	52,394	51,632	52,121	52,481
Officer-initiated calls for service (including traffic responses)	70,006	76,595	75,023	72,432
Bookings per year at Jail	20,600	19,329	19,181	18,560
Average length of stay in Jail (in days)	11	17	17	10
Average daily Jail population	589	554	547	545
Case numbers issued (all documented law enforcement actions taken)	27,552	25,619	23,030	21,536
Juvenile (measured in calendar years):				
Total referrals to juvenile department	3,642	3,961	4,416	4,646
Percent of youth with no new offenses	75%	72%	72%	71%
Total admissions to secure detention	538	547	586	632
Total admissions to shelter care evaluation	156	147	167	165
Community Corrections:				
Number of offenders residing at the Community Corrections Center	2,000	1,946	2,030	2,100
Average daily Community Corrections Center population	180	181	198	190
Average length of stay in Community Corrections Center (in days)	31	34	37	36
Number of offenders on supervision	3,962	4,059	4,176	4,205
Law Library:				
Total in-library users	6,165	6,968	8,788	9,214
Items checked out	786	1,022	864	800
Land Use, Housing, & Transportation:				
Land Use & Transportation:				
Total land use case files	518	596	278	434
Total land use actions	621	773	360	549
New subdivisions	54	83	52	14
Building permits issued (single family residential & remodels/additions)	1,504	1,648	1,639	1,212
Measure 37 claims received	404	469	—	—
Housing Services:				
Rent subsidies (units)	2,569	2,569	2,569	2,581
Affordable housing (units)	2,684	2,684	2,684	2,684
Public housing (units)	297	297	297	265
Homeownership (units)	4	7	7	7
Homeless services (beds)	624	625	483	548
Community Development:				
Number of people served by all CDBG programs	14,257	57,107	30,647	24,767
Number of households served by all CDBG programs	355	512	293	468
Health & Human Services:				
Health & Human Services:				
Swimming pool inspections, reviews, investigations	1,130	1,130	1,178	1,156
Solid Waste and Recycling phone calls received	3,127	3,082	3,500	3,187
Health Clinic - communicable disease client visits	13,666	12,500	11,862	11,683
Birth certificates received	7,511	7,500	8,177	4,172
Emergency Medical Services:				
CPR/AED people trained (measured in calendar years)	505	663	686	1,002
Ambulance licenses issued	94	110	113	103
Total ambulances inspected	35	37	27	—
Wheelchair car licenses issued	106	119	103	131
Culture, Education, & Recreation:				
Cooperative Library Services:				
Total library materials circulated	6,813,881	7,121,182	7,389,681	8,442,266
New users registered	38,730	36,104	38,189	41,715
Attendance at summer reading programs and events	26,621	25,050	36,672	38,966
Items delivered to member libraries via WCCLS couriers	1,852,787	2,011,235	2,125,504	2,714,141

N/A: Information not available

Source: Washington County Support Services Department

	2009	2010	2011	2012	2013	2014
	177,155	177,924	178,440	178,971	179,843	180,705
	24,100	24,591	24,077	23,893	24,210	23,614
	5,336	5,239	5,205	5,188	5,142	5,118
	940	1,026	1,167	1,278	1,443	1,492
	6,072	8,376	6,102	6,945	5,851	6,536
	7,081	5,639	6,223	6,200	7,915	7,204
	2,087	2,187	2,066	2,269	2,710	2,489
	1,843	1,810	1,782	1,770	1,762	1,759
	5	5	5	5	5	5
	49,296	48,343	47,050	49,109	48,058	N/A
	88,239	96,182	94,258	94,258	89,252	N/A
	18,698	17,967	17,761	17,761	18,020	N/A
	19	18	48	48	18	N/A
	613	579	568	568	565	N/A
	20,657	20,386	19,249	19,249	19,344	N/A
	4,087	4,106	3,738	3,539	3,309	2,975
	74%	74%	75%	74%	72%	N/A
	724	727	715	597	650	644
	163	160	134	121	127	108
	2,026	2,040	2,044	1,953	1,765	2,060
	194	198	195	181	170	182
	33	36	36	34	35	32
	4,162	4,123	4,035	3,694	3,540	3,725
	9,797	9,630	5,569	4,833	8,529	9,115
	802	865	867	796	1,405	1,437
	413	380	357	394	432	495
	488	456	431	476	529	584
	4	8	5	7	22	29
	988	1,110	1,053	1,254	1,183	1,511
	—	—	—	—	—	—
	2,610	2,810	2,810	2,823	2,823	2,882
	2,684	2,005	2,086	1,135	1,138	1,138
	257	255	255	255	255	255
	6	4	4	4	5	5
	544	604	594	739	796	940
	19,978	14,509	16,763	21,184	14,727	20,051
	341	523	491	435	283	306
	1,328	1,264	1,196	1,130	1,145	1,083
	3,442	3,502	3,600	4,200	3,672	4,100
	10,378	11,169	13,257	8,943	9,866	7,857
	N/A	N/A	N/A	N/A	N/A	N/A
	605	556	468	N/A	505	346
	98	99	97	111	149	121
	7	10	—	4	4	28
	134	135	144	174	192	190
	9,776,585	11,143,345	12,711,299	13,047,677	13,070,159	12,742,087
	44,797	38,108	40,374	35,770	32,951	32,788
	41,234	48,136	46,846	51,009	50,157	58,233
	3,170,517	3,721,876	4,138,471	4,108,984	3,978,705	3,649,568

WASHINGTON COUNTY, OREGON

Capital Assets

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government:										
Facilities:										
Number of buildings - owned	25	25	22	23	23	23	23	23	24	24
Number of buildings - leased	9	9	10	8	9	9	8	7	9	9
Square feet - owned space	1,168,876	1,168,876	1,297,265	1,304,265	1,304,265	1,304,265	1,304,265	1,304,265	1,304,265	1,304,265
Square feet - leased space	36,821	36,821	31,642	24,282	24,722	24,722	24,079	19,867	21,659	18,652
Fleet:										
Number of units maintained	523	541	551	559	564	561	562	557	562	572
Gallons of fuel dispensed	395,207	410,293	400,205	443,112	433,119	426,712	445,207	436,180	422,455	416,709
Miles driven	4,309,245	4,543,847	4,475,521	4,705,659	4,554,668	4,565,634	4,613,964	4,485,547	4,510,196	4,434,719
Number of work orders	4,141	3,904	3,820	4,187	4,440	3,837	4,145	4,059	3,930	4,024
Information Technology Services:										
Computers supported	1,617	1,675	1,739	2,028	2,127	2,116	2,116	2,385	2,173	2,149
Applications supported	363	358	608	630	665	698	709	783	844	851
Land Use, Housing, and Transportation:										
County road system:										
Total miles maintained	1,277	1,276	1,285	1,271	1,271	1,280	1,300	1,279	1,279	1,286
Paved miles	1,017	1,017	1,033	1,035	1,035	1,055	1,075	1,062	1,062	1,068
Gravel miles	260	259	252	236	236	225	225	217	217	218
Urban miles	616	615	627	630	630	639	639	650	650	657
Rural miles	661	661	657	641	641	641	661	629	629	629
Bridges	186	187	187	187	187	189	189	188	188	186
Traffic signals	322	325	325	369	379	404	445	470	470	472

Source: Washington County Support Services Department

**WASHINGTON COUNTY,
OREGON**

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

SECTION IV

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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Commissioners
Washington County, Oregon
Hillsboro, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Washington County, Oregon (the County), as of and for the year ended June 30, 2014, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 22, 2014. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. We did not audit the financial statements of Clean Water Services, a discretely presented component unit of the County. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for Clean Water Services is based solely on the report of the other auditors.

COMPLIANCE

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

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- 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)**

Page 2

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:

- The Juvenile High Risk Prevention Fund reports a deficit fund balance on a GAAP basis of \$149,000 as of June 30, 2014.
- The Sheriff's Office Grants and Donations Fund reports a deficit fund balance on a GAAP basis of \$81,000 as of June 30, 2014.
- The North Bethany County Service District for Roads Fund reports a deficit fund balance on a GAAP basis of \$2,086,000 as of June 30, 2014.
- The General Fund reports an over-expenditure of appropriations in non-operating, miscellaneous expenditures totaling \$14,000 for the year ended June 30, 2014.

OAR 162-10-230 INTERNAL CONTROL

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

Our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards is presented under separate cover.

* * * * *

RESTRICTION ON USE

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

Lake Oswego, Oregon
December 22, 2014

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