

**TUALATIN HILLS PARK
AND RECREATION DISTRICT
BEAVERTON, OREGON**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016



**TUALATIN HILLS PARK
AND RECREATION DISTRICT
BEAVERTON, OREGON**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016**



**PREPARED BY THE
BUSINESS AND FACILITIES DIVISION
FINANCE DEPARTMENT**

**TUALATIN HILLS PARK AND RECREATION DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2016**

TABLE OF CONTENTS

	<u>Page</u>
Introductory Section:	
Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	6
Organizational Chart	7
Directory of Officials	8
Financial Section:	
Independent Auditor's Report	9
Management's Discussion and Analysis	13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	23
Statement of Activities	24
Fund Financial Statements:	
Balance Sheet – Governmental Funds	25
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	26
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	29
Notes to the Basic Financial Statements	31
Required Supplementary Information:	
Schedule of Changes in Net Pension Liability and Related Ratios – Pension Plan	50
Schedule of Contributions – Pension Plan	51
Schedule of Funding Progress – Other Post Employment Benefits	52
Supplemental Information:	
Individual Fund Statements and Schedules:	
Schedule of Expenditures – Budget and Actual – General Fund	53
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Bonded Debt Fund	62
Bond Capital Projects Fund	63
System Development Charges Fund	64
Mitigation Maintenance Fund	65
Other Financial Schedules:	
Schedule of Property Tax Transactions and Outstanding Balances	67
Schedule of District Pension Contributions	68

Statistical Section:

Net Position by Component	70
Changes in Net Position	71
Fund Balance of Governmental Funds	72
Changes in Fund Balances of Governmental Funds	73
Governmental Activities Tax Revenues by Source	74
Assessed Values and Estimated Actual Value of Taxable Property	75
Property Tax Rates - Direct and Overlapping Governments	76
District Principal Property Taxpayers	77
Washington County Principal Property Taxpayers	78
Property Tax Levies and Collections	79
System Development Charge Revenue Schedule	80
Ratios of Outstanding Debt by Type	81
Ratios of General Bonded Debt Outstanding	82
Direct and Overlapping Governmental Activities Debt	83
Legal Debt Margin Information	84
Demographic and Economic Statistics	85
Major Employment Industries in Washington County	86
Full-Time Equivalent Employees by Function	87
Operating Indicators by Function	88
Capital Asset Statistics by Function	89

**Independent Auditor's Report Required by
Oregon State Regulations:**

Independent Auditor's Report Required by Oregon State Regulations	90
---	----

INTRODUCTORY SECTION



November 29, 2016

To the Honorable Members of the Board of Directors
and the Citizens of the Tualatin Hills Park and Recreation District:

In accordance with state statutes, the Comprehensive Annual Financial Report (CAFR) of the Tualatin Hills Park and Recreation District (district) for the fiscal year ended June 30, 2016 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain the maximum understanding of the district's financial activities have been included.

In developing and evaluating the district's accounting system, consideration is given to the adequacy of the internal accounting controls. Because the cost of internal controls should not outweigh their benefits, the district's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. Within this framework, management believes that the district's transactions are properly recorded, and the financial report is complete and reliable in all material respects.

As required by Oregon Revised Statutes Chapter 297, "the Municipal Audit Law", an independent audit must be conducted annually. Accordingly, the board of directors appointed the firm of Talbot, Korvola & Warwick, LLP to complete the audit of the district's records.

Talbot, Korvola & Warwick, LLP has issued an unmodified opinion on the district's financial statements for the year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report. Immediately following, the reader will find Management's Discussion and Analysis (MD&A) that provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Tualatin Hills Park and Recreation District is a special service district formed in 1955, operating under Oregon Revised Statutes Chapter 266 as a separate municipal corporation. The district is governed by a five member board of directors, elected to four-year terms of office, with daily operations administered by a general manager. The district provides year-round park and recreation services to a diverse population of over 240,000 residents within 50 square miles of east Washington County, Oregon, including the City of Beaverton.

- District facilities include: five indoor and two outdoor swim centers; a combined recreation/aquatic center; two recreation centers; an athletic center with six indoor multi-purpose athletic courts; a senior center; historic sites (Jenkins Estate, Fanno Farmhouse and John Quincy Adams Young House); a 220-acre Nature Park and Interpretive Center; the Cooper Mountain Nature Park and Interpretive Center; a tennis center with six indoor and eight outdoor courts (covered by two air structures for fall and winter season usage); and a camp for developmentally disabled patrons.
- The district maintains, either through direct ownership or joint use agreement (including school sites): 50 outdoor basketball pads; 102 outdoor tennis courts; six indoor tennis courts; 150 soccer/football/lacrosse fields; 106 softball/baseball fields; three skate parks; three bocce courts; five volleyball courts; and an outdoor hockey rink.
- The district has 295 park and recreation facility sites totaling approximately 2,366 acres, consisting of 1,284 acres of wetland/natural areas, and 1,082 acres of developed sites, including neighborhood, community and regional parks. District sites include three lakes, 27 miles of stream corridor, and 51 miles of off-street pathways.
- District programs include: aquatics instruction, leagues and drop-in programs; youth and adult sports leagues and fitness programs; youth and adult general and specialized recreation programs; youth after-school and day camps; senior fitness and recreation programs; developmentally disabled and special needs recreation programs; and natural resource education programs.

The district is required to adopt a final budget by no later than the close of the preceding fiscal year. The annual budget is intended to serve as a financial plan, operational plan and operations guide for the district's activities. The budget is prepared and adopted by fund and organizational unit, or division. Most budget changes after adoption require either a resolution by the board of directors, or a supplemental budget process.

FACTORS AFFECTING FINANCIAL CONDITIONS

Because of the unique focus of a special district, the information presented in the financial statements may be best understood when considered from the broader perspective of the specific environment within which the district operates.

Local economy – Due to Ballot Measure 50, passed by voters in May 1997, the district has a permanent tax rate of \$1.3073 per \$1,000 of assessed value. An annual 3.0 percent increase is allowed on maximum assessed valuation of existing properties, along with increases due to new construction, land partitions, zoning changes, etc. The district was able to maintain a stable revenue base throughout the recession. Over the past several years the district experienced significant revenue growth from System Development Charge (SDC) fees due to increased construction within the district boundaries. SDC fees increased by 51.8 percent from fiscal year 2014/15 over the previous fiscal year and remained relatively flat in fiscal year 2015/16.

Because the district's 2016 assessed value is only 70.9 percent of market value, there is an inherent cushion in property tax collections on most properties. However, during the recession, some properties had realized convergence, with comparable market/assessed values. Fiscal year 2015/16 resulted in a growth of 4.0 percent in general fund property taxes over fiscal year 2014/15, consisting of approximately 2.6 percent actual levy, and 1.4 percent exception based. Property values are continuing to rebound, and combined with three new urban expansion areas within the boundaries, the district is projecting growth in property taxes for fiscal year 2016-2017 of 4.5 percent with no convergence.

Washington County, the second most populous county in Oregon, experienced job growth of 3.6 percent over the previous year. All job categories showed an increase with a total increase of 9,500 jobs. Furthermore, the county's unemployment rate as of August, 2016 sits at 4.9 percent (seasonally adjusted), a lower rate than the state (5.4 percent) and equal to the national rate (4.9 percent). As mentioned above, the revenues received from the assessment of system development charges (SDC's) for new construction remains strong. SDC revenues are statutorily restricted to use for purchase or construction of new, or expansion of existing, facilities, improvements and land within the district.

Long-term financial planning

To address the ongoing funding and patron needs, the district continues to maintain the application of a long-term focus in decision-making. Utilizing the Comprehensive Plan (last updated in 2013), the Strategic Plan and the Service and Financial Sustainability Plan, the district is ensuring long-term perspective and financial viability. The eight long-term strategic goals, included in the comprehensive plan, remain the foundation of our annual budget process.

The final step necessary for this long-term focus was the completion of the five functional plans. These plans address five key areas (parks, programs, natural resources, trails and athletic fields) and provide a structured approach for implementation of the recommendations generated from the three main plans. All functional plans are complete as of the close of the 2015/16 fiscal year.

To implement the key priorities as identified annually by the board of directors, the district will undertake to address or complete the following during the 2016/17 budget year:

- Ensure the district is serving the entire community by eliminating barriers that may inhibit participation by developing an implementation plan for the completed Americans with Disabilities Act (ADA) access audit.
- Enhance communications and outreach efforts by continued funding of a real time feedback system available to patrons and residents.
- Maintain and enhance the levels of service and sustainability in the district's parks, trails, natural areas and recreational facilities by implementing several Natural Resource Functional Plan short-term milestones including the improvement of watershed scale habitat, funding outdoor fitness equipment and beginning the implementation of a new customer service program.
- Ensure continuity of service for our patrons by continued funding of a capital replacement reserve fund for long-term funding of capital asset needs, continued funding for an enhanced disaster recovery system for critical information systems

and extended seasons for the outdoor pools to accommodate swim clubs and lap swim during the maintenance closure of the Aquatic Center.

- Continue to work on moving cost recovery on park district services in line with targets established by the Service and Financial Sustainability Analysis including the implementation of the System Development Charge (SDC) rate changes resulting from an updated methodology, funding for energy savings capital improvements and the reduction in full time and regular part time staffing of 2.38 FTE.

During the budget process, the district actively monitors deferred and projected maintenance replacements for both major and routine replacement needs. The five-year funding projection, prepared during the annual budget process, illustrates the importance of addressing this long-term need, to avoid a decline in district assets. For the fiscal year ended June 30, 2016 the district policy for minimum fund balances/reserves (chapter 6.03) was positively impacted. This policy calls for the district to “measure its obligations for replacement of assets and ensure that replacements are managed in a manner that does not negatively impact the district services.” In part this is being achieved through the creation of a capital replacement reserve that was funded for \$850,000 in the fiscal year ended June 30, 2016 with an additional \$850,000 budgeted for fiscal year 2016-2017. These reserve funds are currently a portion of the ending general fund balance. Over time, this reserve fund is anticipated to provide a sustainable source of funding to ultimately address both routine and major replacement needs.

MAJOR INITIATIVES

Bond measure

To facilitate the long-term vision of the district, a bond measure was developed for the November 2008 ballot, in the amount of \$100 million, payable by a dedicated property tax increase over the next 20 years. The measure provided funding for natural areas, trail expansions, athletic field additions, park additions and upgrades, building expansions and facility replacements and upgrades. Voters approved the measure, and subsequently, the district sold the first series of bonds (\$58.5 million) in April 2009, followed by sale of the second series (\$40.1 million) in September 2011.

In May 2015, the district advance refunded \$38.3 million of the Series 2009 issue to achieve an economic gain of over \$2.9 million and reduce the life of the debt by two years. Also, included in the Series 2015 borrowing was the final amount available (\$1.4 million) that fulfilled the \$100 million bond measure. The district's debt structure, capital improvements and ultimately, the tax payers have benefitted significantly from the low interest rate environment within the last seven years.

As of June 30, 2016, \$76.0 million total bond funds have been expended. Approximately \$27.7 million in funds are available for completion of the voter approved projects.

Future goals

The district will continue to maintain a long-term focus, monitoring a forward-looking 10-year projection of financial position, including the deferred maintenance backlog. With completion of all five functional plans, key implementation items will be identified and prioritized within the eight long-term strategic goals.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the district for its CAFR for the fiscal year ended June 30, 2015. This was the eleventh year of submission, and subsequent receipt, of this prestigious award. In order to be awarded the Certificate of Achievement, the district had to publish an easily readable and efficiently organized CAFR that satisfied both GAAP and applicable legal requirements.

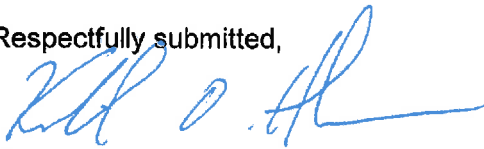
A Certificate of Achievement is valid for a period of one year only. Staff believes that our current CAFR continues to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

The district's Adopted Budget Document for the 2015/2016 Fiscal Year received the *Distinguished Budget Presentation* award from GFOA. This is the eleventh year that the district has received such an award. In order to qualify, the budget document must be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

Finally, I would like to express my sincere gratitude to the personnel in the Finance Department who contributed in the preparation of this report. Without the efficient and dedicated services of the entire finance staff, completion of this report on a timely basis could not have been accomplished.

In closing, the dedication, commitment and professional contribution to the financial stability of the district made by the board of directors and general manager must be acknowledged. Their guidance and leadership are of invaluable assistance to the financial management of the district.

Respectfully submitted,



Keith D. Hobson
Director of Business and Facilities



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Tualatin Hills Park and
Recreation District
Oregon

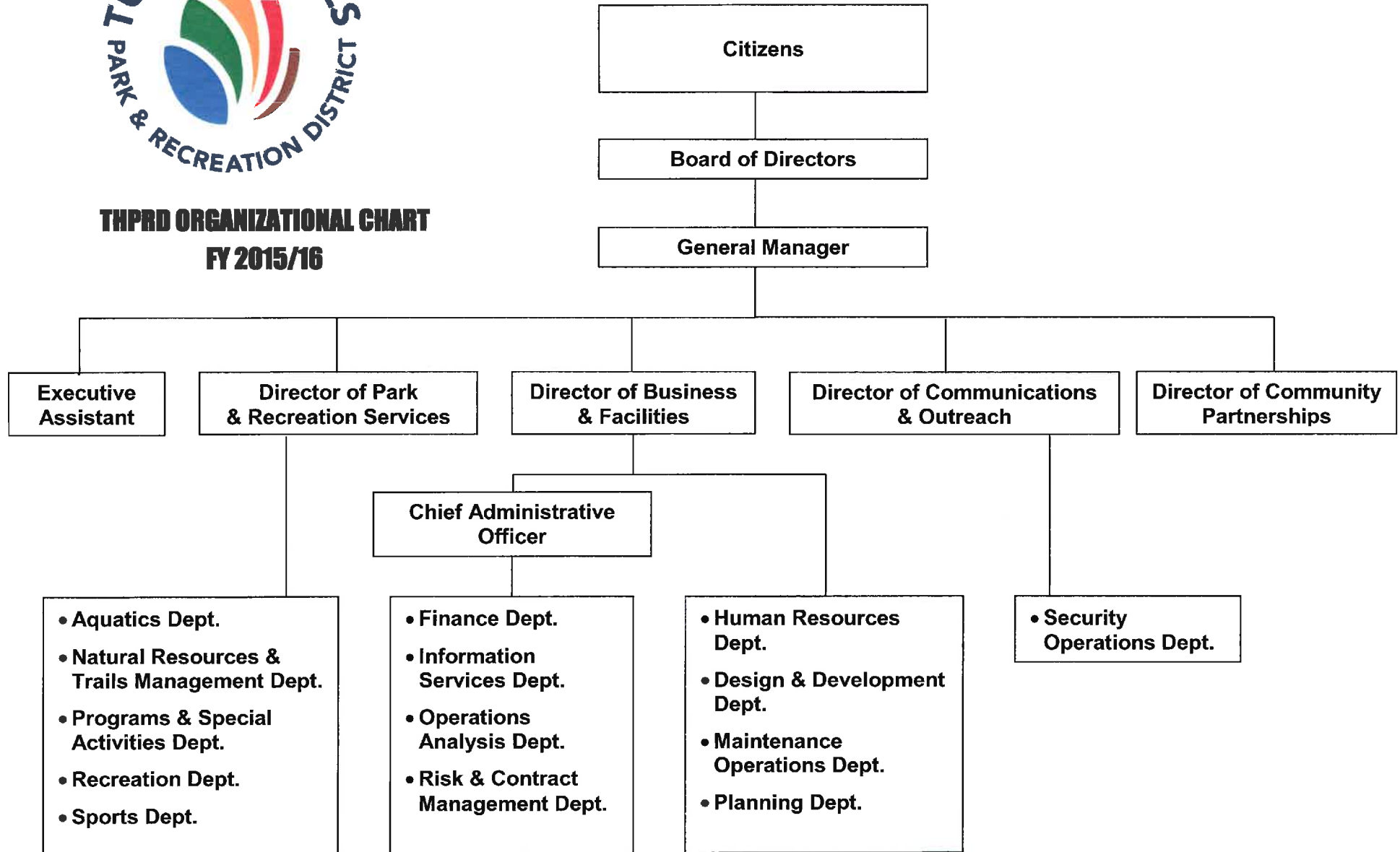
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



**THPRD ORGANIZATIONAL CHART
FY 2015/16**



**TUALATIN HILLS PARK AND RECREATION DISTRICT
DIRECTORY OF OFFICIALS**

Administrative Office
15707 SW Walker Road
Beaverton, Oregon 97006

Board of Directors
as of June 30, 2016

<u>Name</u>	<u>Term Expires</u>
Larry Pelatt, President 9870 SW 158 th Ave. Beaverton, Oregon 97008	June 30, 2017
Jerry Jones Jr., Secretary 15915 SW Cormorant Dr. Beaverton, Oregon 97007	June 30, 2017
John Griffiths, Secretary Pro-tempore 10245 SW 153 rd Ave. Beaverton, Oregon 97007	June 30, 2019
Bob Scott 21302 NW Cannes Dr. Portland, Oregon 97229	June 30, 2017
Ali Kavarianian 9207 SW Davies Rd. Beaverton, Oregon 97008	June 30, 2019

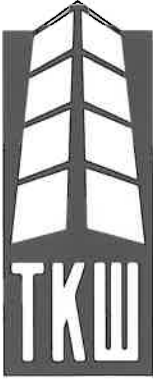
Register Agent and Office

Doug Menke
15707 SW Walker Road
Beaverton, Oregon 97006

General Manager
Doug Menke

Director of Business and Facilities
Keith D. Hobson

FINANCIAL SECTION



**Talbot, Korvola
& Warwick, LLP**

Certified Public Accountants
& Consultants

ACHIEVE MORE

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

P 503.274.2849
F 503.274.2853

www.tkw.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tualatin Hills Park and Recreation District
Beaverton, Oregon

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tualatin Hills Park and Recreation District (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District'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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Board of Directors
Tualatin Hills Park and Recreation District

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2016, and the respective changes in financial position thereof and the budgetary comparison information of the General Fund 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 the required supplementary information, such as Management's Discussion and Analysis, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions, and Schedule 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 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.

Supplemental Information

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Board of Directors
Tualatin Hills Park and Recreation District

OTHER MATTERS (Continued)

Other Information

The Introductory Section, Other Financial Schedules, and Statistical Section, 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.

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 November 29, 2016, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

TALBOT, KORVOLA & WARWICK, LLP

By 
Julie B. Fahey, Partner

Lake Oswego, Oregon
November 29, 2016



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial activities of the Tualatin Hills Park and Recreation District (district), has been prepared to provide a narrative review for the reader. The focus is based on current year activities and resulting changes, and should be read in conjunction with the basic financial statements, and notes to the basic financial statements that follow.

Financial Highlights

- The assets and deferred outflows of resources of the district exceeded its liabilities at June 30, 2016 by \$154,367,432.
- Net investment in capital assets (net of accumulated depreciation and related debt) accounts for most of net position, with a value of \$135,202,585.
- Of the remaining net position, \$6,814,560 may be used to meet the district's ongoing obligations to patrons and creditors, without legal restriction.
- The district's total net position increased by \$13,374,520 or 9.5 percent over the previous year as restated. Acquisitions of park property and improvements contributed mainly to the increase.
- As of the close of the current fiscal year, the district's governmental funds reported combined ending fund balances of \$49,012,902 a decrease of \$2,874,436, or 5.5 percent. Decreases were reported in the Bonded Debt Fund, Bond Capital Projects Fund, and System Development Charges Fund, combined with an increase in the General Fund due to increased property tax and program revenues.
- As of June 30, 2016, fund balance for the General Fund was \$9,271,337 or 23.6 percent of total general fund expenditures, on a modified accrual basis.

Overview of the Financial Statements

This discussion and analysis provides an introduction and overview to the district's basic financial statements. The district's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements.

Government-wide financial statements

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

The **statement of net position** presents information on all of the district's assets (including deferred outflows of resources) and liabilities (including deferred inflows of resources), with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the district is improving or deteriorating. Other indicators include the condition of the district's assets, changes in the property tax base, and general economic conditions within the area.

The **statement of activities** presents information showing how the district's net position changed during the current fiscal year. On this statement, program revenue (revenue generated by specific programs through charges for services, grants and contributions) is shown separately from general revenue (revenue provided by taxes and other sources not tied to a particular program). This

shows the extent each program relies on taxes for funding. All changes in net position are reported using the accrual basis of accounting, which requires that revenues be reported when they are earned and expenses be reported when goods and services are received. Items such as uncollected taxes, unpaid vendor invoices for items received by June 30, 2016, and earned but unused vacation leave are included in the statement of activities as revenue and expense. However, the cash associated with these items was not received or distributed until after June 30, 2016.

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 district, like other state and local governments, uses fund accounting for compliance with finance-related legal requirements. All funds of the district fall into the governmental fund category, which accounts for the government's tax-supported activities.

Governmental funds

The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances present separate columns of financial data for the General Fund, the Bonded Debt Fund, the Bond Capital Projects Fund, and the System Development Charges Fund, all of which are considered major funds. Data from the other governmental fund, the Mitigation Maintenance Fund is shown in a single presentation.

A comparison of budget to actual is also presented for the General Fund within the basic financial statements. A detailed comparison of budget to actual for General Fund expenditures and other funds are presented in the supplemental information portion of this report.

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

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements accrual focus, it is useful to compare 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances, along with the Notes to the Basic Financial Statements, provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Budgetary highlights

The district maintains budgetary controls over its operating funds. Budgetary controls ensure compliance with legal provisions embodied in the annual budget appropriations. Governmental fund budgets are established in accordance with state law, and are adopted on a fund level except the General Fund. The General Fund budget is adopted on an organizational unit level.

Notes to the basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided, and are an integral part of the government-wide and fund financial statements.

Government-wide Financial Analysis

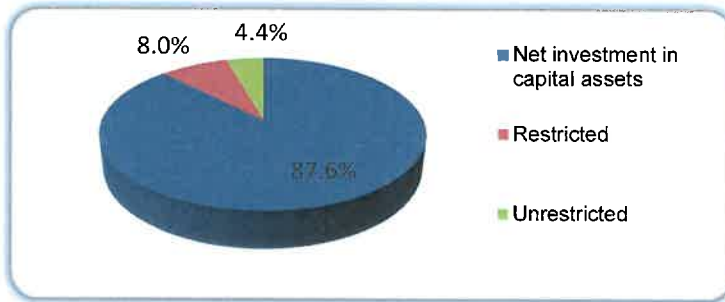
Statement of Net Position

As noted earlier, net position may serve over time as an indicator of the district's financial position. As of June 30, 2016, the district's assets and deferred outflows of resources exceeded liabilities by \$154,367,432.

The following is a condensed version of the government-wide Statement of Net Position.

Tualatin Hills Park and Recreation District Net Position

	Governmental Activities	
	June 30, 2016	June 30, 2015 (as restated)
Cash and investments	\$ 52,385,149	\$ 53,551,738
Other assets	2,774,726	3,501,473
Capital assets	199,866,238	189,384,398
Total assets	255,026,113	246,437,609
Deferred outflow of resources	10,640,791	10,053,495
Total assets and deferred outflow of resources	265,666,904	256,491,104
Other liabilities	4,966,120	4,172,834
Debt liabilities	95,363,853	100,419,277
Net pension and OPEB liability	10,969,499	9,729,323
Total liabilities	111,299,472	114,321,434
Deferred inflow of resources	-	1,176,758
Total liabilities and deferred inflow of resources	111,299,472	115,498,192
Net investment in capital assets	135,202,585	118,443,566
Restricted	12,350,287	13,104,560
Unrestricted	6,814,560	9,444,786
Total net position	\$ 154,367,432	\$ 140,992,912



The largest portion of the district's net position, \$135,202,585 or 87.6 percent reflects its investment in capital assets, less any related debt used to acquire these assets still outstanding. The district's assets (recorded at cost) are used to provide services to patrons. Consequently, these assets are not available for future spending, and debt repayment must be

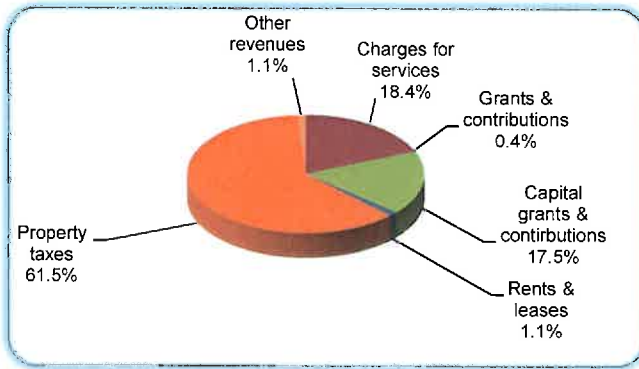
provided from other sources. An additional portion of the district's net position, \$12,350,287 or 8.0 percent represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$6,814,560 or 4.4 percent is unrestricted and may be used to meet the district's ongoing obligations. For the year ended June 30, 2016, the district had positive balances in all three categories of net position.

Statement of Activities

Governmental activities increased the district's net position by \$13,374,520 in this fiscal year. Key elements of this increase are as follows:

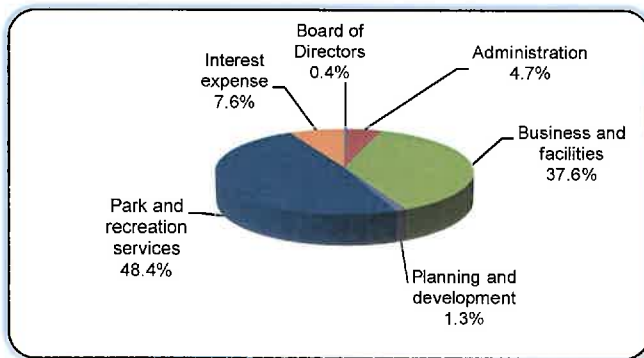
Tualatin Hills Park and Recreation District Changes in Net Position

	Governmental Activities	
	For the year ended	
	June 30, 2016	June 30, 2015
Revenues:		
Program revenues:		
Charges for services	\$ 10,485,707	\$ 10,633,560
Operating grants and contributions	32,385	91,112
Capital grants and contributions	9,994,683	7,096,827
General revenues:		
Property taxes	35,118,802	35,389,201
Rents and leases	648,897	-
Grants and contributions not restricted to specific programs	185,805	261,528
Other	647,045	584,402
Total revenues	57,113,324	54,056,630
Expenses:		
Board of directors	178,381	218,847
Administration	2,048,290	1,860,162
Business and facilities	16,447,289	14,575,963
Planning and development	550,044	554,465
Park and recreation services	21,180,758	19,188,743
Interest on long-term debt	3,334,042	3,853,264
Total expenses	43,738,804	40,251,444
Change in net position	13,374,520	13,805,186
Net position - beginning, as previously stated	140,992,912	129,554,206
Restatement	-	(2,366,480)
Net position - beginning, as restated	-	127,187,726
Net position - ending	\$ 154,367,432	\$ 140,992,912



Capital grants and contributions increased by \$2,897,856 over the prior year, or 40.8 percent due to park project improvement contributions and land donations. Property taxes remained level due to statutorily allowed increases in assessed value of existing properties offset by decrease in taxes received for debt service due to decrease in the debt levy by approximately \$1.6 million.

Expenses for the district increased by 8.6 percent over last year. This increase is due to several factors:



- Increase in personnel costs due to addition of one new position and regular cost-of-living and merit increases.
- Increase in capital outlay expenses due to increased material costs and focus on maintenance of existing assets.
- Reduction in pension expenditures recorded in prior year due to implementation of GASB Statement No. 68.

Financial Analysis of the District's Funds

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

Governmental funds analysis

The focus of the district's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the district's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The district has four major funds, reported as the General Fund, a debt service fund, and two capital project funds.

During Fiscal Year 2015/16, the district's governmental funds reported a decrease in combined ending fund balances of \$2,874,436. The General Fund reported increases within the year while the remaining major funds reported decreases. The previous fiscal year had an increase of \$3,600,117, attributable primarily to development impact fees assessed on new construction within district boundaries in the System Development Charges fund and decrease in capital expenditures in the General Fund.

The **General Fund** is the chief operating fund of the district. At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$8,955,176. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 22.8 percent of total General Fund expenditures, exceeding the district's financial policy guideline of 10.0 percent.

Program revenues increased by 2.1 percent or \$213,497 on the modified accrual method of accounting. Sports and recreation revenues experienced increases, while tennis and aquatics showed decreases from the previous year. Other than program revenues, General Fund revenues increased by \$193,906 or 0.7 percent over the previous year. Notable changes were:

- Increase of 4.1 percent or \$1,094,332 in property tax revenues related primarily to statutorily allowable growth in assessed property values.
- Decrease of grants and contributions of \$1,021,052, related primarily to one-time contribution from the Portland Timbers received in 2015 for construction of practice field.
- Decrease of 35.8 percent or \$183,192 of cost recovery from the Bond Capital Projects Fund due to elimination of bond accountant position and decrease in bond capital project spending.

Fund balance of the General Fund increased by \$834,279 over the previous year, due to increased growth and tight fiscal controls. Operating expenditures (excluding capital outlay and debt service) increased by \$1,320,187 or 3.9 percent, mainly from inflationary increases in personnel, costs. Capital expenditures increased from the previous year by \$1,155,051 or 52.3 percent due to annual variations in budgeted items.

The **Bonded Debt Fund** has a total fund balance of \$286,350, a decrease of \$164,395 versus the previous year, and is restricted for the payment of debt service on existing general obligation debt. Decrease is due primarily to reduction in property tax revenues related to reduction in applicable debt balance.

The **Bond Capital Projects Fund** accounts for the proceeds received from the sale of the general obligation bonds, Series 2009 for \$58,505,000 and Series 2011 for \$40,060,000, and Series 2015 for \$1,435,000 (new monies only). In November 2008, district voters authorized a total levy of \$100 million to target a specific list of projects and land acquisitions throughout the district. A total of \$3,154,855 was expended during the current fiscal year. The majority of capital projects have been substantially completed; however, three large park development and improvement projects, natural resource land acquisition/restoration and development of three new athletic fields will continue for at least three more years. As of the end of the year, total fund balance in this fund restricted for park development is \$27,226,923.

The **System Development Charges Fund** accounts for development impact fees assessed on new construction within the district boundaries. Total revenues decreased by \$472,744 or 8.0 percent over last year, due to the leveling-off of new construction activity in two new urban areas of the district. Total expenditures increased by \$4,735,771 due to a shift in capital spending from bond to system development charge funded projects. Fund balance decreased by \$589,879 or 4.7 percent over the previous year. This total fund balance of \$12,063,936 is entirely restricted for parks acquisition and development and improvements related to capacity expansion.

General Fund Budgetary Highlights

The district prepares and adopts its budget on an annual basis using a modified cash basis of accounting. General Fund revenues were slightly less than budget by 0.5 percent, largely due to anticipated grants not awarded or received. Expenditures stayed well under budget by 18.2 percent, primarily due to non-expenditure of contingency and capital replacement funds, control of costs in part-time personnel and capital expenditures at less than budgeted amounts. Budgetary basis accounting is now equivalent to GAAP basis accounting; in prior years certain transactions were shown as reconciling items between budgetary basis and GAAP basis. There were no differences between the original and final amended budget at the program level.

Capital Asset and Debt Administration

Capital assets

The district's investment in capital assets as of June 30, 2016, amounts to \$199,866,238 (net of accumulated depreciation). This investment in capital assets includes land, park sites and planning development, buildings and improvements, plus machinery, equipment and furnishings, and intangible assets. The net increase in the district's capital assets for the current fiscal year was \$10,481,840 or 5.5 percent.

Increases of \$8,075,426 were generated in land due to new acquisitions and donations of park and natural area parcels and net increases in construction in progress of \$2,268,666 due primarily to two significant park and trail projects during the year. Deferred maintenance was funded for both buildings and parks improvements, to the extent of available funds.

Tualatin Hills Park and Recreation District Capital Assets (net of depreciation)

	June 30,	
	2016	2015
Land	\$ 94,180,067	\$ 86,104,641
Park sits and planning development	53,134,786	52,731,548
Buildings and improvements	41,885,945	42,037,145
Equipment and furnishings	1,050,469	1,130,093
Intangible assets	26,539	61,205
Construction in progress	9,588,432	7,319,766
Total	<u>\$ 199,866,238</u>	<u>\$ 189,384,398</u>

Additional information on the district's capital assets can be found in Note IV.B on page 39 of this report.

Long-term debt and other long-term obligations

At June 30, 2016, the district had \$95.4 million in debt and other long-term obligations outstanding compared to \$100.4 million last year. Approximately \$6.2 million of the debt outstanding and other long-term obligations at June 30, 2016 is due within one year. Debt decreased by a net of \$5.0 million, mainly due to the retirement of existing debt.

Tualatin Hills Park and Recreation District Outstanding Debt and Obligations

	June 30,	
	2016	2015
General obligation bonds	\$ 77,350,000	\$ 81,045,000
Premiums	7,363,712	8,370,817
Full faith and credit obligations	9,140,000	9,380,000
Loans	381,695	407,785
Compensated absences	1,128,446	1,215,675
Total	<u>\$ 95,363,853</u>	<u>\$ 100,419,277</u>

The district's most recent credit rating, received in April 2015 was "Aa1" from Moody's for general obligation debt. Previously, the district received ratings of "AA" from Standard & Poor's on both general obligation and full faith and credit obligations and "Aa2" for full faith and credit obligations from Moody's.

Due to the district's strong credit rating, bond insurance was not financially advantageous, nor necessary, for the series 2009, 2011 and 2015 general obligation issues or the series 2010 full faith issues.

Additional information on the district's long-term obligations can be found in Note IV.C on pages 40 - 42.

Economic Factors and Next Year's Budget and Rates

Some of the factors considered during the preparation of the 2016/17 budget were:

- Assessed value on property was estimated to increase by approximately 4.5 percent over the previous year.
- Absorbing an overall increase of Personal Service costs of 4.4 percent, with a cost of living increase of 1.25 percent for full and regular part-time staff. The budget includes a net increase of two positions, from upgrading three regular part-time positions and decreasing one net full-time position. Two other regular part-time positions were also eliminated.
- Continue with implementation of cost recovery strategy and evaluation of program offerings to ensure sustainable revenues for the future.
- Adjust for expected water usage and rate increases while continuing to explore initiatives to reduce further utility cost impacts; for example, LED lighting, maintenance vehicle trip reductions and upgrades to heating/cooling control software and equipment.
- Funding an increase of 2.5 percent to Materials and Services for provision of program related services and adequate maintenance coverage for newly completed park improvements.
- Additional funding to adequately support the increased utilization of Inclusion Services.
- Continued funding of the capital replacement reserve for long-term funding of capital asset needs.
- Continued funding of necessary park planning personnel to complete the Bond Capital project program.
- Funding of land acquisition (increase of \$7 million) and new construction (increase of \$3 million) within the System Development Charges Fund.

Property taxes have been increased by the statutorily allowed 3.0 percent of assessed value on all properties. New development growth is conservatively estimated at 1.5 percent, for the combined rate of 4.5 percent. The district will continue to closely analyze the various properties to accurately estimate future resources. However, with the increased rate of new growth within district boundaries, and returning property values on existing homes, future resource growth should be strong and steady.

The district funds maintenance replacement at the maximum level available and it will continue to be a critical component of future budgetary plans. The district has seen growth in rental income from various properties and will actively target additional grant and contribution opportunities. Furthermore, the Tualatin Hills Park Foundation, a totally separate entity devoted to the betterment of the district and its patrons, has undertaken a serious focus on fundraising towards the future Southwest Community Park construction and operational costs, pledging approximately \$1.2 million. This mutually beneficial project is currently being constructed.

Overall, on a budgetary basis the General Fund shows an increase of \$1,593,252 or 20.7 percent over the anticipated beginning fund balance in the 2016/17 budget. This increase is largely due to factors such as:

- Increased patron participation in programs,
- Steady property tax collections,
- Strong budgetary controls and
- Capital funding carryforwards into the following year.

In order to remain financially sustainable, the district will continue with the long-term focus that has served well during the past years of instability. Continued implementation of the strategic and financial sustainability plans, and resulting functional plans, will assist in identification of key items to incorporate within the board approved long term strategic goals. Local parks and recreation programs offer an affordable alternative for families of all sizes and economic backgrounds, as reflected by our residents' involvement. The district will continue to examine existing programs, along with new and trending activities, to ensure we remain competitive and accessible for all.

Requests for Information

These financial statements are designed to provide a general overview of the district's finances for all those with an interest, and to demonstrate the district's accountability. Questions concerning any of the information provided within this report, or requests for further financial information, should be addressed to Business and Facilities Division, Finance Department, 15707 SW Walker Road, Beaverton, Oregon 97006.



Tualatin Hills Park and Recreation District
Statement of Net Position
June 30, 2016

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 30,715,945
Investments	20,642,300
Due from other governments	538,745
Receivables	1,919,820
Prepays	255,799
Inventories	60,362
Cash, cash equivalents and investments - restricted	1,026,904
Capital assets (net of accumulated depreciation):	
Land	94,180,067
Park sites and planning development	53,134,786
Buildings and improvements	41,885,945
Equipment and furnishings	1,050,469
Intangible assets	26,539
Construction in progress	9,588,432
Total assets	255,026,113
Deferred Outflows of Resources:	
Deferred outflows - pension	6,176,953
Deferred outflows - charge on debt refunding	4,463,838
Total deferred outflows of resources	10,640,791
Liabilities:	
Accounts payable and other current liabilities	2,909,121
Accrued interest payable	316,853
Unearned revenue	1,740,146
Long-term debt:	
Due within one year	6,160,028
Due in more than one year	89,203,825
Net OPEB liability	315
Net pension liability	10,969,184
Total liabilities	111,299,472
Net Position:	
Net investment in capital assets	135,202,585
Restricted for:	
Debt service	286,350
Capital improvements	12,063,937
Unrestricted	6,814,560
Total net position	\$ 154,367,432

The notes to the basic financial statements are an integral part of this statement

Tualatin Hills Park and Recreation District
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
Board of Directors	\$ 178,381	\$ -	\$ -	\$ -	\$ (178,381)
Administration	2,048,290	-	-	-	(2,048,290)
Business and facilities	16,447,289	-	-	-	(16,447,289)
Planning and development	550,044	-	-	-	(550,044)
Park and recreation services	21,180,758	10,485,707	32,385	9,994,683	(667,983)
Interest on long-term debt	3,334,042	-	-	-	(3,334,042)
Total primary government	\$ 43,738,804	\$ 10,485,707	\$ 32,385	\$ 9,994,683	(23,226,029)

General revenues:

Property taxes levied for general purposes	28,213,082
Property taxes levied for debt service	6,905,720
Grants and contributions not restricted to specific programs	185,805
Rents and leases	648,897
Unrestricted investment earnings	458,566
Miscellaneous	188,479
Total general revenues	36,600,549
Change in net position	13,374,520
Net position - beginning balance, as previously reported	143,359,392
Restatement - change in actuarial assumptions	(2,366,480)
Net position - beginning balance, as restated	140,992,912
Net position - ending	\$ 154,367,432

The notes to the basic financial statements are an integral part of this statement

Tualatin Hills Park and Recreation District
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Bonded Debt Fund	Bond Capital Projects Fund	System Development Charges Fund	Other Governmental Fund	Total Governmental Funds
Assets						
Assets:						
Cash and cash equivalents	\$ 12,427,394	\$ 224,355	\$ 10,881,166	\$ 7,018,674	\$ 164,356	\$ 30,715,945
Investments	-	-	16,142,996	4,499,304	-	20,642,300
Receivables:						
Interest	236	166	79,913	7,090	-	87,405
Property taxes	1,307,353	382,885	-	-	-	1,690,238
Accounts receivable	142,175	-	-	-	-	142,175
Intergovernmental	90,507	21,456	-	426,782	-	538,745
Cash, cash equivalents and investments - restricted	117,095	-	785,520	124,289	-	1,026,904
Prepays	255,799	-	-	-	-	255,799
Inventories	60,362	-	-	-	-	60,362
Total assets	\$ 14,400,921	\$ 628,862	\$ 27,889,595	\$ 12,076,139	\$ 164,356	\$ 55,159,873
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities:						
Accounts payable	\$ 1,350,292	\$ -	\$ 660,172	\$ 12,203	\$ -	\$ 2,022,667
Salaries payable	485,676	-	-	-	-	485,676
Retainages payable	39,698	-	2,500	-	-	42,198
Other current liabilities payable	358,577	-	-	-	-	358,577
Unearned revenue	1,740,146	-	-	-	-	1,740,146
Total liabilities	3,974,389	-	662,672	12,203	-	4,649,264
Deferred inflows of resources:						
Unavailable revenue - property taxes	1,155,195	342,512	-	-	-	1,497,707
Fund balances:						
Nonspendable:						
Prepays	255,799	-	-	-	-	255,799
Inventory	60,362	-	-	-	-	60,362
Restricted:						
Debt service	-	286,350	-	-	-	286,350
Capital improvements	-	-	27,226,923	12,063,936	-	39,290,859
Committed - mitigation maintenance	-	-	-	-	164,356	164,356
Unassigned	8,955,176	-	-	-	-	8,955,176
Total fund balance	9,271,337	286,350	27,226,923	12,063,936	164,356	49,012,902
Total liabilities, deferred inflows of resources and fund balances	\$ 14,400,921	\$ 628,862	\$ 27,889,595	\$ 12,076,139	\$ 164,356	\$ 55,159,873

The notes to the basic financial statements are an integral part of this statement

Tualatin Hills Park and Recreation District
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
For the fiscal year ended June 30, 2016

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

Fund balances - total governmental funds:	\$ 49,012,902
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	199,866,238
Unavailable revenues for those amounts that were not available to pay current period expenditures.	1,497,707
Other long-term items are not available to pay for current period expenditures and, therefore, are deferred in the fund statements:	
Deferred outflows - pension	6,176,953
Deferred outflow - charge on debt refunding	4,463,838
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(316,853)
Bonds, FFC, and loan payable	(94,235,408)
Compensated absences	(1,128,446)
Net OPEB liability	(315)
Net pension liability	(10,969,184)
Net position of governmental activities	\$ 154,367,432

The notes to the basic financial statements are an integral part of this statement

Tualatin Hills Park and Recreation District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2016

	General Fund	Bonded Debt Fund	Bond Capital Projects Fund	System Development Charges Fund	Other Governmental Fund	Total Governmental Funds
Revenues:						
Property taxes	\$ 28,067,647	\$ 6,884,746	\$ -	\$ -	\$ -	\$ 34,952,393
Aquatic programs	2,450,847	-	-	-	-	2,450,847
Tennis center	1,017,285	-	-	-	-	1,017,285
Sports programs	1,565,716	-	-	-	-	1,565,716
Recreation programs	5,451,861	-	-	-	-	5,451,861
Grants and sponsorships	279,707	-	-	-	-	279,707
Rents and leases	648,896	-	-	-	-	648,896
System development charges	-	-	-	5,367,366	-	5,367,366
Interest earned	152,866	38,007	202,422	64,331	940	458,566
Charges for services	328,170	-	-	-	-	328,170
Miscellaneous revenues	188,479	-	-	-	-	188,479
Total revenues	40,151,474	6,922,753	202,422	5,431,697	940	52,709,286
Expenditures:						
Current:						
Board of Directors	178,381	-	-	-	-	178,381
Administration	2,104,826	-	-	-	-	2,104,826
Business and facilities	16,074,842	-	-	-	-	16,074,842
Planning and development	1,262,721	-	-	-	-	1,262,721
Park and recreation services	15,499,027	-	-	-	2,948	15,501,975
Capital outlay	3,363,009	-	3,154,855	6,021,576	-	12,539,440
Debt service	834,389	7,087,148	-	-	-	7,921,537
Total expenditures	39,317,195	7,087,148	3,154,855	6,021,576	2,948	55,583,722
Net change in fund balance	834,279	(164,395)	(2,952,433)	(589,879)	(2,008)	(2,874,436)
Fund balances at beginning of year	8,437,058	450,745	30,179,356	12,653,815	166,364	51,887,338
Fund balances at end of year	\$ 9,271,337	\$ 286,350	\$ 27,226,923	\$ 12,063,936	\$ 164,356	\$ 49,012,902

The notes to the basic financial statements are an integral part of this statement

Tualatin Hills Park and Recreation District
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the fiscal year ended June 30, 2016

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

Net changes in fund balances - total governmental funds	\$ (2,874,436)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (for capitalized assets) exceeded depreciation in the current period.	5,916,039
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	4,565,800
Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.	166,409
The issuance of long-term debt (e.g., bond, loans) provides current financial resources to governmental 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.	4,558,189
Some (expenses)/reductions in expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as (expenditures)/reductions in governmental funds.	
Accrued interest payable	29,306
Accrued compensated absences payable	87,229
Other post employment benefits	(8,218)
Net pension liability and related deferred outflows	934,202
Change in net position of governmental activities	\$ 13,374,520

The notes to the basic financial statements are an integral part of this statement

Tualatin Hills Park and Recreation District
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the fiscal year ended June 30, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Property taxes	\$ 27,745,905	\$ 28,067,647	\$ 321,742
Aquatic programs	2,899,023	2,450,847	(448,176)
Tennis center	1,055,081	1,017,285	(37,796)
Sports programs	1,279,734	1,565,716	285,982
Recreation programs	5,466,482	5,451,861	(14,621)
Grants and sponsorships	631,458	279,707	(351,751)
Rents and Leases	555,000	648,896	93,896
Interest earned	135,000	152,866	17,866
Charges for services	421,057	328,170	(92,887)
Miscellaneous revenues	160,350	188,479	28,129
Total revenues	40,349,090	40,151,474	(197,616)
Expenditures:			
Board of Directors	236,900	178,381	58,519
Administration	2,242,238	2,104,826	137,412
Business and facilities	18,236,151	17,299,834	936,317
Planning	1,337,057	1,262,721	74,336
Park and recreation services	16,438,264	15,499,027	939,237
Capital outlay	6,444,551	2,972,406	3,472,145
Contingency	2,300,000	-	2,300,000
Capital replacement reserve	850,000	-	850,000
Total expenditures	48,085,161	39,317,195	8,767,966
Net change in fund balance	(7,736,071)	834,279	8,570,350
Fund balances at beginning of year, as previously stated	7,736,071	9,751,071	2,015,000
Restatement*	-	(1,314,013)	(1,314,013)
Fund balance at beginning of year, as restated	7,736,071	8,437,058	700,987
Fund balance at end of year	\$ -	\$ 9,271,337	\$ 9,271,337

* Restatement to recognize net unearned revenue and prepaids previously presented within the budgetary fund balance.

The notes to the basic financial statements are an integral part of this statement



Tualatin Hills Park and Recreation District

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2016

I. Summary of significant accounting policies

A. Reporting entity

Tualatin Hills Park and Recreation District (the district) is a special service district governed by an elected five member Board of Directors (the board), and operates as a separate municipal corporation. The district, as a primary government, is a financial reporting entity, which has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As required by accounting principles generally accepted in the United States (GAAP), these financial statements present the financial status and activities of the district.

B. 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 activities of the district.

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

Separate financial statements are provided for governmental, proprietary and fiduciary funds. Each fund is considered to be a separate accounting entity. Currently, the district has only governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. 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*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the district considers revenues to be available if they are collected within 60 days of the end of the year. Expenditures generally are recorded when the related fund 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 the payment is due.

Property taxes, received within 60 days, system development impact fees and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the year. All other revenue items are considered to be measurable and available only when cash is received by the district.

Activities between funds, which are similar to lending/borrowing arrangements, are reported as “due to/due from other funds”, when outstanding at the end of the fiscal year. Such balances are eliminated in the government-wide financial statements.

The district reports the following major governmental funds:

The *General Fund* is the district’s primary operating fund. It accounts for all financial resources of the district, except those required to be accounted for in another fund. The major sources of revenue are property taxes and user fees.

The *Bonded Debt Fund* accounts for the accumulation of resources to pay principal and interest on certain general obligation long-term bonded debt. The primary source of revenue is property taxes.

The *Bond Capital Projects Fund* accounts for the financial resources received from the voter approved general obligation bond passed in April, 2009. This fund details the acquisition and construction of the approved capital projects, utilizing the bond proceeds.

The *System Development Charges Fund* accounts for financial resources used for the acquisition of capital assets or construction of major capital projects. This fund accounts for fees charged developers to provide for expanding capacity of the district's facilities.

Other governmental fund

The other governmental fund includes the nonmajor fund of the district. The following details the Mitigation Maintenance Fund, a special revenue fund.

The *Mitigation Maintenance Fund* accounts for mitigation funds received from development impacting park property. These funds are accumulated for and committed to use on natural area restoration projects.

Flow of resources

When both restricted and unrestricted resources are available for use, normally it is the district's policy to use restricted resources first, and then unrestricted resources as they are needed. However, this flow assumption is determined annually through the budget process, and reflected in the approved appropriations.

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

1. Cash, cash equivalents and investments

The cash and cash equivalents of the district are cash on hand, demand deposits and funds invested with the Oregon State Treasurer's Local Government Investment Pool (LGIP), with interest accruing to the benefit of each individual fund. The district considers cash on hand, demand deposits and short-term highly liquid investments with a maturity of three months or less, when purchased, to be cash and cash equivalents. Restricted cash and cash equivalents consist of short-term deposits pledged in lieu of performance bonds for capital projects in progress.

State statutes and the district’s investment policy authorize the district to invest in obligations of the U.S. Treasury, commercial paper, repurchase agreements, bankers' acceptances, municipal bonds, mutual funds and the LGIP. Investments are reported at fair value, based on quoted prices for identical investments.

The LGIP operates in accordance with appropriate state laws and regulations, but is not regulated by other laws, organizations or regulations. The reported value of the LGIP is equal to cash value. Investments are regulated by the Oregon Short-Term Fund Board (OSTF) and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The LGIP is not registered with the SEC as an investment company. While the LGIP is not currently rated by an independent rating agency, the LGIP's holdings provide very strong protection against losses from credit defaults.

2. Receivables and payables

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

3. Inventory and prepaid items

The costs of the General Fund inventory are recorded as expenditures when purchased in the fund financial statements, to reflect the most conservative budgetary approach. At year-end, the items still on hand and unused are valued at cost, which approximates market value, using the first-in, first-out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital assets

Capital assets, which include property, equipment, furnishings, improvements and intangible assets such as software, are reported in the government-wide financial statements. The district defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized in the government-wide statements as projects are constructed. All capital outlay is recorded as expenditures in the fund financial statements.

Property, improvements, equipment and intangible assets are depreciated using the straight line method in the government-wide financial statements over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Park sites and planning development	20-50
Equipment and furnishings	5
Intangible assets	5

5. *Deferred outflows/inflows of resources*

In addition to assets, another financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The items that qualify in this category are the deferred charges from refunding, the employer contributions to the Defined Benefit Plan (the Plan) after the measurement date, the measurement experience related to the Plan, and the net differences between projected and actual investment earnings related to the Plan; all four reported in the government-wide statement of net position. Deferred charges, resulting from the carrying value of refunded debt and its reacquisition price, are deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

In addition to liabilities, a separate section may also be required for *deferred inflows of resources*, representing acquisition of net position or fund balance that applies to a future period, and so will not be recognized as an inflow of resources (revenue) until that time. Both the statement of net position and the governmental funds balance sheet may report a separate section for deferred inflows of resources. The district has unavailable revenue, property taxes, that qualify for reporting in this category in the governmental funds balance sheet.

6. *Unearned revenue*

Governmental funds recognize unearned revenue in connection with resources that have been received, but not yet earned. The government-wide financial statements and governmental funds balance sheet report unearned revenue only for amounts that are received but not earned, relating to payments for recreation programs that occur July 1 or after.

7. *Compensated absences*

District policy permits employees to accumulate earned but unused vacation, compensatory and sick pay benefits. There is no liability for unpaid accumulated sick leave since the district does not have a policy to pay any amounts to employees upon separation of service. All vacation and compensatory pay is accrued when incurred in the government-wide 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.

8. *Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, funds 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Fund balance

In the fund financial statements, fund balance classifications comprise a hierarchy based on the constraints imposed on the use of resources as reported in governmental funds. The five fund balance classifications are described below:

- Nonspendable fund balance represents amounts that are not in a spendable form because they are either legally or contractually required to be maintained intact. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant or donor requirements, 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 set, modify or rescind commitments by resolution.
- Assigned fund balance represents amounts that are constrained by expressed intent to use resources for a specific purpose that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the board or designee to whom that authority has been given by the board, normally the General Manager or Director of Business and Facilities.
- 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 negative residual fund balance as unassigned.

The board has approved the following order of spending regarding fund balance categories: restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and lastly, unassigned fund balance.

To ensure financial stability, the board has adopted a policy stating that the minimum level of ending fund balance will be at least 10 percent of operating expenses in the year. In any year in which the district is not at the targeted fund level, the budgeted contingency will be increased by 1 percent of property tax revenues.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(94,235,407) difference are as follows:

Bonds payable	\$ (77,350,000)
Plus: Issuance premiums (to be amortized over life of debt)	(7,341,847)
Full faith and credit obligations	(9,140,000)
Plus: Issuance premiums (to be amortized over life of debt)	(21,865)
Loans payable	<u>(381,695)</u>
Net adjustment to decrease <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ (94,235,407)</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliations between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$5,916,039 difference are as follows:

Capital outlay (for capitalized assets)	\$ 11,601,318
Depreciation expense	<u>(5,685,279)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 5,916,039</u>

Another element of that reconciliation states “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net position.” The details of this \$4,565,800 difference are as follows:

Donations of capital assets increase the net position in the statement of net position, but do not appear in the governmental funds because they are not financial resources.	<u>\$ 4,565,800</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 4,565,800</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, loans) provides current financial resources to governmental 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.” The details of this \$4,558,189 difference are as follows:

Principal repayments:	
General obligation debt	\$ 3,695,000
Other long-term debt	266,090
Amortization of premiums	1,007,106
Amortization of deferred charges on refundings	<u>(410,007)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 4,558,189</u>

III. Stewardship, compliance and accountability

A. Budgetary information

Annual budgets are prepared for each fund in accordance with a modified cash basis of accounting and with the legal requirements set forth in the Oregon Local Budget Law. The district budgets each governmental fund type on a modified cash basis. The resolution authorizing appropriations for each fund set the level by which expenditures cannot legally exceed appropriations. All annual appropriations lapse at year-end. On or before the third week of February, departmental budgets are submitted to management for compilation of the proposed budget document. Initial budget review meetings begin in April, with the final public hearing and adoption completed before June 30 of each year.

Governmental fund budgets are established in accordance with state law, and are adopted on a fund level except the General Fund. The General Fund budget is adopted on an organizational unit level. Organizational units are the levels of control for all funds established by the resolution. The detail budget document, however, is required to contain more specific information for the above mentioned appropriation levels. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the board. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the board.

IV. Detailed notes on all funds

A. Cash, cash equivalents and investments

Deposits with financial institutions include bank demand deposits and deposits in the LGIP, as authorized by Oregon statutes.

At June 30, 2016, the district had the following cash, cash equivalents and investments at fair value:

Demand deposits and short term commercial paper	\$ 669,617
Certificates of deposit	7,502
Commercial paper	1,534,921
Investments in the State Treasurer's Local Government Investment Pool	29,530,809
Government and agency obligations	<u>20,642,300</u>

Total cash, cash equivalents and investments \$ 52,385,149

Cash, cash equivalents and investments are reflected in the financial statements as follows:

Cash and cash equivalents	\$ 30,715,945
Investments	20,642,300
Cash, cash equivalents, and investments – restricted	<u>1,026,904</u>

Total cash, cash equivalents and investments \$ 52,385,149

The district categorizes its investments according to the fair value hierarchy established by GAAP. GASB Statement No. 72, *Fair value Measurement and Application*, which was implemented by the district for the 2015-16 fiscal year, provides a fair value hierarchy based on valuation inputs to measure the fair value of the investment. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Assets Valued at Fair Value as of June 30, 2016:

	<u>Level 2</u>
Commercial paper	\$ 1,534,921
Certificates of deposit	7,502
Government and agency obligations	<u>20,642,300</u>
Total	\$22,184,723

Investments in the LGIP are stated at share value, which approximates fair value, and is the value at which the shares can be withdrawn. The LGIP does not report all investments at fair value in accordance with the provisions of GASB Statement No. 31. The LGIP is required by Oregon Revised Statutes (ORS) to compute the fair value of all investments maturing more than 270 days from the date the computation is made. If the fair value totals more than one percent of the balance of the LGIP in terms of unrealized gain or loss, the amount is required to be distributed to the pool participants. Fifty percent of the LGIP portfolio must mature within 93 days. Up to 25% of the LGIP portfolio may mature in over one year and no investment may mature in over three years. At June 30, 2016, the district's share of the amount of unrealized gain reported by the LGIP was considered immaterial.

Current investments ratings are:

	N/A	Moody's Aaa	Total	Weighted Average Maturity (years)
Government and Agency Obligations	-	\$ 20,642,300	\$20,642,300	.96

The LGIP is unrated.

A. Interest rate risk

In accordance with its investment policy, the district manages its exposure to declines in fair values by limiting the weighted average maturity to ensure securities mature to meet cash requirements for ongoing operations, and investing operating funds primarily in shorter-term securities or short-term investment pools.

B. Credit risk

As incorporated into the district's investment policy, State statute allows the district to invest in general obligations of the U.S. Government and its agencies, bank repurchase agreements, bankers' acceptances, municipal bonds, commercial paper of at least an A1/A+ rating, and the LGIP among others. The district's investments in U.S. government securities are not required to be rated.

C. Concentration of credit risk

The district's investment policy stipulates diversification of investments by limiting over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities), limiting investment in high credit risk securities, investing with varying maturities, and maintaining a portion of the portfolio in readily available funds.

In accordance with GASB Statement No. 40, the district is required to report all individual non-federal investments, which exceed 5% of total invested funds. As of June 30, 2016, the district did not hold any non-federal investments exceeding 5% of invested funds.

D. Custodial credit risk – deposits

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. The combined total bank balance is \$821,657. Of these deposits, \$250,000 is covered by federal depository insurance. 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.

E. Custodial credit risk – investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The district's investment policy minimizes this risk by investing in the safest securities, pre-qualifying the financial institutions and broker/dealers, diversifying the portfolio and actively monitoring the holdings for ratings changes and market conditions.

B. Capital assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 86,104,641	\$ 8,075,426	\$ -	\$ 94,180,067
Construction in progress	7,319,766	7,669,258	(5,400,592)	9,588,432
Total capital assets, not being depreciated	<u>93,424,407</u>	<u>15,744,684</u>	<u>(5,400,592)</u>	<u>103,768,499</u>
Capital assets, being depreciated:				
Parks sites and planning development	80,006,599	3,930,177	-	83,936,776
Buildings and improvements	67,060,143	1,511,923	-	68,572,066
Equipment and furnishings	7,103,508	380,927	(136,130)	7,348,305
Intangible assets	233,107	-	-	233,107
Total capital assets being depreciated	<u>154,403,357</u>	<u>5,823,027</u>	<u>(136,130)</u>	<u>160,090,254</u>
Less accumulated depreciation for:				
Park sites and planning development	(27,275,051)	(3,526,939)	-	(30,801,990)
Buildings and improvements	(25,022,998)	(1,663,123)	-	(26,686,121)
Equipment and furnishings	(5,973,415)	(460,551)	136,130	(6,297,836)
Intangible assets	(171,902)	(34,666)	-	(206,568)
	<u>(58,443,366)</u>	<u>(5,685,279)</u>	<u>136,130</u>	<u>(63,992,515)</u>
Total capital assets, being depreciated, net	<u>95,959,991</u>	<u>137,748</u>	<u>-</u>	<u>96,097,739</u>
Governmental activities capital assets, net	<u>\$ 189,384,398</u>	<u>\$ 15,882,432</u>	<u>\$ (5,400,592)</u>	<u>\$ 199,866,238</u>

Depreciation expense for governmental activities was charged to functions as follows:

Business and facilities	\$ 688,712
Parks and recreation services	4,996,567
Total depreciation expense – governmental activities	<u>\$ 5,685,279</u>

The district has the following significant construction commitments related to several projects begun prior to June 30, 2016:

	Commitments Made Before June 30, 2016	Commitments Made After June 30, 2016	Total Commitments
Projects:			
Aquatic Center Renovation	\$ 255,297	\$ 1,344,698	\$ 1,599,995
SW Community Park	4,639,149	856,794	5,495,943
SE Quadrant Field	521,752	464,445	986,197
Total capital assets, not being depreciated	<u>\$ 5,416,198</u>	<u>\$ 2,665,937</u>	<u>\$ 8,082,135</u>

C. Long-term debt

The table below presents current year changes in long-term debt, and the current portions due for each issue.

	Beginning Balance	Increase	Amortization/ Repayments	Ending Balance	Due Within One Year
General Obligation Bonds					
Series 2009	\$ 8,350,000	\$ -	\$ 1,825,000	\$ 6,525,000	\$ 1,990,000
Series 2011	34,815,000	-	1,455,000	33,360,000	1,570,000
Series 2015	37,880,000	-	415,000	37,465,000	600,000
plus premium	8,343,275	-	1,001,428	7,341,847	985,177
Full Faith & Credit					
Series 2006	595,000	-	110,000	485,000	110,000
Series 2010A	1,395,000	-	40,000	1,355,000	45,000
Series 2010B	6,820,000	-	-	6,820,000	-
Series 2010C	570,000	-	90,000	480,000	95,000
plus premium	27,542	-	5,677	21,865	4,848
Loans					
Energy Savings Contract	407,785	-	26,090	381,695	26,876
Compensated Absences	1,215,675	1,037,875	1,125,104	1,128,446	733,127
	<u>\$ 100,419,277</u>	<u>\$ 1,037,875</u>	<u>\$ 6,093,299</u>	<u>\$ 95,363,853</u>	<u>\$ 6,160,028</u>

General Obligations Bonds

The district issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and improvements. General obligation bonds are direct obligations and pledge the full faith and credit of the district.

General obligations bonds, Series 2009 were issued on April 2, 2009 as the first series of the \$100 million voter approved 2008 bond measure in the amount of \$58,505,000, to finance land acquisition, improvements and development of parks and facilities, along with rehabilitation and acquisition of natural areas throughout the district. Stated interest rates for specific maturities ranged from 3.00% to 4.75%, in accordance with the terms agreed at issuance. The bonds are paid annually, with interest payments semi-annually, over a term of twenty years. General obligations bonds, Series 2011 were issued on September 13, 2011 in the amount of \$40,060,000, as the second series of the 2008 bond measure, to complete the voter approved list of acquisitions and projects. Stated interest rates for specific maturities ranged from 2.00% to 4.00%, in accordance with the terms agreed at issuance. The bonds are paid annually, with interest payments semi-annually, over a term of eighteen years.

Finally, on May 5, 2015 the district issued \$37,880,000 in general obligation bonds with interest rates ranging from 2.0% to 5.0%. From the proceeds, \$1,435,000 fulfilled the final series of the 2008 bond measure, and the balance was used to advance refund \$38,340,000, a portion of the Series 2009 general obligation issue. The net proceeds of \$43,401,471 (including a \$6,987,825 premium and payment of \$222,658 in closing costs) along with \$850,725 in resources were deposited in an irrevocable trust fund with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, this portion of the Series 2009 bond is considered defeased and the liability was removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$4,840,819. This amount is amortized over the remaining life of the refunding debt. The bonds will be paid annually, with interest payments semi-annually, over a term of fourteen years.

Full Faith and Credit Obligations

On December 21, 2006, the district issued \$2,430,000 in Full Faith and Credit Obligations, Series 2006. Proceeds were used to advance refund the Certificates of Participation, Series 1997, and the Full Faith and Credit Obligations, Series 1997 and Series 2000. The coupon rates on Series 2006 ranged from 4.0% to 5.0% for specific maturities, in accordance with the terms agreed at issuance. These obligations are subject to optional and mandatory redemption prior to the stated maturity dates. Payment of the principal and interest, when due, is insured by a policy issued by Ambac Assurance Corporation. Due to a rating downgrade of Ambac Assurance Corporation by Standard & Poor's Rating Service, a material event notice was filed in compliance with continuing disclosure requirements.

On July 20, 2010, the district issued \$1,695,000 in Full Faith and Credit Obligations, Series 2010A. Proceeds were used to provide funding for the purchase and implementation of various energy conservation measures. Stated coupon rates for specific maturities ranged from 2.0% to 4.2%, in accordance with the terms agreed at issuance. The bonds are paid annually, with interest payments semi-annually, over a term of 21 years. Subsequent utility savings will offset future debt service costs over the life of the issue.

On November 30, 2010, the district issued \$7,815,000 in Full Faith and Credit Obligations, to finance the acquisition, construction and renovation of a new maintenance facility and related capital projects, centrally located within district boundaries. The bonds were issued as Series 2010B and 2010C, for \$6,820,000 and \$995,000, respectively. Series 2010B was issued on a taxable basis, with a Recovery Zone Economic Development Bond subsidy associated with the issue. The stated coupon rates on specific maturities range from 5.25% to 6.741%, with a subsidy rate of 45% on the total interest cost, for the term of the bonds. Series 2010B bonds are paid annually, with principal payments commencing after ten years in 2021, for a thirty year term. Interest payments will be semi-annually, commencing in 2011, over a term of 30 years. Because a portion of the new warehouse may be leased to a for-profit enterprise, Series 2010C was issued on a taxable basis with stated coupon rates on specific maturities ranging from 1.064% to 4.972%, in accordance with the terms agreed at issuance. Series 2010C bonds are paid annually, with interest payments semi-annually, over a term of 11 years.

Loans Payable

On February 15, 2013, the district borrowed \$457,100 for the purchase and implementation of various continued energy conservation measures. This loan bears an interest rate of 2.99%, and is payable over fifteen years. This loan is not collateralized.

Annual principal requirements for all issues are as follows:

Year ending June 30,	General Obligation Series			Full Faith & Credit Series			Loans	Total	
	2009	2011	2015	2006	2010A	2010B			2010C
Principal									
2017	\$ 1,990,000	\$ 1,570,000	\$ 600,000	\$ 110,000	\$ 45,000	\$ -	\$ 95,000	\$ 26,876	\$ 4,436,876
2018	2,170,000	1,685,000	665,000	120,000	50,000	-	100,000	27,686	4,817,686
2019	2,365,000	1,820,000	715,000	125,000	55,000	-	100,000	28,520	5,208,520
2020	-	1,985,000	3,325,000	130,000	60,000	-	105,000	29,378	5,634,378
2021	-	2,155,000	3,645,000	-	70,000	165,000	80,000	30,264	6,145,264
2022-2026	-	13,420,000	23,715,000	-	440,000	1,360,000	-	165,555	39,100,555
2027-2031	-	10,725,000	4,800,000	-	635,000	1,595,000	-	73,416	17,828,416
2032-2036	-	-	-	-	-	1,905,000	-	-	1,905,000
2037-2041	-	-	-	-	-	1,795,000	-	-	1,795,000
	<u>\$ 6,525,000</u>	<u>\$ 33,360,000</u>	<u>\$ 37,465,000</u>	<u>\$ 485,000</u>	<u>\$ 1,355,000</u>	<u>\$ 6,820,000</u>	<u>\$ 480,000</u>	<u>\$ 381,695</u>	<u>\$ 86,871,695</u>

Annual interest requirements for all issues are as follows:

Year ending June 30,	General Obligation Series			Full Faith & Credit Series			Loans	Total	
	2009	2011	2015	2006	2010A	2010B			2010C
Principal									
2017	\$ 218,425	\$ 1,225,356	\$ 1,728,300	\$ 24,250	\$ 52,920	\$ 436,918	\$ 21,016	\$ 11,213	\$ 3,718,398
2018	158,725	1,193,956	1,716,300	18,750	51,270	436,918	17,630	10,404	3,603,953
2019	82,775	1,143,406	1,689,700	12,750	49,695	436,918	13,458	9,570	3,438,272
2020	-	1,070,606	1,668,250	6,500	47,970	436,918	8,936	8,710	3,247,890
2021	-	991,206	1,502,000	-	45,670	436,918	3,978	7,826	2,987,598
2022-2026	-	3,777,084	4,433,000	-	180,350	2,000,430	-	24,891	10,415,755
2027-2031	-	878,200	144,000	-	68,355	1,564,276	-	2,765	2,657,596
2032-2036	-	-	-	-	-	999,692	-	-	999,692
2037-2041	-	-	-	-	-	308,066	-	-	308,066
	<u>\$ 459,925</u>	<u>\$ 10,279,814</u>	<u>\$ 12,881,550</u>	<u>\$ 62,250</u>	<u>\$ 496,230</u>	<u>\$ 7,057,054</u>	<u>\$ 65,018</u>	<u>\$ 75,379</u>	<u>\$ 31,377,220</u>

Compensated Absences

The district's compensated absences of \$1,128,446 are liquidated by the General Fund.

Short-term Debt

The district issued Tax and Revenue Anticipation Notes, Series 2015, in the amount of \$4,500,000 on July 24, 2015 to continue operations of the general government prior to receipt of annual tax revenue. These notes matured on December 31, 2015, with an interest rate of 0.76%.

V. Other information

A. Defined benefit pension plan

The district maintains a single-employer, defined benefit pension plan ("plan") trusteed by The Standard Insurance Company. The plan provides retirement and death benefits (pre-retirement) to plan members and beneficiaries. The plan does not issue a publicly available financial statement. The plan's authority for vesting and benefit provisions is provided by the Plan Agreement (last restatement July 1, 2012) and is governed by the district's Board of Directors. Amendments to the plan require approval of the Board of Directors.

General information about the Pension Plan

Plan Description

Within the plan, Tier I, a defined benefit plan, applies to all full-time employees hired before July 1, 2010, and is now closed to new enrollment. Tier II, a hybrid plan consisting of two components, applies to all full-time employees hired on or after July 1, 2010, and all regular part-time (RPT) employees. The two components are the employer paid pension fund and an Individual Account Program (IAP). Employees in both Tier I and Tier II were/are eligible for participation in the plan after six months of service.

Membership in the Plan as of July 1, 2015 was:

<u>Group</u>	<u>Tier I</u>	<u>Tier II</u>
Active participants	132	67
Terminated	17	1
Retired receiving medical premium benefits	10	-
Total	159	68

Benefits Provided

The Tier I normal retirement benefit, as authorized by the Board of Directors, is equal to 1.9% of the participant's average monthly earnings multiplied by the years and months of employment with the district. Normal retirement age is 58, or an employee may elect early retirement at a reduced benefit of 5% per year after age 55 with ten years of service. Active participants that have reached normal retirement age (58) and accrued 20 years of benefit service may elect to receive an "in-service" distribution of the benefits accrued to the date of distribution. Tier I retiring employees may choose between several annuity options or a single lump sum benefit payment.

The Tier II normal retirement benefit is equal to 1.5% of the participant's average monthly earnings multiplied by the years and months of employment with the district. Normal retirement age is 65, or an employee may elect early retirement at a reduced benefit of 5% per year after age 55 with ten years of service. Retiring employees may choose between several annuity options. There is no "in-service" distribution or single lump sum benefit payment allowed within the Tier II plan.

Average monthly earnings are based upon eligible compensation paid during the 36 consecutive month period which produces the highest average. For Tier I participants only, eligible compensation also includes upon termination or in-service distribution, 100% of unused vacation leave, and upon retirement including in-service distribution, 50% of unused sick leave.

The plan does not have a disability benefit, but a participant qualified under a program administered by the Social Security Administration will continue to earn vesting service credits during the period of disability. In the event of death prior to retirement, an amount equal to the present value of the vested accrued benefit will be paid. Death benefits paid post-retirement are provided only by the annuity form elected at the time of retirement. Terminated employees who have completed five years of vesting service are entitled to receive a vested monthly benefit starting at normal retirement date. A participant is always 100% vested in mandatory/IAP and voluntary employee accounts.

Benefit terms allow the plan administrator to periodically apply a cost of living adjustment (COLA) up to 2% (or negative 2%) to amounts being distributed to retirees. In no event shall the amount of any participant's monthly benefit be less than would have been paid had no COLA been applied.

Contributions

The plan is funded by a combination of employer and employee contributions. The terms of the plan dictate that employee contributions are made on a pre-tax basis at a rate of 6% of eligible earnings for both Tier I and Tier II. Per board direction, the employer contributions are based on an actuarially determined rate to contribute whatever amounts are required in addition to employee contributions, to provide benefits and pay expenses of the plan. For the year ended June 30, 2015,

an actuarially determined rate to contribute are amounts required in addition to employee contributions, to provide benefits and pay expenses of the plan. For the year ended June 30, 2015, the district contribution was 22.8% (a blended rate for both plans) of annual covered budgeted payroll for 2014/15. Total actual contributions to the plan for the fiscal year ended June 30, 2015 totaled \$3,103,438 which is 22.3% of annual covered payroll of \$13,874,307. Pension expense for the fiscal year ended June 30, 2016 was \$1,572,417.

Tier I participants may make voluntary contributions up to a maximum of 10% of monthly salary. Tier II participants may make voluntary contributions up to a maximum of 25% of their earnings. Benefits derived from such contributions are in addition to other Plan benefits. Both mandatory and voluntary contributions are fully vested at all times.

Net Pension Liability

Actuarial Valuation Assumptions

The total pension liability reported as of June 30, 2016 was determined using the following actuarial assumptions from the July 1, 2014 actuarial valuation, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Mortality assumptions	RP-2000 (combined)
Discount rate	7.0%
Salary growth assumption	4.0%
Inflation (post retirement COLA)	2.0%
Investment rate of return (net of expenses)	7.0%

Discount rate - the projection of cash flows used to determine the discount rate assumed the district contributions will be made at actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investment rate of return - the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	66%	5.75%
Fixed income	34%	0.75%

Changes in Net Pension Liability

The following table presents the changes in the net pension liability for the fiscal year ended June 30, 2016 based on the measurement date of June 30, 2015:

	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances at 6/30/2015, as restated	\$ 32,657,015	\$ 22,927,692	\$ 9,729,323
Changes for the year:			
Service cost	1,440,139	-	1,440,139
Interest	2,319,600	-	2,319,600
Total contributions	-	3,103,438	(3,103,438)
Net investment income	-	(471,679)	471,679
Benefit payments	(1,920,016)	(1,920,016)	-
Administration expense	-	(111,881)	111,881
Net changes	1,839,723	599,862	1,239,861
Balances at 6/30/2016	<u>\$ 34,496,738</u>	<u>\$ 23,527,554</u>	<u>\$ 10,969,184</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the sensitivity of the net pension liability calculation to a one percent increase or decrease in the discount rate used to measure the total pension liability:

	Discount		
	1% Decrease (6%)	Rate (7%)	1% Increase (8%)
Net Pension Liability	\$ 16,024,908	\$ 10,969,184	\$ 6,776,528

Pension Expense/(Income) and Deferred Outflows of Resources Related to the Pension Plan

For the year ended June 30, 2016, the district recognized pension expense of \$1,572,417. The following table presents the components of deferred outflows of resources for the fiscal year ended June 30, 2016:

	Deferred Outflows of Resources
Differences between expected and actual earnings on investments	\$ 808,728
Contributions after measurement date	3,286,864
Differences between expected and actual experience in the measurement of total pension liability	<u>2,081,361</u>
Total	<u>\$ 6,176,953</u>

Deferred outflows of resources related to pensions of \$3,286,864 resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017.

The following table, excluding the district contributions subsequent to measurement date, presents the future amortization of deferred outflows and inflows of resources to be recognized in pension expense:

Fiscal Years Ending June 30,	Deferred Outflows of Resources
2017	\$ 413,753
2018	413,753
2019	413,753
2020	707,942
2021	285,118
Thereafter	655,770
	<u>\$ 2,890,089</u>

B. Other post employment benefits (OPEB)

Plan Description

The district administers a single-employer defined benefit healthcare plan per the requirements of the collective bargaining agreement. The plan provides the opportunity for postretirement healthcare insurance for eligible retirees from the Tier I plan, and their spouses, through the district's group health care insurance plan, which covers both active and retired participants.

The plan, as authorized by the board, provides a Tier I participant who terminates employment the monthly benefit of \$10 per year of benefit service, with a minimum monthly benefit of \$60, and a maximum monthly benefit of \$200. This benefit is payable from retirement to age 65, at which point the monthly benefit will be reduced to one-half the original benefit, with a minimum of \$60. In no event will the monthly medical premium benefit be greater than the actual medical premium. This medical premium benefit is payable for life, and is extended to retirees selecting the lump sum benefit retirement payment option. The benefits may be amended by the board.

Funding Policy

The district does not pay any portion of the health insurance premium for retirees; however the retirees do receive benefits, as described below, through the district's retirement plan. Also, retirees receive an implicit benefit of a tiered healthcare premium at the same rate provided to active employees. Retirees may not convert either benefit into an in-lieu payment to secure coverage under independent plans. At June 30, 2016, 37 retirees were receiving post-employment healthcare benefits.

Annual OPEB Cost and Net OPEB (Benefit) Obligation

The district's annual other postemployment benefit cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 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 liability or excess over a period not to exceed 30 years. For 2016, the district's annual OPEB cost was less than the required contribution due to a recalculation of the ARC after funding had been remitted for the year. IRS regulations do not allow adjustments to the OPEB plan once payment has been received; therefore, an overpayment (benefit) resulted in application towards the following year.

The district's annual OPEB cost and net OPEB benefit to the Plan for the year ended June 30, 2016 were as follows:

Annual required contribution	\$ 30,329
Interest on net OPEB obligations	(553)
Adjustment to annual required contribution	<u>868</u>
Annual OPEB cost	30,644
Contributions made	<u>(22,426)</u>
Increase (decrease) in net OPEB (benefit) obligations	8,218
Net OPEB (benefit) obligations beginning of year	<u>(7,903)</u>
Net OPEB (benefit) obligations end of year	<u>\$ 315</u>

The district's annual OPEB cost, the percentage contributed to the plan and the net OPEB obligations are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB (Benefit) Obligation
06/30/16	\$ 30,644	73.2%	\$ 315
06/30/15	10,994	172.0%	(7,903)
06/30/14	34,327	100.0%	-

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the plan was 91.3 percent funded. The actuarial accrued liability for benefits was \$1.7 million, and the actuarial value of assets was \$1.5 million, resulting in an unfunded actuarial liability of approximately \$147,000. The covered payroll (annual payroll of active employees covered by the plan) was \$6.3 million, and the ratio of the unfunded actuarial liability to the covered payroll was 2.3 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial liability for benefits.

Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Examples include assumptions about future employment, mortality, claims costs and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

In the July 1, 2016 actuarial valuation, the aggregate actuarial cost method was used to determine the ARC. The actuarial assumptions included an investment rate of return (net of expenses) of 7.00%. The valuation of assets is based on market value as of the first day of the plan year, increased by the amount of any accrued contributions and decreased by the amount of any accrued expenses. Because of the limitation on monthly benefits within the plan, the healthcare cost trend is not a factor in the valuation of the medical component. An assumption is made that all retirees will receive the maximum benefit amount, so healthcare cost increases or decreases, would have no impact.

Because the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and the information presented is intended to approximate the funding progress of the plan. In consideration of healthcare cost trends, the plan assumes that each newly retired participant will purchase medical insurance with premiums of at least the benefit provided by the plan. The amortization period was considered closed, meaning all active participants, inactive participants with vested benefits and retired participants receiving medical insurance premium benefits were included in the valuation period. The remaining amortization period as of June 30, 2016 is approximately nine years. The valuation of assets is based on market value as of the first day of the plan year, increased by the amount of any accrued contributions and decreased by the amount of any accrued expenses.

C. Risk management

The district is a member of the Special Districts Insurance Services (SDIS). The Special Districts Association of Oregon created SDIS in 1984 for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. SDIS has over 800 members, and is governed by a five member board of directors who are elected to three-year terms. In-house services of SDIS include risk management consultation, claims and litigation administration, investigation and loss analyses. SDIS contracts for specialists in land use problems and lobbyist services.

SDIS is fully funded by its members, who pay annual assessments on an experience rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. New members initially contract for a one-year term, and thereafter automatically renew on an annual basis. Termination does not relieve a former member from its unresolved loss history incurred during membership. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

D. Commitments and contingencies

The district has no pending litigation, nor has it been made aware of any legal concerns, that may have a material adverse effect on the financial condition of the district.

The district has a three year contract, effective July 1, 2016, with an employee union defining compensation and other considerations that expires at June 30, 2019.

On January 21, 2011, the district entered into an operating lease agreement with Peregrine Sports, LLC, doing business as the Portland Timbers (the Timbers), a professional soccer team, to lease a portion of the Fanno Creek Service Center for an initial term beginning July 1, 2011 and ending June 30, 2021. The Timbers initially occupied 6,000 square feet of the facility for a locker room, training area and office space, along with land underlying the Timbers practice field. The contract was amended on January 2, 2013 to add an additional 900 square feet of the facility. Then, on September 23, 2014, the district entered into the third amendment of the operating lease agreement to add an additional 2,400 square feet of interior space and expand usage of the synthetic turf field located at the Fanno Creek Service Center. Peregrine will pay \$43,394 per year for office space and \$67,500 for field space for the balance of the term (10 years), due by December 31 of each year.

On October 29, 2013, the district entered into an operating lease agreement with Dynamic 21st Enterprise, Inc., an Oregon corporation doing business as SMI, Ltd., an office furniture manufacturer to lease 16,200 square feet of interior space of the Fanno Creek Service Center for an initial term beginning November 1, 2013 and ending February 28, 2019. The agreement was amended September 10, 2014 to reduce the leased space to 15,540 square feet. SMI, Ltd. will pay \$5,546 per month through the 36th month (October 2016) of the lease, with annual increases of 2.5% for months 36 through 64.

The Fanno Creek Service Center facility contains 90,000 square feet of interior space and was purchased and renovated at a cost of \$8.9 million in 2011-2012. Total annual depreciation expense for the facility is \$184,100 and the net carrying value as of June 30, 2016 is approximately \$8 million. The synthetic turf practice field was purchased and constructed at a cost of \$2.1 million in 2014. Total annual depreciation for the constructed field is \$57,000 and the carrying value of the land and the constructed field approximates \$1.8million.

Lease payments for the balance of the terms are as follows:

Year ending June 30,	Timbers	SMI, Ltd.	Total
2017	\$ 110,894	\$ 67,656	\$ 178,550
2018	110,894	69,344	180,238
2019	110,894	47,192	158,086
2020	110,894	-	110,894
2021	110,894	-	110,894
	<u>\$ 554,470</u>	<u>\$ 184,192</u>	<u>\$ 738,662</u>

E. Subsequent Events

The district entered into a taxable non-revolving line of credit, Master Note Series 2016, in the amount of \$6,000,000 on July 12, 2016 to continue operations of the general government prior to receipt of annual tax revenue. Outstanding balances on the line of credit are due December 31, 2016 and bear interest at prime rate minus 1.55%.

On October 12, 2016, the district issued \$8,710,000 in general obligation bonds. The net proceeds of \$10,131,469 (including a premium of \$1,284,847) were used to advance refund a \$8,620,000 portion of the Series 2011 general obligation issue. The Series 2016 bonds have an average interest rate of 3.3% and will be repaid over a period of 12 years.

F. Restatements

The beginning net position of the District was reduced by \$2,366,480 to reflect a correction to the actuarially determined net pension liability as of June 30, 2015.

The fund balance of the General Fund on the budgetary basis was reduced by \$1,314,013 at June 30, 2015 to reflect the recognition of net unearned program revenue and prepaids in accordance with the modified accrual basis of accounting.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Tualatin Hills Park and Recreation District
REQUIRED SUPPLEMENTARY INFORMATION

Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios

	June 30,	
	2016	2015 (restated)
Total pension liability:		
Service cost	\$ 1,440,139	\$ 1,212,449
Interest	2,319,600	2,114,196
Benefit payments	(1,920,016)	(4,052,930)
Difference between expected and actual experience	-	2,366,480
Effect of plan changes	-	-
Effect of changes in assumptions	-	-
Effect of economic/demographic (gains) or losses	-	-
Net change in total pension liability	1,839,723	1,640,195
Total pension liability, beginning	32,657,015	31,016,820
Total pension liability, ending	34,496,738	32,657,015
Plan fiduciary net position:		
Total contributions	3,103,438	3,191,093
Net investment income	(471,679)	2,972,365
Benefit payments	(1,920,016)	(3,999,039)
Administrative expense	(111,881)	(104,035)
Net change in plan fiduciary net position	599,862	2,060,384
Plan fiduciary net position, beginning	22,927,692	20,867,308
Plan fiduciary net position, ending	23,527,554	22,927,692
Net pension liability	\$ 10,969,184	\$ 9,729,323
Plan fiduciary net position as a percent of total pension liability	68.2%	70.2%
Covered employee payroll	\$ 13,874,307	\$ 12,442,910
Net pension liability as a percent of covered employee payroll	79.1%	78.2%

Tualatin Hills Park and Recreation District
REQUIRED SUPPLEMENTARY INFORMATION

Pension Plan
Schedule of Contributions

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 3,286,864	\$ 3,098,289	\$ 3,191,093
Contributions recognized by the plan	3,286,864	3,098,289	3,191,093
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 12,331,990	\$ 13,874,307	\$ 12,442,910
Contributions as a percent of covered employee payroll	26.7%	22.3%	25.6%

Notes to Required Supplementary Information

Valuation date:	July 1, 2014
Measurement date:	June 30, 2015
Actuarial determined contribution method:	Aggregate cost
Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	Eight years
Actuarial assumptions:	
Inflation (post retirement COLA)	2.0%
Discount rate	7.0%
Salary growth assumption:	4.0%
Investment rate of return (net of expenses):	7.0%
Mortality assumptions:	RP-2000 (combined)

Tualatin Hills Park and Recreation District
REQUIRED SUPPLEMENTARY INFORMATION

Other Post Employment Benefits
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Present Value of Future Benefits (b)	Difference (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Difference as a Percentage of Covered Payroll ((b-a)/c)
6/30/2014	\$ 1,481,508	\$ 1,522,750	\$ 41,242	97.3%	\$ 7,525,388	0.5%
6/30/2015	1,516,984	1,767,551	250,567	85.8%	7,487,102	3.3%
6/30/2016	1,531,406	1,677,947	146,541	91.3%	6,271,134	2.3%

SUPPLEMENTAL INFORMATION

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
BOARD OF DIRECTORS:				
Part time salaries	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Payroll taxes	300	300	264	36
Personal services	<u>3,300</u>	<u>3,300</u>	<u>3,264</u>	<u>36</u>
Professional services	186,500	186,500	144,494	42,006
Office supplies	6,000	6,000	1,677	4,323
Dues and memberships	6,100	6,100	4,450	1,650
Conferences	35,000	35,000	24,496	10,504
Materials and services	<u>233,600</u>	<u>233,600</u>	<u>175,117</u>	<u>58,483</u>
Total Board of Directors	<u>236,900</u>	<u>236,900</u>	<u>178,381</u>	<u>58,519</u>
ADMINISTRATION:				
General Manager				
Full time salaries	288,974	288,974	272,466	16,508
Employee benefits	94,037	94,037	103,088	(9,051)
Payroll taxes	21,911	21,911	20,513	1,398
Personal services	<u>404,922</u>	<u>404,922</u>	<u>396,067</u>	<u>8,855</u>
Telecommunications	9,300	9,300	6,712	2,588
Office supplies	4,500	4,500	2,074	2,426
Dues and memberships	20,150	20,150	15,289	4,861
Conferences	23,950	23,950	24,080	(130)
Technical training	5,000	5,000	17,092	(12,092)
Staff transportation	8,000	8,000	7,800	200
Materials and services	<u>70,900</u>	<u>70,900</u>	<u>73,047</u>	<u>(2,147)</u>
Total General Manager	<u>475,822</u>	<u>475,822</u>	<u>469,114</u>	<u>6,708</u>
Communications and Outreach				
Full time salaries	434,320	434,320	416,411	17,909
Part time salaries	26,814	26,814	45,173	(18,359)
Employee benefits	156,377	156,377	173,844	(17,467)
Payroll taxes	40,506	40,506	42,656	(2,150)
Personal services	<u>658,017</u>	<u>658,017</u>	<u>678,084</u>	<u>(20,067)</u>
Professional services	48,500	48,500	54,365	(5,865)
Technical services	63,312	63,312	7,235	56,077
Printing and publications	148,200	148,200	140,351	7,849
Postage	99,450	99,450	89,771	9,679
Advertising	107,400	107,400	85,680	21,720
Office supplies	11,500	11,500	8,847	2,653
Program supplies	12,820	12,820	5,057	7,763
Dues and memberships	6,910	6,910	7,030	(120)
Conferences	5,000	5,000	2,409	2,591
Technical training	500	500	433	67
Staff transportation	8,640	8,640	3,942	4,698
Small furniture and equipment	1,375	1,375	3,481	(2,106)
Materials and services	<u>513,607</u>	<u>513,607</u>	<u>408,601</u>	<u>105,006</u>
Total Communications and Outreach	<u>1,171,624</u>	<u>1,171,624</u>	<u>1,086,685</u>	<u>84,939</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
ADMINISTRATION (continued):				
Security Operations				
Full time salaries	\$ 95,944	\$ 95,944	\$ 95,940	\$ 4
Part time salaries	116,940	116,940	108,102	8,838
Employee benefits	38,007	38,007	43,261	(5,254)
Payroll taxes	22,046	22,046	21,671	375
Personal services	<u>272,937</u>	<u>272,937</u>	<u>268,974</u>	<u>3,963</u>
Technical services	90,546	90,546	69,274	21,272
Maintenance services	7,941	7,941	7,194	747
Printing and publications	163	163	-	163
Telecommunications	2,547	2,547	2,074	473
Office supplies	399	399	64	335
Program supplies	6,703	6,703	3,493	3,210
Dues and memberships	106	106	74	32
Conferences	208	208	-	208
Technical training	957	957	774	183
Staff transportation	151	151	-	151
Materials and services	<u>109,721</u>	<u>109,721</u>	<u>82,947</u>	<u>26,774</u>
Total Security Operations	<u>382,658</u>	<u>382,658</u>	<u>351,921</u>	<u>30,737</u>
Community Partnerships				
Full time salaries	132,747	132,747	128,124	4,623
Employee benefits	25,563	25,563	25,413	150
Payroll taxes	10,931	10,931	10,996	(65)
Personal services	<u>169,241</u>	<u>169,241</u>	<u>164,533</u>	<u>4,708</u>
Professional services	37,620	37,620	28,693	8,927
Technical services	1,200	1,200	-	1,200
Staff transportation	3,600	3,600	3,600	-
Materials and services	<u>42,420</u>	<u>42,420</u>	<u>32,293</u>	<u>10,127</u>
Total Community Partnerships	<u>211,661</u>	<u>211,661</u>	<u>196,826</u>	<u>14,835</u>
Total Administration	<u>2,241,765</u>	<u>2,241,765</u>	<u>2,104,546</u>	<u>137,219</u>
BUSINESS AND FACILITIES:				
Director of Business and Facilities				
Full time salaries	391,604	506,504	466,229	40,275
Part time salaries	-	-	337	(337)
Employee benefits	156,794	181,794	187,509	(5,715)
Payroll taxes	32,501	32,501	40,159	(7,658)
Personal services	<u>580,899</u>	<u>720,799</u>	<u>694,234</u>	<u>26,565</u>
Professional services	6,250	6,250	5,750	500
Technical services	140,300	90,300	25,469	64,831
Rental equipment	42,000	42,000	38,535	3,465
Bank charges and fees	6,250	6,250	4,675	1,575
Printing and publications	5,000	5,000	2,847	2,153
Postage	62,400	62,400	28,763	33,637
Advertising	2,100	2,100	820	1,280
Telecommunications	3,600	3,600	2,501	1,099
Office supplies	61,200	61,200	28,325	32,875
Dues and memberships	3,560	3,560	4,160	(600)

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUSINESS AND FACILITIES (continued):				
Conferences	\$ 15,300	\$ 15,300	\$ 13,776	\$ 1,524
Technical training	2,900	2,900	116	2,784
Staff transportation	5,580	5,580	5,235	345
Small furniture and equipment	-	-	1,209	(1,209)
Materials and services	<u>356,440</u>	<u>306,440</u>	<u>162,181</u>	<u>144,259</u>
Debt principal	266,090	266,090	266,090	-
Debt interest	693,640	693,640	568,299	125,341
Debt service	<u>959,730</u>	<u>959,730</u>	<u>834,389</u>	<u>125,341</u>
Total Director of Business and Facilities	<u>1,897,069</u>	<u>1,986,969</u>	<u>1,690,804</u>	<u>296,165</u>
Finance				
Full time salaries	420,362	420,362	399,817	20,545
Employee benefits	193,242	168,242	163,990	4,252
Payroll taxes	41,041	41,041	35,586	5,455
Personal services	<u>654,645</u>	<u>629,645</u>	<u>599,393</u>	<u>30,252</u>
Professional services	12,060	12,060	32,643	(20,583)
Technical services	43,025	3,025	25,705	(22,680)
Bank charges and fees	18,000	18,000	15,793	2,207
Printing and publications	5,270	5,270	1,775	3,495
Telecommunications	504	504	470	34
Office supplies	1,075	1,075	988	87
Dues and memberships	635	635	355	280
Conferences	5,500	5,500	2,821	2,679
Technical training	2,390	2,390	150	2,240
Staff transportation	300	300	141	159
Materials and services	<u>88,759</u>	<u>48,759</u>	<u>80,841</u>	<u>(32,082)</u>
Total Finance	<u>743,404</u>	<u>678,404</u>	<u>680,234</u>	<u>(1,830)</u>
Human Resources				
Full time salaries	290,784	290,784	294,071	(3,287)
Employee benefits	112,065	112,065	125,766	(13,701)
Payroll taxes	25,911	25,911	26,550	(639)
Personal services	<u>428,760</u>	<u>428,760</u>	<u>446,387</u>	<u>(17,627)</u>
Professional services	50,400	25,500	15,296	10,204
Technical services	17,775	17,775	11,645	6,130
Printing and publications	470	470	448	22
Advertising	2,600	2,600	1,374	1,226
Telecommunications	540	540	773	(233)
Office supplies	1,106	1,106	83	1,023
Program supplies	1,200	1,200	523	677
Dues and memberships	1,975	1,975	190	1,785
Conferences	9,000	9,000	4,832	4,168
Technical training	48,400	48,400	48,057	343
Staff transportation	450	450	220	230
Materials and services	<u>133,916</u>	<u>109,016</u>	<u>83,441</u>	<u>25,575</u>
Total Human Resources	<u>562,676</u>	<u>537,776</u>	<u>529,828</u>	<u>7,948</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUSINESS AND FACILITIES (continued):				
Information Services				
Full time salaries	\$ 404,522	\$ 404,522	\$ 404,532	\$ (10)
Employee benefits	178,175	178,175	199,629	(21,454)
Payroll taxes	36,032	36,032	36,048	(16)
Personal services	<u>618,729</u>	<u>618,729</u>	<u>640,209</u>	<u>(21,480)</u>
Professional services	71,000	71,000	32,585	38,415
Technical services	245,010	245,010	240,197	4,813
Telecommunications	76,000	76,000	65,481	10,519
Office supplies	-	-	542	(542)
Program supplies	39,000	39,000	23,072	15,928
Maintenance supplies	15,000	15,000	7,246	7,754
Technical training	11,000	11,000	4,909	6,091
Staff transportation	1,000	1,000	15	985
Small furniture and equipment	4,000	4,000	383	3,617
Materials and services	<u>462,010</u>	<u>462,010</u>	<u>374,430</u>	<u>87,580</u>
Computer technology replacement	90,000	90,000	78,882	11,118
Computer technology improvement	50,400	50,400	45,301	5,099
Capital outlay	<u>140,400</u>	<u>140,400</u>	<u>124,183</u>	<u>16,217</u>
Total Information Services	<u>1,221,139</u>	<u>1,221,139</u>	<u>1,138,822</u>	<u>82,317</u>
Risk and Contract Management				
Full time salaries	163,461	163,461	163,468	(7)
Part time salaries	-	-	606	(606)
Employee benefits	73,277	73,277	78,969	(5,692)
Payroll taxes	14,556	14,556	14,362	194
Personal services	<u>251,294</u>	<u>251,294</u>	<u>257,405</u>	<u>(6,111)</u>
Professional services	9,000	9,000	583	8,417
Technical services	11,400	11,400	2,609	8,791
Miscellaneous other services	4,840	4,840	4,564	276
Insurance	324,310	324,310	311,217	13,093
Printing and publications	1,900	1,900	1,268	632
Advertising	600	600	55	545
Telecommunications	2,520	2,520	1,320	1,200
Office supplies	1,750	1,750	420	1,330
Program supplies	8,700	8,700	11,851	(3,151)
Dues and memberships	1,750	1,750	1,239	511
Conferences	2,000	2,000	92	1,908
Technical training	9,000	9,000	3,918	5,082
Staff transportation	1,368	1,368	981	387
Small furniture and equipment	500	500	1,657	(1,157)
Materials and services	<u>379,638</u>	<u>379,638</u>	<u>341,774</u>	<u>37,864</u>
Total Risk and Contract Management	<u>630,932</u>	<u>630,932</u>	<u>599,179</u>	<u>31,753</u>
Maintenance Operations				
Full time salaries	4,190,764	4,190,764	4,114,630	76,134
Part time salaries	1,900,540	1,900,540	1,644,333	256,207
Employee benefits	2,037,840	2,037,840	2,115,270	(77,430)
Payroll taxes	635,105	635,105	578,879	56,226
Personal services	<u>8,764,249</u>	<u>8,764,249</u>	<u>8,453,112</u>	<u>311,137</u>
Instructional services	520	520	-	520
Professional services	3,500	3,500	1,195	2,305
Technical services	75,880	75,880	59,095	16,785

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUSINESS AND FACILITIES (continued):				
Maintenance Operations (continued)				
Heat	\$ 488,008	\$ 488,008	\$ 396,508	\$ 91,500
Electricity	790,001	790,001	776,654	13,347
Water and sewer	814,921	814,921	873,825	(58,904)
Refuse services	124,284	124,284	108,137	16,147
Rental facility	2,000	2,000	-	2,000
Rental equipment	19,100	19,100	9,258	9,842
Maintenance services	420,314	420,314	413,599	6,715
Vehicle and equipment services	29,050	29,050	29,812	(762)
Advertising	-	-	140	(140)
Telecommunications	113,822	113,822	114,482	(660)
Office supplies	4,666	4,666	4,360	306
Program supplies	18,300	18,300	22,743	(4,443)
Maintenance supplies	1,007,041	1,007,041	996,171	10,870
Gas & oil (vehicles)	180,800	180,800	111,324	69,476
Dues and memberships	2,880	2,880	607	2,273
Conferences	4,000	4,000	2,174	1,826
Technical training	19,635	19,635	10,883	8,752
Staff transportation	8,050	8,050	9,440	(1,390)
Small furniture and equipment	1,710	1,710	1,028	682
Materials and services	<u>4,128,482</u>	<u>4,128,482</u>	<u>3,941,435</u>	<u>187,047</u>
Fleet capital replacement	288,200	288,200	266,420	21,780
Capital outlay	<u>288,200</u>	<u>288,200</u>	<u>266,420</u>	<u>21,780</u>
Total Maintenance Operations	<u>13,180,931</u>	<u>13,180,931</u>	<u>12,660,967</u>	<u>519,964</u>
Total Business and Facilities	<u>18,236,151</u>	<u>18,236,151</u>	<u>17,299,834</u>	<u>936,317</u>
PLANNING:				
Director of Planning				
Full time salaries	202,222	202,222	186,651	15,571
Part time salaries	165,929	165,929	104,606	61,323
Employee benefits	71,276	71,276	72,794	(1,518)
Payroll taxes	34,066	34,066	29,770	4,296
Personal services	<u>473,493</u>	<u>473,493</u>	<u>393,821</u>	<u>79,672</u>
Telecommunications	2,000	2,000	3,349	(1,349)
Office supplies	200	200	85	115
Program supplies	200	200	-	200
Dues and memberships	1,115	1,115	890	225
Conferences	3,800	3,800	1,690	2,110
Staff transportation	3,700	3,700	984	2,716
Small furniture and equipment	-	-	895	(895)
Materials and services	<u>11,015</u>	<u>11,015</u>	<u>7,893</u>	<u>3,122</u>
Total Director of Planning	<u>484,508</u>	<u>484,508</u>	<u>401,714</u>	<u>82,794</u>
Planning and Development				
Full time salaries	534,566	534,566	532,333	2,233
Employee benefits	211,686	211,686	233,839	(22,153)
Payroll taxes	47,547	47,547	46,468	1,079
Personal services	<u>793,799</u>	<u>793,799</u>	<u>812,640</u>	<u>(18,841)</u>
Professional services	30,000	30,000	24,328	5,672
Telecommunications	1,950	1,950	2,770	(820)
Office supplies	7,000	7,000	4,850	2,150

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PLANNING (continued)				
Planning and Development (continued)				
Program supplies	\$ 3,000	\$ 3,000	\$ 1,928	\$ 1,072
Dues and memberships	2,300	2,300	1,785	515
Conferences	6,500	6,500	6,567	(67)
Technical training	1,500	1,500	1,658	(158)
Staff transportation	5,500	5,500	4,032	1,468
Small furniture and equipment	1,000	1,000	449	551
Materials and services	<u>58,750</u>	<u>58,750</u>	<u>48,367</u>	<u>10,383</u>
Total Planning and Development	<u>852,549</u>	<u>852,549</u>	<u>861,007</u>	<u>(8,458)</u>
Total Planning	<u>1,337,057</u>	<u>1,337,057</u>	<u>1,262,721</u>	<u>74,336</u>
PARK AND RECREATION SERVICES:				
Director of Park and Recreation				
Full time salaries	196,486	269,810	278,605	(8,795)
Employee benefits	43,843	74,379	75,911	(1,532)
Part time salaries	18,418	18,418	14,592	3,826
Payroll taxes	17,613	26,182	26,045	137
Personal services	<u>276,360</u>	<u>388,789</u>	<u>395,153</u>	<u>(6,364)</u>
Professional services	215,901	215,901	198,897	17,004
Fee reductions-family assistance	300,000	300,000	167,882	132,118
Printing and publications	1,000	1,000	-	1,000
Telecommunications	10,000	10,000	7,857	2,143
Office supplies	11,322	12,655	3,367	9,288
Dues and memberships	-	-	119	(119)
Conferences	15,000	15,000	15,191	(191)
Technical training	3,000	3,000	1,884	1,116
Staff transportation	2,500	2,500	4,942	(2,442)
Small furniture and equipment	-	-	991	(991)
Materials and services	<u>558,723</u>	<u>560,056</u>	<u>401,130</u>	<u>158,926</u>
Total Director of Park and Recreation	<u>835,083</u>	<u>948,845</u>	<u>796,283</u>	<u>152,562</u>
Aquatics				
Full time salaries	1,284,681	1,220,309	1,275,051	(54,742)
Part time salaries	1,738,457	1,738,457	1,453,553	284,904
Employee benefits	659,590	630,061	669,623	(39,562)
Payroll taxes	307,463	301,131	270,859	30,272
Personal services	<u>3,990,191</u>	<u>3,889,958</u>	<u>3,669,086</u>	<u>220,872</u>
Advertising	-	-	200	(200)
Telecommunications	5,000	5,000	4,125	875
Office supplies	2,300	2,300	2,361	(61)
Program supplies	63,740	63,740	58,476	5,264
Dues and memberships	1,632	1,632	113	1,519
Conferences	12,000	12,000	9,988	2,012
Technical training	16,300	16,300	13,870	2,430
Staff transportation	2,400	2,400	2,106	294
Small furniture and equipment	500	500	797	(297)
Materials and services	<u>103,872</u>	<u>103,872</u>	<u>92,036</u>	<u>11,836</u>
Total Aquatics	<u>4,094,063</u>	<u>3,993,830</u>	<u>3,761,122</u>	<u>232,708</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARK AND RECREATION SERVICES (continued):				
Sports				
Full time salaries	\$ 879,006	\$ 879,006	\$ 871,209	\$ 7,797
Part time salaries	973,125	973,125	812,070	161,055
Employee benefits	497,574	497,574	523,489	(25,915)
Payroll taxes	186,453	186,453	167,249	19,204
Personal services	<u>2,536,158</u>	<u>2,536,158</u>	<u>2,374,017</u>	<u>162,141</u>
Instructional services	150,330	150,330	91,249	59,081
Rental facility	42,500	42,500	30,798	11,702
Printing and publications	1,000	1,000	-	1,000
Telecommunications	1,000	1,000	7,754	(6,754)
Office supplies	10,224	10,224	6,413	3,811
Program supplies	174,188	174,188	189,408	(15,220)
Dues and memberships	1,180	1,180	1,082	98
Conferences	4,000	4,000	9,991	(5,991)
Staff transportation	2,568	2,568	1,822	746
Small furniture and equipment	1,100	1,100	917	183
Materials and services	<u>388,090</u>	<u>388,090</u>	<u>339,434</u>	<u>48,656</u>
Total Sports	<u>2,924,248</u>	<u>2,924,248</u>	<u>2,713,451</u>	<u>210,797</u>
Recreation				
Full time salaries	1,208,018	1,199,066	1,218,138	(19,072)
Part time salaries	2,437,852	2,437,852	2,233,533	204,319
Employee benefits	604,303	603,296	651,900	(48,604)
Payroll taxes	362,371	360,134	351,905	8,229
Personal services	<u>4,612,544</u>	<u>4,600,348</u>	<u>4,455,476</u>	<u>144,872</u>
Professional services	-	-	144	(144)
Technical services	-	-	11,308	(11,308)
Maintenance services	3,181	3,181	1,118	2,063
Miscellaneous other services	-	-	45	(45)
Printing and publications	8,750	8,750	-	8,750
Advertising	900	900	775	125
Telecommunications	3,360	3,360	4,593	(1,233)
Office supplies	48,154	48,154	25,937	22,217
Program supplies	381,199	379,866	318,344	61,522
Dues and memberships	1,080	1,080	-	1,080
Conferences	9,000	9,000	14,228	(5,228)
Technical training	1,320	1,320	-	1,320
Staff transportation	3,436	3,436	2,779	657
Small furniture and equipment	16,439	16,439	7,446	8,993
Materials and services	<u>476,819</u>	<u>475,486</u>	<u>386,717</u>	<u>88,769</u>
Total Recreation	<u>5,089,363</u>	<u>5,075,834</u>	<u>4,842,193</u>	<u>233,641</u>
Programs and Special Activities				
Full time salaries	433,956	433,956	456,707	(22,751)
Part time salaries	613,172	613,172	688,855	(75,683)
Employee benefits	201,561	201,561	220,705	(19,144)
Payroll taxes	103,150	103,150	115,977	(12,827)
Personal services	<u>1,351,839</u>	<u>1,351,839</u>	<u>1,482,244</u>	<u>(130,405)</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARK AND RECREATION SERVICES (continued):				
Programs and Special Activities (continued)				
Technical services	\$ 101,394	\$ 101,394	\$ 113,269	\$ (11,875)
Rental facility	2,400	2,400	2,400	-
Rental equipment	5,940	5,940	8,212	(2,272)
Maintenance services	7,030	7,030	2,717	4,313
Postage	500	500	530	(30)
Advertising	3,500	3,500	2,125	1,375
Telecommunications	3,000	3,000	2,253	747
Office supplies	10,384	10,384	9,790	594
Program supplies	104,611	104,611	69,583	35,028
Dues and memberships	1,000	1,000	621	379
Conferences	10,000	10,000	9,590	410
Technical training	1,000	1,000	260	740
Staff transportation	5,346	5,346	2,769	2,577
Small furniture and equipment	-	-	1,223	(1,223)
Foundation support (gas)	-	-	501	(501)
Materials and services	<u>256,105</u>	<u>256,105</u>	<u>225,843</u>	<u>30,262</u>
Total Programs and Special Activities	<u>1,607,944</u>	<u>1,607,944</u>	<u>1,708,087</u>	<u>(100,143)</u>
Natural Resources and Trails				
Full time salaries	731,794	731,794	675,154	56,640
Part time salaries	515,115	515,115	436,697	78,418
Employee benefits	289,601	289,601	310,413	(20,812)
Payroll taxes	128,513	128,513	114,981	13,532
Personal services	<u>1,665,023</u>	<u>1,665,023</u>	<u>1,537,245</u>	<u>127,778</u>
Instructional services	3,938	3,938	1,610	2,328
Professional services	-	-	8,990	(8,990)
Technical services	28,026	28,026	25,229	2,797
Rental equipment	19,780	19,780	16,110	3,670
Maintenance services	3,900	3,900	1,368	2,532
Printing and publications	1,000	1,000	693	307
Advertising	750	750	362	388
Telecommunications	5,100	5,100	3,823	1,277
Office supplies	12,750	12,750	15,293	(2,543)
Program supplies	43,746	43,746	37,983	5,763
Maintenance supplies	87,250	87,250	22,345	64,905
Dues and memberships	1,400	1,400	924	476
Conferences	5,000	5,000	2,273	2,727
Technical training	3,750	3,750	630	3,120
Staff transportation	3,150	3,150	1,020	2,130
Small furniture and equipment	3,000	3,000	1,993	1,007
Materials and services	<u>222,540</u>	<u>222,540</u>	<u>140,646</u>	<u>81,894</u>
Total Natural Resources and Trails	<u>1,887,563</u>	<u>1,887,563</u>	<u>1,677,891</u>	<u>209,672</u>
Total Park and Recreation Services	<u>16,438,264</u>	<u>16,438,264</u>	<u>15,499,027</u>	<u>939,237</u>

**Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CAPITAL OUTLAY:				
Carryforward projects	\$ 4,593,048	\$ 4,593,048	\$ 1,715,031	\$ 2,878,017
Athletic facility replacement	334,800	334,800	374,982	(40,182)
Athletic facility improvement	3,300	3,300	-	3,300
Park and trail replacement	419,060	419,060	215,553	203,507
Park and trail improvements	401,600	401,600	56,370	345,230
Building replacement	557,543	557,543	524,343	33,200
Building improvements	13,200	13,200	7,237	5,963
ADA projects	24,500	24,500	15,999	8,501
Program facility challenge grants	97,500	97,500	62,891	34,609
Total Capital Outlay	6,444,551	6,444,551	2,972,406	3,472,145
CONTINGENCY:				
Contingency	2,300,000	2,300,000	-	2,300,000
CAPITAL REPLACEMENT RESERVE:				
Capital replacement reserve	850,000	850,000	-	850,000
Total General Fund Expenditures	\$ 48,084,688	\$ 48,084,688	\$ 39,316,915	\$ 8,767,773

Tualatin Hills Park and Recreation District
Bonded Debt Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Property taxes	\$ 6,796,635	\$ 6,884,746	\$ 88,111
Interest earned	38,017	38,007	(10)
Total revenues	<u>6,834,652</u>	<u>6,922,753</u>	<u>88,101</u>
Expenditures:			
Issuance costs	-	2,500	(2,500) *
Debt service	7,084,652	7,084,648	4
Total expenditures	<u>7,084,652</u>	<u>7,087,148</u>	<u>(2,496)</u>
Excess (deficiency) of revenues over (under) expenditures and net change in fund balance	<u>(250,000)</u>	<u>(164,395)</u>	<u>85,605</u>
Fund balance at beginning of year	<u>250,000</u>	<u>450,745</u>	<u>200,745</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 286,350</u>	<u>\$ 286,350</u>

* The budget variance meets an exception to ORS 294.338(1) as described in ORS 294.338(4)(c); issuance costs relate to refunded debt in FY17.

Tualatin Hills Park and Recreation District
Bond Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget to Actual
For the fiscal year ended June 30, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Interest earned	\$ 140,000	\$ 202,422	\$ 62,422
Total revenues	<u>140,000</u>	<u>202,422</u>	<u>62,422</u>
Expenditures:			
Capital outlay	31,030,469	3,154,855	27,875,614
Total expenditures	<u>31,030,469</u>	<u>3,154,855</u>	<u>27,875,614</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,890,469)</u>	<u>(2,952,433)</u>	<u>27,938,036</u>
Other financing sources:			
Proceeds from bonds issued	1,435,000	-	(1,435,000)
Premiums on bonds issued	315,000	-	(315,000)
Total other financing sources	<u>1,750,000</u>	<u>-</u>	<u>(1,750,000)</u>
Net change in fund balance	(29,140,469)	(2,952,433)	26,188,036
Fund balance at beginning of year	<u>29,140,469</u>	<u>30,179,356</u>	<u>1,038,887</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 27,226,923</u>	<u>\$ 27,226,923</u>

Tualatin Hills Park and Recreation District
System Development Charges Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget to Actual
For the fiscal year ended June 30, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
System development charges	\$ 4,740,600	\$ 5,367,366	\$ 626,766
Interest earned	40,150	64,331	24,181
Total revenues	<u>4,780,750</u>	<u>5,431,697</u>	<u>650,947</u>
Expenditures:			
Capital outlay	16,221,498	6,021,576	10,199,922
Total expenditures	<u>16,221,498</u>	<u>6,021,576</u>	<u>10,199,922</u>
Excess (deficiency) of revenues over (under) expenditures and net change in fund balance	(11,440,748)	(589,879)	10,850,869
Fund balance at beginning of year	<u>11,440,748</u>	<u>12,653,815</u>	<u>1,213,067</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 12,063,936</u>	<u>\$ 12,063,936</u>

Tualatin Hills Park and Recreation District
Mitigation Maintenance Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Interest earned	\$ 500	\$ 940	\$ 440
Miscellaneous income	-	-	-
Total revenues	<u>500</u>	<u>940</u>	<u>440</u>
Expenditures:			
Materials and services	<u>163,000</u>	<u>2,948</u>	<u>160,052</u>
Total expenditures	<u>163,000</u>	<u>2,948</u>	<u>160,052</u>
Excess (deficiency) of revenues over (under) expenditures and net change in fund balance	(162,500)	(2,008)	160,492
Fund balance at beginning of year	<u>162,500</u>	<u>166,364</u>	<u>3,864</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 164,356</u>	<u>\$ 164,356</u>



**OTHER
FINANCIAL
SCHEDULES**

Tualatin Hills Park and Recreation District
Schedule of Property Tax Transactions and Outstanding Balances
For the fiscal year ended June 30, 2016

	Taxes Uncollected June 30, 2015	Add Levy as Extended by Assessor	Add (Deduct) Discounts Allowed	Add Interest Received	Add (Deduct) Cancellations and Adjustments	Deduct Interest and Tax Collected	Taxes Uncollected June 30, 2016
2015-2016	\$ -	\$ 36,088,203	\$ (968,916)	\$ 8,483	\$ (35,124)	\$ (34,488,930)	\$ 603,716
2014-2015	614,339	-	60	18,821	(11,033)	(294,109)	328,078
2013-2014	320,960	-	6	14,429	(2,551)	(88,112)	244,732
2012-2013	231,630	-	5	21,079	(2,115)	(87,959)	162,640
2011-2012	140,022	-	1	8,949	(473)	(32,389)	116,110
2010-2011	117,064	-	2	2,702	(120)	(7,656)	111,992
Prior Years	125,925	-	-	4,425	1,787	(9,167)	122,970
	<u>\$ 1,549,940</u>	<u>\$ 36,088,203</u>	<u>\$ (968,842)</u>	<u>\$ 78,888</u>	<u>\$ (49,629)</u>	<u>\$ (35,008,322)</u>	<u>\$ 1,690,238</u>

General Fund	\$ 1,175,762	\$ 1,307,353
Debt Service Fund	374,178	382,885
	<u>\$ 1,549,940</u>	<u>\$ 1,690,238</u>

Tualatin Hills Park and Recreation District
Schedule of District Pension Contributions
Last Nine Years

Fiscal Year	Actuarially Determined Contribution (ADC)	District Contributions	District Contributions as a Percentage of ADC	Contribution Deficiency (Excess)
2008	\$ 1,249,866	\$ 1,249,866	100.00 %	\$ -
2009	1,663,456	1,663,456	100.00	-
2010	2,132,920	2,132,920	100.00	-
2011	2,411,109	2,440,915	101.24	(29,806)
2012	2,164,122	2,140,583	98.91	23,539
2013	2,294,355	2,198,333	95.81	96,022
2014	2,331,957	2,423,313	103.92	(91,356)
2015	2,321,835	2,318,042	99.84	3,793
2016	2,491,300	2,491,219	99.99	81

Source: The Standard Tualatin Hills Park & Recreation District Retirement Plan GASB 67/68
Accounting Valuation Report, Valuation Date July 1, 2014



STATISTICAL SECTION

This part of the Tualatin Hills Park and Recreation District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures say about the district's overall financial health.

CONTENTS	PAGE
Financial Trends <i>These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.</i>	70
Revenue Capacity <i>These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</i>	74
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</i>	81
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the readers understand the environment within which the district's financial activities take place.</i>	85
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</i>	87

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

Tualatin Hills Park and Recreation District
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2007	2008 (as restated)	2009	2010	2011	2012	2013	2014	2015 (as restated)	2016
Governmental activities										
Net investment in capital assets	\$ 81,461,139	\$ 86,885,092	\$ 89,588,161	\$ 97,699,300	\$ 102,325,244	\$ 111,753,935	\$ 115,214,103	\$ 120,178,588	\$ 118,443,566	\$ 135,202,585
Restricted	5,233,264	4,089,447	4,914,904	5,388,324	4,966,711	3,393,951	5,506,718	8,113,102	13,104,560	12,350,287
Unrestricted	3,965,498	3,577,389	2,826,589	2,681,289	6,419,121	6,270,492	7,578,867	7,413,183	9,444,786	6,814,560
Total primary government net position	<u>\$ 90,659,901</u>	<u>\$ 94,551,928</u>	<u>\$ 97,329,654</u>	<u>\$ 105,768,913</u>	<u>\$ 113,711,076</u>	<u>\$ 121,418,378</u>	<u>\$ 128,299,688</u>	<u>\$ 135,704,873</u>	<u>\$ 140,992,912</u>	<u>\$ 154,367,432</u>

Tualatin Hills Park and Recreation District
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2007	2008 (as restated)	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
Board of Directors	\$ 187,210	\$ 151,139	\$ 252,707	\$ 158,614	\$ 212,527	\$ 229,942	\$ 200,248	\$ 154,475	\$ 218,847	\$ 178,381
Administration	1,148,393	1,620,813	1,435,073	1,510,804	1,603,306	1,678,446	1,717,417	1,963,226	1,860,162	2,048,290
Business and facilities	2,942,845	2,963,834	13,414,199 ¹⁾	14,022,988	14,061,469	14,337,163	14,917,033	15,126,974	14,575,963	16,447,289
Planning and development	-	-	925,029 ²⁾	724,568	571,594	640,871	800,198	897,304	554,465	550,044
Park and recreation services	22,854,097	25,260,805	16,749,941	17,769,469	17,750,967	18,210,409	19,536,037	19,758,250	19,188,743	21,180,758
Interest on long-term debt	1,063,732	935,564	1,117,606	3,032,756	3,106,160	4,085,516	4,124,974	3,946,193	3,853,264	3,334,042
Total governmental activities expenses	\$ 28,196,277	\$ 30,932,155	\$ 33,894,555	\$ 37,219,199	\$ 37,306,023	\$ 39,182,347	\$ 41,295,907	\$ 41,846,422	\$ 40,251,444	\$ 43,738,804
Program Revenues										
Governmental activities:										
Park and recreation services:										
Charges for services	\$ 6,720,311	\$ 7,379,076	\$ 8,158,928	\$ 8,673,796	\$ 9,087,924	\$ 9,622,209	\$ 10,248,497	\$ 10,244,780	\$ 10,633,560	\$ 10,485,707
Operating grants and contributions	35,185	27,599	42,756	143,768	155,727	195,890	173,616	214,865	91,112	32,385
Capital grants and contributions	2,283,436	2,372,111	2,958,270	4,560,810	3,522,996	3,621,810	3,925,320	4,685,175	7,096,827	9,994,683
Total governmental program revenues	\$ 9,038,932	\$ 9,778,786	\$ 11,159,954	\$ 13,378,374	\$ 12,766,647	\$ 13,439,909	\$ 14,347,433	\$ 15,144,820	\$ 17,821,499	\$ 20,512,775
Net(expense)/revenue										
Governmental activities	<u>\$(19,157,345)</u>	<u>\$(21,153,369)</u>	<u>\$ (22,734,601)</u>	<u>\$(23,840,825)</u>	<u>\$(24,539,376)</u>	<u>\$(25,742,438)</u>	<u>\$(26,948,474)</u>	<u>\$(26,701,602)</u>	<u>\$(22,429,945)</u>	<u>\$(23,226,029)</u>
Total primary government net expense	<u>\$(19,157,345)</u>	<u>\$(21,153,369)</u>	<u>\$ (22,734,601)</u>	<u>\$(23,840,825)</u>	<u>\$(24,539,376)</u>	<u>\$(25,742,438)</u>	<u>\$(26,948,474)</u>	<u>\$(26,701,602)</u>	<u>\$(22,429,945)</u>	<u>\$(23,226,029)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 22,162,377	\$ 23,201,119	\$ 24,440,625	\$ 30,576,672	\$ 31,633,996	\$ 32,536,833	\$ 32,998,488	\$ 34,325,378	\$ 35,389,201	\$ 35,118,802
Unrestricted grants and contributions	186,127	232,743	234,137	215,450	197,632	233,515	245,112	237,636	261,528	185,805
Rents and leases	-	-	-	-	-	-	-	-	-	648,897 ³⁾
Investment earnings	1,059,117	637,812	488,973	793,970	445,603	507,727	447,101	365,782	380,671	458,566
Miscellaneous	4,553,011	1,879,872	348,592	693,992	204,308	171,665	139,083	159,819	203,731	188,479
Total governmental activities	\$ 27,960,632	\$ 25,951,546	\$ 25,512,327	\$ 32,280,084	\$ 32,481,539	\$ 33,449,740	\$ 33,829,784	\$ 35,088,615	\$ 36,235,131	\$ 36,600,549
Change in Net Position										
Governmental activities	<u>\$ 8,803,287</u>	<u>\$ 4,798,177</u>	<u>\$ 2,777,726</u>	<u>\$ 8,439,259</u>	<u>\$ 7,942,163</u>	<u>\$ 7,707,302</u>	<u>\$ 6,881,310</u>	<u>\$ 8,387,013</u>	<u>\$ 13,805,186</u>	<u>\$ 13,374,520</u>
Total primary government	<u>\$ 8,803,287</u>	<u>\$ 4,798,177</u>	<u>\$ 2,777,726</u>	<u>\$ 8,439,259</u>	<u>\$ 7,942,163</u>	<u>\$ 7,707,302</u>	<u>\$ 6,881,310</u>	<u>\$ 8,387,013</u>	<u>\$ 13,805,186</u>	<u>\$ 13,374,520</u>

¹⁾ In FY 2009 the Maintenance department was moved from Park and recreation services to Business and facilities.

²⁾ In FY 2009 the Planning department was moved from Business and facilities to its own division of Planning and development.

³⁾ In FY 2016, revenues from Rents and Leases were reported separately (previously in Grants & Contributions, Program and Miscellaneous revenues).

Tualatin Hills Park and Recreation District
FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010 (as restated)	2011 (as restated)	2012	2013	2014	2015	2016
General fund										
Reserved	\$ 75,840	\$ 112,826	\$ 116,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,261,281	4,548,093	4,185,875	-	-	-	-	-	-	-
Nonspendable	-	-	-	131,319	93,642	64,728	211,223	225,668	172,449	316,161
Unassigned	-	-	-	3,717,581	5,302,475	3,773,265	4,895,327	5,302,635	8,264,609	8,955,176
Total general fund	\$ 4,337,121	\$ 4,660,919	\$ 4,302,587	\$ 3,848,900	\$ 5,396,117	\$ 3,837,993	\$ 5,106,550	\$ 5,528,303	\$ 8,437,058	\$ 9,271,337
All other governmental funds										
Reserved, reported in:										
Special revenue fund	\$ 83,943	\$ 161,686	\$ 175,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service fund	418,913	338,212	255,341	-	-	-	-	-	-	-
Capital project funds	4,814,351	3,751,235	62,683,669	-	-	-	-	-	-	-
Restricted, reported in:										
Debt service fund	-	-	-	189,152	303,177	413,134	440,064	477,206	450,745	286,350
Capital project funds	-	-	-	59,866,624	43,383,093	70,061,111	56,750,162	42,117,723	42,833,171	39,290,859
Committed, reported in:										
Special revenue fund	-	-	-	182,010	182,820	183,657	182,071	163,989	166,364	164,356
Total all other governmental funds	\$ 5,317,207	\$ 4,251,133	\$ 63,114,935	\$ 60,237,786	\$ 43,869,090	\$ 70,657,902	\$ 57,372,297	\$ 42,758,918	\$ 43,450,280	\$ 39,741,565

1) GASB Statement No. 54 was implemented in fiscal year 2011. Fund balances were restated for fiscal year 2010 forward.

Tualatin Hills Park and Recreation District
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property taxes	\$22,095,939	\$23,064,951	\$ 24,227,511	\$30,429,777	\$ 31,656,648	\$ 32,122,160	\$ 33,076,378	\$ 34,203,849	\$ 35,471,678	\$ 34,952,393
Aquatic programs	2,820,884	2,070,276	2,236,943	2,438,104	2,542,840	2,604,415	2,680,571	2,567,782	2,761,776	2,450,847
Tennis center	630,856	779,947	798,424	867,529	869,498	853,427	881,620	952,762	1,025,969	1,017,285
Sports programs	676,849	756,520	991,443	1,123,287	1,233,700	1,287,406	1,338,838	1,424,626	1,423,992	1,565,716
Recreation programs	2,571,571	3,824,758	4,192,324	4,307,171	4,555,062	4,770,489	5,295,594	5,177,432	5,060,475	5,451,861
Grants and sponsorships	221,312	857,212	950,096	1,906,063	1,441,320	1,742,561	1,608,261	1,275,106	1,300,759	279,707
Rents and leases	-	-	-	-	-	-	-	-	-	648,896 ³⁾
System development charges	2,283,436	1,775,241	1,406,672	2,370,160	1,939,855	1,897,759	2,676,196	3,858,370	5,855,512	5,367,366
Interest earned	1,074,988	632,735	488,973	793,970	445,603	507,727	447,101	365,782	380,671	458,566
Charges for services	-	-	-	553,515	712,478	799,091	689,931	579,099	511,362	328,170
Miscellaneous	267,646	342,161	378,292	710,592	192,203	278,137	190,957	281,997	565,079	188,479
Total revenues	32,643,481	34,103,801	35,670,678	45,500,168	45,589,207	46,863,172	48,885,447	50,686,805	54,357,273	52,709,286
Expenditures										
Board of Directors	\$ 187,210	\$ 151,139	\$ 252,707	\$ 158,614	\$ 212,527	\$ 229,942	\$ 200,248	\$ 154,475	\$ 218,847	\$ 178,381
Administration	1,141,833	1,599,223	1,449,070	1,547,895	1,590,784	1,675,574	1,713,305	1,953,992	2,028,622	2,104,826
Business and facilities	2,529,507	2,643,563	12,970,222 ¹⁾	13,836,899	13,796,771	14,018,655	14,590,241	14,901,004	15,621,414	16,074,842
Planning and development	-	-	907,994 ²⁾	1,250,838	1,282,382	1,430,176	1,503,184	1,497,804	1,211,690	1,262,721
Park and recreation services	20,710,852	22,205,573	13,199,722	14,341,740	14,201,551	13,996,776	14,476,812	14,593,069	14,725,729	15,501,975
Capital outlay	12,772,256	5,334,604	4,471,549	9,619,570	28,607,214	22,534,645	19,924,569	22,563,320	9,421,194	12,539,440
Debt service										
Principal	1,880,000	1,958,000	2,061,000	4,790,000	5,695,000	5,100,000	4,605,000	5,018,988	5,390,327	3,961,090
Interest	1,127,798	990,961	1,345,100	3,285,448	3,298,121	4,566,274	4,346,236	4,195,779	4,225,622	3,960,447
Total expenditures	40,349,456	34,883,063	36,657,364	48,831,004	68,684,350	63,552,042	61,359,595	64,878,431	52,843,445	55,583,722
Excess of revenues over (under) expenditures	(7,705,975)	(779,262)	(986,686)	(3,330,836)	(23,095,143)	(16,688,870)	(12,474,148)	(14,191,626)	1,513,828	(2,874,436)
Other financing sources (uses)										
Proceeds from debt issuance	2,515,383	-	58,505,000	-	9,510,000	40,060,000	-	-	37,880,000	-
Premiums on debt issuance	-	-	492,215	-	22,166	1,859,558	-	-	6,987,825	-
Proceeds from sale of land	-	-	494,941	-	-	-	-	-	399,283	-
Payment to escrow	(2,509,360)	-	-	-	-	-	-	-	(43,180,819)	-
Loan proceeds	-	-	-	-	-	-	457,100	-	-	-
Total other financing sources (uses)	6,023	-	59,492,156	-	9,532,166	41,919,558	457,100	-	2,086,289	-
Net change in fund balances	\$ (7,699,952)	\$ (779,262)	\$ 58,505,470	\$ (3,330,836)	\$ (13,562,977)	\$ 25,230,688	\$ (12,017,048)	\$ (14,191,626)	\$ 3,600,117	\$ (2,874,436)
Debt service as a percentage of noncapital expenditures	12.1%	9.9%	10.4%	20.5%	22.4%	23.3%	21.2%	21.5%	21.9%	18.0%

¹⁾ In FY 2009 the Maintenance department was moved from Park and recreation services to Business and facilities.

²⁾ In FY 2009 the Planning department was moved from Business and facilities to its own division of Planning and development.

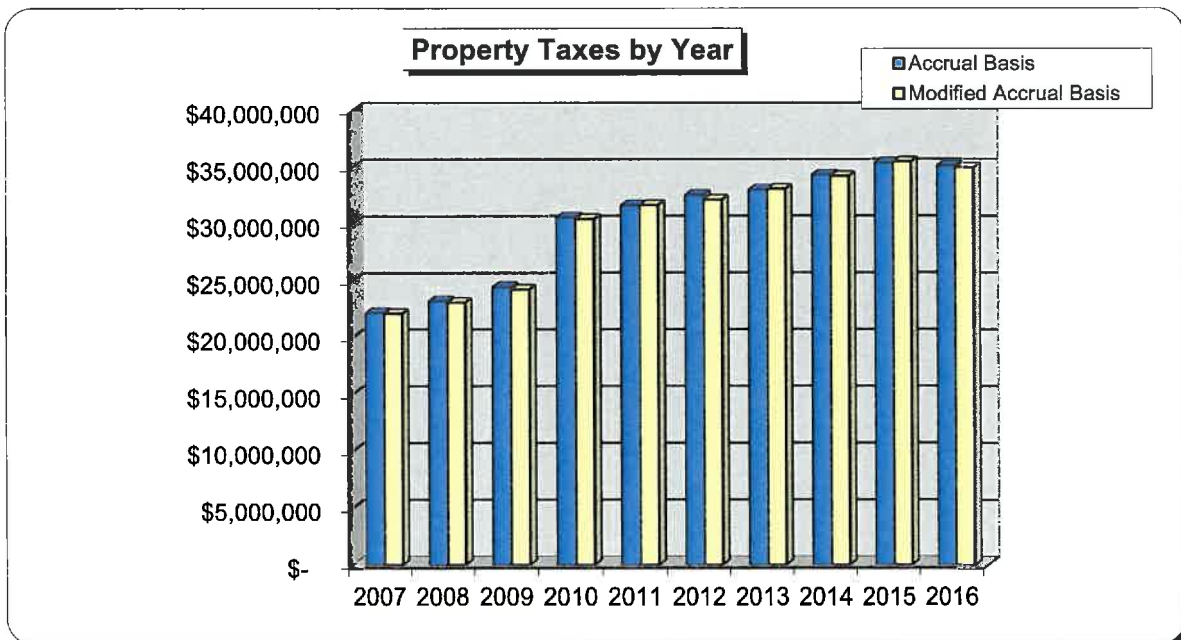
³⁾ In FY 2016, revenues from Rents and Leases was reported separately (previously in Grants & Contributions, Program and Miscellaneous revenues).

Tualatin Hills Park and Recreation District
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>
2007	\$ 22,162,377
2008	23,201,119
2009	24,440,625
2010	30,576,672
2011	31,633,996
2012	32,536,833
2013	32,998,488
2014	34,325,378
2015	35,389,201
2016	35,118,802

(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>
2007	\$ 22,095,939
2008	23,064,951
2009	24,227,511
2010	30,429,777
2011	31,656,648
2012	32,122,160
2013	33,076,378
2014	34,203,849
2015	35,471,678
2016	34,952,393



Tualatin Hills Park and Recreation District
ASSESSED VALUES AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property		Personal Property		Public Utilities		Total		Assessed Value as a Percentage of Market Value	Direct Tax Rate per \$1,000
	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value		
2007	\$ 25,189,449,597	\$ 14,767,708,060	\$ 571,413,816	\$ 569,749,216	\$ 401,502,509	\$ 399,247,240	\$ 26,162,365,922	\$ 15,736,704,516	60.15	% 1.4425
2008	27,801,627,008	15,557,016,280	607,128,846	605,124,136	409,574,071	404,696,250	28,818,329,925	16,566,836,666	57.49	1.4341
2009	28,690,818,930	16,428,933,960	646,678,370	644,613,810	488,253,163	487,065,660	29,825,750,463	17,560,613,430	58.88	1.4291
2010	26,842,700,370	17,044,511,490	584,058,386	580,800,516	542,678,941	542,600,920	27,969,437,697	18,167,912,926	64.96	1.7343
2011	25,415,795,100	17,588,772,400	576,119,940	568,963,800	562,879,594	560,660,160	26,554,794,634	18,718,396,360	70.49	1.7428
2012	24,106,665,298	18,012,341,620	587,010,937	580,369,457	578,886,050	555,788,140	25,272,562,285	19,148,499,217	75.77	1.7372
2013	23,607,540,340	18,581,040,050	617,142,106	610,830,076	624,892,048	559,899,100	24,849,574,494	19,751,769,226	79.49	1.7298
2014	25,100,916,650	19,261,563,030	607,228,905	600,748,735	637,019,227	565,666,850	26,345,164,782	20,427,978,615	77.54	1.7282
2015	27,933,899,694	20,049,326,753	610,281,231	603,605,791	647,433,574	592,184,300	29,191,614,499	21,245,116,844	72.78	1.7167
2016	30,055,910,584	21,034,184,283	661,326,115	652,465,905	701,056,667	598,739,300	31,418,293,366	22,285,389,488	70.93	1.6246

Source: Washington County, Department of Assessment and Taxation

**Tualatin Hills Park and Recreation District
PROPERTY TAX RATES
Direct and Overlapping Governments
Last Ten Fiscal Years**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Direct Government:										
Tualatin Hills Park and Recreation District										
Permanent Tax Rate	1.3073	1.3073	1.3073	1.3073	1.3073	1.3073	1.3073	1.3073	1.3073	1.3073
Bond Levy Tax Rate	0.1352	0.1268	0.1218	0.4270	0.4355	0.4299	0.4225	0.4209	0.4094	0.3173
Overlapping Government:										
Washington County	2.4493	3.0331	2.9840	2.9840	2.9798	2.9744	2.9670	2.9605	2.8254	2.8235
Washington County - Enhanced Patrol	1.1120	1.0920	1.3099	1.2823	1.2660	1.2477	1.2285	1.3165	1.3165	1.3165
Washington County - Road Maintenance	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456
Washington County - RFPD #2	1.1219	1.6919	1.7890	1.6919	1.6919	1.6919	1.6919	1.6919	1.6919	1.6919
Washington County - North Bethany SD	-	-	-	-	-	1.2500	1.2500	1.2500	1.2500	1.2500
Northwest Regional ESD	0.1538	0.1538	0.1538	0.1538	0.1538	0.1538	0.1536	0.1534	0.1530	0.1528
Multnomah ESD	0.4576	0.4576	0.4576	0.4576	0.4576	0.4134	0.4576	0.4576	0.4576	0.4576
Portland Community College	0.4889	0.5051	0.5031	0.6325	0.6359	0.5981	0.6646	0.7329	0.7199	0.5837
School District No. 48, Beaverton	6.2900	6.7358	6.5643	6.8793	6.7841	6.8603	6.7749	8.0537	8.0368	7.9571
School District No. 1J, Hillsboro	6.5240	8.0581	7.1016	7.4600	7.5846	7.4663	7.4881	7.3794	7.3812	7.1812
School District No. 1J, Portland	5.2781	6.5281	6.5281	6.5281	6.5281	6.5166	7.2681	8.3571	8.3535	8.3632
School District - Hillsboro, Reedville Bonds	0.2268	0.2493	0.2617	0.4102	-	-	-	-	-	-
Tualatin Valley Fire and Rescue	1.8194	1.8692	1.8434	1.8947	1.8828	1.9302	1.9145	1.9061	1.8911	2.1078
Port of Portland	0.0701	0.0701	0.0701	0.0701	0.0701	0.0701	0.0701	0.0699	0.0697	0.0697
City of Beaverton	4.2117	4.1841	4.1153	4.1986	4.2034	4.1791	4.2350	4.3662	4.3517	4.3279
Urban Renewal - Beaverton	-	-	-	-	-	-	0.0113	0.0361	0.0929	0.1731
City of Hillsboro	4.7665	4.7665	5.3865	5.3865	5.3865	5.3827	5.3815	5.3755	5.3652	5.3621
Urban Renewal - Hillsboro	-	-	-	-	-	0.0141	0.0187	0.0415	0.0776	0.0867
City of Portland	7.2395	7.2779	6.7554	7.0862	7.0527	6.9497	7.0558	7.2043	7.1759	7.0455
Urban Renewal - Portland	1.0022	1.0502	1.0508	1.1624	1.1722	1.1314	1.1529	1.1727	1.0878	1.0608
Metro Service District	0.2782	0.4292	0.3984	0.4368	0.4088	0.3154	0.4043	0.4667	0.4575	0.3876
TriMet	0.0973	0.0856	0.0803	0.0863	0.0878	0.0583	-	-	-	-

Rate per \$1,000 of assessed valuation

Source: Washington County, Department of Assessment and Taxation

**Tualatin Hills Park and Recreation District
DISTRICT PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Nike, Inc.	\$ 501,865,820	1	2.25 %	\$ 327,175,134	1	2.08 %
Comcast Corporation	170,816,800	2	0.77	-	-	-
Portland General Electric	147,981,000	3	0.66	101,587,750	6	0.65
Northwest Natural Gas Co.	115,250,600	4	0.52	76,241,000	8	0.48
Maxim Integrated Products, Inc.	114,027,620	5	0.51	123,831,590	4	0.79
Beaverton LLC	92,143,920	6	0.41	-	-	-
Frontier Communications	80,049,000	7	0.36	-	-	-
Nike IHM	75,540,430	8	0.34	-	-	-
Bernard Properties Partnership	67,040,330	9	0.30	50,965,130	9	0.32
Nike Woodside 1 LLC	58,968,800	10	0.26	-	-	-
Verizon	-	-	-	147,980,585	2	0.94
Tektronix, Inc.	-	-	-	135,098,946	3	0.86
ERP Operating LP	-	-	-	108,787,770	5	0.69
PS Business Parks LP	-	-	-	96,770,507	7	0.61
EOP-Nimbus Corp.	-	-	-	49,357,060	10	0.31
All other taxpayers	20,861,705,168		93.62	14,518,909,044		92.27
Totals	\$ 22,285,389,488		100.00 %	\$ 15,736,704,516		100.00 %

Source: Washington County, Department of Assessment and Taxation

Tualatin Hills Park and Recreation District
WASHINGTON COUNTY PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Intel	\$ 2,218,043,675	1	3.90 %	\$ 1,043,164,799	1	2.64 %
Nike, Inc.	661,926,149	2	1.16	333,402,234	3	0.84
Portland General Electric	478,753,431	3	0.84	317,363,394	4	0.80
Pacific Realty Associates	339,535,573	4	0.60	245,937,009	6	0.62
Northwest Natural Gas Co.	319,249,270	5	0.56	262,931,030	5	0.66
Comcast Corporation	314,888,200	6	0.55	-	-	-
Frontier Communications	190,166,000	7	0.33	-	-	-
Verizon Communications	177,142,000	8	0.31	352,920,852	2	0.89
Genentech Inc.	165,225,810	9	0.29	-	-	-
PPR Washington Square LLC	142,625,935	10	0.25	-	-	-
Maxim Integrated Products	-	-	-	152,395,039	7	0.39
Tektronix Inc.	-	-	-	135,416,474	8	0.34
ERP Operating LP	-	-	-	108,787,770	9	0.27
Novellus Systems, Inc.	-	-	-	105,490,595	10	0.27
All other taxpayers	51,903,336,197		91.21	36,521,805,211		92.28
Totals	\$ 56,910,892,240		100.00 %	\$ 39,579,614,407		100.00 %

Source: Washington County, Department of Assessment and Taxation

**Tualatin Hills Park and Recreation District
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 22,775,894	\$ 21,687,609	95.2 %	\$ 480,035	\$ 22,167,644	97.3 %
2008	23,818,049	22,614,565	94.9	451,751	23,066,316	96.8
2009	25,095,569	23,896,079	95.2	803,975	24,700,054	98.4
2010	31,527,965	29,768,038	94.4	843,039	30,611,077	97.1
2011	32,641,290	30,901,476	94.7	584,011	31,485,487	96.5
2012	33,334,482	31,713,114	95.1	503,384	32,216,498	96.6
2013	34,166,612	32,623,087	95.5	570,892	33,193,979	97.2
2014	35,308,500	33,590,906	95.1	477,427	34,068,333	96.5
2015	36,433,185	34,828,560	95.6	294,109	35,122,669	96.4
2016	36,088,203	34,488,930	95.6	-	34,488,930	95.6

**Tualatin Hills Park and Recreation District
SYSTEM DEVELOPMENT CHARGE REVENUE SCHEDULE
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Rate per Type of Dwelling Unit			
	Single Family	Multi-Family	Manufactured	Non-residential
2007	\$ 3,574	\$ 2,749	\$ 2,749	\$ 112
2008	6,783	5,071	2,521	176
2009	6,888	5,150	-	179
2010	6,175	4,617	-	160
2011	5,551	4,151	-	144
2012	5,299	3,963	-	137
2013	5,247	3,924	-	136
2014	5,524	4,131	-	143
2015	6,450	4,824	-	167
2016	6,450	4,824	-	167

Source: Tualatin Hills Park and Recreation District

Tualatin Hills Park and Recreation District
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Governmental Activities

Fiscal Year	General Obligation Bonds	Full Faith & Credit Obligations	Loans Payable	Total Primary Government	Percentage of Personal Income ^{a)}	Per Capita ^{b)}
2007	\$ 14,173,958	\$ 3,020,383	\$ 509,000	\$ 17,703,341	0.089 %	\$ 80.32
2008	12,684,080	2,665,383	346,000	15,695,463	0.073	70.01
2009	70,126,571	2,262,962	180,000	72,569,533	0.342	318.25
2010	65,710,924	1,832,764	140,000	67,683,688	0.314	291.83
2011	60,577,893	10,755,454	100,000	71,433,347	0.310	315.01
2012	97,915,383	10,059,107	60,000	108,034,490	0.444	470.77
2013	93,313,622	9,851,204	477,100	103,641,926	0.417	446.27
2014	88,345,559	9,634,002	433,112	98,412,673	0.374	418.73
2015	89,388,275	9,407,542	407,785	99,203,602	n/a	417.09
2016	84,691,847	9,161,865	381,695	94,235,407	n/a	391.50

n/a - not available at time of printing

^{a)} based on Washington County total population

^{b)} based on estimated population of district

Source: State of Oregon, OLMIS

Portland State University Center for Population Research and Census

U.S. Department of Commerce, Bureau of Economic Analysis

Tualatin Hills Park and Recreation District
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita ^{a)}
2007	\$ 14,173,958	\$ 418,913	\$ 13,755,045	0.09	% \$ 62.40
2008	12,684,080	338,212	12,345,868	0.07	55.07
2009	70,126,571	255,341	69,871,230	0.40	306.42
2010	65,710,924	189,152	65,521,772	0.36	282.51
2011	60,577,893	303,177	60,274,716	0.32	265.80
2012	97,915,383	413,134	97,502,249	0.51	424.87
2013	93,313,622	440,064	92,873,558	0.47	399.90
2014	88,345,559	477,206	87,868,353	0.43	373.87
2015	89,388,275	450,745	88,937,530	0.42	373.93
2016	84,691,847	286,350	84,405,497	0.38	350.67

^{a)} per capita based on estimated district population

Source: Portland State University Center for Population Research and Census

Tualatin Hills Park and Recreation District
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2016

<u>Overlapping Government</u>	<u>Overlapping Debt</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Overlapping Net Direct Debt</u>
Debt repaid with property taxes:			
Tualatin Hills Park and Recreation District	\$ 84,691,847	100.00%	\$ 84,691,847
Direct debt	<u>84,691,847</u>		<u>84,691,847</u>
Metro	\$ 199,855,000	13.15%	\$ 26,284,130
Portland Community College	335,095,000	16.50%	55,291,345
City of Portland	194,580,568	0.01%	13,426
City of Hillsboro	34,975,000	0.18%	64,424
City of Beaverton	722,076	99.02%	715,026
Washington County	53,679,570	40.14%	21,548,912
Washington County EPD	90,020	72.85%	65,580
Tualatin Valley Fire and Rescue	52,000,000	45.31%	23,562,136
School District No. 23, Tigard-Tualatin	86,394,152	0.05%	42,074
School District No. 48, Beaverton	808,153,784	81.73%	660,503,280
School District No. 1J, Hillsboro	269,460,000	3.07%	8,274,578
School District No. 1J, Hillsboro Bd	4,583,144	3.08%	141,078
School District No. 1J, Portland	710,094,161	0.42%	3,013,640
Overlapping debt	<u>2,749,682,475</u>		<u>799,519,629</u>
Other Debt:			
Tualatin Hills Park and Recreation District	\$ 9,543,560	100.00%	\$ 9,543,560
Direct debt	<u>9,543,560</u>		<u>9,543,560</u>
Metro	\$ 28,835,000	13.15%	\$ 3,792,264
Portland Community College	91,760,000	16.50%	15,140,584
City of Portland	468,757,348	0.01%	32,344
City of Hillsboro	10,000,157	0.18%	18,420
Washington County	26,740,000	40.14%	10,734,399
Tualatin Valley Fire and Rescue	1,000,000	45.31%	453,118
Northwest Regional ESD	4,340,000	31.68%	1,374,808
Multnomah ESD	29,870,000	0.32%	94,718
Port of Portland	63,760,760	12.11%	7,718,941
City of Beaverton	4,010,000	99.02%	3,970,846
Overlapping debt	<u>729,073,265</u>		<u>43,330,442</u>
Total direct and overlapping debt	<u>\$ 3,572,991,147</u>		<u>\$ 937,085,478</u>

Note: Overlapping taxing jurisdictions are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district.

Source: Oregon State Treasury, Municipal Debt Information System

**Tualatin Hills Park and Recreation District
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 654,059,148	\$ 720,458,248	\$ 745,643,762	\$ 699,235,942	\$ 663,869,866	\$ 631,814,057	\$ 621,239,362	\$ 658,629,120	\$ 729,790,362	\$ 785,457,334
Total net debt application to limit	14,173,958	12,684,080	70,126,571	65,710,924	60,577,893	97,915,383	93,313,622	88,345,559	89,388,275	84,691,847
Legal debt margin	<u>\$ 639,885,190</u>	<u>\$ 707,774,168</u>	<u>\$ 675,517,191</u>	<u>\$ 633,525,018</u>	<u>\$ 603,291,973</u>	<u>\$ 533,898,674</u>	<u>\$ 527,925,740</u>	<u>\$ 570,283,561</u>	<u>\$ 640,402,087</u>	<u>\$ 700,765,487</u>
Total net debt applicable to the limit as a percentage of debt limit	2.17%	1.76%	9.40%	9.40%	9.12%	15.50%	15.02%	13.41%	12.25%	10.78%

Legal Debt Margin Calculation for Fiscal Year 2016

Real market value (2015/16)	\$ 31,418,293,366
General obligation debt capacity (2.5% of Real market value)	785,457,334
Less: Outstanding debt	<u>84,691,847</u>
Remaining legal debt capacity	<u>\$ 700,765,487</u>

Source: Tualatin Hills Park and Recreation District

**Tualatin Hills Park and Recreation District
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

Washington County

Fiscal Year	District Population (estimated)	Population (estimated) ^{a)}	Personal Income (amounts expressed in thousands) ^{b)}	Per Capita Personal Income ^{b)}	Unemployment Rate ^{c)}	School Enrollment ^{d)}
2007	220,422	511,075	\$ 19,945,179	\$ 38,371	4.8 %	37,958
2008	224,192	519,925	21,185,612	40,188	4.9	37,552
2009	228,025	527,140	21,205,286	39,465	10.0	37,536
2010	223,837	529,710	21,586,715	40,606	10.6	38,460
2011	226,764	540,410	23,042,656	42,639	7.8	38,571
2012	229,486	547,672	24,314,446	44,396	6.9	39,054
2013	232,240	554,996	24,839,911	44,757	6.4	38,775
2014	235,027	562,998	26,299,466	46,713	5.7	39,088
2015	237,847	574,326	n/a	n/a	5.1	40,725
2016	240,701	n/a	n/a	n/a	4.7	40,568

- Source:
- a) U.S. Census Bureau
 - b) U.S. Dept. of Commerce, Bureau of Economic Analysis
 - c) U.S. Dept. of Labor, Metropolitan District
 - d) Beaverton School District

n/a data not available at time of printing

Tualatin Hills Park and Recreation District
MAJOR EMPLOYMENT INDUSTRIES IN WASHINGTON COUNTY
Current Year and Nine Years Ago

Industry	2016*		2007	
	Annual Average	Percentage of Total County Employment	Annual Average	Percentage of Total County Employment
Mining and logging	400	0.1%	400	0.2%
Construction	13,300	4.8%	15,600	6.2%
Manufacturing:				
Computer and electronic products	27,900		27,100	
Other durable goods	13,200		13,900	
Non-durable goods	6,300		6,400	
	47,400	17.2%	47,400	18.8%
Trade, transportation and utilities:				
Wholesale trade	13,000		17,500	
Retail trade	31,100		30,100	
Transportation, warehousing and utilities	4,500		3,800	
	48,600	17.7%	51,400	20.4%
Information	7,400	2.7%	7,900	3.1%
Financial activities	16,400	6.0%	17,000	6.8%
Professional and business services:				
Professional and technical services	14,300		11,400	
Management of companies and enterprises	13,900		5,200	
Administrative and waste services	24,200		19,000	
	52,400	19.0%	35,600	14.1%
Educational and health services	33,700	12.3%	26,400	10.5%
Leisure and hospitality	24,000	8.7%	20,400	8.1%
Other services	8,200	3.0%	7,600	3.0%
Government:				
Federal government	800		800	
State government	3,300		2,600	
Local government	7,900		7,300	
Local education	11,300		11,300	
	23,300	8.5%	22,000	8.8%
Total non-farm employment	275,100	100.0%	251,700	100.0%

* Fiscal Year 2016 information includes data through 12/31/2015

Source: Oregon Labor Market Information System

Tualatin Hills Park and Recreation District
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Administration										
Administration	6	6	2	2	2	2	2	2	3	3
Communications and outreach	2	5	6	7	6	6	6	7	7	7
Security operations	3	4	4	4	4	4	4	4	4	4
Community partnerships	-	-	-	-	-	-	-	-	1	1
Business and facilities										
Director	3	1	4	4	4	4	4	4	4	4
Finance services	6	6	6	6	7	7	7	7	7	7
Information services	5	5	5	5	5	5	5	5	5	5
Human resources	1	2	3	3	3	3	3	3	4	4
Risk and contract management	4	2	2	2	2	2	2	2	2	2
Maintenance										
Operations	4	4	3	3	3	3	5	5	6	7
Park maintenance	44	44	45	46	46	46	43	43	45	45
Vehicles and equipment	6	6	6	6	6	6	6	6	6	6
Athletic facilities	17	21	23	23	23	23	25	25	26	26
Building and pool maintenance	44	44	49	48	49	49	50	51	49	48
Planning	-	-	1	2	2	2	3	3	3	3
Design and development	6	6	6	6	10	10	11	9	8	7
Park and recreation										
Director	3	2	2	3	3	3	3	3	3	3
Aquatics	78	81	80	81	81	73	74	77	79	83
Sports	29	31	31	33	32	31	31	29	30	45
Programs and special activities	38	40	41	42	42	41	42	42	38	23
Recreation	93	97	104	107	106	105	102	100	100	101
Natural resources and trails	13	14	17	21	24	23	25	25	27	29
Total full-time equivalent employees	405	421	440	454	460	448	453	452	457	463

Source: Tualatin Hills Park and Recreation District

Tualatin Hills Park and Recreation District
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	2007 actual	2008 actual	2009 actual	2010 actual	2011 actual	2012 actual	2013 actual	2014 actual	2015 actual	2016 estimate
Parks and Recreation										
Cultural and recreational activities:										
Aquatics										
Attendance at open/drop-in programs and classes	531,225	577,934	603,018	589,522	563,160	621,093	728,660	790,889	813,257	840,225
Number of classes held	5,019	4,722	5,452	5,421	5,740	5,123	5,282	4,823	5,029	5,222
Sports ¹⁾										
Attendance at open/drop-in programs and classes	814,653	700,000	697,335	654,533	710,364	679,600	650,623	607,130	781,490	782,460
Number of classes held	521	512	521	395	583	700	527	537	1,985	2,025
Recreation										
Attendance at open/drop-in programs and classes	731,157	740,206	870,704	924,770	947,841	944,324	945,676	1,022,117	929,397	1,006,000
Number of classes held	4,556	4,802	4,896	4,869	4,794	3,972	4,236	4,199	4,184	4,243
Programs and special activities										
Attendance at open/drop-in programs and classes	338,275	342,314	354,960	374,644	375,255	284,232	285,698	265,174	140,440	143,000
Number of classes held	1,366	1,185	1,349	1,547	1,798	1,954	1,819	2,283	575	585
Natural resources and trails										
Attendance at open/drop-in programs and classes	249,159	195,018	136,960	188,450	171,449	180,704	198,997	197,877	233,790	250,000
Number of classes held	278	293	338	545	580	643	647	707	664	675
Maintenance activities:										
Buildings maintained (shown per 1,000 sq. ft)	326	355	366	368	368	450	461	461	461	461
Cost per sq. ft. of buildings	\$7.66	\$6.21	\$7.28	\$7.17	\$8.20	\$6.30	\$6.52	\$6.61	\$6.63	\$7.11
Pool facilities maintained (shown per 1,000 sq. ft.)	152	152	152	152	152	117	117	117	117	117
Cost per sq. ft. of pools	\$11.42	\$14.71	\$12.03	\$15.87	\$12.57	\$17.01	\$16.15	\$16.29	\$17.28	\$17.51
Parks maintained - developed acres	1,041	1,076	1,076	1,071	1,083	1,026	1,024	1,052	1,062	1,082
Cost per developed acre	\$2,523	\$2,560	\$2,638	\$2,796	\$2,765	\$2,879	\$2,720	\$2,740	\$2,892	\$3,308
Parks maintained - undeveloped acres	848	859	867	1,077	900	1,186	1,233	1,236	1,244	1,284
Cost per undeveloped acre	\$163	\$169	\$172	\$146	\$175	\$131	\$254	\$260	\$274	\$292
Vehicle and equipment units maintained	389	413	427	434	436	436	472	490	490	503
Cost per vehicle and equipment unit	\$1,800	\$1,752	\$1,870	\$1,860	\$1,937	\$1,990	\$1,757	\$1,801	\$1,768	\$1,821

¹⁾ method of computation changed - comparisons to previous years not available

Source: Tualatin Hills Park & Recreation District

Tualatin Hills Park and Recreation District
CAPITAL ASSET STATISTICS BY FUNCTION
June 30, 2016

Parks and Recreation:

Number of parks	295
Park acreage:	
Developed sites (neighborhood, community and regional parks)	1,082
Undeveloped sites (wetlands and natural areas)	1,284
Pathways and trails mileage	51
Lakes	3
Stream corridor mileage	27
 Facilities:	
Swim Centers:	
Indoor	5
Outdoor	2
Recreation Centers	2
Combined Recreation/Aquatic Center	1
Athletic Center	1
Senior Center	1
Historical Facilities (weddings, meetings, community events)	3
Interpretive Centers/Nature Parks	2
Tennis Center	1
Camp Rivendale (developmentally disabled patrons)	1
 Fields and courts:	
Tennis:	
Indoor	6
Outdoor ¹⁾	102
Basketball:	
Indoor	6
Outdoor ¹⁾	50
Volleyball ¹⁾	5
Sports fields: ¹⁾	
Soccer/football/lacrosse	150
Softball/baseball	106
Bocce	3
Hockey	1
Indoor running track	1
Skate park	3

¹⁾ these facilities are maintained either through direct ownership or joint use agreement

Source: Tualatin Hills Park and Recreation District

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



**Talbot, Korvola
& Warwick, LLP**

Certified Public Accountants
& Consultants

ACHIEVE MORE

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

P 503.274.2849
F 503.274.2853

www.tkw.com

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Tualatin Hills Park and Recreation District
Beaverton, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tualatin Hills Park and Recreation District (the District) as of and for the year ended June 30, 2016, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 29, 2016.

COMPLIANCE

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

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

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

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

Page 2

OAR 162-10-0230 INTERNAL CONTROL

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

RESTRICTIONS ON USE

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

Talbot, Kovola & Warwick, LLP

Lake Oswego, Oregon
November 29, 2016