

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015



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

**TUALATIN HILLS PARK AND RECREATION DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2015**

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INTRODUCTORY SECTION



January 20, 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, 2015 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, 2015. 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 230,000 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; 107 softball/baseball fields; three skate parks; three bocce courts; five volleyball courts; and an outdoor hockey rink.
- The district has 288 park and recreation facility sites totaling approximately 2,350 acres, consisting of 1,275 acres of wetland/natural areas, and 1,075 acres of developed sites, including neighborhood, community and regional parks. District sites include three lakes, 27 miles of stream corridor, and 46 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% 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, and has experienced significant growth over the last two years in new construction. This is illustrated by the growth in system development charge fees collected in both fiscal years 2013/14 and 2014/15 – a year over year increase of 44.2% and 51.8%, respectively.

Because the district's 2015 assessed value is only 72.8% 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 2014/15 resulted in a growth of 3.7% in general fund property taxes over fiscal year 2013/14, consisting of approximately 2.6% actual levy, and 1.1% exception based. However, property values are continuing to rebound, and combined with two new urban expansion areas within the boundaries, the district is well positioned for strong revenue growth.

Washington County, the second most populous county in Oregon, experienced job growth of 3.6% over the previous year. Financial activities had an insignificant decline of 200 jobs, but all other categories had growth adding up to a total increase of 9,300 jobs. Furthermore, the county's unemployment rate as of October, 2015 sits at 4.6% (seasonally adjusted), a lower rate than either the state (6.0%) or national rate (5.0%). The revenues received from the assessment of system development charges (SDC's) have seen strong growth, with permits issued for new construction generating a 51.8% gain in revenues over the previous year. 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 is the completion of the five functional plans. These will address five key areas (parks, programs, natural resources, trails and athletic fields) and provide the structured approach for implementation of the recommendations generated from the three main plans. All functional plans will be completed by 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 2015/16 budget year:

- Ensure the district is serving the entire community by eliminating barriers that may inhibit participation by conducting an Americans with Disabilities Act (ADA) access to programs and services audit.
- Enhance marketing efforts with development of a mobile app for patrons and a method of receiving real time feedback from participants about their experiences or observations within district parks.
- Maintain and enhance the levels of service and sustainability in the district's parks, trails, natural areas and recreational facilities by installing LED and user activated lighting systems, automated irrigation and solar powered trash compactors.
- Ensure continuity of service for our patrons by enhancing preventative maintenance procedures and establish a capital replacement reserve fund for long-term funding of capital asset needs.

- Continue towards cost recovery on district services as outlined in the Service and Financial Sustainability Analysis; utilizing efficiencies and cost savings, targeted service divestment and monitoring and adjustment of fees when necessary.

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. The district will establish a capital replacement reserve fund, with an initial funding of \$850,000 budgeted in the 2015/16 fiscal year. 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, 2015, \$74.3 million total bond funds have been expended. Approximately \$30.1 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, 2014. This was the tenth 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 accounting principles generally accepted in the United States of America (GAAP) and applicable legal requirements.

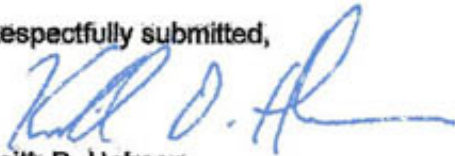
A Certificate of Achievement is valid for a period of one year only. Staff believes that our current CAFR continues to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

The district's Adopted Budget Document for the 2014/2015 Fiscal Year received the *Distinguished Budget Presentation* award from GFOA. This is the tenth 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,

A handwritten signature in blue ink, appearing to read "Keith D. Hobson", with a long horizontal flourish extending to the right.

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**

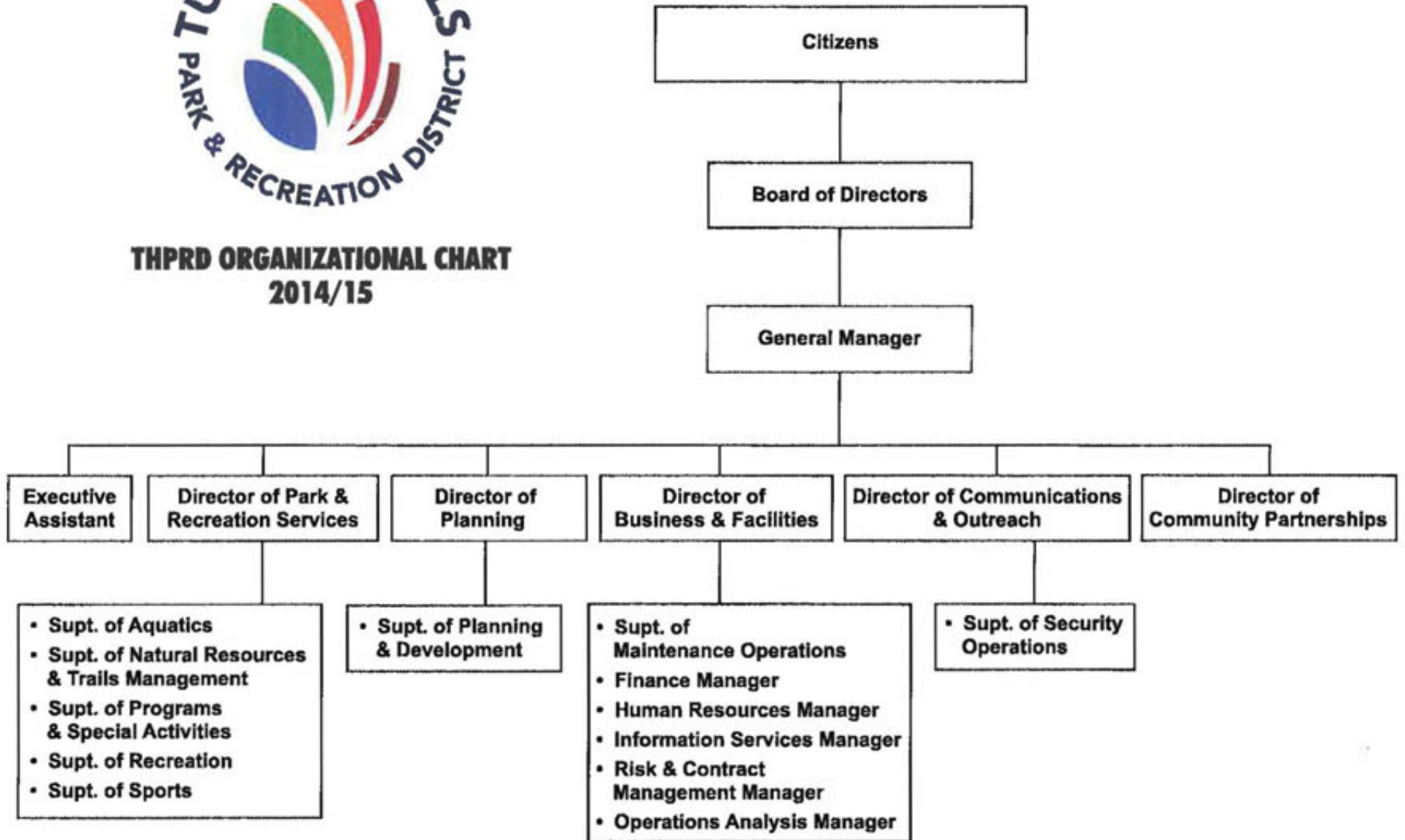
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



**THPRD ORGANIZATIONAL CHART
2014/15**



**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, 2015

<u>Name</u>	<u>Term Expires</u>
John Griffiths, President 10245 SW 153 rd Ave. Beaverton, Oregon 97007	June 30, 2015
Bob Scott, Secretary 21302 NW Cannes Dr. Portland, Oregon 97229	June 30, 2017
Jerry Jones Jr., Secretary Pro-tempore 15915 SW Cormorant Dr. Beaverton, Oregon 97007	June 30, 2017
Larry Pelatt 9870 SW 158 th Ave. Beaverton, Oregon 97008	June 30, 2017
Joe Blowers 2050 SW 78 th Ave. Portland, Oregon 97225	June 30, 2015

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, 2015, 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 District'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 District'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, 2015, 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.

EMPHASIS OF MATTER

As discussed in Note V.F. to the basic financial statements, the District adopted the accounting requirements of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, which resulted in the restatement of previously reported amounts for the year ended June 30, 2014. Our opinions are not modified with respect to this matter.

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.

Other 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

INDEPENDENT AUDITOR'S REPORT (Continued)

Board of Directors
Tualatin Hills Park and Recreation District

OTHER MATTERS (Continued)

Other Information (Continued)

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.

The Introductory Section, Other Financial Schedule, 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 January 20, 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*
Julie B. Fahey, Partner

Lake Oswego, Oregon
January 20, 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 and deferred inflows of resources at June 30, 2015 by \$143,359,392.
- Capital assets (net of accumulated depreciation and related debt) account for most of net position, with a value of \$118,443,566.
- Of the remaining net position, \$11,811,266 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 \$13,805,186 or 10.7 percent over the previous year as restated. Acquisitions of park property and improvements, along with strong system development fund collections contributed to the increase. However, the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* (as discussed further in this Management's Discussion and Analysis) decreased total net position as of June 30, 2014 by \$6,150,667 with the restatement of beginning net position.
- As of the close of the current fiscal year, the district's governmental funds reported combined ending fund balances of \$51,887,338 an increase of \$3,600,117, or 7.5 percent. Increases were reported in both the General and System Development Charges Funds, combined with a decrease in the Bond Capital Projects Fund due from the expending of related capital funds.
- As of June 30, 2015, fund balance for the General Fund was \$8,437,058 or 22.9 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, 2015, 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, 2015.

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

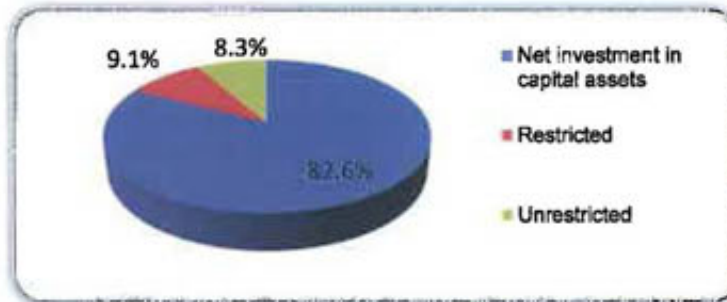
As noted earlier, net position may serve over time as an indicator of the district's financial position. As of June 30, 2015, the district's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$143,359,392.

The district adopted Government Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* (GASB 68) during fiscal year 2015. GASB 68 established accounting and financial standards for employers, including reporting the net pension liability on the statement of net position, and deferred inflows and outflows associated with the plan. GASB 68 also provides guidance related to the calculation of pension expense. Fiscal year 2014 information reported on pages 15 and 16 has been restated to conform to the new reporting and accounting standards.

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, 2015	June 30, 2014 (as restated)
Cash and investments	\$ 53,551,738	\$ 50,759,791
Other assets	3,501,473	2,466,598
Capital assets	189,384,398	185,861,510
Total assets	246,437,609	239,087,899
Deferred outflow of resources	10,053,495	3,230,724
Total assets and deferred outflow of resources	256,491,104	242,318,623
Other liabilities	4,172,834	3,891,850
Debt liabilities	100,419,277	99,530,807
Net pension liability	7,362,843	9,341,760
Total liabilities	111,954,954	112,764,417
Deferred inflow of resources	1,176,758	-
Total liabilities and deferred inflow of resources	113,131,712	112,764,417
Net investment in capital assets	118,443,566	120,178,588
Restricted	13,104,560	8,113,102
Unrestricted	11,811,266	1,262,516
Total net position	\$ 143,359,392	\$ 129,554,206



The largest portion of the district's net position, \$118,443,566 or 82.6 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

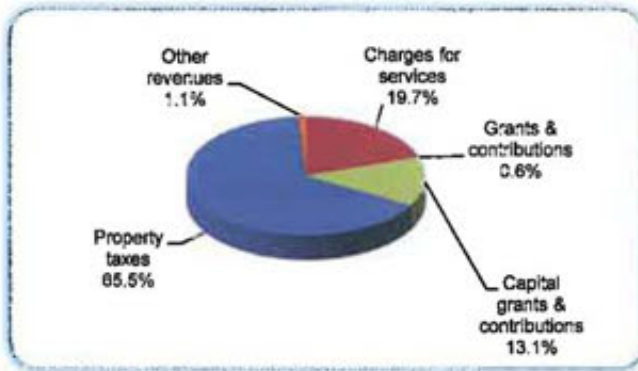
provided from other sources. An additional portion of the district's net position, \$13,104,560 or 9.1 percent represents resources that are subject to external restrictions on how they may be used. The remaining balance of 8.3 percent is unrestricted and may be used to meet the district's ongoing obligations. For the year ended June 30, 2015, the district had positive balances in all three categories of net position.

Statement of Activities

Governmental activities increased the district's net position by \$13,805,186 in this fiscal year. Key elements of this increase are as follows:

Tualatin Hills Park and Recreation District Changes in Net Position

	Governmental Activities	
	Fiscal Year Ended	
	June 30, 2015	June 30, 2014 (as restated)
Revenues:		
Program revenues:		
Charges for services	\$ 10,633,560	\$ 10,244,780
Operating grants and contributions	91,112	214,865
Capital grants and contributions	7,096,827	4,685,175
General revenues:		
Property taxes	35,389,201	34,325,378
Grants and contributions not restricted to specific programs	261,528	237,636
Other	584,402	525,601
Total revenues	54,056,630	50,233,435
Expenses:		
Board of directors	218,847	154,475
Administration	1,860,162	1,963,226
Business and facilities	14,575,963	15,126,974
Planning and development	554,465	897,304
Park and recreation services	19,188,743	19,758,250
Interest on long-term debt	3,853,264	3,946,193
Total expenses	40,251,444	41,846,422
Change in net position	13,805,186	8,387,013
Net position - beginning balance as previously stated	129,554,206	127,317,860
Restatement	-	(6,150,667)
Net position - beginning balance as restated	129,554,206	121,167,193
Net position - ending	\$ 143,359,392	\$ 129,554,206

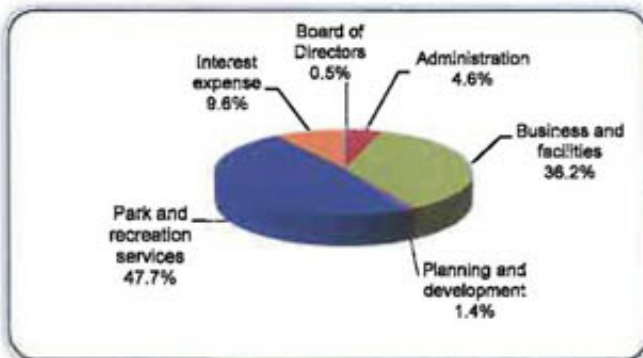


Property taxes increased by \$1,063,823 over the prior year, or 3.1 percent due to the statutorily allowable increases in assessed value on existing property and new construction within the district boundaries. Charges for services increased overall by \$388,780, or 3.8 percent due to increased program offerings and attendance.

Capital grants and contributions reflect an increase of 51.5 percent, or \$2,411,652 due to increased revenues

received during the year primarily in System Development Charges Fund revenues.

Expenses for the district reflect a decrease of 3.8 percent over last year. Expenses were contained due to several factors:



- Efficient usage of part-time staffing in both programming and the maintenance department,
- Reduced hours attributable to construction management of bond related capital projects,
- Reduction in scholarship program needs, and
- Reduced interest on long-term debt.
- Reduction of \$3.1 million in pension expenditures, now reported

as a deferred outflow on the Statement of Net Activities, per the GASB 68 implementation. This reflects the district's pension contributions made outside of the measurement period that will be recognized in the following fiscal year.

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 2014/15, the district's governmental funds reported an increase in combined ending fund balances of \$3,600,117. The General Fund and System Development Charges Fund reported increases within the year while the remaining major funds reported decreases. The previous fiscal year had a decrease of \$14,191,626, attributable primarily to expending of funds within the Bond Capital Projects 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 \$8,264,609. 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 22.4 percent of total General Fund expenditures, exceeding the district's financial policy guideline of 10 percent.

Program revenues increased by 1.5 percent or \$149,610 on the modified accrual method of accounting. Aquatics and tennis revenues experienced increases, while sports and recreation showed small decreases from the previous year. Other than program revenues, General Fund revenues increased by \$1,905,958 or 6.9 percent over the previous year, with increases in all categories other than charges for services. Notable increases were:

- A one-time contribution of \$650,000 received from the Portland Timbers towards construction of a synthetic field, and
- Increased rental revenues earned from district owned residential and commercial property.

Charges for services experienced decreased cost recovery from the Bond Capital Projects Fund due to completion of projects and reduced staffing.

Fund balance of the General Fund increased by \$2,908,755 over the previous year, due to increased growth and tight fiscal controls. Operating expenditures (excluding capital outlay and debt service) increased slightly by \$718,216 or 2.2 percent, mainly from inflationary increases in personnel, supplies and programming costs. Capital expenditures decreased from the previous year by \$1,125,627 or 33.8 percent due to annual variations in budgeted items. Debt service decreased slightly by \$24,023 or 2.8 percent over the previous year from repayment of annual outstanding debt principal and interest.

The **Bonded Debt Fund** has a total fund balance of \$450,745, a decrease of \$26,461 versus the previous year, and is restricted for the payment of debt service on existing general obligation debt. As discussed in Note IV. C. Long-term debt, the district issued \$37.9 million in general obligation bonds to advance refund a portion of the Series 2009 obligation and fulfill the final series of the 2008 bond measure. Activity from this transaction affected both the Bonded Debt Fund and the Bond Capital Projects Fund.

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 \$5,935,735 was expended during the current fiscal year. The capital projects have been substantially completed; however, four large park improvement projects and natural resource land acquisition/restoration 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 \$30,179,356.

The **System Development Charges Fund** accounts for development impact fees assessed on new construction within the district boundaries. Total revenues increased by \$2,015,212 or 51.8 percent over last year, largely from building within the multi-family unit category and expansion of two new urban areas of the district. Fund balance increased by \$5,017,919 or 65.7 percent over the previous year. This total fund balance of \$12,653,815 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 exceeded budget by 1.0 percent, largely due to stronger revenues in property taxes, aquatics and sports programming and miscellaneous rental income. Expenditures stayed well under budget by 18.2 percent, primarily due to non-expenditure of contingency funds, control of costs in part-time personnel and materials and services, and capital expenditures at less than budgeted amounts. A reconciliation of budgetary basis to GAAP basis is shown on the General Fund Budget to Actual statement on page 29. The difference between the original and final amended budget consisted of one adjustment to the General Fund:

Classification	Category	Amount
Resource	Grants and sponsorships	\$650,000
Appropriation	Capital outlay	650,000

Capital Asset and Debt Administration

Capital assets

The district's investment in capital assets as of June 30, 2015, amounts to \$189,384,398 (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 \$3,522,888 or 1.9 percent.

Increases were generated in land (\$1,576,324) due to new acquisitions of park and natural area parcels and in parks sites and planning development (net of \$5,607,549) from further project completion, as required by the bond capital projects program. The decrease to construction in progress (\$2,906,352) is also mainly related to project completion within the bond capital projects. The building and improvements decrease (net of \$635,309) is attributable to depreciation within the current year; only routine items were addressed during the 2014/15 fiscal 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	
	2015	2014
Land	\$ 86,104,641	\$ 84,528,317
Parks sites and planning development	52,731,548	47,123,999
Buildings and improvements	42,037,145	42,672,454
Equipment and furnishings	1,130,093	1,202,795
Intangible assets	61,205	107,827
Construction in progress	7,319,766	10,226,118
Total	\$ 189,384,398	\$ 185,861,510

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, 2015, the district had \$100.4 million in debt and other long-term obligations outstanding compared to \$99.5 million last year. Approximately \$5.9 million of the debt outstanding and other long-term obligations at June 30, 2015 is due within one year. Debt increased by a net of \$0.9 million, due to the issue of Series 2015 general obligation debt.

**Tualatin Hills Park and Recreation District
Outstanding Debt and Obligations**

	June 30	
	2015	2014
General obligation bonds	\$ 81,045,000	\$ 86,650,000
Premiums	8,370,817	1,729,561
Full faith and credit obligations	9,380,000	9,600,000
Loans	407,785	433,112
Compensated absences	1,215,675	1,118,134
Total	\$ 100,419,277	\$ 99,530,807

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.

The general obligation bonds, series 1998, have bond insurance provided by Financial Guaranty Insurance Company, which equates to a rating of "AAA" from Standard & Poor's and "Aaa" from Moody's. Due to the district's strong credit rating, additional insurance was not financially advantageous, nor necessary, for the series 2009, 2011 and 2015 general obligation issues or the series 2010 full faith issues.

During the national economic downturn, the bond ratings on several of the issuers of insurance were downgraded in previous years. Material event notices were filed, as necessary for compliance with our continuing disclosure requirements.

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 2015/16 budget were:

- o Assessed value on property was estimated to increase by approximately 4.0 percent over the previous year.
- o Absorbing an overall increase of Personal Service costs of 1.9 percent, with a cost of living increase of 2.45 percent for full and regular part-time staff. Three full-time and one regular part-time positions were eliminated within the 2015/16 fiscal year budget.
- o Funding of a full-time office technician, within the maintenance department, to facilitate the supervisors to focus on higher level tasks and efficiencies.
- o Continue with implementation of cost recovery strategy and evaluation of program offerings to ensure sustainable revenues for the future.
- o Adjust for ongoing utility rate and fuel usage increases while continuing to explore initiatives to reduce further impacts; for example, solar powered trash compactors, LED lighting and maintenance vehicle trip reductions.
- o Funding an increase of 4.5 percent to Materials and Services for provision of program related services and adequate maintenance coverage for newly completed park improvements.

- First-year funding of a capital replacement reserve for long-term funding of capital asset needs.
- Continued funding of necessary personnel to complete the Bond Capital project program.
- Funding of land acquisition (\$7 million) and some new construction (\$6 million) within the System Development Charges Fund.

In previous years, property taxes generally increased by the statutorily allowed 3.0 percent of assessed value on all properties. With the decline in market value during the recession, certain properties reduced to a comparable market/assessed value; therefore, the 3.0 percent increase cannot be generally applied. For the 2015/16 budget, approximately 13.0 percent of residential property within district boundaries is at market value, decreasing the overall growth to 2.6 percent. New development growth is conservatively estimated at 1.4 percent, for the combined rate of 4.0 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 continues to actively research alternative revenue sources, and has seen growth in grants and contributions, sponsorships and various rental incomes. 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 in the master planning stage of development.

Overall, on a budgetary basis the General Fund shows an increase of \$2,015,000 or 26.1 percent over the anticipated beginning fund balance in the 2015/16 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 Office of Business Services, 15707 SW Walker Road, Beaverton, Oregon 97006.



Tualatin Hills Park and Recreation District
Statement of Net Position
June 30, 2015

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 46,863,155
Investments	6,001,892
Due from other governments	1,560,385
Receivables	1,760,736
Inventories	48,825
Prepays	123,624
Cash and cash equivalents - restricted	686,691
Other post employment benefits	7,903
Capital assets (net of accumulated depreciation):	
Land	86,104,641
Park sites and planning development	52,731,548
Buildings and improvements	42,037,145
Equipment and furnishings	1,130,093
Intangible assets	61,205
Construction in progress	7,319,766
Total assets	<u>246,437,609</u>
Deferred Outflows of Resources:	
Deferred outflows - pension	5,179,650
Deferred outflows - charge on debt refunding	4,873,845
Total deferred outflows of resources	<u>10,053,495</u>
Liabilities:	
Accounts payable and other current liabilities	2,374,038
Accrued interest payable	346,159
Unearned revenue	1,452,637
Long-term debt:	
Due within one year	5,902,520
Due in more than one year	94,516,757
Net pension liability	7,362,843
Total liabilities	<u>111,954,954</u>
Deferred Inflows of Resources:	
Deferred inflows - pension	<u>1,176,758</u>
Net Position:	
Net investment in capital assets	118,443,566
Restricted for:	
Debt service	450,745
Capital improvements	12,653,815
Unrestricted	11,811,266
Total net position	<u>\$ 143,359,392</u>

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, 2015

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	\$ 218,847	\$ -	\$ -	\$ -	\$ (218,847)
Administration	1,860,162	-	-	-	(1,860,162)
Business and facilities	14,575,963	-	-	-	(14,575,963)
Planning and development	554,465	-	-	-	(554,465)
Park and recreation services	19,188,743	10,633,560	91,112	7,096,827	(1,367,244)
Interest on long-term debt	3,853,264	-	-	-	(3,853,264)
Total primary government	\$ 40,251,444	\$ 10,633,560	\$ 91,112	\$ 7,096,827	(22,429,945)

General revenues:

Property taxes levied for general purposes	26,913,263
Property taxes levied for debt service	8,475,938
Grants and contributions not restricted to specific programs	261,528
Unrestricted investment earnings	380,671
Miscellaneous	203,731
Total general revenues	36,235,131
Change in net position	13,805,186
Net position - beginning balance as previously stated	135,704,873
Restatement (Note V.F.)	(6,150,667)
Net position - beginning balance as restated	129,554,206
Net position - ending	\$ 143,359,392

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, 2015

	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	\$ 11,113,194	\$ 376,348	\$ 23,690,025	\$ 11,517,224	\$ 166,364	\$ 46,863,155
Investments	-	-	6,001,892	-	-	6,001,892
Receivables:						
Interest	168	158	10,255	-	-	10,581
Property taxes	1,175,762	374,178	-	-	-	1,549,940
Accounts receivable	200,215	-	-	-	-	200,215
Intergovernmental	124,711	21,599	-	1,414,075	-	1,560,385
Cash and cash equivalents - restricted	-	-	686,691	-	-	686,691
Prepays	123,624	-	-	-	-	123,624
Inventories	48,825	-	-	-	-	48,825
Total assets	\$ 12,786,499	\$ 772,283	\$ 30,388,863	\$ 12,931,299	\$ 166,364	\$ 57,045,308
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 989,548	\$ -	\$ 206,024	\$ 277,484	\$ -	\$ 1,473,056
Salaries payable	467,156	-	-	-	-	467,156
Contracts payable	1,960	-	-	-	-	1,960
Retainages payable	39,698	-	3,483	-	-	43,181
Other current liabilities payable	388,682	-	-	-	-	388,682
Unearned revenue	1,452,637	-	-	-	-	1,452,637
Total liabilities	3,339,681	-	209,507	277,484	-	3,826,672
Deferred inflows of resources:						
Unavailable revenue - taxes	1,009,760	321,538	-	-	-	1,331,298
Fund balances:						
Nonspendable:						
Prepays	123,624	-	-	-	-	123,624
Inventory	48,825	-	-	-	-	48,825
Restricted:						
Debt service	-	450,745	-	-	-	450,745
Capital improvements	-	-	30,179,356	12,653,815	-	42,833,171
Committed - mitigation maintenance	-	-	-	-	166,364	166,364
Unassigned	8,264,609	-	-	-	-	8,264,609
Total fund balance	8,437,058	450,745	30,179,356	12,653,815	166,364	51,887,338
Total liabilities, deferred inflows of resources and fund balances	\$ 12,786,499	\$ 772,283	\$ 30,388,863	\$ 12,931,299	\$ 166,364	\$ 57,045,308

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, 2015

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

Fund balances - total governmental funds:	\$ 51,887,338
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	189,384,398
Unavailable revenues for those amounts that were not available to pay current period expenditures.	1,331,298
Other post employment benefits are not recognized in the governmental funds.	7,903
Other long-term items are not available to pay for current period expenditures and, therefore, are deferred in the fund statements:	
Deferred outflows - pension	5,179,650
Deferred inflows - pension	(1,176,758)
Deferred outflow - charge on debt refunding	4,873,845
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds and notes payable	(99,203,605)
Compensated absences	(1,215,675)
Accrued interest payable	(346,159)
Net pension liability	(7,362,843)
Net position of governmental activities	\$ 143,359,392

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, 2015

	General Fund	Bonded Debt Fund	Bond Capital Projects Fund	System Development Charges Fund	Other Governmental Fund	Total Governmental Funds
Revenues:						
Property taxes	\$ 26,973,315	\$ 8,498,363	\$ -	\$ -	\$ -	\$ 35,471,678
Aquatic programs	2,761,776	-	-	-	-	2,761,776
Tennis center	1,025,969	-	-	-	-	1,025,969
Sports programs	1,423,992	-	-	-	-	1,423,992
Recreation programs	5,060,475	-	-	-	-	5,060,475
Grants and sponsorships	1,300,759	-	-	-	-	1,300,759
System development charges	-	-	-	5,855,512	-	5,855,512
Interest earned	129,654	36,823	164,508	48,929	757	380,671
Charges for services	511,362	-	-	-	-	511,362
Miscellaneous revenues	556,769	-	-	-	8,310	565,079
Total revenues	39,744,071	8,535,186	164,508	5,904,441	9,067	54,357,273
Expenditures:						
Current:						
Board of Directors	218,847	-	-	-	-	218,847
Administration	2,028,622	-	-	-	-	2,028,622
Business and facilities	15,621,414	-	-	-	-	15,621,414
Planning and development	1,211,690	-	-	-	-	1,211,690
Park and recreation services	14,719,037	-	-	-	6,692	14,725,729
Capital outlay	2,207,958	-	5,927,431	1,285,805	-	9,421,194
Debt service	827,748	8,779,897	8,304	-	-	9,615,949
Total expenditures	36,835,316	8,779,897	5,935,735	1,285,805	6,692	52,843,445
Excess (deficiency) of revenues over (under) expenditures	2,908,755	(244,711)	(5,771,227)	4,618,636	2,375	1,513,828
Other financing sources (uses):						
Proceeds from sale of capital assets - land	-	-	-	399,283	-	399,283
Proceeds from bonds issued	-	36,445,000	1,435,000	-	-	37,880,000
Premiums on bonds issued	-	6,954,069	33,756	-	-	6,987,825
Payment to refunded bonds escrow	-	(43,180,819)	-	-	-	(43,180,819)
Total other finance sources (uses)	-	218,250	1,468,756	399,283	-	2,086,289
Net change in fund balance	2,908,755	(26,461)	(4,302,471)	5,017,919	2,375	3,600,117
Fund balances at beginning of year	5,528,303	477,206	34,481,827	7,635,896	163,989	48,287,221
Fund balances at end of year	\$ 8,437,058	\$ 450,745	\$ 30,179,356	\$ 12,653,815	\$ 166,364	\$ 51,887,338

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, 2015

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

Net changes in fund balances - total governmental funds	\$ 3,600,117
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.	3,229,692
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	283,196
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.	(82,479)
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.	4,043,283
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest payable	24,092
Accrued compensated absences payable	(97,541)
Other post employment benefits	7,903
Net pension liability	2,786,923
Change in net position of governmental activities	\$ 13,805,186

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 26,535,005	\$ 26,535,005	\$ 26,973,315	\$ 438,310
Aquatic programs	2,755,784	2,755,784	2,834,717	78,933
Tennis center	1,034,170	1,034,170	1,025,005	(9,165)
Sports programs	1,219,146	1,219,146	1,463,038	243,892
Recreation programs	5,307,038	5,307,038	5,348,370	41,332
Grants and sponsorships	976,957	1,626,957	1,300,759	(326,198)
Interest earned	135,000	135,000	129,654	(5,346)
Charges for services	704,045	704,045	511,362	(192,683)
Miscellaneous revenues	443,738	443,738	556,769	113,031
Total revenues	39,110,883	39,760,883	40,142,989	382,106
Expenditures:				
Board of directors	261,119	261,119	218,847	42,272
Administration	2,161,629	2,161,629	2,028,622	133,007
Business and facilities	17,571,260	17,571,260	16,880,699	690,561
Planning	1,523,286	1,523,286	1,211,690	311,596
Park and recreation services	16,110,731	16,110,731	14,721,418	1,389,313
Capital outlay	4,660,718	5,310,718	1,776,421	3,534,297
Contingency	2,100,000	2,100,000	-	2,100,000
Total expenditures	44,388,743	45,038,743	36,837,697	8,201,046
Net change in fund balance	(5,277,860)	(5,277,860)	3,305,292	8,583,152
Fund balances at beginning of year	5,277,860	5,277,860	6,445,779	1,167,919
Fund balances at end of year	\$ -	\$ -	\$ 9,751,071	\$ 9,751,071
Fund balance - budgetary basis			\$ 9,751,071	
Recognition of net unearned revenue			(1,437,637)	
Recognition of net prepaids			123,624	
Fund balance - GAAP basis			\$ 8,437,058	

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, 2015**

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 equity

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. For the government-wide financial statements, inventory is expensed as used.

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, and the measurement experience related to the Plan; all three 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 equity 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 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. The statement of net position recognizes a deferred inflow of resources related to the district's pension plan consisting of the differences between projected and actual investment earnings.

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, or \$150,000.

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 \$(99,203,602) difference are as follows:

Bonds payable	\$ (81,045,000)
Plus: Issuance premiums (to be amortized over life of debt)	(8,343,275)
Full faith and credit obligations	(9,380,000)
Plus: Issuance premiums (to be amortized over life of debt)	(27,542)
Loans payable	<u>(407,785)</u>
 Net adjustment to decrease <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	 <u>\$ (99,203,602)</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 reconciliation 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 net position the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$3,229,692 difference are as follows:

Capital outlay (for capitalized assets)	\$ 8,467,373
Depreciation expense	<u>(5,237,681)</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>\$ 3,229,692</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 \$293,196 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>\$ 293,196</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>\$ 293,196</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) 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 net position." The details of this \$4,043,283 difference are as follows:

Principal repayments:	
General obligation debt	\$ 5,145,000
Other long-term debt	245,327
Amortization of premiums	346,569
Amortization of deferred charges on refundings	(6,605)
Deferred charge on refunding	4,840,817
Premiums issued	(6,987,825)
Proceeds from bonds issued	(37,880,000)
Debt refunded	<u>38,340,000</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>\$ 4,043,283</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. The board approved one resolution to adjust budget appropriations in March, 2015. The resolution increased General Fund Capital Outlay (funded by grants and contributions) by \$650,000 for the Synthetic Turf Project at Conestoga Middle School.

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, 2015, the district had the following cash, cash equivalents and investments at fair value:

Demand deposits and short term commercial paper	\$ 1,513,262
Certificates of deposit	62,505
Commercial paper	624,185
Investments in the State Treasurer's Local Government Investment Pool	45,349,894
Government and agency obligations	<u>6,001,892</u>
Total cash equivalents and investments	<u>\$ 53,551,738</u>

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

Cash and cash equivalents	\$ 46,863,155
Investments	6,001,892
Cash and cash equivalents – restricted	<u>686,691</u>
Total cash equivalents and investments	<u>\$ 53,551,738</u>

GAAP requires investments with a remaining maturity of more than one year at the time of purchase to be stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale.

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, 2015, 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	-	\$ 6,001,892	\$6,001,892	1.19

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, 2015, 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 \$885,345. 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, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 84,528,317	\$ 1,975,607	\$ (399,283)	\$ 86,104,641
Construction in progress	10,226,118	3,060,638	(5,966,990)	7,319,766
Total capital assets, not being depreciated	<u>94,754,435</u>	<u>5,036,245</u>	<u>(6,366,273)</u>	<u>93,424,407</u>
Capital assets, being depreciated:				
Parks sites and planning development	71,326,275	8,680,324	-	80,006,599
Buildings and improvements	66,047,211	1,012,932	-	67,060,143
Equipment and furnishings	6,829,517	397,341	(123,350)	7,103,508
Intangible assets	233,107	-	-	233,107
Total capital assets being depreciated	<u>144,436,110</u>	<u>10,090,597</u>	<u>(123,350)</u>	<u>154,403,357</u>
Less accumulated depreciation for:				
Park sites and planning development	(24,202,276)	(3,072,775)	-	(27,275,051)
Buildings and improvements	(23,374,757)	(1,648,241)	-	(25,022,998)
Equipment and furnishings	(5,626,722)	(470,043)	123,350	(5,973,415)
Intangible assets	(125,280)	(46,622)	-	(171,902)
	<u>(53,329,035)</u>	<u>(5,237,681)</u>	<u>123,350</u>	<u>(58,443,366)</u>
Total capital assets, being depreciated, net	<u>91,107,075</u>	<u>4,852,916</u>	<u>-</u>	<u>95,959,991</u>
Governmental activities capital assets, net	<u>\$ 185,861,510</u>	<u>\$ 9,889,161</u>	<u>\$ (6,366,273)</u>	<u>\$ 189,384,398</u>

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

Business and facilities	\$ 135,341
Parks and recreation services	5,102,340
Total depreciation expense – governmental activities	<u>\$ 5,237,681</u>

The district had no significant construction commitments as of June 30, 2015.

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 1998	\$ 2,120,000	\$ -	\$ 2,120,000	\$ -	\$ -
Series 2009	48,355,000	-	40,005,000	8,350,000	1,825,000
Series 2011	36,175,000	-	1,380,000	34,815,000	1,455,000
Series 2015	-	37,880,000	-	37,880,000	415,000
plus premium	1,695,559	6,987,825	340,109	8,343,275	1,001,429
Full Faith & Credit:					
Series 2006	700,000	-	105,000	595,000	110,000
Series 2010A	1,425,000	-	30,000	1,395,000	40,000
Series 2010B	6,820,000	-	-	6,820,000	-
Series 2010C	655,000	-	85,000	570,000	90,000
plus premium	34,002	-	6,460	27,542	5,677
Loans:					
Energy savings contract	433,112	-	25,327	407,785	26,090
Compensated Absences	1,118,134	978,133	880,592	1,215,675	934,324
	<u>\$ 99,530,807</u>	<u>\$ 45,845,958</u>	<u>\$ 44,957,488</u>	<u>\$ 100,419,277</u>	<u>\$ 5,902,520</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 obligation bonds, Series 1995, were issued on March 1, 1995 in the amount of \$25,900,000 to finance building construction, land acquisition and park improvements. The general obligation advance refunding bonds, Series 1998 were issued to refund \$15,350,000 principal of these bonds. The outstanding balance of Series 1995 obligation has been paid in full.

The \$15,670,000 general obligation refunding bonds, Series 1998 were issued, dated September 1, 1998, as is described above to refund \$15,350,000 principal of the general obligation bonds, series 1995. Stated interest rates for specific maturities ranged from 3.6 to 5.75%, in accordance with the terms agreed at issuance. Payment of principal and interest on Series 1998 Obligations, when due, was insured by a policy issued by FGIC. Due to a rating downgrade of FGIC insurance by both Moody's and Standard & Poor's Ratings Service, a material event notice was filed in compliance with continuing disclosure requirements. The Series 1998 general obligation has now been paid in full.

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 district advance refunded the portion of the Series 2009 general obligation debt to reduce its total debt service by \$5,133,094, shorten the life of the debt by two years and to obtain an economic gain of \$2,984,481. 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									
2016	\$ 1,825,000	\$ 1,455,000	\$ 415,000	\$ 110,000	\$ 40,000	\$ -	\$ 90,000	\$ 26,090	\$ 3,961,090
2017	1,990,000	1,570,000	600,000	110,000	45,000	-	95,000	26,876	4,436,876
2018	2,170,000	1,885,000	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
2021-2025	-	12,510,000	21,815,000	-	405,000	1,235,000	80,000	160,714	36,205,714
2026-2030	-	13,790,000	10,345,000	-	610,000	1,545,000	-	108,521	26,398,521
2031-2035	-	-	-	-	130,000	1,835,000	-	-	1,965,000
2036-2040	-	-	-	-	-	2,205,000	-	-	2,205,000
	\$ 8,350,000	\$ 34,815,000	\$ 37,880,000	\$ 595,000	\$ 1,395,000	\$ 6,820,000	\$ 570,000	\$ 407,785	\$ 90,832,785

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		
Interest									
2016	\$ 273,175	\$ 1,254,456	\$ 1,862,021	\$ 28,650	\$ 54,620	\$ 436,918	\$ 23,953	\$ 11,999	\$ 3,945,792
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
2021-2025	-	4,186,038	5,513,750	-	197,250	2,067,044	3,978	29,733	11,997,793
2026-2030	-	1,460,450	565,250	-	94,395	1,692,244	-	5,749	3,788,088
2031-2035	-	-	-	-	2,730	1,123,388	-	-	1,126,118
2036-2040	-	-	-	-	-	458,706	-	-	458,706
	\$ 733,100	\$ 11,534,266	\$ 14,743,571	\$ 90,900	\$ 550,850	\$ 7,493,972	\$ 66,971	\$ 87,378	\$ 36,323,010

Compensated Absences

The district's compensated absences of \$1,215,675 are liquidated by the General Fund.

Short-term Debt

The district issued Tax and Revenue Anticipation Notes, Series 2014, in the amount of \$5,500,000 on July 11, 2014 to continue operations of the general government prior to receipt of annual tax revenue. These notes matured on January 2, 2015, with an interest rate of 0.82%.

V. Other information

A. Defined benefit pension plan

The district maintains a single-employer, defined benefit pension plan ("plan") trustee 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, 2014 was:

<u>Group</u>	<u>Tier I</u>	<u>Tier II</u>
Active participants	137	58
Terminated	15	1
Retired receiving medical premium benefits	<u>8</u>	<u>-</u>
Total	<u>160</u>	<u>59</u>

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, 2014, the district contribution was 17.7% (a blended rate for both plans) of annual covered budgeted payroll for 2013/14. Total actual contributions to the plan for the fiscal year ended June 30, 2014 totaled \$3,191,093 which is 31.1% of annual covered payroll of

\$10,270,068. Pension expense/(income) for the fiscal year ended June 30, 2015 was (\$2,786,923).

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, 2015 was determined using the following actuarial assumptions from the June 30, 2014 actuarial valuation, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Mortality assumptions	RP-2000
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, 2015 based on the actuarial valuation dated as of June 30, 2014:

	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances at 06/30/2014	\$ 31,016,820	\$ 20,867,308	\$ 10,149,512
Changes for the year:			
Service cost	1,212,449	-	1,212,449
Interest	2,114,196	-	2,114,196
Total contributions	-	3,191,093	(3,191,093)
Net investment income	-	2,972,365	(2,972,365)
Benefit payments	(4,052,930)	(3,999,039)	(53,891)
Administration expense	-	(104,035)	104,035
Net changes	(726,285)	2,060,384	(2,786,669)
Balances at 06/30/2015	\$ 30,290,535	\$ 22,927,692	\$ 7,362,843

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:

	1% Decrease (6.00%)	Discount rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 12,245,667	\$ 7,362,843	\$ 3,310,749

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

For the year ended June 30, 2015, the district recognized pension expense/(income) of (\$2,786,923). The following table presents the components of deferred outflows and inflows of resources for the fiscal year ended June 30, 2015:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual earnings on investments	\$ -	\$1,176,758
Contributions after measurement date	3,098,289	-
Differences between expected and actual experience in the measurement of total pension liability	<u>2,081,861</u>	-
Total	<u>\$5,179,650</u>	<u>\$1,176,758</u>

Deferred outflows of resources related to pensions of \$3,098,289 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, 2016.

The following table 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	Deferred Inflows of Resources
2016	\$ 285,118	\$ 294,190
2017	285,118	294,190
2018	285,118	294,190
2019	285,118	294,188
2020	285,118	-
Thereafter	655,771	-
	<u>\$ 2,081,361</u>	<u>\$ 1,176,758</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, 2015, 32 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 2015, 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, 2015 were as follows:

Annual required contribution	\$ 10,994
Interest on net OPEB obligations	-
Adjustment to annual required contribution	-
Annual OPEB cost	10,994
Contributions made	<u>(18,897)</u>
Increase (decrease) in net OPEB (benefit) obligations	-
Net OPEB (benefit) obligations beginning of year	-
Net OPEB (benefit) obligations end of year	<u>\$ (7,903)</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
06/30/15	\$ 10,994	172.0%	\$ (7,903)
06/30/14	34,327	100.0%	-
06/30/13	47,955	100.0%	-

Funded Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the plan was 85.8 percent funded. The actuarial accrued liability for benefits was \$1.8 million, and the actuarial value of assets was \$1.5 million, resulting in an unfunded actuarial liability of approximately \$251,000. The covered payroll (annual payroll of active employees covered by the plan) was \$7.5 million, and the ratio of the unfunded actuarial liability to the covered payroll was 3.3 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, 2015 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% pre-retirement and 6% post-retirement. 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, 2015 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 contract with an employee union defining compensation and other considerations that expires at June 30, 2016.

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 a portion of the Fanno Creek Service Center for an initial term beginning November 1, 2013 and ending February 28, 2019. Currently, SMI, Ltd. pays \$6,026 per month through the 24th month of the lease (adjusted for property taxes), with an annual increase of 2.5% for months 25 through 64.

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

Year ending June 30,	Timbers	SMI, Ltd.	Total
2016	\$ 110,894	\$ 73,517	\$ 184,411
2017	110,894	75,355	186,249
2018	110,894	77,239	188,133
2019	110,894	52,564	163,458
2020	110,894	-	110,894
2021-2024	443,576	-	443,576
	<u>\$ 998,046</u>	<u>\$ 278,675</u>	<u>\$ 1,276,721</u>

E. Subsequent Events

The district issued Tax and Revenue Anticipation Notes, Series 2015, in the amount of \$4,500,000 on July 24, 2015. These notes mature on December 31, 2015 and bear interest at a rate of 0.71%.

F. Restatement

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement provides guidance for accounting for net pension liabilities, including definition of balances to be included in deferred inflows and deferred outflows of assets and resources. The specific accounts impacting the district are detailed below.

Net pension liability – Previous standards defined pension liabilities in terms of the Annually Required Contribution. Statement No. 68 defines the net pension liability as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service, net of the pension plan’s fiduciary net position.

Deferred inflows of resources and deferred outflows of resources – Statement No. 68 includes recognition of deferred inflows of resources associated with the difference between projected and actual earnings on pension plan investments. These differences are to be recognized in pension expense using a systematic and rational method over a closed five-year period. The district reports a deferred outflow consisting of employer contributions to the plan after the measurement date. The district also reports a deferred outflow consisting of the measurement experience that will be recognized in pension expense using a systematic and rational method over a closed eight point three-year period.

	Governmental Activities
Net position, June 30, 2014, as previously reported	\$ 135,704,873
Restatement for net effect of GASB 68 Implementation:	
Net pension liability as of June 30, 2013	\$ (9,341,760)
Contributions during measurement period through June 30, 2014	<u>3,191,093</u>
Net pension liability	<u>(6,150,667)</u>
Net position, June 30, 2014, as restated	<u>\$ 129,554,206</u>

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Tualatin Hills Park and Recreation District
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

	2015
Total pension liability:	
Service cost	\$ 1,212,449
Interest	2,114,196
Benefit payments	(4,052,930)
Effect of plan changes	-
Effect of changes in assumptions	-
Effect of economic/demographic (gains) or losses	-
Net change in total pension liability	(726,285)
Total pension liability, beginning	31,016,820
Total pension liability, ending	30,290,535
 Plan fiduciary net position:	
Total contributions	3,191,093
Net investment income	2,972,365
Benefit payments	(3,999,039)
Administrative expense	(104,035)
Net change in plan net position	2,060,384
Plan net position, beginning	20,867,308
Plan net position, ending	22,927,692
Net pension liability	\$ 7,362,843
Plan fiduciary net position as a percent of total pension liability	75.7%
Covered employee payroll	\$ 10,270,068
Net pension liability as a percent of covered employee payroll	71.7%

Tualatin Hills Park and Recreation District
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Contributions

	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 3,098,289	\$ 3,191,093
Contributions recognized by the plan	3,098,289	3,191,093
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 12,996,617	\$ 10,270,068
Contributions as a percent of covered employee payroll	23.8%	31.1%

Notes to Schedule

Valuation date:	June 30, 2014
Actuarial determined contribution method:	Aggregate cost
Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	Eight years
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

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)
6/30/2013	\$ 1,321,492	\$ 1,534,606	\$ 213,114	86.1%	\$ 7,738,881	2.8%
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%

SUPPLEMENTAL INFORMATION

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2015

	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	279	21
Personal services	<u>3,300</u>	<u>3,300</u>	<u>3,279</u>	<u>21</u>
Professional services	191,769	191,769	144,020	47,749
Office supplies	6,120	6,120	2,949	3,171
Dues and memberships	2,040	2,040	7,600	(5,560)
Conferences	24,890	24,890	26,499	(1,609)
Materials and services	<u>224,819</u>	<u>224,819</u>	<u>181,068</u>	<u>43,751</u>
Elections	33,000	33,000	34,500	(1,500)
Total Board of Directors	<u>261,119</u>	<u>261,119</u>	<u>218,847</u>	<u>42,272</u>
ADMINISTRATION:				
General Manager				
Full time salaries	280,246	280,246	262,619	17,627
Employee benefits	92,274	92,274	92,103	171
Payroll taxes	23,563	23,563	21,185	2,378
Personal services	<u>396,083</u>	<u>396,083</u>	<u>375,907</u>	<u>20,176</u>
Advertising	-	-	648	(648)
Telecommunications	6,550	6,550	7,368	(818)
Office supplies	5,000	5,000	3,263	1,737
Dues and memberships	20,150	20,150	11,475	8,675
Conferences	23,950	23,950	24,592	(642)
Technical training	6,000	6,000	6,506	(506)
Staff transportation	8,000	8,000	7,858	142
Materials and services	<u>69,650</u>	<u>69,650</u>	<u>61,710</u>	<u>7,940</u>
Total General Manager	<u>465,733</u>	<u>465,733</u>	<u>437,617</u>	<u>28,116</u>
Communications and Outreach				
Full time salaries	412,635	412,635	398,506	14,129
Part time salaries	20,960	20,960	30,424	(9,464)
Employee benefits	155,377	155,377	150,747	4,630
Payroll taxes	41,343	41,343	41,929	(586)
Personal services	<u>630,315</u>	<u>630,315</u>	<u>621,606</u>	<u>8,709</u>
Professional services	64,800	64,800	39,673	25,127
Technical services	22,355	22,355	25,039	(2,684)
Printing and publications	174,800	174,800	160,721	14,079
Postage	108,300	108,300	98,747	9,553
Advertising	78,100	78,100	56,088	22,012
Office supplies	11,000	11,000	16,163	(5,163)
Program supplies	11,704	11,704	13,276	(1,572)
Dues and memberships	4,744	4,744	3,430	1,314
Conferences	5,000	5,000	2,427	2,573
Technical training	1,500	1,500	1,320	180
Staff transportation	6,840	6,840	3,767	3,073
Small furniture and equipment	1,000	1,000	1,881	(881)
Materials and services	<u>490,143</u>	<u>490,143</u>	<u>422,532</u>	<u>67,611</u>
Total Communications and Outreach	<u>1,120,458</u>	<u>1,120,458</u>	<u>1,044,138</u>	<u>76,320</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
ADMINISTRATION (continued):				
Security Operations				
Full time salaries	\$ 91,818	\$ 91,818	\$ 91,812	\$ 6
Part time salaries	113,757	113,757	109,655	4,102
Employee benefits	40,497	40,497	38,518	1,979
Payroll taxes	21,889	21,889	22,416	(527)
Personal services	<u>267,961</u>	<u>267,961</u>	<u>262,401</u>	<u>5,560</u>
Technical services	82,021	82,021	72,152	9,869
Maintenance services	7,941	7,941	6,206	1,735
Printing and publications	163	163	-	163
Telecommunications	2,547	2,547	1,770	777
Office supplies	399	399	399	-
Program supplies	6,521	6,521	4,313	2,208
Dues and memberships	106	106	-	106
Conferences	208	208	-	208
Technical training	957	957	245	712
Staff transportation	151	151	-	151
Small furniture and equipment	473	473	-	473
Materials and services	<u>101,487</u>	<u>101,487</u>	<u>85,085</u>	<u>16,402</u>
Total Security Operations	<u>369,448</u>	<u>369,448</u>	<u>347,486</u>	<u>21,962</u>
Community Partnerships				
Full time salaries	127,504	127,504	126,556	948
Employee benefits	24,348	24,348	23,105	1,243
Payroll taxes	11,718	11,718	11,511	207
Personal services	<u>163,570</u>	<u>163,570</u>	<u>161,172</u>	<u>2,398</u>
Professional services	37,620	37,620	34,496	3,124
Technical services	1,200	1,200	-	1,200
Office supplies	-	-	113	(113)
Staff transportation	3,600	3,600	3,600	-
Materials and services	<u>42,420</u>	<u>42,420</u>	<u>38,209</u>	<u>4,211</u>
Total Community Partnerships	<u>205,990</u>	<u>205,990</u>	<u>199,381</u>	<u>6,609</u>
Total Administration	<u>2,161,629</u>	<u>2,161,629</u>	<u>2,028,622</u>	<u>133,007</u>
BUSINESS AND FACILITIES:				
Director of Business and Facilities				
Full time salaries	388,461	388,461	378,915	9,546
Part time salaries	-	-	853	(853)
Employee benefits	148,465	148,465	154,997	(6,532)
Payroll taxes	35,383	35,383	34,768	615
Personal services	<u>572,309</u>	<u>572,309</u>	<u>569,533</u>	<u>2,776</u>
Professional services	6,000	6,000	5,750	250
Technical services	170,300	170,300	74,695	95,605
Rental equipment	42,000	42,000	36,473	5,527
Bank charges and fees	6,250	6,250	5,800	450
Printing and publications	4,500	4,500	2,773	1,727
Postage	62,400	62,400	26,073	36,327
Advertising	1,500	1,500	1,320	180
Telecommunications	3,000	3,000	3,887	(887)
Office supplies	60,000	60,000	21,391	38,609
Dues and memberships	3,545	3,545	2,940	605

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
BUSINESS AND FACILITIES (continued):				
Conferences	\$ 14,150	\$ 14,150	\$ 16,335	\$ (2,185)
Technical training	3,300	3,300	1,032	2,268
Staff transportation	5,280	5,280	5,409	(129)
Small furniture and equipment	-	-	866	(866)
Materials and services	<u>382,225</u>	<u>382,225</u>	<u>204,744</u>	<u>177,481</u>
Debt principal	245,327	245,327	245,327	-
Debt interest	727,139	727,139	582,421	144,718
Debt service	<u>972,466</u>	<u>972,466</u>	<u>827,748</u>	<u>144,718</u>
Total Director of Business and Facilities	<u>1,927,000</u>	<u>1,927,000</u>	<u>1,602,025</u>	<u>324,975</u>
Finance				
Full time salaries	454,723	454,723	454,484	239
Employee benefits	190,404	190,404	192,951	(2,547)
Payroll taxes	44,138	44,138	42,796	1,342
Personal services	<u>689,265</u>	<u>689,265</u>	<u>690,231</u>	<u>(966)</u>
Professional services	12,060	12,060	12,483	(423)
Technical services	3,025	3,025	2,427	598
Bank charges and fees	17,550	17,550	15,128	2,422
Printing and publications	3,170	3,170	1,642	1,528
Telecommunications	480	480	498	(18)
Office supplies	1,075	1,075	1,599	(524)
Dues and memberships	620	620	635	(15)
Conferences	5,100	5,100	4,629	271
Technical training	2,265	2,265	150	2,115
Staff transportation	300	300	82	218
Small furniture and equipment	100	100	152	(52)
Materials and services	<u>45,745</u>	<u>45,745</u>	<u>39,625</u>	<u>6,120</u>
Total Finance	<u>735,010</u>	<u>735,010</u>	<u>729,856</u>	<u>5,154</u>
Human Resources				
Full time salaries	278,809	278,809	261,751	17,058
Employee benefits	111,861	111,861	107,657	4,204
Payroll taxes	27,052	27,052	26,041	1,011
Personal services	<u>417,722</u>	<u>417,722</u>	<u>395,449</u>	<u>22,273</u>
Professional services	50,900	50,900	46,629	4,271
Technical services	25,700	25,700	9,821	15,879
Printing and publications	420	420	443	(23)
Advertising	1,600	1,600	881	719
Telecommunications	480	480	1,454	(974)
Office supplies	1,035	1,035	532	503
Program supplies	1,000	1,000	1,231	(231)
Dues and memberships	445	445	382	63
Conferences	4,500	4,500	5,051	(551)
Technical training	44,400	44,400	38,155	6,245
Staff transportation	450	450	48	402
Small furniture and equipment	360	360	(533)	893
Materials and services	<u>131,290</u>	<u>131,290</u>	<u>104,094</u>	<u>26,303</u>
Total Human Resources	<u>549,012</u>	<u>549,012</u>	<u>499,543</u>	<u>49,469</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
BUSINESS AND FACILITIES (continued):				
Information Services				
Full time salaries	\$ 395,490	\$ 395,490	\$ 395,508	\$ (18)
Employee benefits	173,578	173,578	184,370	(10,792)
Payroll taxes	38,365	38,365	37,565	800
Personal services	<u>607,433</u>	<u>607,433</u>	<u>617,443</u>	<u>(10,010)</u>
Professional services	75,000	75,000	32,488	42,512
Technical services	222,960	222,960	219,984	2,976
Telecommunications	76,000	76,000	66,379	9,621
Office supplies	-	-	738	(738)
Program supplies	39,000	39,000	18,281	20,719
Maintenance supplies	12,200	12,200	3,377	8,823
Technical training	11,000	11,000	5,887	5,113
Staff transportation	1,000	1,000	5	995
Small furniture and equipment	3,000	3,000	779	2,221
Materials and services	<u>440,160</u>	<u>440,160</u>	<u>347,918</u>	<u>92,242</u>
Computer technology replacement	53,500	53,500	46,338	7,162
Computer technology improvement	148,300	148,300	141,859	6,441
Capital outlay	<u>201,800</u>	<u>201,800</u>	<u>188,197</u>	<u>13,603</u>
Total Information Services	<u>1,249,393</u>	<u>1,249,393</u>	<u>1,153,558</u>	<u>95,835</u>
Risk and Contract Management				
Full time salaries	144,125	144,125	141,817	2,308
Part time salaries	-	-	605	(605)
Employee benefits	59,018	59,018	61,650	(2,632)
Payroll taxes	13,984	13,984	13,150	834
Personal services	<u>217,127</u>	<u>217,127</u>	<u>217,222</u>	<u>(95)</u>
Professional services	5,000	5,000	2,924	2,076
Technical services	9,920	9,920	1,477	8,443
Miscellaneous other services	5,500	5,500	4,824	676
Insurance	326,734	326,734	313,424	13,310
Printing and publications	1,700	1,700	85	1,615
Advertising	600	600	67	533
Telecommunications	1,200	1,200	1,440	(240)
Office supplies	1,650	1,650	1,134	516
Program supplies	4,400	4,400	3,880	520
Dues and memberships	1,765	1,765	385	1,380
Conferences	2,000	2,000	1,059	941
Technical training	10,750	10,750	5,658	5,092
Staff transportation	1,100	1,100	458	642
Small furniture and equipment	-	-	1,708	(1,708)
Materials and services	<u>372,319</u>	<u>372,319</u>	<u>338,523</u>	<u>33,796</u>
Total Risk and Contract Management	<u>589,446</u>	<u>589,446</u>	<u>555,745</u>	<u>33,701</u>
Maintenance Operations				
Full time salaries	3,996,596	3,996,596	3,982,376	14,220
Part time salaries	1,814,024	1,814,024	1,628,497	185,527
Employee benefits	1,931,307	1,931,307	1,991,184	(59,877)
Payroll taxes	635,476	635,476	610,186	25,290
Personal services	<u>8,377,403</u>	<u>8,377,403</u>	<u>8,212,243</u>	<u>165,160</u>
Instructional services	1,400	1,400	-	1,400
Professional services	11,500	11,500	2,554	8,946
Technical services	75,815	75,815	67,530	8,285

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
BUSINESS AND FACILITIES (continued):				
Maintenance Operations (continued)				
Heat	\$ 474,206	\$ 474,206	\$ 432,103	\$ 42,103
Electricity	764,657	764,657	775,652	(10,995)
Water and sewer	669,381	669,381	802,111	(132,730)
Refuse services	123,184	123,184	107,834	15,350
Rental facility	2,000	2,000	-	2,000
Rental equipment	19,050	19,050	13,624	5,426
Maintenance services	398,681	398,681	390,236	8,445
Vehicle and equipment services	28,275	28,275	38,630	(10,355)
Advertising	-	-	130	(130)
Telecommunications	93,147	93,147	104,824	(11,677)
Office supplies	3,716	3,716	6,153	(2,437)
Program supplies	14,955	14,955	19,667	(4,712)
Maintenance supplies	981,168	981,168	936,842	44,326
Gas & oil (vehicles)	185,647	185,647	159,775	25,872
Dues and memberships	3,150	3,150	397	2,753
Conferences	1,500	1,500	350	1,150
Technical training	19,125	19,125	16,093	3,032
Staff transportation	7,500	7,500	9,171	(1,671)
Small furniture and equipment	1,699	1,699	713	986
Materials and services	<u>3,879,756</u>	<u>3,879,756</u>	<u>3,884,389</u>	<u>(4,633)</u>
Fleet capital replacement	264,240	264,240	243,340	20,900
Capital outlay	<u>264,240</u>	<u>264,240</u>	<u>243,340</u>	<u>20,900</u>
Total Maintenance Operations	<u>12,521,399</u>	<u>12,521,399</u>	<u>12,339,972</u>	<u>181,427</u>
Total Business and Facilities	<u>17,571,260</u>	<u>17,571,260</u>	<u>16,880,699</u>	<u>690,561</u>
PLANNING:				
Director of Planning				
Full time salaries	200,232	200,232	191,723	8,509
Part time salaries	213,865	213,865	103,724	110,141
Employee benefits	68,505	68,505	66,724	1,781
Payroll taxes	40,073	40,073	29,794	10,279
Personal services	<u>522,675</u>	<u>522,675</u>	<u>391,965</u>	<u>130,710</u>
Telecommunications	2,000	2,000	1,746	254
Office supplies	200	200	64	136
Program supplies	200	200	180	20
Dues and memberships	1,075	1,075	515	560
Conferences	2,265	2,265	4,919	(2,654)
Staff transportation	3,700	3,700	3,795	(95)
Materials and services	<u>9,440</u>	<u>9,440</u>	<u>11,219</u>	<u>(1,779)</u>
Total Director of Planning	<u>532,115</u>	<u>532,115</u>	<u>403,184</u>	<u>128,931</u>
Planning and Development				
Full time salaries	609,948	609,948	512,749	97,199
Employee benefits	245,766	245,766	211,773	33,993
Payroll taxes	59,197	59,197	47,246	11,951
Personal services	<u>914,911</u>	<u>914,911</u>	<u>771,768</u>	<u>143,143</u>
Professional services	50,000	50,000	14,572	35,428
Telecommunications	850	850	2,418	(1,568)
Office supplies	7,000	7,000	5,684	1,316

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
PLANNING (continued)				
Planning and Development (continued)				
Program supplies	\$ 3,000	\$ 3,000	\$ 1,082	\$ 1,918
Dues and memberships	2,660	2,660	1,765	895
Conferences	4,500	4,500	4,312	188
Technical training	1,250	1,250	1,249	1
Staff transportation	6,000	6,000	5,246	754
Small furniture and equipment	1,000	1,000	410	590
Materials and services	<u>76,260</u>	<u>76,260</u>	<u>36,738</u>	<u>39,522</u>
Total Planning and Development	<u>991,171</u>	<u>991,171</u>	<u>808,506</u>	<u>182,665</u>
Total Planning	<u>1,523,286</u>	<u>1,523,286</u>	<u>1,211,690</u>	<u>311,596</u>
PARK AND RECREATION SERVICES:				
Director of Park and Recreation				
Full time salaries	191,757	191,757	192,048	(291)
Employee benefits	64,291	64,291	69,389	(5,098)
Part time salaries	17,928	17,928	15,006	2,922
Payroll taxes	18,741	18,741	18,784	(43)
Personal services	<u>292,717</u>	<u>292,717</u>	<u>295,227</u>	<u>(2,510)</u>
Professional services	110,000	110,000	36,000	74,000
Fee reductions-family assistance	320,000	320,000	227,012	92,988
Printing and publications	1,000	1,000	-	1,000
Telecommunications	8,900	8,900	1,416	7,484
Office supplies	8,030	8,030	2,947	5,083
Dues and memberships	-	-	5,235	(5,235)
Conferences	15,000	15,000	10,039	4,961
Technical training	1,500	1,500	390	1,110
Staff transportation	2,500	2,500	4,714	(2,214)
Materials and services	<u>466,930</u>	<u>466,930</u>	<u>287,753</u>	<u>179,177</u>
Total Director of Park and Recreation	<u>759,647</u>	<u>759,647</u>	<u>582,980</u>	<u>176,667</u>
Aquatics				
Full time salaries	1,394,907	1,394,907	1,260,507	134,400
Part time salaries	1,590,777	1,590,777	1,396,666	194,111
Employee benefits	702,058	702,058	669,864	32,194
Payroll taxes	317,832	317,832	287,715	30,117
Personal services	<u>4,005,574</u>	<u>4,005,574</u>	<u>3,614,752</u>	<u>390,822</u>
Advertising	-	-	30	(30)
Telecommunications	3,200	3,200	4,337	(1,137)
Office supplies	2,270	2,270	2,146	124
Program supplies	59,731	59,731	58,019	1,712
Dues and memberships	1,884	1,884	90	1,794
Conferences	7,000	7,000	6,727	273
Technical training	17,350	17,350	10,504	6,846
Staff transportation	2,100	2,100	2,060	40
Small furniture and equipment	500	500	1,574	(1,074)
Materials and services	<u>94,035</u>	<u>94,035</u>	<u>85,487</u>	<u>8,548</u>
Total Aquatics	<u>4,099,609</u>	<u>4,099,609</u>	<u>3,700,239</u>	<u>399,370</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2015

	<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	\$ 472,996	\$ 472,996	\$ 472,892	\$ 104
Part time salaries	623,749	623,749	496,886	126,863
Employee benefits	235,315	235,315	246,813	(11,498)
Payroll taxes	113,026	113,026	102,464	10,562
Personal services	<u>1,445,086</u>	<u>1,445,086</u>	<u>1,319,055</u>	<u>126,031</u>
Instructional services	147,080	147,080	122,246	24,834
Rental facility	42,500	42,500	31,439	11,061
Miscellaneous other services	-	-	819	(819)
Printing and publications	1,000	1,000	567	433
Advertising	-	-	29	(29)
Telecommunications	2,000	2,000	4,981	(2,981)
Office supplies	7,113	7,113	4,339	2,774
Program supplies	139,347	139,347	142,724	(3,377)
Dues and memberships	140	140	250	(110)
Conferences	2,000	2,000	400	1,600
Staff transportation	2,250	2,250	1,748	502
Small furniture and equipment	1,000	1,000	1,426	(426)
Materials and services	<u>344,430</u>	<u>344,430</u>	<u>310,968</u>	<u>33,462</u>
Total Sports	<u>1,789,516</u>	<u>1,789,516</u>	<u>1,630,023</u>	<u>159,493</u>
Recreation				
Full time salaries	1,178,365	1,178,365	1,157,194	21,171
Part time salaries	2,343,460	2,363,740	2,134,802	228,938
Employee benefits	576,869	576,869	592,271	(15,402)
Payroll taxes	359,769	361,797	355,999	5,798
Personal services	<u>4,458,463</u>	<u>4,480,771</u>	<u>4,240,266</u>	<u>240,505</u>
Technical services	-	3,500	3,596	(96)
Maintenance services	6,000	6,000	1,570	4,430
Printing and publications	875	875	-	875
Advertising	1,450	1,450	1,200	250
Telecommunications	3,000	3,000	3,907	(907)
Office supplies	46,704	46,704	21,239	25,465
Program supplies	381,025	381,025	300,670	80,355
Dues and memberships	1,080	1,080	-	1,080
Conferences	9,000	9,000	7,996	1,004
Technical training	1,080	1,080	847	233
Staff transportation	3,201	3,201	2,331	870
Small furniture and equipment	13,392	13,392	5,030	8,362
Materials and services	<u>466,807</u>	<u>470,307</u>	<u>348,386</u>	<u>121,921</u>
Total Recreation	<u>4,925,270</u>	<u>4,951,078</u>	<u>4,588,652</u>	<u>362,426</u>
Programs and Special Activities				
Full time salaries	880,565	880,565	800,632	79,933
Part time salaries	917,548	897,268	910,601	(13,333)
Employee benefits	466,947	466,947	454,534	12,413
Payroll taxes	187,230	185,202	181,019	4,183
Personal services	<u>2,452,290</u>	<u>2,429,982</u>	<u>2,346,786</u>	<u>83,196</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
PARK AND RECREATION SERVICES (continued):				
Programs and Special Activities (continued)				
Technical services	\$ 103,123	\$ 99,623	\$ 103,428	\$ (3,805)
Rental facility	2,400	2,400	2,400	-
Rental equipment	5,931	5,931	8,813	(2,882)
Maintenance services	7,030	7,030	3,499	3,531
Postage	500	500	367	133
Advertising	5,064	5,064	3,745	1,319
Telecommunications	3,000	3,000	2,435	565
Office supplies	13,384	13,384	10,887	2,497
Program supplies	129,519	129,519	96,381	33,138
Dues and memberships	2,040	2,040	1,892	148
Conferences	9,617	9,617	6,869	2,748
Technical training	2,000	2,000	1,840	160
Staff transportation	5,852	5,852	2,511	3,341
Small furniture and equipment	-	-	935	(935)
Foundation support (gas)	-	-	1,108	(1,108)
Materials and services	<u>289,460</u>	<u>285,960</u>	<u>247,110</u>	<u>38,850</u>
Total Programs and Special Activities	<u>2,741,750</u>	<u>2,715,942</u>	<u>2,593,896</u>	<u>122,046</u>
Natural Resources and Trails				
Full time salaries	706,278	706,278	701,022	5,256
Part time salaries	464,680	464,680	408,745	55,935
Employee benefits	278,543	278,543	292,277	(13,734)
Payroll taxes	125,923	125,923	118,978	6,945
Personal services	<u>1,575,424</u>	<u>1,575,424</u>	<u>1,521,022</u>	<u>54,402</u>
Instructional services	3,861	3,861	2,744	1,117
Professional services	-	-	172	(172)
Technical services	31,419	31,419	11,315	20,104
Rental equipment	14,282	14,282	13,765	517
Maintenance services	3,900	3,900	348	3,552
Miscellaneous other services	-	-	21	(21)
Printing and publications	525	525	909	(384)
Advertising	1,000	1,000	30	970
Telecommunications	5,100	5,100	4,482	618
Office supplies	10,932	10,932	13,209	(2,277)
Program supplies	52,088	52,088	26,936	25,152
Maintenance supplies	80,038	80,038	19,699	60,339
Dues and memberships	1,500	1,500	886	614
Conferences	5,000	5,000	1,370	3,630
Technical training	3,750	3,750	3,956	(206)
Staff transportation	3,570	3,570	1,465	2,105
Small furniture and equipment	2,550	2,550	3,299	(749)
Materials and services	<u>219,515</u>	<u>219,515</u>	<u>104,606</u>	<u>114,909</u>
Total Natural Resources and Trails	<u>1,794,939</u>	<u>1,794,939</u>	<u>1,625,628</u>	<u>169,311</u>
Total Park and Recreation Services	<u>16,110,731</u>	<u>16,110,731</u>	<u>14,721,418</u>	<u>1,389,313</u>

**Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2015**

	<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	\$ 1,465,860	\$ 1,465,860	\$ 181,780	\$ 1,284,080
Athletic facility replacement	277,000	277,000	282,343	(5,343)
Athletic facility improvement	37,983	656,500	7,500	649,000
Park and trail replacement	419,552	419,552	423,660	(4,108)
Park and trail improvements	463,000	463,000	143,629	319,371
Building replacement	1,778,323	1,778,323	478,686	1,299,637
Building improvements	121,500	121,500	194,017	(72,517)
ADA projects	-	31,483	13,186	18,297
Program facility challenge grants	97,500	97,500	51,620	45,880
Total Capital Outlay	<u>4,660,718</u>	<u>5,310,718</u>	<u>1,776,421</u>	<u>3,534,297</u>
CONTINGENCY:				
Contingency	<u>2,100,000</u>	<u>2,100,000</u>	<u>-</u>	<u>2,100,000</u>
 Total General Fund Expenditures	 <u>\$ 44,388,743</u>	 <u>\$ 45,038,743</u>	 <u>\$ 36,837,697</u>	 <u>\$ 8,201,046</u>

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, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Property taxes	\$ 8,353,081	\$ 8,498,363	\$ 145,282
Interest earned	30,000	36,823	6,823
Total revenues	<u>8,383,081</u>	<u>8,535,186</u>	<u>152,105</u>
Expenditures:			
Issuance costs	-	214,354	(214,354) *
Debt service	8,565,569	8,565,543	26
Total expenditures	<u>8,565,569</u>	<u>8,779,897</u>	<u>(214,328)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(182,488)</u>	<u>(244,711)</u>	<u>(62,223)</u>
Other financing sources (uses):			
Proceeds from bonds issued	-	36,445,000	36,445,000
Premiums on bonds issued	-	6,954,069	6,954,069
Payment to refunded bonds escrow	-	(43,180,819)	(43,180,819)
Total other financing sources (uses)	<u>-</u>	<u>218,250</u>	<u>218,250</u>
Net change in fund balance	(182,488)	(26,461)	156,027
Fund balance at beginning of year	<u>182,488</u>	<u>477,206</u>	<u>294,718</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 450,745</u>	<u>\$ 450,745</u>

* The budget variance meets an exception to ORS 294.338(1) as described in ORS 294.338(4)(c).

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, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Interest earned	\$ 175,000	\$ 164,508	\$ (10,492)
Total revenues	<u>175,000</u>	<u>164,508</u>	<u>(10,492)</u>
Expenditures:			
Issuance costs	-	8,304	(8,304) *
Capital outlay	37,529,941	5,927,431	31,602,510
Total expenditures	<u>37,529,941</u>	<u>5,935,735</u>	<u>31,594,206</u>
Excess (deficiency) of revenues over (under) expenditures	(37,354,941)	(5,771,227)	31,583,714
Other financing sources:			
Proceeds from bonds issued	-	1,435,000	1,435,000
Premiums on bonds issued	-	33,756	33,756
Total other financing sources	<u>-</u>	<u>1,468,756</u>	<u>1,468,756</u>
Net change in fund balance	(37,354,941)	(4,302,471)	33,052,470
Fund balances at beginning of year	<u>37,354,941</u>	<u>34,481,827</u>	<u>(2,873,114)</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 30,179,356</u>	<u>\$ 30,179,356</u>

* The budget variance meets an exception to ORS 294.338(1) as described in ORS 294.338(4)(c).

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, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
System development charges	\$ 2,952,041	\$ 5,855,512	\$ 2,903,471
Interest earned	30,640	48,929	18,289
Total revenues	<u>2,982,681</u>	<u>5,904,441</u>	<u>2,921,760</u>
Expenditures:			
Capital outlay	9,440,943	1,285,805	8,155,138
Total expenditures	<u>9,440,943</u>	<u>1,285,805</u>	<u>8,155,138</u>
Excess (deficiency) of revenues over (under) expenditures	(6,458,262)	4,618,636	11,076,898
Other financing sources:			
Proceeds from sale of capital asset - land	-	399,283	399,283
Net change in fund balance	(6,458,262)	5,017,919	11,476,181
Fund balances at beginning of year	6,458,262	7,635,896	1,177,634
Fund balances at end of year	<u>\$ -</u>	<u>\$ 12,653,815</u>	<u>\$ 12,653,815</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, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Interest earned	\$ 500	\$ 757	\$ 257
Miscellaneous income	-	8,310	8,310
Total revenues	<u>500</u>	<u>9,067</u>	<u>8,567</u>
Expenditures:			
Materials and services	165,800	6,692	159,108
Total expenditures	<u>165,800</u>	<u>6,692</u>	<u>159,108</u>
Excess (deficiency) of revenues over (under) expenditures and net change in fund balance	(165,300)	2,375	167,675
Fund balance at beginning of year	<u>165,300</u>	<u>163,989</u>	<u>(1,311)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 166,364</u>	<u>\$ 166,364</u>



**OTHER
FINANCIAL
SCHEDULE**

Tualatin Hills Park and Recreation District
Schedule of Property Tax Transactions and Outstanding Balances
For the fiscal year ended June 30, 2015

	Taxes Uncollected June 30, 2014	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, 2015
2014-2015	\$ -	\$ 36,433,185	\$(963,789)	\$ 9,031	\$ (35,528)	\$ (34,828,560)	\$ 614,339
2013-2014	700,306	-	(1,301)	20,857	(9,587)	(389,315)	320,960
2012-2013	345,125	-	(451)	15,754	(19,677)	(109,121)	231,630
2011-2012	251,588	-	(387)	24,351	(34,187)	(101,343)	140,022
2010-2011	175,681	-	(341)	11,564	(35,649)	(34,191)	117,064
2009-2010	122,904	-	2	3,507	(2,542)	(10,639)	113,232
Prior Years	19,172	-	1	4,651	(459)	(10,672)	12,693
	<u>\$ 1,614,776</u>	<u>\$ 36,433,185</u>	<u>\$(966,266)</u>	<u>\$ 89,715</u>	<u>\$ (137,629)</u>	<u>\$ (35,483,841)</u>	<u>\$ 1,549,940</u>

General Fund	\$ 1,221,831	\$ 1,175,762
Debt Service Fund	392,945	374,178
	<u>\$ 1,614,776</u>	<u>\$ 1,549,940</u>



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>	69
Revenue Capacity <i>These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</i>	73
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>	79
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>	83
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>	85

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									
	2006	2007	2008 (as restated)	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 65,083,859	\$ 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
Restricted	13,392,572	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
Unrestricted	3,380,183	3,965,498	3,577,389	2,826,589	2,681,289	6,419,121	6,270,492	7,578,867	7,413,183	11,811,266
Total primary government net position	<u>\$ 81,856,614</u>	<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>\$ 143,359,392</u>

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

	Fiscal Year									
	2006	2007	2008 (as restated)	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
Board of Directors	\$ 170,390	\$ 187,210	\$ 151,139	\$ 252,707	\$ 158,614	\$ 212,527	\$ 229,942	\$ 200,248	\$ 154,475	\$ 218,847
Administration	1,189,415	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
Business and facilities	3,047,589	2,942,845	2,963,834	13,414,199 ¹⁾	14,022,988	14,061,469	14,337,183	14,917,033	15,126,974	14,575,963
Planning and development	-	-	-	925,029 ²⁾	724,568	571,594	640,871	800,198	897,304	554,465
Park and recreation services	21,658,035	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
Interest on long-term debt	1,130,474	1,063,732	936,564	1,117,606	3,032,756	3,106,160	4,085,516	4,124,974	3,946,193	3,853,284
Total governmental activities expenses	\$ 27,195,903	\$ 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
Program Revenues										
Governmental activities:										
Park and recreation services:										
Charges for services	\$ 6,381,080	\$ 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
Operating grants and contributions	19,078	35,185	27,599	42,756	143,768	155,727	195,890	173,616	214,865	91,112
Capital grants and contributions	3,868,580	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
Total governmental program revenues	\$ 10,268,738	\$ 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
Net(expense)/revenue										
Governmental activities	\$(16,927,165)	\$(19,157,345)	\$(21,153,369)	\$(22,734,601)	\$(23,840,825)	\$(24,539,376)	\$(25,742,438)	\$(26,948,474)	\$(26,701,602)	\$(22,429,945)
Total primary government net expense	\$(16,927,165)	\$(19,157,345)	\$(21,153,369)	\$(22,734,601)	\$(23,840,825)	\$(24,539,376)	\$(25,742,438)	\$(26,948,474)	\$(26,701,602)	\$(22,429,945)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 21,097,305	\$ 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
Unrestricted grants and contributions	161,784	186,127	232,743	234,137	215,450	197,632	233,515	245,112	237,636	261,528
Investment earnings	935,335	1,059,117	637,812	488,973	793,970	445,603	507,727	447,101	365,782	380,671
Miscellaneous	283,879	4,553,011	1,879,872	348,592	693,992	204,308	171,665	139,083	169,819	203,731
Total governmental activities	\$ 22,478,303	\$ 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
Change in Net Position										
Governmental activities	\$ 5,551,138	\$ 8,803,287	\$ 4,798,177	\$ 2,777,726	\$ 8,439,259	\$ 7,942,163	\$ 7,707,302	\$ 6,881,310	\$ 8,387,013	\$ 13,805,186
Total primary government	\$ 5,551,138	\$ 8,803,287	\$ 4,798,177	\$ 2,777,726	\$ 8,439,259	\$ 7,942,163	\$ 7,707,302	\$ 6,881,310	\$ 8,387,013	\$ 13,805,186

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

²⁾ In FY 2008 the Planning department was moved from Business and facilities to its own division of Planning and development.

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

	Fiscal Year									
	2006	2007	2008	2009	2010 (as restated)	2011 (as restated)	2012	2013	2014	2015
General fund										
Reserved	\$ 120,398	\$ 75,840	\$ 112,826	\$ 116,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,818,904	4,261,281	4,548,093	4,185,875	-	-	-	-	-	-
Nonspendable	-	-	-	-	131,319	93,642	64,728	211,223	225,868	172,449
Unassigned	-	-	-	-	3,717,581	5,302,475	3,773,265	4,895,327	5,302,635	8,264,609
Total general fund	\$ 3,939,302	\$ 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
All other governmental funds										
Reserved, reported in:										
Special revenue fund	\$ 66,963	\$ 83,943	\$ 161,686	\$ 175,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service fund	460,511	418,913	338,212	255,341	-	-	-	-	-	-
Capital project funds	12,932,061	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
Capital project funds	-	-	-	-	59,866,624	43,383,093	70,061,111	56,750,162	42,117,723	42,833,171
Committed, reported in:										
Special revenue fund	-	-	-	-	182,010	182,820	183,657	182,071	163,989	166,364
Total all other governmental funds	\$ 13,459,535	\$ 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

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property taxes	\$21,124,084	\$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
Aquatic programs	2,787,489	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
Tennis center	594,451	630,856	779,947	798,424	867,529	869,498	853,427	881,620	952,762	1,025,969
Sports programs	648,302	676,849	756,520	991,443	1,123,287	1,233,700	1,287,406	1,338,838	1,424,626	1,423,992
Recreation programs	2,321,238	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
Grants and sponsorships	892,183	221,312	857,212	950,096	1,906,063	1,441,320	1,742,561	1,608,261	1,275,106	1,300,759
System development charges	3,165,261	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
Interest earned	924,540	1,074,988	632,735	488,973	793,970	445,603	507,727	447,101	365,782	380,671
Charges for services	-	-	-	-	553,515	712,478	799,091	689,931	579,099	511,362
Miscellaneous	210,989	267,646	342,161	378,292	710,592	192,203	278,137	190,957	281,997	565,079
Total revenues	32,668,537	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
Expenditures										
Board of Directors	\$ 170,390	\$ 187,210	\$ 151,139	\$ 252,707	\$ 158,614	\$ 212,527	\$ 229,942	\$ 200,248	\$ 154,475	\$ 218,847
Administration	1,236,566	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
Business and facilities	2,612,192	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
Planning and development	-	-	-	907,994 ²⁾	1,250,838	1,282,382	1,430,176	1,503,184	1,497,804	1,211,690
Park and recreation services	19,368,313	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
Capital outlay	2,823,615	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
Debt service										
Principal	1,782,000	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
Interest	1,196,923	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
Total expenditures	29,189,999	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
Excess of revenues over (under) expenditures	3,478,538	(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
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	\$ 3,478,538	\$ (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
Debt service as a percentage of noncapital expenditures	12.5%	12.1%	9.9%	10.4%	20.5%	22.4%	23.3%	21.2%	21.5%	21.9%

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

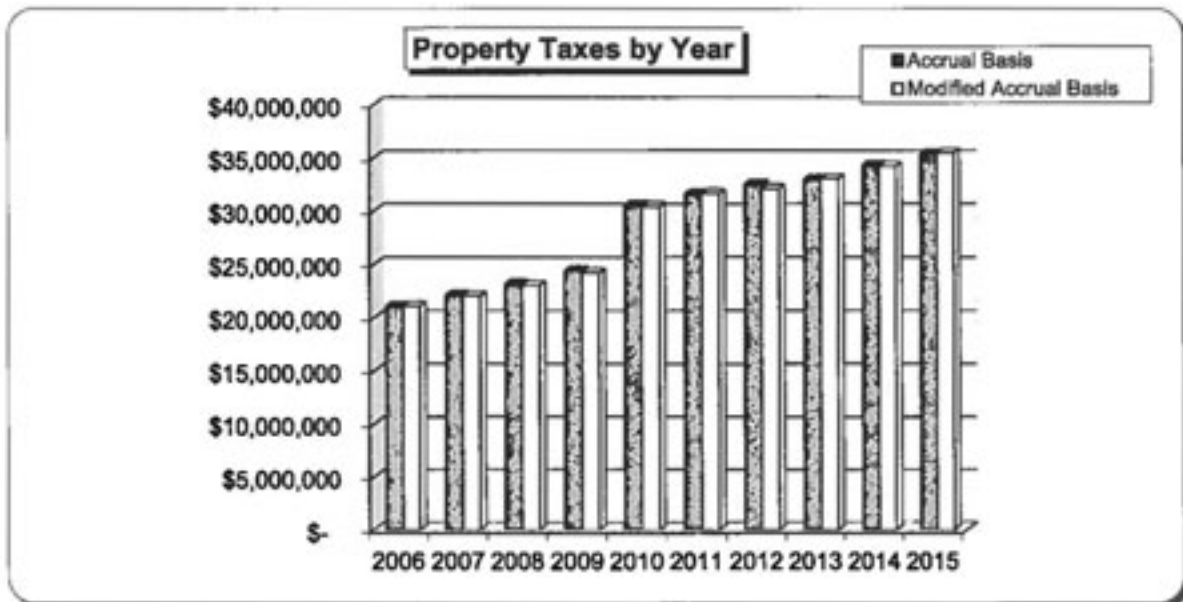
²⁾ In FY 2009 the Planning department was moved from Business and facilities to its own division of Planning and development.

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

Fiscal Year	Property Tax
2006	\$ 21,097,305
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

(modified accrual basis of accounting)

Fiscal Year	Property Tax
2006	\$ 21,124,084
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



**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		
2006	\$ 20,177,301,764	\$ 13,987,126,670	\$ 571,487,358	\$ 569,723,772	\$ 397,350,279	\$ 396,960,470	\$ 21,146,139,401	\$ 14,953,830,912	70.72	% 1.4505
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	16,167,912,926	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

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**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	0.1432	0.1352	0.1268	0.1218	0.427	0.4355	0.4299	0.4225	0.4209	0.4094
Overlapping Government:										
Washington County	2.8395	2.4493	3.0331	2.9840	2.9840	2.9798	2.9744	2.9670	2.9605	2.8254
Washington County - Enhanced Patrol	1.1300	1.1120	1.0920	1.3099	1.2823	1.2660	1.2477	1.2285	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	1.1219	1.6919	1.7890	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
Northwest Regional ESD	0.1538	0.1538	0.1538	0.1538	0.1538	0.1538	0.1538	0.1538	0.1534	0.1530
Multnomah ESD	0.4576	0.4576	0.4576	0.4576	0.4576	0.4576	0.4134	0.4576	0.4576	0.4576
Portland Community College	0.4950	0.4889	0.5051	0.5031	0.6325	0.6359	0.5981	0.6646	0.7329	0.7199
School District No. 48, Beaverton	7.9760	6.2900	6.7358	6.5643	6.8793	6.7841	6.8603	6.7749	8.0537	8.0368
School District No. 1J, Hillsboro	6.5635	6.5240	8.0581	7.1016	7.4600	7.5846	7.4663	7.4881	7.3794	7.3812
School District No. 1J, Portland	4.7743	5.2761	6.5281	6.5281	6.5281	6.5281	6.5166	7.2681	8.3571	8.3535
School District - Hillsboro, Reedville Bonds	0.2556	0.2268	0.2493	0.2617	0.4102	-	-	-	-	-
Tualatin Valley Fire and Rescue District	1.8216	1.8194	1.8692	1.8434	1.8947	1.8828	1.9302	1.9145	1.9061	1.8911
Port of Portland	0.0701	0.0701	0.0701	0.0701	0.0701	0.0701	0.0701	0.0701	0.0699	0.0697
City of Beaverton	4.0135	4.2117	4.1841	4.1153	4.1986	4.2034	4.1791	4.2350	4.3662	4.3517
Urban Renewal - Beaverton	-	-	-	-	-	-	-	0.0113	0.0361	0.0929
City of Hillsboro	4.7655	4.7665	4.7665	5.3865	5.3865	5.3865	5.3827	5.3815	5.3755	5.3652
Urban Renewal - Hillsboro	-	-	-	-	-	-	0.0141	0.0187	0.0415	0.0776
City of Portland	7.3741	7.2395	7.2779	6.7554	7.0862	7.0527	6.9497	7.0558	7.2043	7.1759
Urban Renewal - Portland	0.9867	1.0022	1.0502	1.0508	1.1624	1.1722	1.1314	1.1529	1.1727	1.0878
Metro Service District	0.2841	0.2782	0.4292	0.3984	0.4368	0.4088	0.3154	0.4043	0.4667	0.4575
TriMet	0.1191	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
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Nike, Inc.	\$ 445,753,247	1	2.10 %	\$ 364,467,426	1	2.44 %
Comcast Corporation	165,841,300	2	0.78	-	-	-
Verizon	-	-	-	147,667,211	2	0.99
Portland General Electric	127,099,266	3	0.60	104,300,051	7	0.70
PS Business Parks LP	103,695,691	4	0.49	135,731,878	3	0.91
Tektronix, Inc.	-	-	-	127,854,765	4	0.85
Maxim Integrated Products, Inc.	116,922,300	5	0.55	110,835,060	5	0.74
Northwest Natural Gas Co.	111,936,700	6	0.53	74,435,500	8	0.50
ERP Operating LP	-	-	-	106,545,030	6	0.71
Frontier Communications	97,152,000	7	0.44	-	-	0.00
Beaverton LLC	90,898,710	8	0.60	-	-	0.00
Bernard Properties Partnership	63,502,480	9	0.30	48,483,780	9	0.32
WRPV XI Lasalle Beaverton, LLC	55,217,450	10	0.26	-	-	0.00
EOP-Nimbus Corp.	-	-	-	47,919,530	10	0.32
All other taxpayers	19,867,097,700		93.35	13,685,590,681		91.52
Totals	\$21,245,116,844		100.00 %	\$14,953,830,912		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
2006	\$ 21,736,219	\$ 20,672,358	95.1 %	\$ 422,175	\$ 21,094,533	97.0 %
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	833,872	30,601,910	97.1
2011	32,641,290	30,901,476	94.7	576,355	31,477,831	96.4
2012	33,334,482	31,713,114	95.1	470,995	32,184,109	96.5
2013	34,166,612	32,623,087	95.5	482,933	33,106,020	96.9
2014	35,308,500	33,590,906	95.1	389,315	33,980,221	96.2
2015	36,433,185	34,828,560	95.6	-	34,828,560	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
2006	\$ 2,981	\$ 2,293	\$ 2,103	\$ 93
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

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)}
2006	\$ 15,603,758	\$ 3,210,000	\$ 669,000	\$ 19,482,758	0.105%	\$ 89.90
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	n/a	418.73
2015	89,388,275	9,407,542	407,785	99,203,602	n/a	417.09

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)}
2006	\$ 15,603,758	\$ 460,511	\$ 15,143,247	0.10%	\$ 69.88
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

^{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, 2015

<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	\$ 89,388,275	100.00%	\$ 89,388,275
Direct debt	89,388,275		89,388,275
Metro	\$ 193,205,000	13.52%	\$ 26,120,736
Portland Community College	160,095,000	16.95%	27,137,223
City of Portland	126,830,000	0.01%	9,259
City of Hillsboro	33,885,000	0.21%	72,649
City of Beaverton	786,938	98.99%	778,952
Washington County	20,523,415	40.37%	8,285,918
Tualatin Valley Fire and Rescue District	55,020,000	45.34%	24,943,537
School District No. 23, Tigard-Tualatin	97,837,628	0.05%	47,745
School District No. 48, Beaverton	844,318,784	81.50%	688,157,803
School District No. 1J, Hillsboro	297,100,000	3.26%	9,675,359
School District No. 1J, Portland	757,114,063	0.44%	3,366,129
Overlapping debt	2,586,715,828		788,595,310
Other Debt:			
Tualatin Hills Park and Recreation District	\$ 9,815,327	100.00%	\$ 9,815,327
Direct debt	9,815,327		9,815,327
Metro	\$ 30,420,000	13.52%	\$ 4,112,693
Portland Community College	295,315,000	16.95%	50,057,960
City of Portland	488,532,088	0.01%	35,662
City of Hillsboro	10,300,000	0.21%	22,084
Washington County	68,025,000	40.37%	27,463,734
Tualatin Valley Fire and Rescue District	2,000,000	45.34%	906,708
Northwest Regional ESD	4,740,000	31.70%	1,502,490
Multnomah ESD	31,355,000	0.33%	103,127
Port of Portland	65,302,566	12.43%	8,118,350
City of Beaverton	5,460,000	98.99%	5,404,586
Overlapping debt	1,001,449,654		97,727,394
Total direct and overlapping debt	\$ 3,687,369,084		\$ 985,526,306

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 528,653,485	\$ 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
Total net debt application to limit	15,310,000	13,935,000	12,495,000	69,490,000	65,155,000	60,095,000	95,780,000	91,415,000	86,650,000	81,045,000
Legal debt margin	\$ 513,343,485	\$ 640,124,148	\$ 707,963,248	\$ 676,153,762	\$ 634,080,942	\$ 603,774,866	\$ 536,034,057	\$ 529,824,362	\$ 571,979,120	\$ 648,745,362
Total net debt applicable to the limit as a percentage of debt limit	2.90%	2.13%	1.73%	9.32%	9.32%	9.05%	15.16%	14.71%	13.16%	11.11%

Legal Debt Margin Calculation for Fiscal Year 2015

Real market value (2014/15)	\$ 29,191,614,499
General obligation debt capacity (2.5% of Real market value)	729,790,362
Less: Outstanding debt	81,045,000
Remaining legal debt capacity	<u>\$ 648,745,362</u>

Sources: 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		Unemployment Rate ^{c)}	School Enrollment ^{d)}
			(amounts expressed in thousands) ^{b)}	Per Capita Personal Income ^{e)}		
2006	216,717	500,585	\$ 18,607,666	\$ 36,259	5.3 %	36,646
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	n/a	n/a	5.7	39,088
2015	237,847	n/a	n/a	n/a	4.6	40,725

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	2015*		2006	
	Annual Average	Percentage of Total County Employment	Annual Average	Percentage of Total County Employment
Mining and logging	400	0.2%	400	0.2%
Construction	13,400	5.0%	15,500	6.2%
Manufacturing:				
Computer and electronic products	26,800		28,300	
Other durable goods	12,700		13,500	
Non-durable goods	5,700		6,500	
	<u>45,200</u>	17.0%	<u>48,300</u>	19.3%
Trade, transportation and utilities:				
Wholesale trade	12,700		17,700	
Retail trade	30,200		29,400	
Transportation, warehousing and utilities	4,300		3,600	
	<u>47,200</u>	17.8%	<u>50,900</u>	20.3%
Information	7,400	2.8%		
Financial activities	16,100	6.1%	17,100	6.8%
Professional and business services:				
Professional and technical services	13,800		10,800	
Management of companies and enterprises	12,800		4,700	
Administrative and waste services	23,500		18,900	
	<u>50,100</u>	18.9%	<u>34,400</u>	13.7%
Educational and health services	32,700	12.3%	25,300	10.1%
Leisure and hospitality	22,600	8.5%	19,500	7.8%
Other services	7,800	2.9%	7,500	3.0%
Government:				
Federal government	700		800	
State government	3,100		2,500	
Local government	7,800		17,800	
Local education	11,100		10,700	
	<u>22,700</u>	8.4%	<u>31,800</u>	12.6%
Total non-farm employment	<u>265,600</u>	<u>100.0%</u>	<u>250,700</u>	<u>100.0%</u>

* Fiscal Year 2015 information includes data through 12/31/2014

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Administration										
Administration	6	6	6	2	2	2	2	2	2	3
Communications and outreach	2	2	5	6	7	6	6	6	7	7
Security operations	3	3	4	4	4	4	4	4	4	4
Community partnerships	-	-	-	-	-	-	-	-	-	1
Business and facilities										
Director	3	3	1	4	4	4	4	4	4	4
Finance services	6	6	6	6	6	7	7	7	7	7
Information services	4	5	5	5	5	5	5	5	5	5
Human resources	1	1	2	3	3	3	3	3	3	4
Risk and contract management	4	4	2	2	2	2	2	2	2	2
Maintenance										
Operations	4	4	4	3	3	3	3	5	5	6
Park maintenance	38	44	44	45	46	46	46	43	43	45
Vehicles and equipment	6	6	6	6	6	6	6	6	6	6
Athletic facilities	17	17	21	23	23	23	23	25	25	26
Building and pool maintenance	43	44	44	49	48	49	49	50	51	49
Planning										
Director	-	-	-	1	2	2	2	3	3	3
Planning and development	6	6	6	6	6	10	10	11	9	8
Park and recreation										
Director	3	3	2	2	3	3	3	3	3	3
Aquatics	78	78	81	80	81	81	73	74	77	79
Sports	31	29	31	31	33	32	31	31	29	30
Programs and special activities	38	38	40	41	42	42	41	42	42	38
Recreation	92	93	97	104	107	106	105	102	100	100
Natural resources and trails	13	13	14	17	21	24	23	25	25	27
Total full-time equivalent employees	398	405	421	440	454	460	448	453	452	457

Source: Tualatin Hills Park and Recreation District

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

	<u>2006</u> <u>actual</u>	<u>2007</u> <u>actual</u>	<u>2008</u> <u>actual</u>	<u>2009</u> <u>actual</u>	<u>2010</u> <u>actual</u>	<u>2011</u> <u>actual</u>	<u>2012</u> <u>actual</u>	<u>2013</u> <u>actual</u>	<u>2014</u> <u>actual</u>	<u>2015</u> <u>estimate</u>
Parks and Recreation										
Cultural and recreational activities:										
Aquatics										
Attendance at open/drop-in programs and classes	556,978	531,225	577,934	603,018	589,522	563,160	621,093	728,660	790,889	802,214
Number of classes held	5,326	5,019	4,722	5,452	5,421	5,740	5,123	5,282	4,823	5,037
Sports ¹⁾										
Attendance at open/drop-in programs and classes	690,838	814,653	700,000	697,335	654,533	710,364	679,600	650,623	607,130	625,000
Number of classes held	522	521	512	521	395	583	700	527	537	550
Recreation										
Attendance at open/drop-in programs and classes	716,205	731,157	740,206	870,704	924,770	947,841	944,324	945,676	1,022,117	1,017,000
Number of classes held	4,377	4,556	4,802	4,896	4,869	4,794	3,972	4,236	4,199	4,265
Programs and special activities										
Attendance at open/drop-in programs and classes	334,601	338,275	342,314	354,960	374,644	375,255	284,232	285,698	265,174	267,943
Number of classes held	1,361	1,366	1,185	1,349	1,547	1,798	1,954	1,819	2,283	2,338
Natural resources and trails										
Attendance at open/drop-in programs and classes	241,329	249,159	195,018	136,960	188,450	171,449	180,704	198,997	197,877	202,500
Number of classes held	263	278	293	338	545	580	643	647	707	700
Maintenance activities:										
Buildings maintained (shown per 1,000 sq. ft)	326	326	355	366	368	368	450	461	461	461
Cost per sq. ft. of buildings	\$7.22	\$7.66	\$6.21	\$7.28	\$7.17	\$8.20	\$6.30	\$6.52	\$6.61	\$6.63
Pool facilities maintained (shown per 1,000 sq. ft.)	152	152	152	152	152	152	117	117	117	117
Cost per sq. ft. of pools	\$10.42	\$11.42	\$14.71	\$12.03	\$15.87	\$12.57	\$17.01	\$16.15	\$16.29	\$17.28
Parks maintained - developed acres	1,028	1,041	1,076	1,076	1,071	1,083	1,026	1,024	1,052	1,062
Cost per developed acre	\$2,290	\$2,523	\$2,560	\$2,638	\$2,796	\$2,765	\$2,879	\$2,720	\$2,740	\$2,892
Parks maintained - undeveloped acres	749	848	859	867	1,077	900	1,188	1,233	1,236	1,244
Cost per undeveloped acre	\$165	\$163	\$169	\$172	\$146	\$175	\$131	\$254	\$260	\$274
Vehicle and equipment units maintained	354	389	413	427	434	436	436	472	490	490
Cost per vehicle and equipment unit	\$1,768	\$1,800	\$1,752	\$1,870	\$1,860	\$1,937	\$1,990	\$1,757	\$1,801	\$1,818

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

Tualatin Hills Park and Recreation District
CAPITAL ASSET STATISTICS BY FUNCTION
June 30, 2015

Parks and Recreation:

Number of parks	288
Park acreage:	
Developed sites (neighborhood, community and regional parks)	1,075
Undeveloped sites (wetlands and natural areas)	1,275
Pathways and trails mileage	46
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	107
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, 2015, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 20, 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 the procedures to the extent we considered necessary to address the required comments and disclosures, which included, but were not limited to the following:

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

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, Kavola & Warwick, LLP

Lake Oswego, Oregon
January 20, 2016