

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017



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AND RECREATION DISTRICT
BEAVERTON, OREGON**

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FOR THE YEAR ENDED JUNE 30, 2017



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

**TUALATIN HILLS PARK AND RECREATION DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2017**

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INTRODUCTORY SECTION



November 28, 2017

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, 2017 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, 2017. The independent auditor's report is located at the front of the financial section of this report. Immediately following, the reader will find Management's Discussion and Analysis (MD&A) that provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

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

- District facilities include: five indoor and two outdoor swim centers; a combined recreation/aquatic center; two recreation centers; an athletic center with six indoor multi-purpose athletic courts and a running track; 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; 100 outdoor tennis courts; six indoor tennis courts; 149 soccer/football/lacrosse fields; 104 softball/baseball fields; three skate parks; four bocce courts; five volleyball courts; and an outdoor hockey rink.
- The district has 296 park and recreation facility sites totaling approximately 2,375 acres, consisting of 1,288 acres of wetland/natural areas, and 1,087 acres of developed sites, including neighborhood, community and regional parks. District sites include three lakes, 27 miles of stream corridor, and 51 miles of off-street pathways.
- District programs include: aquatics instruction, leagues and drop-in programs; youth and adult sports leagues and fitness programs; youth and adult general and specialized recreation programs; youth after-school and day camps; senior fitness and recreation programs; developmentally disabled and special needs recreation programs; and natural resource education programs.

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

FACTORS AFFECTING FINANCIAL CONDITIONS

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

Local economy – Due to Ballot Measure 50, passed by voters in May 1997, the district has a permanent tax rate of \$1.3073 per \$1,000 of assessed value. An annual 3.0 percent increase is allowed on maximum assessed valuation of existing properties, along with increases due to new construction, land partitions, zoning changes, etc. The district was able to maintain a stable revenue base throughout the recession. Over the past several years the district experienced significant revenue growth from System Development Charge (SDC) fees due to increased construction within the district boundaries and a fee increase based on updated methodology. Fees increased 79% from 2015/16 to 2016/17.

Because the district's 2017 assessed value is only 66.4 percent of market value, there is an inherent cushion in property tax collections on most properties. Fiscal year 2016/17 resulted in a growth of 4.5 percent in general fund property taxes over fiscal year 2015/16, consisting of approximately 3.0 percent approved valuation increase on existing properties, and 1.5 percent exception based growth (growth due to new development). Property values are continuing to increase, and combined with three new urban expansion areas within the boundaries, the district is projecting growth in property taxes for fiscal year 2017-2018 of 4.5 percent.

Washington County, the second most populous county in Oregon, experienced job growth of 2.6 percent over the previous year. All job categories remained level or showed an increase with a total increase of 7,300 jobs. Furthermore, the county's unemployment rate as of August, 2017 sits at 4.0 percent (seasonally adjusted), a lower rate than the state (4.1 percent) and national rates (4.4 percent). As mentioned above, the revenues received from the assessment of system development charges (SDC's) for new construction remains strong. SDC revenues are statutorily restricted to use for purchase or construction of new, or expansion of existing, facilities, improvements and land within the district.

Long-term financial planning

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

The final step necessary for this long-term focus was the completion of the five functional plans. These plans address five key areas (parks, programs, natural resources, trails and athletic fields) and provide a structured approach for implementation of the recommendations generated from the three main plans. All functional plans were completed during 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 2017/18 budget year:

- Ensure the district is serving the entire community by eliminating barriers that may inhibit participation by beginning implementation of the completed Americans with Disabilities Act (ADA) access plan, and completing construction of an all access sports complex.
- Enhance communications and outreach efforts by continuing enhanced engagement procedures for public input on development projects and continuing implementation of the district's Community Outreach Plan.
- Maintain and enhance the levels of service and sustainability in the district's parks, trails, natural areas and recreational facilities by implementing a grant strategy to prioritize district needs and match them against available funding opportunities and providing increased staffing and funding to provide additional

maintenance support and to keep pace with increased park acreage created through bond or SDC funded projects.

- Ensure continuity of service for our patrons by continued funding of a capital replacement reserve fund for long-term funding of capital asset needs, adding staff in the Information Services department, replacing the financial software to provide for growth and efficiency needs of the district and extended seasons for the outdoor pools to accommodate swim clubs and lap swim during the phase two maintenance closure of the Aquatic Center.
- Continue to work on moving cost recovery on park district services in line with targets established by the Service and Financial Sustainability Analysis by implementing a long-term internal staffing plan and transferring, eliminating or repurposing positions as needed in the centers, and funding energy savings improvements that will ultimately lower the cost of operations through reduced energy usage.

During the budget process, the district actively monitors deferred and projected maintenance replacements for both major and routine replacement needs. The five-year funding projection, prepared during the annual budget process, illustrates the importance of addressing this long-term need, to avoid a decline in district assets. For the fiscal year ended June 30, 2017 the district policy for minimum fund balances/reserves (chapter 6.03) was positively impacted. This policy calls for the district to “measure its obligations for replacement of assets and ensure that replacements are managed in a manner that does not negatively impact the district services.” In part this is being achieved through the creation of a capital replacement reserve that was initially funded for \$850,000 in the fiscal year ended June 30, 2016 with an additional \$850,000 budgeted each subsequent fiscal year, including 2017-2018. These reserve funds are currently a portion of the ending general fund balance. Over time, this reserve funding 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. In October 2016, the district advance refunded \$8.6 million of the Series 2011 issue to achieve an economic gain of \$0.7 million. The district’s debt structure, capital improvements and ultimately, the tax

payers have benefitted significantly from the low interest rate environment within the last eight years.

As of June 30, 2017, \$87.9 million bond funds have been expended. Approximately \$16.3 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, 2016. This was the twelfth year of submission, and subsequent receipt, of this prestigious award. In order to be awarded the Certificate of Achievement, the district had to publish an easily readable and efficiently organized CAFR that satisfied both GAAP and applicable legal requirements.

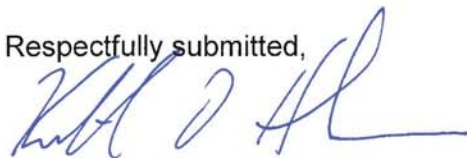
A Certificate of Achievement is valid for a period of one year only. Staff believes that our current CAFR continues to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

The district's Adopted Budget Document for the 2016/2017 Fiscal Year received the *Distinguished Budget Presentation* award from GFOA. This is the twelfth year that the district has received such an award. In order to qualify, the budget document must be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

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

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

Respectfully submitted,



Keith D. Hobson
Director of Business and Facilities



Government Finance Officers Association

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

Presented to

**Tualatin Hills Park
and Recreation District
Oregon**

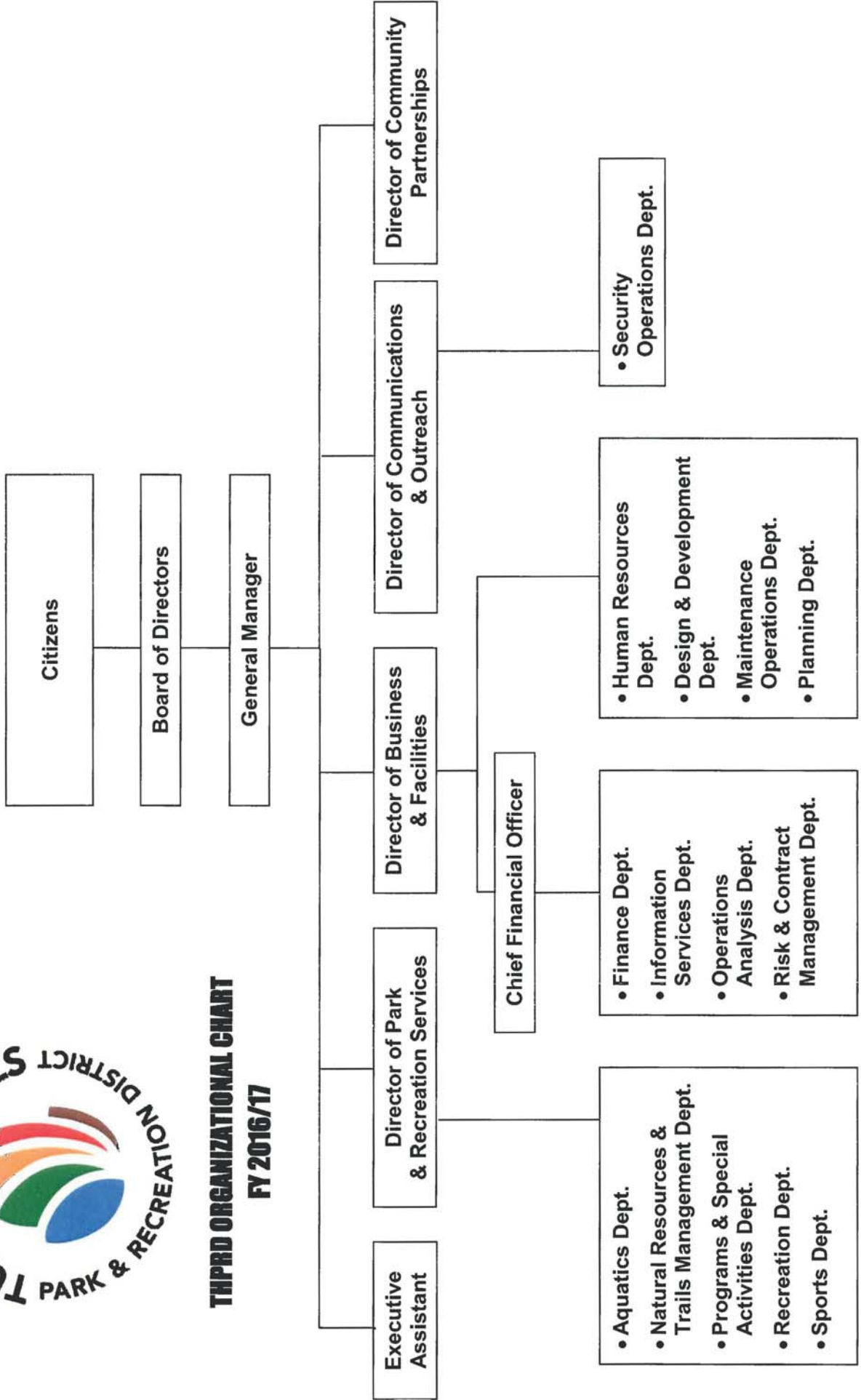
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



**THPRD ORGANIZATIONAL CHART
FY 2016/17**



**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, 2017

<u>Name</u>	<u>Term Expires</u>
Jerry Jones Jr., President	June 30, 2017
Ali Kavianian, Secretary	June 30, 2019
Bob Scott, Secretary Pro-tempore	June 30, 2017
John Griffiths	June 30, 2019
Larry Pelatt	June 30, 2017

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

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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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



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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, 2017, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

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

Supplemental Information

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

Other Information

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Board of Directors
Tualatin Hills Park and Recreation District

OTHER REPORTING REQUIRED BY OREGON MINIMUM STANDARDS

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated November 28, 2017, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

TALBOT, KORVOLA & WARWICK, LLP

By 
Julie B. Fahey, Partner

Lake Oswego, Oregon
November 28, 2017



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Financial Highlights

- The assets and deferred outflows of resources of the district exceeded its liabilities at June 30, 2017 by \$170,096,428.
- Net investment in capital assets (net of accumulated depreciation and related debt) accounts for most of net position, with a value of \$152,863,521.
- Of the remaining net position, \$7,472,340 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 \$15,728,996 or 10.2 percent over the previous year. Acquisitions of park property and improvements contributed mainly to the increase.
- As of the close of the current fiscal year, the district's governmental funds reported combined ending fund balances of \$36,139,959 a decrease of \$12,872,943, or 26.3 percent. Decreases were reported in the Bonded Debt Fund, Bond Capital Projects Fund, and System Development Charges Fund, combined with an increase in the General Fund due to increased property tax revenues and under-expenditure of budgeted costs.
- As of June 30, 2017, fund balance for the General Fund was \$9,920,411 or 24.0 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, 2017, 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, 2017.

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

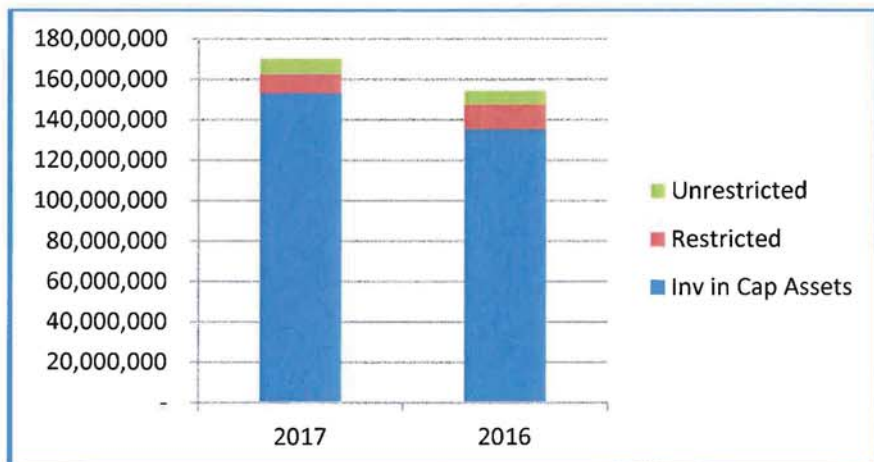
Statement of Net Position

As noted earlier, net position may serve over time as an indicator of the district's financial position. As of June 30, 2017, the district's assets and deferred outflows of resources exceeded liabilities by \$170,096,428.

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, 2017	June 30, 2016
Cash and investments	\$ 39,102,911	\$ 52,385,149
Other assets	3,470,688	2,774,726
Capital assets	223,596,629	199,866,238
Total assets	266,170,228	255,026,113
Deferred outflow of resources-pension	9,748,471	6,176,953
Deferred outflow of resources-charge on debt refunding	5,308,527	4,463,838
Total assets and deferred outflow of resources	281,227,226	265,666,904
Other liabilities	5,083,876	4,966,120
Debt liabilities	91,169,643	95,363,853
Net pension and OPEB liability	14,877,279	10,969,499
Total liabilities	111,130,798	111,299,472
Net investment in capital assets	152,863,521	135,202,585
Restricted	9,760,567	12,350,287
Unrestricted	7,472,340	6,814,560
Total net position	\$ 170,096,428	\$ 154,367,432



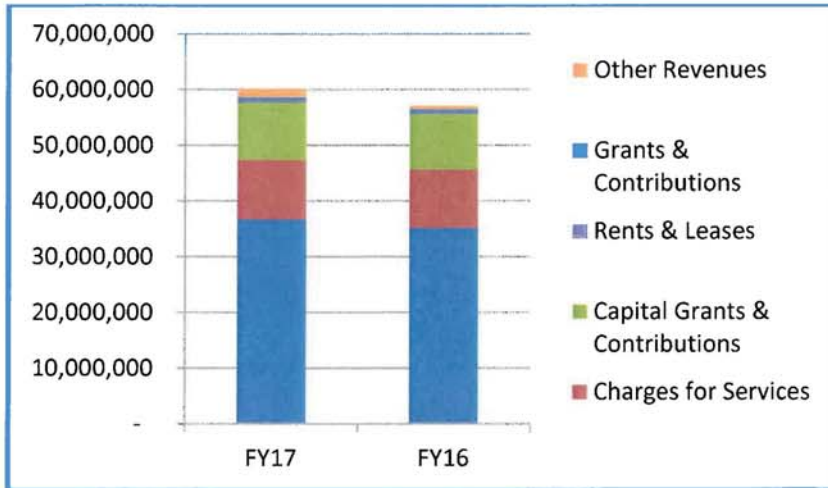
The largest portion of the district's net position, \$152,863,521 or 89.9 percent reflects its investment in capital assets, less any related debt used to acquire these assets still outstanding. The district's assets (recorded at cost) are used to provide services to patrons. Consequently, these assets are not available for future spending, and debt repayment must be provided from other sources. An additional portion of the district's net position, \$9,760,567 or 5.7 percent represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$7,472,340 or 4.4 percent is unrestricted and may be used to meet the district's ongoing obligations. For the year ended June 30, 2017, the district had positive balances in all three categories of net position.

Statement of Activities

Governmental activities increased the district's net position by \$15,728,996 in this fiscal year. Key elements of this increase are as follows:

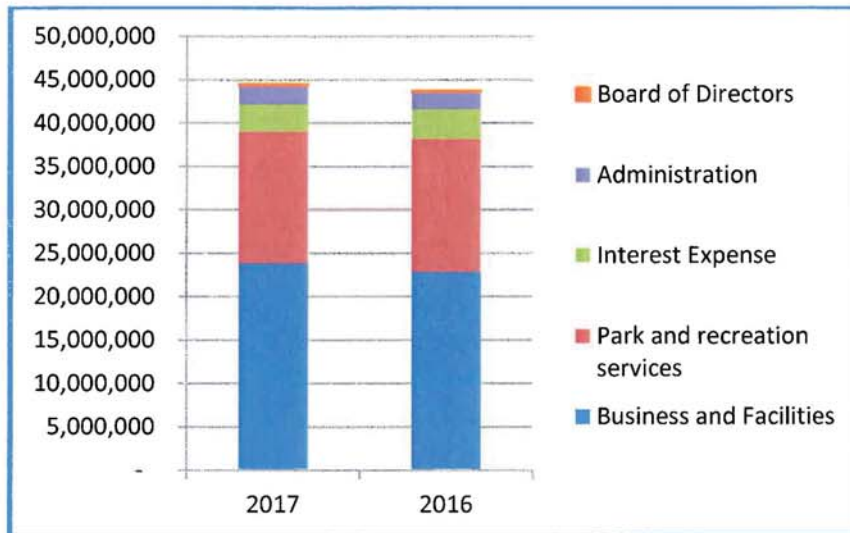
		Governmental Activities	
		For the year ended	
		June 30, 2017	June 30, 2016
			*(as Reclassified)
Revenues:			
Program revenues:			
Charges for services	\$	10,641,932	\$ 10,485,707
Operating grants and contributions		161,744	32,385
Capital grants and contributions		10,276,395	9,994,683
General revenues:			
Property taxes		36,692,351	35,118,802
Rents and leases		635,913	648,897
Grants and contributions not restricted to specific programs		183,894	185,805
Other		1,634,984	647,045
Total revenues		<u>60,227,213</u>	<u>57,113,324</u>
Expenses:			
Board of directors		209,412	175,881
Administration		2,210,239	2,048,290
Business and facilities		23,818,025	22,817,462
Park and recreation services		15,186,213	15,363,129
Interest on long-term debt		3,074,328	3,334,042
Total expenses		<u>44,498,217</u>	<u>43,738,804</u>
Change in net position		<u>15,728,996</u>	<u>13,374,520</u>
Net position - beginning		<u>154,367,432</u>	<u>140,992,912</u>
Net position - ending	\$	<u><u>170,096,428</u></u>	\$ <u><u>154,367,432</u></u>

* Certain amounts in the 2016 financial statements have been reclassified for comparative purposes to conform to the presentation in the 2017 financial statements.



Property taxes increased \$1,573,549, or 4.5 percent due to statutorily allowed increases in assessed value of existing properties and new construction within the district boundaries. Other revenues increased \$987,939, or 152.7 percent due to a gain on the sale of a capital asset land parcel.

Expenses for the district increased by 1.7 percent over last year. This increase is due primarily to inflationary increases and facility and program expansions.



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 2016/17, the district's governmental funds reported a decrease in combined ending fund balances of \$12,872,943. The previous fiscal year had a decrease of \$2,874,436, attributable primarily continued spending of bond proceeds on land acquisition and park development capital projects. The General Fund reported increases within the year while the remaining major funds reported decreases.

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 \$9,740,569. 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 23.5 percent of total General Fund expenditures, exceeding the district's financial policy guideline of 10.0 percent.

The following is a condensed version of the Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund.

Tualatin Hills Park and Recreation District Statement of Revenues, Expenditures and Changes in Fund Balance

	General Fund	
	For the year ended	
	June 30, 2017	June 30, 2016 *(as Reclassified)
Revenues:		
Program revenues	\$ 10,641,932	\$ 10,485,709
Property taxes	29,444,230	28,067,647
Other revenues	1,946,372	1,598,118
Total revenues	42,032,534	40,151,474
Expenditures:		
Board of directors	274,731	178,381
Administration	2,193,086	2,104,826
Business and facilities	17,489,302	17,337,563
Park and recreation services	15,022,217	15,499,027
Capital outlay	5,576,272	3,363,009
Debt service	827,852	834,389
Total expenses	41,383,460	39,317,195
Change in fund balance	649,074	834,279
Fund balance - beginning	9,271,337	8,437,058
Fund balance - ending	\$ 9,920,411	\$ 9,271,337

Fund balance of the General Fund increased by \$649,074 or 7.0% on the modified accrual method of accounting, due to increased growth and tight fiscal controls.

Program revenues remained level with the prior year, increasing \$156,223 or 1.5%. Aquatics and sports experienced increases, while tennis and recreation showed decreases. For revenues other than program revenues, the 5.8% or \$1,724,837 increase was due primarily to the following factors:

- Increase of 4.9% or \$1,376,583 in property tax revenues related primarily to statutorily allowable growth in assessed property values.
- Increase of \$291,010 or 104.0% in grants and sponsorships related primarily to the receipt of capital project incentive funds from Energy Trust of Oregon and a one-time contribution from the Portland Timbers towards construction of a new development project.

Non-capital operating expenditures remained level, decreasing .4% or \$146,998. Capital expenditures increased from the previous year by \$2,213,263 or 65.8 percent due primarily due to costs for the Phase I renovation of the Aquatic Center.

The **Bonded Debt Fund** has a total fund balance of \$153,507, a decrease of \$132,843 versus the previous year, and is restricted for the payment of debt service on existing general obligation debt. Decrease is due primarily to normal scheduled debt principal payments.

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 \$11,321,225 was expended during the current fiscal year. The majority of capital projects have been substantially completed; however, three large park development and improvement projects, natural resource land acquisition/restoration and development of two new athletic fields will continue for at least three more years. As of the end of the year, total fund balance in this fund restricted for capital project development is \$16,292,929.

The **System Development Charges Fund** accounts for development impact fees assessed on new construction within the district boundaries. Total revenues increased by \$4,314,282 or 79.4 percent over last year, due to an increase in new construction activity in two new urban areas of the district and revised methodology which resulted in a rate increase in June 2016. Total expenditures increased by \$7,585,670 or 126.0 percent due to several large land acquisitions in new urban areas and a continued shift in capital spending from bond to system development charge funded projects. Fund balance decreased by \$2,456,876 or 20.4 percent over the previous year. This total fund balance of \$9,607,060 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 accrual basis of accounting. General Fund revenues were slightly less than budget by 2.6 percent, largely due to anticipated grants awarded in the current fiscal year but for which funds will not be received until a subsequent year. Expenditures stayed well under budget by 19.9 percent, primarily due to non-expenditure of contingency and capital replacement funds, control of costs in part-time personnel and capital expenditures at less than budgeted amounts. There were no differences between the original and final amended budget at the program level.

Capital Asset and Debt Administration

Capital assets

The district's investment in capital assets as of June 30, 2017 amounts to \$223,596,629 (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 \$23,730,391 or 11.9 percent.

Increases of \$10,558,018 were generated in land primarily related to new acquisitions of park and natural area parcels, net increases in construction in progress of \$9,899,254 due primarily to one significant park project during the year, and increases in building and park sites related to completion of one significant building renovation and 2 significant trail and athletic field projects. Deferred improvements were 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,	
	2017	2016
Land	\$ 104,738,085	\$ 94,180,067
Park sites and planning development	54,523,016	53,134,786
Buildings and improvements	43,742,643	41,885,945
Equipment and furnishings	993,273	1,050,469
Intangible assets	111,926	26,539
Construction in progress	19,487,686	9,588,432
Total	\$ 223,596,629	\$ 199,866,238

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, 2017, the district had \$91.2 million in debt and other long-term obligations outstanding compared to \$95.4 million last year. Approximately \$6.6 million of the debt outstanding and other long-term obligations at June 30, 2017 is due within one year. Debt decreased by a net of \$4.2 million, mainly due to the principal payments made on existing debt.

Tualatin Hills Park and Recreation District Outstanding Debt and Obligations

	June 30,	
	2017	2016
General obligation bonds	\$ 73,280,000	\$ 77,350,000
Premiums	7,539,786	7,363,712
Full faith and credit obligations	8,890,000	9,140,000
Loans	354,819	381,695
Compensated absences	1,105,038	1,128,446
Total	\$ 91,169,643	\$ 95,363,853

The district's most recent credit rating was "Aa1", received from Moody's in April 2015 for general obligation debt and February 2017 for full faith and credit obligations.. Previously, the district received ratings of "AA" from Standard & Poor's on both general obligation and full faith and credit obligations and "Aa2" for full faith and credit obligations from Moody's.

Due to the district's strong credit rating, bond insurance was not financially advantageous, nor necessary, for the series 2009, 2011, 2015 and 2016 general obligation issues or the series 2010 full faith issues.

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

Economic Factors and Next Year's Budget and Rates

Some of the factors considered during the preparation of the 2017/18 budget were:

- Assessed value on property was estimated to increase by approximately 4.5 percent over the previous year.
- Absorbing an overall increase of personal service costs of 4.4 percent, with a cost of living increase of 2.1 percent for full and regular part-time staff. The budget includes an increase of three full-time positions and a net decrease of one regular part-time position. Two new full-time positions were added and one regular-part time position was upgraded to a full-time position.
- Continue with implementation of cost recovery strategy and evaluation of program offerings to ensure sustainable revenues for the future.
- Adjust for expected water usage and rate increases while continuing to explore initiatives to reduce further utility cost impacts; for example, LED lighting, maintenance vehicle trip reductions and upgrades to heating/cooling control software and equipment.
- Funding an increase of 1.5 percent to materials and services for provision of program related services and adequate maintenance coverage for newly completed park improvements.
- Additional funding for financial software replacement implementation project.
- Continued funding of the capital replacement reserve for long-term funding of capital asset needs.
- Continued funding of necessary park planning personnel to complete the Bond Capital project program.
- Funding of land acquisition (decrease of \$5 million) and new construction (increase of \$2 million) within the System Development Charges Fund.

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

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

Overall, on a budgetary basis the General Fund beginning balance is \$1,736,016 or 21.2 percent over the anticipated beginning fund balance in the 2017/18 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. Continued implementation of the strategic and financial sustainability plans, and resulting functional plans, will assist in identification of key items to incorporate within the board approved long term strategic goals. Local parks and recreation programs offer an affordable alternative for families of all sizes and economic backgrounds, as reflected by our residents' involvement. The district will continue to examine existing programs, along with new and trending activities, to ensure we remain competitive and accessible for all.

Requests for Information

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



Tualatin Hills Park and Recreation District
Statement of Net Position
June 30, 2017

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 35,674,120
Investments	2,997,144
Due from other governments	1,120,777
Receivables	2,170,069
Inventories	74,062
Prepays	105,780
Cash and cash equivalents - restricted	431,647
Capital assets (net of accumulated depreciation):	
Land	104,738,085
Park sites and planning development	54,523,016
Buildings and improvements	43,742,643
Equipment and furnishings	993,273
Intangible assets	111,926
Construction in progress	19,487,686
Total assets	266,170,228
Deferred Outflows of Resources:	
Deferred outflows - pension	9,748,471
Deferred outflows - charge on debt refunding	5,308,527
Total deferred outflows of resources	15,056,998
Liabilities:	
Accounts payable and other current liabilities	2,784,828
Accrued interest payable	299,278
Unearned revenue	1,999,770
Long-term debt:	
Due within one year	6,631,147
Due in more than one year	84,538,496
Net OPEB liability	297
Net pension liability	14,876,982
Total liabilities	111,130,798
Net Position:	
Net investment in capital assets	152,863,521
Restricted for:	
Debt service	153,507
Capital improvements	9,607,060
Unrestricted	7,472,340
Total net position	\$ 170,096,428

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, 2017

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	\$ 209,412	\$ -	\$ -	\$ -	\$ (209,412)
Administration	2,210,239	-	-	-	(2,210,239)
Business and facilities	23,818,025	-	-	10,276,395	(13,541,630)
Park and recreation services	15,186,213	10,641,932	161,744	-	(4,382,537)
Interest on long-term debt	3,074,328	-	-	-	(3,074,328)
Total primary government	\$ 44,498,217	\$ 10,641,932	\$ 161,744	\$ 10,276,395	(23,418,146)
General revenues:					
					29,573,519
					7,118,832
					183,894
					635,913
					516,989
					945,760
					172,235
					<u>39,147,142</u>
					15,728,996
					154,367,432
					<u>\$ 170,096,428</u>

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, 2017

	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	\$ 13,001,217	\$ 90,342	\$ 13,591,594	\$ 8,824,915	\$ 166,052	\$ 35,674,120
Investments	-	-	2,997,144	-	-	2,997,144
Receivables:						
Interest	414	288	6,531	-	-	7,233
Property taxes	1,425,770	400,970	-	-	-	1,826,740
Accounts receivable	336,096	-	-	-	-	336,096
Intergovernmental	238,859	26,466	-	855,452	-	1,120,777
Cash and cash equivalents - restricted	39,229	-	368,373	24,045	-	431,647
Prepays	105,780	-	-	-	-	105,780
Inventories	74,062	-	-	-	-	74,062
Total assets	\$ 15,221,427	\$ 518,066	\$ 16,963,642	\$ 9,704,412	\$ 166,052	\$ 42,573,599
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 1,282,930	\$ -	\$ 670,713	\$ 97,352	\$ -	\$ 2,050,995
Salaries payable	429,033	-	-	-	-	429,033
Other current liabilities payable	304,799	-	-	-	-	304,799
Unearned revenue	1,999,770	-	-	-	-	1,999,770
Total liabilities	4,016,532	-	670,713	97,352	-	4,784,597
Deferred inflows of resources:						
Unavailable revenue - taxes	1,284,484	364,559	-	-	-	1,649,043
Fund balances:						
Nonspendable:						
Prepays	105,780	-	-	-	-	105,780
Inventory	74,062	-	-	-	-	74,062
Restricted:						
Debt service	-	153,507	-	-	-	153,507
Capital improvements	-	-	16,292,929	9,607,060	-	25,899,989
Committed - mitigation maintenance	-	-	-	-	166,052	166,052
Unassigned	9,740,569	-	-	-	-	9,740,569
Total fund balance	9,920,411	153,507	16,292,929	9,607,060	166,052	36,139,959
Total liabilities, deferred inflows of resources and fund balances	\$ 15,221,427	\$ 518,066	\$ 16,963,642	\$ 9,704,412	\$ 166,052	\$ 42,573,599

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
June 30, 2017

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

Fund balances - total governmental funds:	\$ 36,139,959
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	223,596,629
Unavailable revenues for those amounts that were not available to pay current period expenditures.	1,649,042
Other long-term items are not available to pay for current period expenditures and, therefore, are deferred in the fund statements:	
Deferred outflows - pension	9,748,471
Deferred outflow - charge on debt refunding	5,308,527
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(299,278)
Bonds, FFC and loans payable	(90,064,605)
Compensated absences	(1,105,038)
Net OPEB liability	(297)
Net pension liability	(14,876,982)
Net position of governmental activities	\$ 170,096,428

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, 2017

	General Fund	Bonded Debt Fund	Bond Capital Projects Fund	System Development Charges Fund	Other Governmental Fund	Total Governmental Funds
Revenues:						
Property taxes	\$ 29,444,230	\$ 7,096,786	\$ -	\$ -	\$ -	\$ 36,541,016
Aquatic programs	2,732,311	-	-	-	-	2,732,311
Tennis center	978,178	-	-	-	-	978,178
Sports programs	1,631,316	-	-	-	-	1,631,316
Recreation programs	5,300,127	-	-	-	-	5,300,127
Grants and sponsorships	570,717	-	236,278	-	-	806,995
Rents and Leases	635,913	-	-	-	-	635,913
System development charges	-	-	-	9,631,364	-	9,631,364
Interest earned	199,811	49,913	150,953	114,615	1,696	516,988
Charges for services	367,696	-	-	-	-	367,696
Miscellaneous revenues	172,235	-	-	-	-	172,235
Total revenues	42,032,534	7,146,699	387,231	9,745,979	1,696	59,314,139
Expenditures:						
Current:						
Board of Directors	274,731	-	-	-	-	274,731
Administration	2,193,086	-	-	-	-	2,193,086
Business and facilities	17,489,302	-	-	-	-	17,489,302
Park and recreation services	15,022,217	-	-	-	-	15,022,217
Capital outlay	5,576,272	-	11,321,225	13,607,246	-	30,504,743
Debt service	827,852	7,398,765	-	-	-	8,226,617
Total expenditures	41,383,460	7,398,765	11,321,225	13,607,246	-	73,710,696
Excess (deficiency) of revenues over (under) expenditures	649,074	(252,066)	(10,933,994)	(3,861,267)	1,696	(14,396,557)
Other financing sources (uses):						
Proceeds from sale of capital assets	-	-	-	1,404,391	-	1,404,391
Proceeds from bonds refunding	-	8,710,000	-	-	-	8,710,000
Premiums on bonds refunding	-	1,283,919	-	-	-	1,283,919
Payment to refunded bonds escrow	-	(9,874,696)	-	-	-	(9,874,696)
Total other finance sources (uses)	-	119,223	-	1,404,391	-	1,523,614
Net change in fund balances	649,074	(132,843)	(10,933,994)	(2,456,876)	1,696	(12,872,943)
Fund balances at beginning of year	9,271,337	286,350	27,226,923	12,063,936	164,356	49,012,902
Fund balances at end of year	\$ 9,920,411	\$ 153,507	\$ 16,292,929	\$ 9,607,060	\$ 166,052	\$ 36,139,959

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, 2017

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

Net changes in fund balances - total governmental funds	\$ (12,872,943)
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.	24,005,348
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(274,956)
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.	151,335
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.	5,015,491
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	17,575
Accrued compensated absences payable	23,408
Net OPEB liability	18
Net pension liability and related deferrals	(336,280)
Change in net position of governmental activities	\$ 15,728,996

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 29,251,852	\$ 29,251,852	\$ 29,444,230	\$ 192,378
Aquatic programs	3,038,333	3,038,333	2,732,311	(306,022)
Tennis center	1,090,883	1,090,883	978,178	(112,705)
Sports programs	1,583,634	1,583,634	1,631,316	47,682
Recreation programs	5,367,990	5,367,990	5,300,127	(67,863)
Grants and sponsorships	1,620,844	1,620,844	570,717	(1,050,127)
Rents and Leases	574,650	574,650	635,913	61,263
Interest earned	145,000	145,000	199,811	54,811
Charges for services	352,483	352,483	367,696	15,213
Miscellaneous revenues	142,350	142,350	172,235	29,885
Total revenues	43,168,019	43,168,019	42,032,534	(1,135,485)
Expenditures:				
Board of directors	288,100	288,100	274,731	13,369
Administration	2,379,289	2,379,289	2,193,086	186,203
Business and facilities	20,357,451	20,357,451	18,702,595	1,654,856
Park and recreation services	17,112,547	17,112,547	15,022,217	2,090,330
Capital outlay	7,458,717	7,458,717	5,190,831	2,267,886
Contingency	2,400,000	2,400,000	-	2,400,000
Capital reserve	1,700,000	1,700,000	-	1,700,000
Total expenditures	51,696,104	51,696,104	41,383,460	10,312,644
Excess (deficiency) of revenues over (under) expenditures and changes in fund balance	(8,528,085)	(8,528,085)	649,074	9,177,159
Fund balances at beginning of year	8,528,085	8,528,085	9,271,337	743,252
Fund balances at end of year	\$ -	\$ -	\$ 9,920,411	\$ 9,920,411

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, 2017

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

Government-Wide 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 net position presents the financial condition of the district at fiscal year-end.

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*.

Fund Financial Statements

Separate financial statements are provided for governmental, proprietary and fiduciary funds. Each fund is considered to be a separate accounting entity. Funds are reported separately to aid in financial management and to help demonstrate legal compliance in use of these funds. 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.

The other governmental fund includes the nonmajor fund of the district. The *Mitigation Maintenance Fund* is a special revenue fund that accounts for mitigation funds received from development impacting park property. These funds are accumulated for and committed to use on natural area restoration projects.

Flow of resources

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

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

1. Cash, cash equivalents and investments

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

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

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

2. Receivables and payables

Recorded property taxes receivable that are collected within 60 days after year-end are considered measurable and available and, therefore, are recognized as revenue in the fund financial statements. The remaining balance is recorded as deferred inflows of resources (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

Inventories, consisting of expendable maintenance and program supplies, are valued at cost, which approximates market value, using the first-in, first-out method. The cost of inventory is recorded as an expenditure/expense when consumed, rather than when purchased.

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. The cost of prepaid items is recorded as expenditures/expenses at the time of consumption, rather than when purchased.

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 acquisition value at the date of donation.

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

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

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

5. *Deferred outflows/inflows of resources*

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

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

6. *Unearned revenue*

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

7. *Compensated absences*

District policy permits employees to accumulate earned but unused vacation, compensatory and sick pay benefits. There is no liability for unpaid accumulated sick leave since the district does not have a policy to pay any amounts to employees upon separation of service. All vacation and compensatory pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

8. *Long-term obligations*

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

In the fund financial statements, funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing

sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. *Fund balance*

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

- Nonspendable fund balance represents amounts that are not in a spendable form because they are either legally or contractually required to be maintained intact. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant or donor requirements, other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The board may set, modify or rescind commitments by resolution.
- Assigned fund balance represents amounts that are constrained by expressed intent to use resources for a specific purpose that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the board or designee to whom that authority has been given by the board, normally the General Manager or Director of Business and Facilities.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

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

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

II. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(90,064,605) difference are as follows:

Bonds payable	\$ (73,280,000)
Plus: Issuance premiums (to be amortized over life of debt)	(7,522,769)
Full faith and credit obligations	(8,890,000)
Plus: Issuance premiums (to be amortized over life of debt)	(17,017)
Loans payable	<u>(354,819)</u>
Net adjustment to decrease <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ (90,064,605)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliations between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$24,005,348 difference are as follows:

Capital outlay (for capitalized assets)	\$ 29,909,136
Depreciation expense	<u>(5,903,788)</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>\$ 24,005,348</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 decrease net position.” The details of this \$(274,956) 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.	\$ 183,675
All proceeds from sale of capital assets are included in governmental funds, whereas the statement of activities includes only the amount of gain/loss on the sales. The change in net positions differs by the book value of the assets sold.	<u>(458,631)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (274,956)</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$5,015,491 difference are as follows:

Principal repayments:	
General obligation debt	\$ 4,160,000
Other long-term debt	276,876
Amortization of premiums	1,107,845
Amortization of deferred charges on refundings	(410,007)
Deferred charge on refunding	1,254,696
Premiums issued	(1,283,919)
Proceeds from bonds issued	(8,710,000)
Debt refunded	<u>8,620,000</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>\$ 5,015,491</u>

III. Stewardship, compliance and accountability

A. Budgetary information

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

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

IV. Detailed notes on all funds

A. Cash, cash equivalents and investments

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

At June 30, 2017, the district had the following cash, cash equivalents and investments at fair value:

Demand deposits	\$ 457,309
Commercial paper	947,218
Investments in the State Treasurer's Local Government Investment Pool	34,701,240
Government and agency obligations	<u>2,997,144</u>
Total cash, cash equivalents and investments	<u>\$ 39,102,911</u>

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

Cash and cash equivalents	\$ 35,674,120
Investments	2,997,144
Cash, cash equivalents, and investments – restricted	<u>431,647</u>
Total cash, cash equivalents and investments	<u>\$ 39,102,911</u>

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

Assets Valued at Fair Value as of June 30, 2017:

	<u>Level 1</u>
Commercial paper	\$ 947,218
Government and agency obligations	2,997,144
Total	<u>\$ 3,944,362</u>

Current investments ratings are:

	<u>Moody's Aaa</u>	Weighted Average Maturity (years)
Government and Agency Obligations	\$ 2,997,144	.25

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.

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, 2017, the district's share of the amount of unrealized gain reported by the LGIP was considered immaterial.

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, 2017, 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 \$575,551. 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, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 94,180,067	\$ 11,016,649	\$ (458,631)	\$ 104,738,085
Construction in progress	9,588,432	23,979,002	(14,079,748)	19,487,686
Total capital assets, not being depreciated	103,768,499	34,995,651	(14,538,379)	124,225,771
Capital assets, being depreciated:				
Parks sites and planning development	83,936,776	5,105,249	-	89,042,025
Buildings and improvements	68,572,066	3,609,717	-	72,181,783
Equipment and furnishings	7,348,305	353,286	(25,949)	7,675,642
Intangible assets	233,107	108,655	-	341,762
Total capital assets being depreciated	160,090,254	9,176,907	(25,949)	169,241,212
Less accumulated depreciation for:				
Park sites and planning development	(30,801,990)	(3,717,019)	-	(34,519,009)
Buildings and improvements	(26,686,121)	(1,753,019)	-	(28,439,140)
Equipment and furnishings	(6,297,836)	(410,482)	25,949	(6,682,369)
Intangible assets	(206,568)	(23,268)	-	(229,836)
	(63,992,515)	(5,903,788)	25,949	(69,870,354)
Total capital assets, being depreciated, net	96,097,739	3,273,119	-	99,370,858
Governmental activities capital assets, net	<u>\$ 199,866,238</u>	<u>\$ 38,268,770</u>	<u>\$ (14,538,379)</u>	<u>\$ 223,596,629</u>

Depreciation expense of \$5,903,788 for governmental activities was charged to the Business and Facilities function.

The district has the following significant construction commitments related to a single project begun prior to June 30, 2017:

	Commitments Made Before June 30, 2017	Commitments Made After June 30, 2017	Total Commitments
Aquatic Center Renovation – Phase II	\$ 48,678	\$ 1,609,800	\$ 1,658,478

C. Long-term debt

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

	Beginning Balance	Increase	Amortization/ Repayments	Ending Balance	Due Within One Year
General Obligation Bonds					
Series 2009	\$ 6,525,000	\$ -	\$ 1,990,000	\$ 4,535,000	\$ 2,170,000
Series 2011	33,360,000	-	10,190,000	23,170,000	1,685,000
Series 2015	37,465,000	-	600,000	36,865,000	665,000
Series 2016	-	8,710,000	-	8,710,000	-
plus premium	7,341,847	1,283,919	1,102,997	7,522,769	1,082,122
Full Faith & Credit					
Series 2006	485,000	-	110,000	375,000	120,000
Series 2010A	1,355,000	-	45,000	1,310,000	50,000
Series 2010B	6,820,000	-	-	6,820,000	-
Series 2010C	480,000	-	95,000	385,000	100,000
plus premium	21,865	-	4,848	17,017	4,014
Loans					
Energy Savings Contract	381,695	-	26,876	354,819	27,686
Compensated Absences	1,128,446	996,570	1,019,978	1,105,038	727,325
	<u>\$ 95,363,853</u>	<u>\$ 10,990,489</u>	<u>\$ 15,184,699</u>	<u>\$ 91,169,643</u>	<u>\$ 6,631,147</u>

General Obligations Bonds

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

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

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

Finally, on October 12, 2016, the district issued \$8,710,000 in general obligation bonds with interest rates between 3.0% and 4.0%. The proceeds were used to advance refund \$8,620,000 of the Series 2011 general obligation issue allowing the district to achieve an economic gain of \$723,055 from this refunding. The net proceeds of \$9,874,696 (including a \$1,283,919 premium and payment of \$119,223 in closing costs) were deposited in an irrevocable trust fund with an escrow agent to provide funds for future debt service payment on the refunded bonds. As a result, this portion of the Series 2011 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 \$1,254,696. This amount is amortized over the remaining life of the refunding debt. The bonds will be paid annually, with interest payments semi-annually, over a term of twelve 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.

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	2016	2006	2010A	2010B	2010C		
Principal										
2018	\$ 2,170,000	\$ 1,685,000	\$ 665,000	\$ -	\$ 120,000	\$ 50,000	\$ -	\$ 100,000	\$ 27,686	\$ 4,817,686
2019	2,365,000	1,820,000	715,000	-	125,000	55,000	-	100,000	28,520	5,208,520
2020	-	1,985,000	3,325,000	-	130,000	60,000	-	105,000	29,378	5,634,378
2021	-	2,155,000	3,645,000	-	-	70,000	165,000	80,000	30,264	6,145,264
2022	-	2,315,000	3,980,000	-	-	75,000	255,000	-	31,175	6,656,175
2023-2027	-	8,040,000	24,535,000	6,480,000	-	480,000	1,400,000	-	170,543	41,105,543
2028-2032	-	5,170,000	-	2,230,000	-	520,000	1,655,000	-	37,253	9,612,253
2033-2037	-	-	-	-	-	-	1,975,000	-	-	1,975,000
2038-2042	-	-	-	-	-	-	1,370,000	-	-	1,370,000
	<u>\$ 4,535,000</u>	<u>\$ 23,170,000</u>	<u>\$ 36,865,000</u>	<u>\$ 8,710,000</u>	<u>\$ 375,000</u>	<u>\$ 1,310,000</u>	<u>\$ 6,820,000</u>	<u>\$ 385,000</u>	<u>\$ 354,819</u>	<u>\$ 82,524,819</u>

Annual interest requirements for all issues are as follows:

Year ending June 30,	General Obligation Series				Full Faith & Credit Series				Loans	Total
	2009	2011	2015	2016	2006	2010A	2010B	2010C		
Interest										
2018	\$ 158,725	\$ 818,506	\$ 1,716,300	\$ 292,550	\$ 18,750	\$ 51,270	\$ 436,918	\$ 17,630	\$ 10,404	\$ 3,521,053
2019	82,775	767,956	1,689,700	292,550	12,750	49,695	436,918	13,458	9,570	3,355,372
2020	-	695,156	1,668,250	292,550	6,500	47,970	436,918	8,936	8,710	3,164,990
2021	-	615,756	1,502,000	292,550	-	45,670	436,918	3,978	7,826	2,904,698
2022	-	551,106	1,319,750	292,550	-	42,770	428,256	-	6,914	2,641,346
2023-2027	-	1,555,525	3,257,250	1,337,750	-	161,835	1,924,090	-	19,904	8,256,354
2028-2032	-	360,000	-	66,900	-	44,100	1,461,778	-	838	1,933,616
2033-2037	-	-	-	-	-	-	871,275	-	-	871,275
2038-2042	-	-	-	-	-	-	187,065	-	-	187,065
	<u>\$ 241,500</u>	<u>\$ 5,364,005</u>	<u>\$ 11,153,250</u>	<u>\$ 2,867,400</u>	<u>\$ 38,000</u>	<u>\$ 443,310</u>	<u>\$ 6,620,136</u>	<u>\$ 44,002</u>	<u>\$ 64,166</u>	<u>\$ 26,835,769</u>

Compensated Absences

The district's compensated absences of \$1,105,038 are liquidated by the General Fund.

Short-term Debt

On July 12, 2016, the district entered into an agreement for a Taxable Non-Revolving Line of Credit with a maximum amount of \$6,000,000 in order to continue operations of the general government prior to receipt of annual tax revenues. The district drew \$2,000,000 on this line of credit on October 24, 2016. The amount was repaid in full on December 12, 2016 including interest at a rate of 1.95%.

V. Other information

A. Defined benefit pension plan

The district maintains a single-employer defined benefit pension plan ("plan") trusted 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, 2016 was:

<u>Group</u>	<u>Tier I</u>	<u>Tier II</u>
Active participants	115	66
Terminated	15	7
Retired receiving medical premium benefits	12	-
Total	142	73

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. As of the measurement date of June 30, 2016, the district contribution was 26.32% (a blended rate for both plans) of annual covered budgeted payroll for 2015/16. Total actual contributions to the plan for the year ended as of the measurement date of June 30, 2016 totaled \$3,288,096 which is 26.7% of annual covered payroll of \$12,331,990. Pension expense for the fiscal year ended June 30, 2017 was \$2,925,659.

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, 2017, with a measurement date of June 30, 2016, was determined using the following actuarial assumptions from the July 1, 2015 actuarial valuation, applied to all periods included in the measurement:

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

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	65%	6.00%
Fixed income	35%	2.00%

Changes in Net Pension Liability

The following table presents the changes in the net pension liability for the fiscal year ended June 30, 2017 based on the measurement date of June 30, 2016:

	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances at 6/30/2016	\$ 34,496,738	\$ 23,527,554	\$ 10,969,184
Changes for the year:			
Service cost	1,489,089	-	1,489,089
Interest	2,408,620	-	2,408,620
Difference between expected and actual experience	3,112,507	-	3,112,507
Total contributions	-	3,288,096	(3,288,096)
Net investment income	-	(73,994)	73,994
Benefit payments	(9,378,957)	(9,378,957)	-
Administration expense	-	(111,684)	111,684
Net changes	(2,368,741)	(6,276,539)	3,907,798
Balances at 6/30/2017	<u>\$ 32,127,997</u>	<u>\$ 17,251,015</u>	<u>\$ 14,876,982</u>

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

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

	Discount		
	1% Decrease (6%)	Rate (7%)	1% Increase (8%)
Net Pension Liability	\$ 20,631,051	\$ 14,876,982	\$ 10,102,467

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

For the year ended June 30, 2017, the district recognized pension expense of \$2,925,659. The following table presents the components of deferred outflows of resources for the fiscal year ended June 30, 2017:

	Deferred Outflows of Resources
Differences between expected and actual earnings on investments	\$ 1,883,160
Contributions after measurement date	3,384,945
Differences between expected and actual experience in the measurement of total pension liability	<u>4,480,366</u>
Total	<u>\$ 9,748,471</u>

Deferred outflows of resources related to pensions of \$3,384,945 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, 2018.

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

Fiscal Years Ending June 30,	Deferred Outflows of Resources
2018	\$ 1,142,902
2019	1,142,902
2020	1,437,092
2021	1,014,266
2022	713,500
Thereafter	912,864
	<u>\$ 6,363,526</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, 2017, 36 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 2017, 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, 2017 were as follows:

Annual required contribution	\$ 24,751
Interest on net OPEB obligations	22
Adjustment to annual required contribution	<u>(40)</u>
Annual OPEB cost	24,733
Contributions made	<u>(24,751)</u>
Increase (decrease) in net OPEB (benefit) obligations	(18)
Net OPEB (benefit) obligations beginning of year	<u>315</u>
Net OPEB (benefit) obligations end of year	<u>\$ 297</u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB (Benefit) Obligation
06/30/17	\$ 24,733	100.1%	\$ 297
06/30/16	30,644	73.2%	315
06/30/15	10,994	172.0%	(7,903)

Funded Status and Funding Progress

As of July 1, 2017, the most recent actuarial valuation date, the plan was 99.8 percent funded. The actuarial accrued liability for benefits was \$1.7 million, and the actuarial value of assets was \$1.7 million, resulting in an unfunded actuarial liability of approximately \$3,854. The covered payroll (annual payroll of active employees covered by the plan) was \$5.8 million, and the ratio of the unfunded actuarial liability to the covered payroll was 0.1 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, 2017 actuarial valuation, the aggregate actuarial cost method was used to determine the ARC. The actuarial assumptions included an investment rate of return (net of expenses) of 7.00%. The valuation of assets is based on market value as of the first day of the plan year, increased by the amount of any accrued contributions and decreased by the amount of any accrued expenses. Because of the limitation on monthly benefits within the plan, the healthcare cost trend is not a factor in the valuation of the medical component. An assumption is made that all retirees will receive the maximum benefit amount, so healthcare cost increases or decreases, would have no impact.

Because the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and the information presented is intended to approximate the funding progress of the plan. In consideration of healthcare cost trends, the plan assumes that each newly retired participant will purchase medical insurance with premiums of at least the benefit provided by the plan. The amortization period was considered closed, meaning all active participants, inactive participants with vested benefits and retired participants receiving medical insurance premium benefits were included in the valuation period.

C. Risk management

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

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

D. Commitments and contingencies

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

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

On January 21, 2011, the district entered into an operating lease agreement with Peregrine Sports, LLC, doing business as the Portland Timbers (the Timbers), a professional soccer team, to lease a portion of the Fanno Creek Service Center facility 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. 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 facility. Then, on June 7, 2017, the contract was amended to add an additional 12,833 square feet of interior space for expanded locker rooms, training and maintenance equipment space. Peregrine will pay \$143,290 per year for interior space and \$67,500 for field space for the balance of the initial term, due by December 31 of each year.

The Fanno Creek Service Center facility contains 90,000 square feet of interior space and was purchased and renovated at a cost of \$8.9 million in 2011-2012. Total annual depreciation expense for the facility is \$184,100 and the net carrying value as of June 30, 2017 is approximately \$7.8 million. The synthetic turf practice field was purchased and constructed at a cost of \$2.1 million in 2014. Total annual depreciation for the constructed field is \$57,000 and the carrying value of the land and the constructed field approximates \$1.8 million.

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

Year ending June 30,	Timbers
2018	210,790
2019	210,790
2020	210,790
2021	210,790
	<u>\$ 843,160</u>

E. Tax Abatements

The district is subject to two property tax abatements granted by Washington County and one granted by the City of Beaverton, as allowed by State of Oregon Statutes.

Under the Enterprise Zone Exemption (ORS 285C.175), businesses locating or expanding into specific local enterprise zones are eligible for up to three years of tax exemptions for 100 percent of the qualified property's assessed value. The purpose of this program is to enhance and encourage local business investment opportunities.

Under the Nonprofit Corporation Low Income Housing exemption (ORS 307.541), properties held by nonprofit corporations and used to provide low-income housing are eligible for tax exemptions. To qualify for the exemptions, the property must be held by a corporation qualified under section 501(c)(3) or (4) of the Internal Revenue Code and occupied by low-income persons or held for future development of low-income housing. This exemption will expire upon repeal of the statute, on June 30, 2027. The purpose of this program is to benefit low-income renters by encouraging construction and rehabilitation of qualified low-income rental housing.

	Amount of Tax Abated during Fiscal Year 2017		
	Washington County	City of Beaverton	Total
Tax Abatement Program:			
Enterprise Zone	\$ 17,000		\$ 17,000
Nonprofit Corporation Low Income Housing	<u>\$ 31,000</u>	<u>\$ 16,400</u>	<u>\$ 47,400</u>
	<u>\$ 48,000</u>	<u>\$ 16,400</u>	<u>\$ 64,400</u>

F. Subsequent Events

The district issued a Tax and Revenue Anticipation Note, Series 2017, in the amount of \$5,000,000 on July 19, 2017 to continue operations of the general government prior to receipt of annual tax revenue. These notes mature December 29, 2017 and bear interest at a rate of 1.14%.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Tualatin Hills Park and Recreation District
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:			
Service cost	\$ 1,489,089	\$ 1,440,139	\$ 1,212,449
Interest	2,408,620	2,319,600	2,114,196
Benefit payments	(9,378,957)	(1,920,016)	(4,052,930)
Difference between expected and actual experience	3,112,507	-	2,366,480
Effect of plan changes	-	-	-
Effect of changes in assumptions	-	-	-
Effect of economic/demographic (gains) or losses	-	-	-
Net change in total pension liability	(2,368,741)	1,839,723	1,640,195
Total pension liability, beginning	34,496,738	32,657,015	31,016,820
Total pension liability, ending	<u>32,127,997</u>	<u>34,496,738</u>	<u>32,657,015</u>
Plan fiduciary net position:			
Total contributions	3,288,096	3,103,438	3,191,093
Net investment income	(73,994)	(471,679)	2,972,365
Benefit payments	(9,378,957)	(1,920,016)	(3,999,039)
Administrative expense	(111,684)	(111,881)	(104,035)
Net change in plan net position	(6,276,539)	599,862	2,060,384
Plan net position, beginning	23,527,554	22,927,692	20,867,308
Plan net position, ending	<u>17,251,015</u>	<u>23,527,554</u>	<u>22,927,692</u>
Net pension liability	<u>\$ 14,876,982</u>	<u>\$ 10,969,184</u>	<u>\$ 9,729,323</u>
Plan fiduciary net position as a percent of total pension liability	53.7%	68.2%	70.2%
Covered payroll	\$ 12,331,990	\$ 13,874,307	\$ 12,442,910
Net pension liability as a percent of covered payroll	120.6%	79.1%	78.2%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Tualatin Hills Park and Recreation District
REQUIRED SUPPLEMENTARY INFORMATION

Pension Plan
Schedule of Contributions

	2017	2016	2015	2014
Actuarially determined contribution	\$ 3,384,945	\$ 3,286,864	\$ 3,098,289	\$ 3,191,093
Contributions recognized by the plan	3,384,945	3,286,864	3,098,289	3,191,093
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 13,159,789	\$ 12,331,990	\$ 13,874,307	\$ 12,442,910
Contributions as a percent of covered payroll	25.7%	26.7%	22.3%	25.6%

Notes to Schedule

Valuation date:	July 1, 2015
Measurement Date:	June 30, 2016
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 (combined)

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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)
6/30/2015	\$ 1,516,984	\$ 1,767,551	\$ 250,567	85.8%	\$ 7,487,102	3.3%
6/30/2016	1,531,406	1,677,947	146,541	91.3%	6,271,134	2.3%
6/30/2017	1,653,582	1,657,436	3,854	99.8%	5,817,055	0.1%

SUPPLEMENTAL INFORMATION

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2017

	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	255	45
Personnel services	<u>3,300</u>	<u>3,300</u>	<u>3,255</u>	<u>45</u>
Professional services	192,200	192,200	191,728	472
Technical services	15,500	15,500	3,977	11,523
Office supplies	3,000	3,000	1,453	1,547
Dues and memberships	3,000	3,000	4,500	(1,500)
Conferences	25,600	25,600	22,571	3,029
Other travel	12,500	12,500	-	12,500
Materials and services	<u>251,800</u>	<u>251,800</u>	<u>224,229</u>	<u>27,571</u>
Elections	33,000	33,000	47,247	(14,247)
Total Board of Directors	<u>288,100</u>	<u>288,100</u>	<u>274,731</u>	<u>13,369</u>
ADMINISTRATION:				
General Manager				
Full time salaries	302,299	302,299	287,822	14,477
Employee benefits	107,624	107,624	107,098	526
Payroll taxes	21,657	21,657	20,423	1,234
Personnel services	<u>431,580</u>	<u>431,580</u>	<u>415,343</u>	<u>16,237</u>
Telecommunications	9,300	9,300	6,881	2,419
Office supplies	4,500	4,500	4,053	447
Program supplies	8,000	8,000	3,791	4,209
Dues and memberships	18,000	18,000	12,454	5,546
Conferences	18,324	18,324	10,404	7,920
Technical training	6,550	6,550	32,769	(26,219)
Staff transportation	8,000	8,000	7,800	200
Materials and services	<u>72,674</u>	<u>72,674</u>	<u>78,152</u>	<u>(5,478)</u>
Total General Manager	<u>504,254</u>	<u>504,254</u>	<u>493,495</u>	<u>10,759</u>
Communications and Outreach				
Full time salaries	448,394	448,394	433,968	14,426
Part time salaries	44,705	44,705	44,726	(21)
Employee benefits	185,203	185,203	184,486	717
Payroll taxes	41,834	41,834	40,935	899
Personnel services	<u>720,136</u>	<u>720,136</u>	<u>704,115</u>	<u>16,021</u>
Professional services	79,500	79,500	83,563	(4,063)
Technical services	72,340	72,340	12,389	59,951
Telecommunications	-	-	289	(289)
Printing and publications	167,902	167,902	132,067	35,835
Postage	95,225	95,225	90,250	4,975
Advertising	81,275	81,275	69,149	12,126
Office supplies	9,700	9,700	11,846	(2,146)
Program supplies	8,900	8,900	5,562	3,338
Dues and memberships	7,004	7,004	5,653	1,351
Conferences	8,000	8,000	6,239	1,761
Technical training	500	500	-	500
Staff transportation	4,940	4,940	3,954	986
Small furniture and equipment	2,000	2,000	-	2,000
Materials and services	<u>537,286</u>	<u>537,286</u>	<u>420,961</u>	<u>116,325</u>
Total Communications and Outreach	<u>1,257,422</u>	<u>1,257,422</u>	<u>1,125,076</u>	<u>132,346</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
ADMINISTRATION (continued):				
Security Operations				
Full time salaries	\$ 100,737	\$ 100,737	\$ 101,220	\$ (483)
Part time salaries	118,422	118,422	106,783	11,639
Employee benefits	42,789	42,789	45,056	(2,267)
Payroll taxes	22,418	22,418	21,646	772
Personnel services	<u>284,366</u>	<u>284,366</u>	<u>274,705</u>	<u>9,661</u>
Technical services	87,121	87,121	67,960	19,161
Maintenance services	11,648	11,648	10,580	1,068
Printing and publications	165	165	-	165
Telecommunications	2,547	2,547	2,297	250
Office supplies	400	400	284	116
Program supplies	7,203	7,203	5,269	1,934
Dues and memberships	100	100	-	100
Conferences	225	225	-	225
Technical training	200	200	65	135
Staff transportation	150	150	-	150
Small furniture and equipment	450	450	-	450
Materials and services	<u>110,209</u>	<u>110,209</u>	<u>86,455</u>	<u>23,754</u>
Total Security Operations	<u>394,575</u>	<u>394,575</u>	<u>361,160</u>	<u>33,415</u>
Community Partnerships				
Full time salaries	139,239	139,239	134,532	4,707
Employee benefits	30,679	30,679	30,201	478
Payroll taxes	10,700	10,700	10,770	(70)
Personnel services	<u>180,618</u>	<u>180,618</u>	<u>175,503</u>	<u>5,115</u>
Professional services	37,620	37,620	34,252	3,368
Technical services	1,200	1,200	-	1,200
Staff transportation	3,600	3,600	3,600	-
Materials and services	<u>42,420</u>	<u>42,420</u>	<u>37,852</u>	<u>4,568</u>
Total Community Partnerships	<u>223,038</u>	<u>223,038</u>	<u>213,355</u>	<u>9,683</u>
Total Administration	<u>2,379,289</u>	<u>2,379,289</u>	<u>2,193,086</u>	<u>186,203</u>
BUSINESS AND FACILITIES:				
Director of Business and Facilities				
Full time salaries	340,355	340,355	366,532	(26,177)
Employee benefits	135,552	135,552	141,527	(5,975)
Payroll taxes	26,461	26,461	28,437	(1,976)
Personnel services	<u>502,368</u>	<u>502,368</u>	<u>536,496</u>	<u>(34,128)</u>
Professional services	6,400	6,400	11,304	(4,904)
Technical services	146,000	146,000	47,316	98,684
Rental equipment	42,000	42,000	38,798	3,202
Bank charges and fees	6,250	6,250	2,800	3,450
Printing and publications	5,000	5,000	2,875	2,125
Postage	57,200	57,200	22,575	34,625
Advertising	2,450	2,450	1,677	773
Telecommunications	6,000	6,000	3,538	2,462
Office supplies	49,200	49,200	21,979	27,221
Dues and memberships	3,580	3,580	3,020	560
Conferences	17,150	17,150	13,500	3,650
Technical training	2,000	2,000	634	1,366

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
BUSINESS AND FACILITIES (continued):				
Director of Business and Facilities (continued):				
Staff transportation	\$ 5,580	\$ 5,580	\$ 4,703	\$ 877
Other travel	6,000	6,000	-	6,000
Small furniture and equipment	1,500	1,500	1,433	67
Materials and services	<u>356,310</u>	<u>356,310</u>	<u>176,152</u>	<u>180,158</u>
Debt principal	276,876	276,876	276,876	-
Debt interest	696,317	696,317	550,976	145,341
Debt service	<u>973,193</u>	<u>973,193</u>	<u>827,852</u>	<u>145,341</u>
Total Director of Business and Facilities	<u>1,831,871</u>	<u>1,831,871</u>	<u>1,540,500</u>	<u>291,371</u>
Finance				
Full time salaries	429,609	429,609	409,122	20,487
Employee benefits	172,165	172,165	191,332	(19,167)
Payroll taxes	37,039	37,039	35,224	1,815
Personnel services	<u>638,813</u>	<u>638,813</u>	<u>635,678</u>	<u>3,135</u>
Professional services	14,400	14,400	13,732	668
Technical services	3,885	3,885	2,089	1,796
Bank charges and fees	18,000	18,000	17,091	909
Printing and publications	3,170	3,170	1,949	1,221
Advertising	-	-	225	(225)
Telecommunications	-	-	493	(493)
Office supplies	1,075	1,075	625	450
Dues and memberships	520	520	665	(145)
Conferences	5,000	5,000	2,664	2,336
Technical training	1,775	1,775	3,079	(1,304)
Staff transportation	300	300	88	212
Small furniture and equipment	500	500	44	456
Materials and services	<u>48,625</u>	<u>48,625</u>	<u>42,744</u>	<u>5,881</u>
Total Finance	<u>687,438</u>	<u>687,438</u>	<u>678,422</u>	<u>9,016</u>
Human Resources				
Full time salaries	312,076	312,076	330,641	(18,565)
Employee benefits	127,213	127,213	131,437	(4,224)
Payroll taxes	26,893	26,893	28,228	(1,335)
Personnel services	<u>466,182</u>	<u>466,182</u>	<u>490,306</u>	<u>(24,124)</u>
Professional services	42,810	42,810	17,043	25,767
Technical services	27,364	27,364	22,856	4,508
Printing and publications	450	450	50	400
Advertising	6,000	6,000	2,686	3,314
Telecommunications	1,800	1,800	1,544	256
Office supplies	1,000	1,000	192	808
Program supplies	6,933	6,933	4,214	2,719
Dues and memberships	620	620	465	155
Conferences	9,000	9,000	8,193	807
Technical training	49,000	49,000	18,637	30,363
Staff transportation	450	450	146	304
Small furniture and equipment	4,000	4,000	4,682	(682)
Materials and services	<u>149,427</u>	<u>149,427</u>	<u>80,708</u>	<u>68,719</u>
Total Human Resources	<u>615,609</u>	<u>615,609</u>	<u>571,014</u>	<u>44,595</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
BUSINESS AND FACILITIES (continued):				
Information Services				
Full time salaries	\$ 413,531	\$ 413,531	\$ 413,809	\$ (278)
Employee benefits	193,951	193,951	204,056	(10,105)
Payroll taxes	35,631	35,631	35,460	171
Personnel services	643,113	643,113	653,325	(10,212)
Professional services	76,000	76,000	68,181	7,819
Technical services	350,824	350,824	300,327	50,497
Telecommunications	65,000	65,000	65,431	(431)
Office supplies	-	-	4	(4)
Program supplies	39,000	39,000	17,077	21,923
Maintenance supplies	17,000	17,000	18,175	(1,175)
Technical training	13,000	13,000	2,549	10,451
Staff transportation	1,000	1,000	-	1,000
Small furniture and equipment	4,000	4,000	382	3,618
Materials and services	565,824	565,824	472,126	93,698
Computer technology replacement	144,000	144,000	73,180	70,820
Computer technology improvement	78,000	78,000	11,209	66,791
Capital outlay	222,000	222,000	84,389	137,611
Total Information Services	1,430,937	1,430,937	1,209,840	221,097
Risk and Contract Management				
Full time salaries	171,226	171,226	170,700	526
Part time salaries	6,000	6,000	3,839	2,161
Employee benefits	81,250	81,250	83,842	(2,592)
Payroll taxes	15,348	15,348	14,613	735
Personnel services	273,824	273,824	272,994	830
Professional services	7,000	7,000	572	6,428
Technical services	9,040	9,040	537	8,503
Miscellaneous other services	5,350	5,350	6,011	(661)
Insurance	328,850	328,850	313,475	15,375
Printing and publications	1,900	1,900	337	1,563
Advertising	600	600	-	600
Telecommunications	1,200	1,200	1,694	(494)
Office supplies	1,600	1,600	458	1,142
Program supplies	10,800	10,800	3,922	6,878
Dues and memberships	2,200	2,200	2,217	(17)
Conferences	1,600	1,600	710	890
Technical training	9,950	9,950	3,226	6,724
Staff transportation	1,296	1,296	937	359
Small furniture and equipment	1,123	1,123	3,516	(2,393)
Materials and services	382,509	382,509	337,612	44,897
Total Risk and Contract Management	656,333	656,333	610,606	45,727
Maintenance Operations				
Full time salaries	4,223,698	4,223,698	4,046,728	176,970
Part time salaries	1,938,359	1,938,359	1,604,445	333,914
Employee benefits	2,171,352	2,171,352	2,130,543	40,809
Payroll taxes	612,618	612,618	534,710	77,908
Personnel services	8,946,027	8,946,027	8,316,426	629,601

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
BUSINESS AND FACILITIES (continued):				
Maintenance Operations (continued):				
Instructional services	\$ 525	\$ 525	\$ 525	\$ -
Professional services	3,500	3,500	9,373	(5,873)
Technical services	99,672	99,672	114,435	(14,763)
Heat	402,559	402,559	429,871	(27,312)
Electricity	729,199	729,199	757,303	(28,104)
Water and sewer	1,021,924	1,021,924	719,772	302,152
Refuse services	124,974	124,974	111,661	13,313
Rental equipment	18,245	18,245	17,556	689
Maintenance services	432,171	432,171	487,701	(55,530)
Vehicle and equipment services	30,150	30,150	19,977	10,173
Advertising	-	-	280	(280)
Telecommunications	117,152	117,152	120,136	(2,984)
Office supplies	4,194	4,194	7,191	(2,997)
Program supplies	18,800	18,800	20,879	(2,079)
Maintenance supplies	1,029,309	1,029,309	1,007,486	21,823
Gas & oil (vehicles)	169,150	169,150	121,258	47,892
Dues and memberships	2,270	2,270	1,166	1,104
Conferences	4,200	4,200	2,223	1,977
Technical training	21,100	21,100	8,557	12,543
Staff transportation	7,550	7,550	9,359	(1,809)
Small furniture and equipment	1,710	1,710	606	1,104
Materials and services	4,238,354	4,238,354	3,967,315	271,039
Fleet capital replacement	317,399	317,399	301,052	16,347
Capital outlay	317,399	317,399	301,052	16,347
Total Maintenance Operations	13,501,780	13,501,780	12,584,793	916,987
Operations Analysis				
Full time salaries	177,308	177,308	178,007	(699)
Employee benefits	79,740	79,740	76,995	2,745
Payroll taxes	15,269	15,269	15,273	(4)
Personnel services	272,317	272,317	270,275	2,042
Technical services	30,750	30,750	-	30,750
Telecommunications	718	718	813	(95)
Office supplies	2,130	2,130	333	1,797
Dues and memberships	574	574	255	319
Conferences	8,545	8,545	2,801	5,744
Technical training	666	666	495	171
Staff transportation	1,128	1,128	316	812
Materials and services	44,511	44,511	5,013	39,498
Total Operations Analysis	316,828	316,828	275,288	41,540
Planning				
Full time salaries	194,793	194,793	195,049	(256)
Part time salaries	169,978	169,978	87,417	82,561
Employee benefits	77,921	77,921	79,215	(1,294)
Payroll taxes	33,787	33,787	26,168	7,619
Personnel services	476,479	476,479	387,849	88,630
Telecommunications	2,000	2,000	2,717	(717)
Office supplies	200	200	705	(505)
Program supplies	200	200	123	77
Dues and memberships	1,175	1,175	1,375	(200)

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
BUSINESS AND FACILITIES (continued):				
Planning (continued)				
Conferences	\$ 1,200	\$ 1,200	\$ 3,853	\$ (2,653)
Technical Training	1,260	1,260	550	710
Staff transportation	3,700	3,700	719	2,981
Materials and services	<u>9,735</u>	<u>9,735</u>	<u>10,042</u>	<u>(307)</u>
Total Planning	<u>486,214</u>	<u>486,214</u>	<u>397,891</u>	<u>88,323</u>
Design and Development				
Full time salaries	509,734	509,734	515,029	(5,295)
Employee benefits	217,027	217,027	228,762	(11,735)
Payroll taxes	43,461	43,461	43,178	283
Personnel services	<u>770,222</u>	<u>770,222</u>	<u>786,969</u>	<u>(16,747)</u>
Professional services	30,000	30,000	21,760	8,240
Advertising	-	-	494	(494)
Telecommunications	2,875	2,875	2,554	321
Office supplies	6,294	6,294	5,268	1,026
Program supplies	3,000	3,000	1,786	1,214
Dues and memberships	2,050	2,050	1,650	400
Conferences	7,000	7,000	8,474	(1,474)
Technical training	2,500	2,500	922	1,578
Staff transportation	5,500	5,500	3,452	2,048
Small furniture and equipment	1,000	1,000	912	88
Materials and services	<u>60,219</u>	<u>60,219</u>	<u>47,272</u>	<u>12,947</u>
Total Design and Development	<u>830,441</u>	<u>830,441</u>	<u>834,241</u>	<u>(3,800)</u>
Total Business and Facilities	<u>20,357,451</u>	<u>20,357,451</u>	<u>18,702,595</u>	<u>1,654,856</u>
PARK AND RECREATION SERVICES:				
Director of Park and Recreation				
Full time salaries	290,313	290,313	202,536	87,777
Employee benefits	91,330	91,330	73,154	18,176
Part time salaries	29,925	29,925	14,486	15,439
Payroll taxes	26,571	26,571	17,598	8,973
Personnel services	<u>438,139</u>	<u>438,139</u>	<u>307,774</u>	<u>130,365</u>
Professional services	137,500	137,500	25,864	111,636
Fee reductions-family assistance	227,000	227,000	154,157	72,843
Printing and publications	1,000	1,000	-	1,000
Advertising	-	-	398	(398)
Telecommunications	7,500	7,500	932	6,568
Office supplies	12,000	12,000	7,763	4,237
Dues and memberships	3,500	3,500	8,105	(4,605)
Conferences	24,250	24,250	16,897	7,353
Technical training	2,000	2,000	-	2,000
Staff transportation	5,820	5,820	4,700	1,120
Small furniture and equipment	-	-	1,550	(1,550)
Materials and services	<u>420,570</u>	<u>420,570</u>	<u>220,366</u>	<u>200,204</u>
Total Director of Park and Recreation	<u>858,709</u>	<u>858,709</u>	<u>528,140</u>	<u>330,569</u>
Aquatics				
Full time salaries	1,290,332	1,290,332	1,267,209	23,123
Part time salaries	1,713,877	1,713,877	1,393,971	319,906
Employee benefits	662,184	662,184	680,656	(18,472)
Payroll taxes	301,354	301,354	235,265	66,089
Personnel services	<u>3,967,747</u>	<u>3,967,747</u>	<u>3,577,101</u>	<u>390,646</u>
Telecommunications	5,000	5,000	4,188	812

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
PARK AND RECREATION SERVICES (continued):				
Aquatics (continued)				
Office supplies	\$ 4,506	\$ 4,506	\$ 2,942	\$ 1,564
Program supplies	69,955	69,955	59,600	10,355
Dues and memberships	1,810	1,810	200	1,610
Conferences	12,400	12,400	9,238	3,162
Technical training	19,750	19,750	12,174	7,576
Staff transportation	2,000	2,000	1,681	319
Materials and services	115,421	115,421	90,023	25,398
Total Aquatics	4,083,168	4,083,168	3,667,124	416,044
Sports				
Full time salaries	997,178	997,178	876,176	121,002
Part time salaries	1,278,310	1,278,310	1,118,726	159,584
Employee benefits	551,090	551,090	520,410	30,680
Payroll taxes	225,552	225,552	196,848	28,704
Personnel services	3,052,130	3,052,130	2,712,160	339,970
Instructional services	132,050	132,050	88,149	43,901
Rental facility	35,000	35,000	10,010	24,990
Rental equipment	6,089	6,089	12,699	(6,610)
Printing and publications	1,000	1,000	596	404
Advertising	-	-	200	(200)
Telecommunications	5,100	5,100	7,202	(2,102)
Office supplies	10,244	10,244	7,688	2,556
Program supplies	231,329	231,329	154,561	76,768
Dues and memberships	1,330	1,330	1,552	(222)
Conferences	7,500	7,500	8,004	(504)
Staff transportation	3,312	3,312	1,965	1,347
Small furniture and equipment	1,100	1,100	2,528	(1,428)
Materials and services	434,054	434,054	295,154	138,900
Total Sports	3,486,184	3,486,184	3,007,314	478,870
Recreation				
Full time salaries	1,264,131	1,264,131	1,155,761	108,370
Part time salaries	2,601,289	2,601,289	2,333,346	267,943
Employee benefits	673,090	673,090	604,695	68,395
Payroll taxes	379,902	379,902	347,743	32,159
Personnel services	4,918,412	4,918,412	4,441,545	476,867
Professional services	-	-	208	(208)
Technical services	-	-	3,446	(3,446)
Printing and publications	2,000	2,000	5	1,995
Advertising	1,200	1,200	594	606
Telecommunications	3,900	3,900	4,451	(551)
Office supplies	46,470	46,470	28,187	18,283
Program supplies	417,372	417,372	307,462	109,910
Dues and memberships	1,080	1,080	395	685
Conferences	9,150	9,150	6,273	2,877
Technical training	3,420	3,420	6,240	(2,820)
Staff transportation	3,341	3,341	1,578	1,763
Small furniture and equipment	7,500	7,500	6,200	1,300
Materials and services	495,433	495,433	365,039	130,394
Total Recreation	5,413,845	5,413,845	4,806,584	607,261

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
PARK AND RECREATION SERVICES (continued):				
Programs and Special Activities				
Full time salaries	\$ 393,446	\$ 393,446	\$ 335,043	\$ 58,403
Part time salaries	399,694	399,694	362,925	36,769
Employee benefits	212,002	212,002	179,216	32,786
Payroll taxes	76,014	76,014	63,707	12,307
Personnel services	<u>1,081,156</u>	<u>1,081,156</u>	<u>940,891</u>	<u>140,265</u>
Technical services	96,394	96,394	136,034	(39,640)
Rental facility	2,400	2,400	2,400	-
Maintenance services	8,000	8,000	3,099	4,901
Postage	500	500	-	500
Printing and publications	-	-	43	(43)
Advertising	6,000	6,000	976	5,024
Telecommunications	3,000	3,000	921	2,079
Office supplies	11,100	11,100	10,106	994
Program supplies	65,290	65,290	38,736	26,554
Dues and memberships	1,000	1,000	300	700
Conferences	11,000	11,000	9,990	1,010
Technical training	1,000	1,000	30	970
Staff transportation	4,600	4,600	233	4,367
Foundation support (gas)	-	-	378	(378)
Materials and services	<u>210,284</u>	<u>210,284</u>	<u>203,246</u>	<u>7,038</u>
Total Programs and Special Activities	<u>1,291,440</u>	<u>1,291,440</u>	<u>1,144,137</u>	<u>147,303</u>
Natural Resources and Trails				
Full time salaries	801,623	801,623	782,900	18,723
Part time salaries	479,189	479,189	425,717	53,472
Employee benefits	330,294	330,294	369,108	(38,814)
Payroll taxes	129,501	129,501	117,147	12,354
Personnel services	<u>1,740,607</u>	<u>1,740,607</u>	<u>1,694,872</u>	<u>45,735</u>
Instructional services	3,460	3,460	2,458	1,002
Professional services	-	-	(3,277)	3,277
Technical services	49,500	49,500	51,465	(1,965)
Rental equipment	19,650	19,650	21,127	(1,477)
Maintenance services	3,900	3,900	2,163	1,737
Printing and publications	1,000	1,000	429	571
Advertising	500	500	684	(184)
Telecommunications	6,320	6,320	3,623	2,697
Office supplies	12,900	12,900	14,935	(2,035)
Program supplies	45,911	45,911	31,080	14,831
Maintenance supplies	80,503	80,503	36,053	44,450
Dues and memberships	1,400	1,400	828	572
Conferences	5,000	5,000	2,748	2,252
Technical training	3,750	3,750	5,114	(1,364)
Staff transportation	1,800	1,800	1,592	208
Small furniture and equipment	3,000	3,000	3,024	(24)
Materials and services	<u>238,594</u>	<u>238,594</u>	<u>174,046</u>	<u>64,548</u>
Total Natural Resources and Trails	<u>1,979,201</u>	<u>1,979,201</u>	<u>1,868,918</u>	<u>110,283</u>
Total Park and Recreation Services	<u>17,112,547</u>	<u>17,112,547</u>	<u>15,022,217</u>	<u>2,090,330</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2017

	<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	\$ 3,830,085	\$ 3,830,085	\$ 3,200,399	\$ 629,686
Athletic facility replacement	775,000	775,000	727,452	47,548
Park and trail replacement	602,254	602,254	423,752	178,502
Park and trail improvements	1,391,662	1,391,662	272,295	1,119,367
Building replacement	565,116	565,116	392,465	172,651
Building improvements	104,600	104,600	106,024	(1,424)
ADA projects	100,000	100,000	41,557	58,443
Program facility challenge grants	90,000	90,000	26,887	63,113
Total Capital Outlay	<u>7,458,717</u>	<u>7,458,717</u>	<u>5,190,831</u>	<u>2,267,886</u>
CONTINGENCY:				
Contingency	<u>2,400,000</u>	<u>2,400,000</u>	<u>-</u>	<u>2,400,000</u>
CAPITAL REPLACEMENT RESERVE:				
Capital Replacement Reserve	<u>1,700,000</u>	<u>1,700,000</u>	<u>-</u>	<u>1,700,000</u>
Total General Fund Expenditures	<u>\$ 51,696,104</u>	<u>\$ 51,696,104</u>	<u>\$ 41,383,460</u>	<u>\$ 10,312,644</u>

Tualatin Hills Park and Recreation District
Bonded Debt Fund
Schedule of Revenues, Expenditures, Other Financing Sources/(Uses)
and Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2017

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Property taxes	\$ 7,022,081	\$ 7,096,786	\$ 74,705
Interest earned	35,000	49,913	14,913
Total revenues	<u>7,057,081</u>	<u>7,146,699</u>	<u>89,618</u>
Expenditures:			
Issuance costs	-	119,423	(119,423) *
Debt service	<u>7,332,081</u>	<u>7,279,342</u>	<u>52,739</u>
Total expenditures	<u>7,332,081</u>	<u>7,398,765</u>	<u>(66,684)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(275,000)</u>	<u>(252,066)</u>	<u>22,934</u>
Other financing sources (uses):			
Proceeds from bonds issued	-	8,710,000	8,710,000
Premiums on bonds issued	-	1,283,919	1,283,919
Payment to refunded bonds escrow	<u>-</u>	<u>(9,874,696)</u>	<u>(9,874,696)</u>
Total other financing sources (uses)	<u>-</u>	<u>119,223</u>	<u>119,223</u>
Net change in fund balance	(275,000)	(132,843)	142,157
Fund balance at beginning of year	<u>275,000</u>	<u>286,350</u>	<u>11,350</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 153,507</u>	<u>\$ 153,507</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, 2017

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Grants and contributions	\$ -	\$ 236,278	\$ 236,278
Interest earned	150,000	150,953	953
Total revenues	<u>150,000</u>	<u>387,231</u>	<u>237,231</u>
Expenditures:			
Capital outlay	<u>29,155,955</u>	<u>11,321,225</u>	<u>17,834,730</u>
Total expenditures	<u>29,155,955</u>	<u>11,321,225</u>	<u>17,834,730</u>
Excess (deficiency) of revenues over (under) expenditures and changes in fund balance	(29,005,955)	(10,933,994)	18,071,961
Fund balances at beginning of year	<u>29,005,955</u>	<u>27,226,923</u>	<u>(1,779,032)</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 16,292,929</u>	<u>\$ 16,292,929</u>

Tualatin Hills Park and Recreation District
System Development Charges Fund
Schedule of Revenues, Expenditures, Other Financing Sources/(Uses)
and Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2017

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
System development charges	\$ 14,522,059	\$ 9,631,364	\$ (4,890,695)
Interest earned	56,000	114,615	58,615
Total revenues	<u>14,578,059</u>	<u>9,745,979</u>	<u>(4,832,080)</u>
Expenditures:			
Capital outlay	<u>25,858,023</u>	<u>13,607,246</u>	<u>12,250,777</u>
Total expenditures	<u>25,858,023</u>	<u>13,607,246</u>	<u>12,250,777</u>
Excess (deficiency) of revenues over (under) expenditures	(11,279,964)	(3,861,267)	7,418,697
Other financing sources:			
Proceeds from sale of capital assets	<u>-</u>	<u>1,404,391</u>	<u>1,404,391</u>
Net change in fund balance	(11,279,964)	(2,456,876)	8,823,088
Fund balances at beginning of year	<u>11,279,964</u>	<u>12,063,936</u>	<u>783,972</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 9,607,060</u>	<u>\$ 9,607,060</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, 2017

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Interest earned	\$ 500	\$ 1,696	\$ 1,196
Total revenues	<u>500</u>	<u>1,696</u>	<u>1,196</u>
Expenditures:			
Materials and services	160,600	-	160,600
Total expenditures	<u>160,600</u>	<u>-</u>	<u>160,600</u>
Excess (deficiency) of revenues over (under) expenditures and net change in fund balance	(160,100)	1,696	161,796
Fund balance at beginning of year	<u>160,100</u>	<u>164,356</u>	<u>4,256</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 166,052</u>	<u>\$ 166,052</u>



**OTHER
FINANCIAL
SCHEDULES**

Tualatin Hills Park and Recreation District
Schedule of Property Tax Transactions and Outstanding Balances
For the fiscal year ended June 30, 2017

	Taxes Uncollected June 30, 2016	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, 2017
2016-2017	\$ -	\$ 37,804,820	\$ (1,016,156)	\$ 8,593	\$ (92,019)	\$ (36,089,763)	\$ 615,475
2015-2016	603,716	-	(800)	15,854	(45,620)	(284,700)	288,450
2014-2015	328,078	-	8	12,337	(2,379)	(79,291)	258,753
2013-2014	244,732	-	43	18,210	(2,338)	(77,664)	182,983
2012-2013	162,640	-	-	7,906	(2,284)	(29,924)	138,338
2011-2012	116,110	-	1	1,220	(1,483)	(3,591)	112,257
Prior Years	234,962	-	-	3,143	(709)	(6,912)	230,484
	<u>\$ 1,690,238</u>	<u>\$ 37,804,820</u>	<u>\$ (1,016,904)</u>	<u>\$ 67,263</u>	<u>\$ (146,832)</u>	<u>\$ (36,571,845)</u>	<u>\$ 1,826,740</u>

General Fund	\$ 1,307,353
Debt Service Fund	382,885
	<u>\$ 1,690,238</u>
	\$ 1,425,770
	400,970
	<u>\$ 1,826,740</u>

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

Fiscal Year	Actuarially Determined Contribution (ADC)	District Contributions	District Contributions as a Percentage of ADC	Contribution Deficiency (Excess)
2008	\$1,249,866	\$1,249,866	100.00%	\$ -
2009	1,663,456	1,663,456	100.00%	-
2010	2,132,920	2,132,920	100.00%	-
2011	2,411,109	2,440,915	101.24%	(29,806)
2012	2,164,122	2,140,583	98.91%	23,539
2013	2,294,355	2,198,333	95.81%	96,022
2014	2,331,957	2,423,313	103.92%	(91,356)
2015	2,321,835	2,318,042	99.84%	3,793
2016	2,491,300	2,491,219	100.00%	81
2017	2,582,219	2,582,762	100.02%	(543)

Source: The Standard Tualatin Hills Park & Recreation District Retirement Plan Actuarial Valuations



STATISTICAL SECTION

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

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

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

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	(as restated)							(as restated)		
Governmental activities										
Net investment in capital assets	\$ 86,885,092	\$ 89,588,161	\$ 97,699,300	\$ 102,325,244	\$ 111,753,935	\$ 115,214,103	\$ 120,178,588	\$ 118,443,566	\$ 135,202,585	\$ 152,863,521
Restricted	4,089,447	4,914,904	5,388,324	4,966,711	3,393,951	5,506,718	8,113,102	13,104,560	12,350,287	9,760,567
Unrestricted	3,577,389	2,826,589	2,681,289	6,419,121	6,270,492	7,578,867	7,413,183	9,444,786	6,814,560	7,472,340
Total primary government net position	\$ 94,551,928	\$ 97,329,654	\$ 105,768,913	\$ 113,711,076	\$ 121,418,378	\$ 128,299,688	\$ 135,704,873	\$ 140,992,912	\$ 154,367,432	\$ 170,096,428

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
Board of Directors	\$ 151,139	\$ 252,707	\$ 158,614	\$ 212,527	\$ 229,942	\$ 200,248	\$ 154,475	\$ 218,847	\$ 178,381	\$ 209,412
Administration	1,620,813	1,435,073	1,510,804	1,603,306	1,678,446	1,717,417	1,963,226	1,860,162	2,048,290	2,210,239
Business and facilities	2,963,834	13,414,199 ¹⁾	14,022,988	14,061,469	14,337,163	14,917,033	15,126,974	14,575,963	16,447,289	23,818,025 ⁵⁾
Planning and development	-	925,029 ²⁾	724,568	571,594	640,871	800,198	897,304	554,465	550,044	- ⁴⁾
Park and recreation services	25,260,805	16,749,941	17,769,469	17,750,967	18,210,409	19,536,037	19,758,250	19,188,743	21,180,758	15,186,213 ⁵⁾
Interest on long-term debt	935,584	1,117,606	3,032,756	3,106,160	4,085,516	4,124,974	3,946,193	3,853,264	3,334,042	3,074,328
Total governmental activities expenses	\$ 30,932,155	\$ 33,894,555	\$ 37,219,199	\$ 37,306,023	\$ 39,182,347	\$ 41,295,907	\$ 41,846,422	\$ 40,251,444	\$ 43,738,804	\$ 44,498,217
Program Revenues										
Governmental activities:										
Park and recreation services:										
Charges for services	\$ 7,379,076	\$ 8,158,928	\$ 8,673,796	\$ 9,087,924	\$ 9,622,209	\$ 10,248,497	\$ 10,244,780	\$ 10,633,560	\$ 10,485,707	\$ 10,641,932
Operating grants and contributions	27,599	42,756	143,768	155,727	195,890	173,616	214,865	91,112	32,385	161,744
Capital grants and contributions	2,372,111	2,958,270	4,560,810	3,522,996	3,621,810	3,925,320	4,685,175	7,096,827	9,994,683	10,276,395
Total governmental program revenues	\$ 9,778,786	\$ 11,159,954	\$ 13,378,374	\$ 12,766,647	\$ 13,439,909	\$ 14,347,433	\$ 15,144,820	\$ 17,821,499	\$ 20,512,775	\$ 21,080,071
Net(expense)/revenue	<u>\$(21,153,369)</u>	<u>\$(22,734,601)</u>	<u>\$(23,840,825)</u>	<u>\$(24,539,376)</u>	<u>\$(25,742,438)</u>	<u>\$(26,948,474)</u>	<u>\$(26,701,602)</u>	<u>\$(22,429,945)</u>	<u>\$(23,226,029)</u>	<u>\$(23,418,146)</u>
Governmental activities										
Total primary government net expense	<u>\$(21,153,369)</u>	<u>\$(22,734,601)</u>	<u>\$(23,840,825)</u>	<u>\$(24,539,376)</u>	<u>\$(25,742,438)</u>	<u>\$(26,948,474)</u>	<u>\$(26,701,602)</u>	<u>\$(22,429,945)</u>	<u>\$(23,226,029)</u>	<u>\$(23,418,146)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 23,201,119	\$ 24,440,625	\$ 30,576,672	\$ 31,633,996	\$ 32,536,833	\$ 32,998,488	\$ 34,325,378	\$ 35,389,201	\$ 35,118,802	\$ 36,692,351
Unrestricted grants and contributions	232,743	234,137	215,450	197,632	233,515	245,112	237,636	261,528	185,805	183,894
Rents and leases	-	-	-	-	-	-	-	-	648,897 ³⁾	635,913
Investment earnings	637,812	488,973	793,970	445,603	507,727	447,101	365,782	380,671	458,566	516,989
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	945,760
Miscellaneous	1,879,872	348,592	693,992	204,308	171,665	139,083	159,819	203,731	188,479	172,235
Total governmental activities	\$ 25,951,546	\$ 25,512,327	\$ 32,280,084	\$ 32,481,539	\$ 33,449,740	\$ 33,829,784	\$ 35,088,615	\$ 36,235,131	\$ 36,600,549	\$ 39,147,142
Change in Net Position	\$ 4,798,177	\$ 2,777,726	\$ 8,439,259	\$ 7,942,163	\$ 7,707,302	\$ 6,881,310	\$ 8,387,013	\$ 13,805,186	\$ 13,374,520	\$ 15,728,996
Governmental activities										
Total primary government	<u>\$ 4,798,177</u>	<u>\$ 2,777,726</u>	<u>\$ 8,439,259</u>	<u>\$ 7,942,163</u>	<u>\$ 7,707,302</u>	<u>\$ 6,881,310</u>	<u>\$ 8,387,013</u>	<u>\$ 13,805,186</u>	<u>\$ 13,374,520</u>	<u>\$ 15,728,996</u>

¹⁾ In FY 2009 the Maintenance department was moved from Park and recreation services to Business and facilities.
²⁾ In FY 2009 the Planning department was moved from Business and facilities to its own division of Planning and development.
³⁾ In FY 2016, revenues from Rents and Leases was reported separately (previously in Grants & Contributions, Program and Miscellaneous revenues).
⁴⁾ In FY 2017, the Planning and Design & Development departments were moved into Business and facilities.
⁵⁾ In FY 2017, capital outlay and depreciation expenses were moved from Park and recreation services to Business and facilities.

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
			(as restated)	(as restated)						
General fund										
Reserved	\$ 112,826	\$ 116,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,548,093	4,185,875	-	-	-	-	-	-	-	-
Nonspendable	-	-	131,319	93,642	64,728	211,223	225,668	172,449	316,161	179,842
Unassigned	-	-	3,717,581	5,302,475	3,773,265	4,895,327	5,302,635	8,264,609	8,955,176	9,740,569
Total general fund	\$ 4,660,919	\$ 4,302,587	\$ 3,848,900	\$ 5,396,117	\$ 3,837,993	\$ 5,106,550	\$ 5,528,303	\$ 8,437,058	\$ 9,271,337	\$ 9,920,411
All other governmental funds										
Reserved, reported in:										
Special revenue fund	\$ 161,686	\$ 175,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service fund	338,212	255,341	-	-	-	-	-	-	-	-
Capital project funds	3,751,235	62,683,669	-	-	-	-	-	-	-	-
Restricted, reported in:										
Debt service fund	-	-	189,152	303,177	413,134	440,064	477,206	450,745	286,350	153,507
Capital project funds	-	-	59,866,624	43,383,093	70,061,111	56,750,162	42,117,723	42,833,171	39,290,859	25,899,989
Committed, reported in:										
Special revenue fund	-	-	182,010	182,820	183,657	182,071	163,989	166,364	164,356	166,052
Total all other governmental funds	\$ 4,251,133	\$ 63,114,935	\$ 60,237,786	\$ 43,869,090	\$ 70,657,902	\$ 57,372,297	\$ 42,758,918	\$ 43,450,280	\$ 39,741,565	\$ 26,219,548

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Property taxes	\$23,064,951	\$24,227,511	\$30,429,777	\$31,656,648	\$32,122,160	\$33,076,378	\$34,203,849	\$35,471,678	\$34,952,393	\$36,541,016
Aquatic programs	2,070,276	2,236,943	2,438,104	2,542,840	2,604,415	2,680,571	2,567,782	2,761,776	2,450,847	2,732,311
Tennis center	779,947	798,424	867,529	869,498	853,427	881,620	952,762	1,025,969	1,017,285	978,178
Sports programs	756,520	991,443	1,123,287	1,233,700	1,287,406	1,338,838	1,424,626	1,423,992	1,565,716	1,631,316
Recreation programs	3,824,758	4,192,324	4,307,171	4,555,062	4,770,489	5,295,594	5,177,432	5,060,475	5,451,861	5,300,127
Grants and sponsorships	857,212	950,096	1,906,063	1,441,320	1,742,561	1,608,261	1,275,106	1,300,759	279,707	806,995
Rents and leases	-	-	-	-	-	-	-	-	648,896	635,913 ³⁾
System development charges	1,775,241	1,406,672	2,370,160	1,939,855	1,897,759	2,676,196	3,858,370	5,855,512	5,367,366	9,631,364
Interest earned	632,735	488,973	793,970	445,603	507,727	447,101	365,782	380,671	458,566	516,988
Charges for services	-	-	553,515	712,478	799,091	689,931	579,099	511,362	328,170	367,696
Miscellaneous	342,161	378,292	710,592	192,203	278,137	190,957	281,997	565,079	188,479	172,235
Total revenues	34,103,801	35,670,678	45,500,168	45,589,207	46,863,172	48,885,447	50,686,805	54,357,273	52,709,286	59,314,139
Expenditures										
Board of Directors	\$ 151,139	\$ 252,707	\$ 158,614	\$ 212,527	\$ 229,942	\$ 200,248	\$ 154,475	\$ 218,847	\$ 178,381	\$ 274,731
Administration	1,599,223	1,449,070	1,547,895	1,590,784	1,675,574	1,713,305	1,953,992	2,028,622	2,104,826	2,193,086
Business and facilities	2,643,563	12,970,222	13,836,899 ¹⁾	13,796,771	14,018,655	14,590,241	14,901,004	15,621,414	16,074,842	17,489,302
Planning and development	-	907,994	1,250,838 ²⁾	1,282,382	1,430,176	1,503,184	1,497,804	1,211,690	1,262,721	-
Park and recreation services	22,205,573	13,199,722	14,341,740	14,201,551	13,996,776	14,476,812	14,593,069	14,725,729	15,501,975	15,022,217
Capital outlay	5,334,604	4,471,549	9,619,570	28,607,214	22,534,645	19,924,569	22,563,320	9,421,194	12,539,440	30,504,743
Debt service										
Principal	1,958,000	2,061,000	4,790,000	5,695,000	5,100,000	4,605,000	5,018,988	5,390,327	3,961,090	4,436,876
Interest	990,961	1,345,100	3,285,448	3,298,121	4,586,274	4,346,236	4,195,779	4,225,622	3,960,447	3,789,741
Total expenditures	34,883,063	36,657,364	48,831,004	68,684,350	63,552,042	61,359,595	64,878,431	52,843,445	55,583,722	73,710,696
Excess of revenues over (under) expenditures	(779,262)	(986,686)	(3,330,836)	(23,095,143)	(16,688,870)	(12,474,148)	(14,191,626)	1,513,828	(2,874,436)	(14,396,557)
Other financing sources (uses)										
Proceeds from debt issuance	-	58,505,000	-	9,510,000	40,060,000	-	-	37,880,000	-	8,710,000
Premiums on debt issuance	-	492,215	-	22,166	1,859,558	-	-	6,987,825	-	1,283,919
Proceeds from sale of capital assets	-	494,941	-	-	-	-	-	399,283	-	1,404,391
Payment to escrow	-	-	-	-	-	-	-	(43,180,819)	-	(9,874,696)
Loan proceeds	-	-	-	-	-	457,100	-	-	-	-
Total other financing sources (uses)	-	59,492,156	-	9,532,166	41,919,558	457,100	-	2,086,289	-	1,523,614
Net change in fund balances	\$ (779,262)	\$ 58,505,470	\$ (3,330,836)	\$ (13,562,977)	\$ 25,230,688	\$ (12,017,048)	\$ (14,191,626)	\$ 3,600,117	\$ (2,874,436)	\$ (12,872,943)
Debt service as a percentage of noncapital expenditures	9.9%	10.4%	20.5%	22.4%	23.3%	21.2%	21.5%	21.9%	18.0%	18.8%

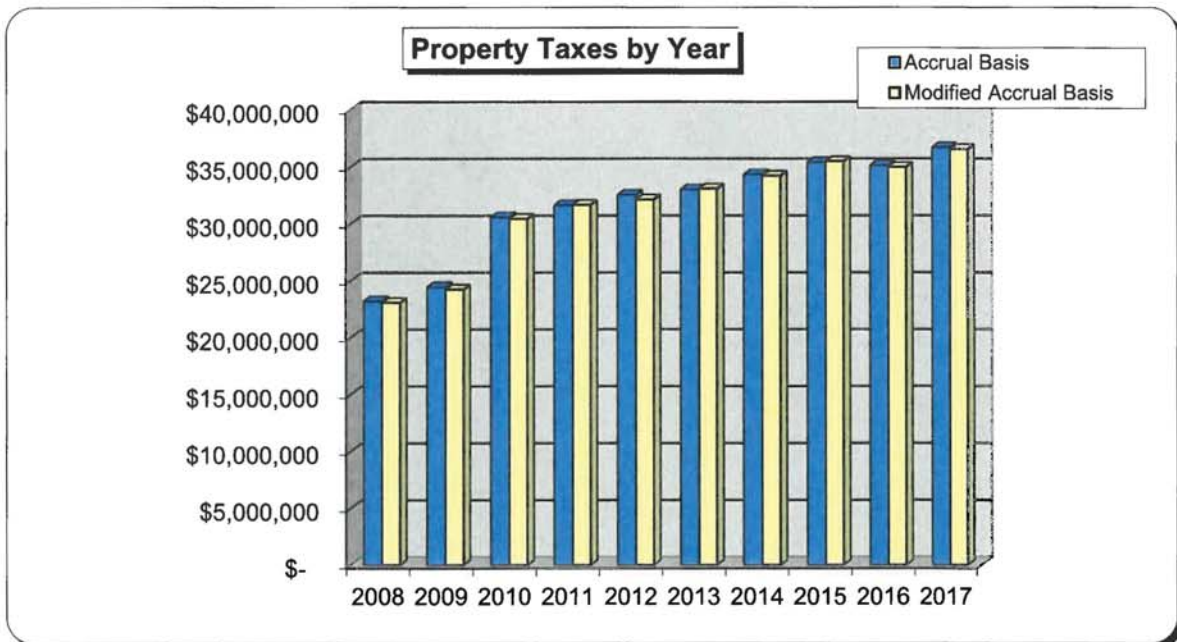
1) In FY 2009 the Maintenance department was moved from Park and recreation services to Business and facilities.
 2) In FY 2009 the Planning department was moved from Business and facilities to its own division of Planning and development.
 3) In FY 2016, revenues from Rents and Leases was reported separately (previously in Grants & Contributions, Program and Miscellaneous revenues).

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

<u>Fiscal Year</u>	<u>Property Tax</u>
2008	\$ 23,201,119
2009	24,440,625
2010	30,576,672
2011	31,633,996
2012	32,536,833
2013	32,998,488
2014	34,325,378
2015	35,389,201
2016	35,118,802
2017	36,692,351

(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>
2008	\$ 23,064,951
2009	24,227,511
2010	30,429,777
2011	31,656,648
2012	32,122,160
2013	33,076,378
2014	34,203,849
2015	35,471,678
2016	34,952,393
2017	36,541,016



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	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value		
2008	\$ 27,801,627,008	\$ 15,557,016,280	\$ 607,128,846	\$ 605,124,136	\$ 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	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	542,600,920	27,969,437,697	18,167,912,926	64.96		1.7343			
2011	25,415,795,100	17,588,772,400	576,119,940	568,963,800	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	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	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	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	592,184,300	29,191,614,499	21,245,116,844	72.78		1.7167			
2016	30,055,910,584	21,034,184,283	661,326,115	652,465,905	598,739,300	31,418,293,366	22,285,389,488	70.93		1.6246			
2017	33,870,049,729	22,045,761,923	697,114,641	683,052,351	704,324,200	35,289,068,840	23,433,138,474	66.40		1.6192			

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	0.1268	0.1218	0.4270	0.4355	0.4299	0.4225	0.4209	0.4094	0.3173	0.3119
Overlapping Government:										
Washington County	3.0331	2.9840	2.9840	2.9798	2.9744	2.9670	2.9605	2.8254	2.8235	2.9354
Washington County - Enhanced Patrol	1.0920	1.3099	1.2823	1.2660	1.2477	1.2285	1.3165	1.3165	1.3165	1.3165
Washington County - Road Maintenance	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456
Washington County - RFPD #2	1.6919	1.7890	1.6919	1.6919	1.6919	1.6919	1.6919	1.6919	1.6919	1.6919
Washington County - North Bethany SD	-	-	-	-	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
Northwest Regional ESD	0.1538	0.1538	0.1538	0.1538	0.1538	0.1536	0.1534	0.1530	0.1528	0.1523
Multnomah ESD	0.4576	0.4576	0.4576	0.4576	0.4134	0.4576	0.4576	0.4576	0.4576	0.4576
Portland Community College	0.5051	0.5031	0.6325	0.6359	0.5981	0.6646	0.7329	0.7199	0.5837	0.6756
School District No. 48, Beaverton	6.7358	6.5643	6.8793	6.7841	6.8603	6.7749	8.0537	8.0368	7.9571	7.9205
School District No. 1J, Hillsboro	8.0581	7.1016	7.4600	7.5846	7.4663	7.4881	7.3794	7.3812	7.1812	7.1268
School District No. 1J, Portland	6.5281	6.5281	6.5281	6.5281	6.5166	7.2681	8.3571	8.3535	8.3632	8.3304
School District - Hillsboro, Reedville Bonds	0.2493	0.2617	0.4102	-	-	-	-	-	-	-
Tualatin Valley Fire and Rescue District	1.8692	1.8434	1.8947	1.8628	1.9302	1.9145	1.9061	1.8911	2.1078	2.0978
Port of Portland	0.0701	0.0701	0.0701	0.0701	0.0701	0.0701	0.0699	0.0697	0.0697	0.0694
City of Beaverton	4.1841	4.1153	4.1986	4.2034	4.1791	4.2350	4.3662	4.3517	4.3279	4.3109
Urban Renewal - Beaverton	-	-	-	-	-	0.0113	0.0361	0.0929	0.1731	0.2233
City of Hillsboro	4.7665	5.3865	5.3865	5.3865	5.3827	5.3815	5.3755	5.3652	5.3621	5.3485
Urban Renewal - Hillsboro	-	-	-	-	0.0141	0.0187	0.0415	0.0776	0.0867	0.1374
City of Portland	7.2779	6.7554	7.0662	7.0527	6.9497	7.0558	7.2043	7.1759	7.0455	6.9712
Urban Renewal - Portland	1.0502	1.0508	1.1624	1.1722	1.1314	1.1529	1.1727	1.0878	1.0608	1.1069
Metro Service District	0.4292	0.3984	0.4368	0.4088	0.3154	0.4043	0.4667	0.4575	0.3876	0.3960
TriMet	0.0856	0.0803	0.0863	0.0878	0.0583	-	-	-	-	-
Rate per \$1,000 of assessed valuation										

Rate per \$1,000 of assessed valuation

Source: Washington County, Department of Assessment and Taxation

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

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Nike, Inc.	\$ 567,719,749	1	2.42 %	\$ 342,893,089	1	2.07 %
Comcast Corporation	273,125,400	2	1.17	-	-	-
Portland General Electric	139,743,122	3	0.60	107,099,250	6	0.65
Northwest Natural Gas Co.	120,977,400	4	0.52	78,115,500	8	0.47
Maxim Integrated Products, Inc.	97,213,870	5	0.41	134,951,810	4	0.81
Nike IHM	96,534,290	6	0.41	-	-	-
Beaverton LLC	91,196,380	7	0.39	-	-	-
Frontier Communications	79,452,000	8	0.34	-	-	-
Harsch Investment Corp	75,394,389	9	0.32	-	-	-
Nike Woodside 1 LLC	62,362,380	10	0.27	-	-	-
Verizon	-	-	-	140,839,764	2	0.85
Tektronix, Inc.	-	-	-	136,940,413	3	0.83
ERP Operating LP	-	-	-	112,051,390	5	0.68
PS Business Parks LP	-	-	-	98,541,817	7	0.59
Bernard Properties Partnership	-	-	-	53,295,450	9	0.32
EOP-Nimbus Corp.	-	-	-	50,837,730	10	0.31
All other taxpayers	21,829,419,494		93.15	15,311,270,453		92.42
Totals	\$ 23,433,138,474		100.00 %	\$ 16,566,836,666		100.00 %

Source: Washington County, Department of Assessment and Taxation

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

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Intel	\$ 2,185,034,921	1	3.68 %	\$ 1,073,118,274	1	2.57 %
Nike, Inc.	771,794,723	2	1.30	348,297,116	2	0.84
Portland General Electric	512,979,756	3	0.86	330,799,810	4	0.79
Comcast Corporation	417,021,800	4	0.70			
Pacific Realty Associates	352,595,837	5	0.59	261,692,224	6	0.63
Northwest Natural Gas Co.	329,744,350	6	0.55	275,283,690	5	0.66
Solarworld Industries America LLC	208,615,230	7	0.35			
Frontier Communications	190,901,000	8	0.32			
Verizon Communications	187,423,000	9	0.32	345,285,461	3	0.83
Genentech Inc.	179,135,460	10	0.30			
Maxim Integrated Products			-	169,355,293	7	0.41
Sprint Nextel Corporation			-	133,617,362	9	0.32
Tektronix Inc.			-	137,506,673	8	0.33
ERP Operating LP			-	112,051,390	10	0.27
All other taxpayers	54,111,452,378		91.03	38,509,676,137		92.35
Totals	<u>\$ 59,446,698,455</u>		<u>100.00 %</u>	<u>\$ 41,696,683,430</u>		<u>100.00 %</u>

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
2008	\$ 23,818,049	\$ 22,614,565	94.9 %	\$ 451,751	\$ 23,066,316	96.8 %
2009	25,095,569	23,896,079	95.2	803,975	24,700,054	98.4
2010	31,527,965	29,768,038	94.4	843,039	30,611,077	97.1
2011	32,641,290	30,901,476	94.7	590,923	31,492,399	96.5
2012	33,334,482	31,713,114	95.1	506,975	32,220,089	96.7
2013	34,166,612	32,623,087	95.5	600,816	33,223,903	97.2
2014	35,308,500	33,590,906	95.1	555,091	34,145,997	96.7
2015	36,433,185	34,828,560	95.6	373,400	35,201,960	96.6
2016	36,088,203	34,488,930	95.6	284,700	34,773,630	96.4
2017	37,804,820	36,089,763	95.5	-	36,089,763	95.5

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
2008	\$ 6,783	\$ 5,071	\$ 2,521	\$ 176
2009	6,888	5,150	-	179
2010	6,175	4,617	-	160
2011	5,551	4,151	-	144
2012	5,299	3,963	-	137
2013	5,247	3,924	-	136
2014	5,524	4,131	-	143
2015	6,450	4,824	-	167
2016	6,450	4,824	-	167
2017	10,800	8,619	-	360

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)}
2008	\$ 12,684,080	\$ 2,665,383	\$ 346,000	\$ 15,695,463	0.073	% \$ 70.01
2009	70,126,571	2,262,962	180,000	72,569,533	0.342	318.25
2010	65,710,924	1,832,764	140,000	67,683,688	0.314	291.83
2011	60,577,893	10,755,454	100,000	71,433,347	0.310	315.01
2012	97,915,383	10,059,107	60,000	108,034,490	0.444	470.77
2013	93,313,622	9,851,204	477,100	103,641,926	0.417	446.27
2014	88,345,559	9,634,002	433,112	98,412,673	0.374	418.73
2015	89,388,275	9,407,542	407,785	99,203,602	0.333	417.09
2016	84,691,847	9,161,865	381,695	94,235,407	n/a	391.50
2017	80,802,769	8,907,017	354,819	90,064,605	n/a	369.74

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)}
2008	\$ 12,684,080	\$ 338,212	\$ 12,345,868	0.07	% \$ 55.07
2009	70,126,571	255,341	69,871,230	0.40	306.42
2010	65,710,924	189,152	65,521,772	0.36	282.51
2011	60,577,893	303,177	60,274,716	0.32	265.80
2012	97,915,383	413,134	97,502,249	0.51	424.87
2013	93,313,622	440,064	92,873,558	0.47	399.90
2014	88,345,559	477,206	87,868,353	0.43	373.87
2015	89,388,275	450,745	88,937,530	0.42	373.93
2016	84,691,847	286,350	84,405,497	0.38	350.67
2017	80,802,769	153,507	80,649,262	0.34	331.09

^{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, 2017

<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	\$ 80,802,769	100.00%	\$ 80,802,769
Direct debt	<u>80,802,769</u>		<u>80,802,769</u>
Metro	\$ 183,510,000	12.94%	\$ 23,750,048
Portland Community College	302,090,000	16.22%	48,992,050
City of Portland	155,468,265	0.01%	10,727
City of Hillsboro	45,250,000	0.17%	78,464
City of Beaverton	34,567,076	99.02%	34,228,734
Washington County	232,130,277	40.55%	94,117,453
Washington County EPD	75,877	73.17%	55,516
Tualatin Valley Fire and Rescue District	48,820,000	45.74%	22,330,512
School District No. 23, Tigard-Tualatin	269,654,318	0.04%	98,424
School District No. 48, Beaverton	1,065,719,613	81.97%	873,552,250
School District No. 1J, Hillsboro	238,850,000	3.08%	7,349,653
School District No. 1J, Hillsboro Bd	4,006,806	3.15%	126,303
School District No. 1J, Portland	665,077,068	0.40%	2,666,294
Overlapping debt	<u>3,245,219,300</u>		<u>1,107,356,428</u>
Other Debt:			
Tualatin Hills Park and Recreation District	\$ 9,261,836	100.00%	\$ 9,261,836
Direct debt	<u>9,261,836</u>		<u>9,261,836</u>
Metro	\$ 19,225,000	12.94%	\$ 2,488,118
Portland Community College	87,170,000	16.22%	14,136,969
City of Portland	509,068,938	0.01%	35,126
City of Hillsboro	9,452,843	0.17%	16,391
Washington County	26,740,000	40.55%	10,841,760
Northwest Regional ESD	4,465,137	32.30%	1,442,440
Multnomah ESD	28,200,000	0.30%	85,390
Port of Portland	62,108,214	11.95%	7,420,193
City of Beaverton	2,480,000	99.02%	2,455,726
Overlapping debt	<u>748,910,132</u>		<u>38,922,113</u>
Total direct and overlapping debt	<u>\$ 4,084,194,037</u>		<u>\$ 1,236,343,146</u>

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

Source: Oregon State Treasury, Municipal Debt Information System

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 720,458,248	\$ 745,643,762	\$ 699,235,942	\$ 663,869,866	\$ 631,814,057	\$ 621,239,362	\$ 658,629,120	\$ 729,790,362	\$ 785,457,334	\$ 882,226,721
Total net debt application to limit	12,684,080	70,126,571	65,710,924	60,577,893	97,915,383	93,313,622	88,345,559	89,388,275	84,691,847	80,802,769
Legal debt margin	\$ 707,774,168	\$ 675,517,191	\$ 633,525,018	\$ 603,291,973	\$ 533,898,674	\$ 527,925,740	\$ 570,283,561	\$ 640,402,087	\$ 700,765,487	\$ 801,423,952

Total net debt applicable to the limit as a percentage of debt limit	1.76%	9.40%	9.40%	9.12%	15.50%	15.02%	13.41%	12.25%	10.78%	9.16%
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Legal Debt Margin Calculation for Fiscal Year 2017

Real market value (2016/17)	\$ 35,289,068,840
General obligation debt capacity (2.5% of Real market value)	882,226,721
Less: Outstanding debt	80,802,769
Remaining legal debt capacity	\$ 801,423,952

Source: Tualatin Hills Park and Recreation District

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

Washington County

Fiscal Year	District Population (estimated)	Population (estimated) ^{a)}	Personal Income (amounts expressed in thousands) ^{b)}	Per Capita Personal Income ^{b)}	Unemployment Rate ^{c)}	School Enrollment ^{d)}
2008	224,192	519,925	\$ 21,362,282	\$ 41,087	4.9 %	37,552
2009	228,025	537,318	21,205,286	39,465	10.0	37,536
2010	231,925	531,610	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	24,314,346	44,396	6.9	39,054
2013	232,239	554,996	24,839,911	44,757	6.4	38,775
2014	235,026	562,998	26,299,466	46,713	5.7	39,088
2015	237,847	574,326	29,812,561	51,909	5.1	40,725
2016	240,701	582,779	n/a	n/a	4.7	40,568
2017	243,589	n/a	n/a	n/a	3.5	40,806

- 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	2017*		2008	
	Annual Average	Percentage of Total County Employment	Annual Average	Percentage of Total County Employment
Mining and logging	400	0.1%	400	0.2%
Construction	14,800	5.3%	15,600	6.2%
Manufacturing:				
Computer and electronic products	28,000		27,100	
Other durable goods	13,800		13,900	
Non-durable goods	6,500		6,400	
	48,300	17.1%	47,400	18.8%
Trade, transportation and utilities:				
Wholesale trade	13,300		17,500	
Retail trade	31,300		30,100	
Transportation, warehousing and utilities	4,700		3,800	
	49,300	17.5%	51,400	20.4%
Information	7,400	2.6%	7,900	3.1%
Financial activities	16,200	5.7%	17,000	6.8%
Professional and business services:				
Professional and technical services	14,800		11,400	
Management of companies and enterprises	15,400		5,200	
Administrative and waste services	23,300		19,000	
	53,500	18.9%	35,600	14.1%
Educational and health services	34,300	12.1%	26,400	10.5%
Leisure and hospitality	25,600	9.1%	20,400	8.1%
Other services	8,700	3.1%	7,600	3.0%
Government:				
Federal government	800		800	
State government	3,300		2,600	
Local government	8,200		7,300	
Local education	11,600		11,300	
	23,900	8.5%	22,000	8.8%
Total non-farm employment	282,400	100.0%	251,700	100.0%

* Fiscal Year 2017 information includes data through 12/31/2016

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Administration										
Administration	6	2	2	2	2	2	2	3	3	3
Communications and outreach	5	6	7	6	6	6	7	7	7	8
Security operations	4	4	4	4	4	4	4	4	4	4
Community partnerships	-	-	-	-	-	-	-	1	1	1
Business and facilities										
Director	1	4	4	4	4	4	4	4	4	3
Finance services	6	6	6	7	7	7	7	7	7	6
Information services	5	5	5	5	5	5	5	5	5	5
Human resources	2	3	3	3	3	3	3	4	4	4
Risk and contract management	2	2	2	2	2	2	2	2	2	2
Operations analysis	-	-	-	-	-	-	-	-	-	2
Maintenance										
Operations	4	3	3	3	3	5	5	6	7	7
Park maintenance	44	45	46	46	46	43	43	45	45	46
Vehicles and equipment	6	6	6	6	6	6	6	6	6	6
Athletic facilities	21	23	23	23	23	25	25	26	26	27
Building and pool maintenance	44	49	48	49	49	50	51	49	48	48
Planning	-	1	2	2	2	3	3	3	3	3
Design and development	6	6	6	10	10	11	9	8	7	6
Park and recreation										
Director	2	2	3	3	3	3	3	3	3	4
Aquatics	81	80	81	81	73	74	77	79	83	78
Sports	31	31	33	32	31	31	29	30	45	58
Programs and special activities	40	41	42	42	41	42	42	38	23	14
Recreation	97	104	107	106	105	102	100	100	101	108
Natural resources and trails	14	17	21	24	23	25	25	27	29	29
Total full-time equivalent employees	421	440	454	460	448	453	452	457	463	472

Source: Tualatin Hills Park and Recreation District

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	actual	actual	actual	actual	actual	actual	actual	actual	actual	estimate
Parks and Recreation										
Cultural and recreational activities:										
Aquatics										
Attendance at open/drop-in programs and classes	577,934	603,018	589,522	563,160	621,093	728,660	790,889	813,257	825,661	876,885
Number of classes held	4,722	5,452	5,421	5,740	5,123	5,282	4,823	5,029	5,446	5,579
Sports ¹⁾										
Attendance at open/drop-in programs and classes	700,000	697,335	654,533	710,364	679,600	650,623	607,130	781,490	792,878	787,465
Number of classes held	512	521	395	583	700	527	537	1,985	2,205	2,180
Recreation										
Attendance at open/drop-in programs and classes	740,206	870,704	924,770	947,841	944,324	945,676	1,022,117	929,397	979,554	994,000
Number of classes held	4,802	4,896	4,869	4,794	3,972	4,236	4,199	4,184	3,779	3,900
Programs and special activities										
Attendance at open/drop-in programs and classes	342,314	354,960	374,644	375,255	284,232	285,698	265,174	140,440	141,000	143,000
Number of classes held	1,185	1,349	1,547	1,798	1,954	1,819	2,283	575	580	590
Natural resources and trails										
Attendance at open/drop-in programs and classes	195,018	136,960	188,450	171,449	180,704	198,997	197,877	233,790	258,763	262,000
Number of classes held	293	338	545	580	643	647	707	664	720	700
Maintenance activities:										
Buildings maintained (shown per 1,000 sq. ft)	355	366	368	368	450	461	461	461	461	461
Cost per sq. ft. of buildings	\$6.21	\$7.28	\$7.17	\$8.20	\$6.30	\$6.52	\$6.61	\$6.63	\$7.07	\$7.22
Pool facilities maintained (shown per 1,000 sq. ft.)	152	152	152	152	117	117	117	117	117	117
Cost per sq. ft. of pools	\$14.71	\$12.03	\$15.87	\$12.57	\$17.01	\$16.15	\$16.29	\$17.28	\$16.40	\$17.14
Parks maintained - developed acres	1,076	1,076	1,071	1,083	1,026	1,024	1,052	1,062	1,075	1,087
Cost per developed acre	\$2,560	\$2,638	\$2,796	\$2,765	\$2,879	\$2,720	\$2,740	\$2,892	\$3,133	\$3,400
Parks maintained - undeveloped acres	859	867	1,077	900	1,186	1,233	1,236	1,244	1,275	1,288
Cost per undeveloped acre	\$169	\$172	\$146	\$175	\$131	\$254	\$260	\$274	\$293	\$319
Vehicle and equipment units maintained	413	427	434	436	436	472	490	490	502	520
Cost per vehicle and equipment unit	\$1,752	\$1,870	\$1,860	\$1,937	\$1,990	\$1,757	\$1,801	\$1,768	\$1,831	\$1,808

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

Tualatin Hills Park and Recreation District
CAPITAL ASSET STATISTICS BY FUNCTION
June 30, 2017

Parks and Recreation:

Number of parks	296
Park acreage:	
Developed sites (neighborhood, community and regional parks)	1,087
Undeveloped sites (wetlands and natural areas)	1,288
Pathways and trails mileage	51
Lakes	3
Stream corridor mileage	27
 Facilities:	
Swim Centers:	
Indoor	5
Outdoor	2
Recreation Centers	2
Combined Recreation/Aquatic Center	1
Athletic Center	1
Senior Center	1
Historical Facilities (weddings, meetings, community events)	3
Interpretive Centers/Nature Parks	2
Tennis Center	1
Camp Rivendale (developmentally disabled patrons)	1
 Fields and courts:	
Tennis:	
Indoor	6
Outdoor ¹⁾	100
Basketball:	
Indoor	6
Outdoor ¹⁾	50
Volleyball ¹⁾	5
Sports fields: ¹⁾	
Soccer/football/lacrosse	149
Softball/baseball	104
Bocce	4
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**



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

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

We have audited 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, 2017, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 28, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

COMPLIANCE

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

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- 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).



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

Page 2

COMPLIANCE (Continued)

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

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.

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

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

PURPOSE OF THIS REPORT

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, Kowala F Wawzich, CPA

Lake Oswego, Oregon
November 28, 2017