

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2018**



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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2018**



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

# TUALATIN HILLS PARK & RECREATION DISTRICT

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

### FISCAL YEAR ENDED JUNE 30, 2018

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**TUALATIN HILLS PARK & RECREATION DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FISCAL YEAR ENDED JUNE 30, 2018**

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# **INTRODUCTORY SECTION**





November 29, 2018

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

In accordance with state statutes, the Comprehensive Annual Financial Report (CAFR) of the Tualatin Hills Park & Recreation District (district) for the fiscal year ended June 30, 2018 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, 2018. 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 & 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; 104 outdoor tennis courts; six indoor tennis courts; 147 soccer/football/lacrosse fields; 104 softball/baseball fields; three skate parks; four bocce courts; five volleyball courts; six long/high jump courts; and an outdoor hockey rink.
- The district has 296 park and recreation facility sites totaling approximately 2,406 acres, consisting of 1,308 acres of wetland/natural areas, and 1,098 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 27.6 percent from 2016/17 to 2017/18.

Because the district's 2018 assessed value is only 62.3 percent of market value, there is an inherent cushion in property tax collections on most properties. Fiscal year 2017/18 resulted in a growth of 4.5 percent in general fund property taxes over fiscal year 2016/17, 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 2018/19 of 4.5 percent.

Washington County, the second most populous county in Oregon, experienced job growth of 1.6 percent over the previous year. All job categories remained level or showed an increase with a total increase of 4,700 jobs. Furthermore, the county's unemployment rate as of August, 2018 sits at 3.4 percent (seasonally adjusted), a lower rate than the state (3.9 percent) and national rates (3.9 percent). As mentioned above, the revenues received from the assessment of system development charges (SDC's) for new construction remains strong. SDC revenues are statutorily restricted to use for purchase or construction of new, or expansion of existing, facilities, improvements and land within the district.



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

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

The final step necessary for this long-term focus was the completion of the five functional plans. These plans address five key areas (parks, programs, natural resources, trails and athletic fields) and provide a structured approach for implementation of the recommendations generated from the three main plans. All functional plans were completed during the 2015/16 fiscal year. Additionally, the Programs Functional Plan was updated in April 2017 and the Parks Functional Plan will be updated during the 2108/19 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 2018/19 budget year:

- Ensure the district is serving the entire community by eliminating barriers that may inhibit participation by continuing implementation of the completed Americans with Disabilities Act (ADA) access plan, and completing a district visioning project to help identify community needs, wants and priorities.
- 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, and replacing the financial software to provide for growth and efficiency needs of the district.
- 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, 2018 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 2018/19. 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 \$.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, 2018, \$89.6 million total bond funds have been expended. Approximately \$14.6 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, 2017. This was the thirteenth 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 GFOA, accounting principles generally accepted in the United States of America (US GAAP), and applicable legal requirements.

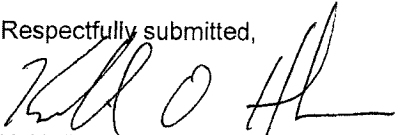
A Certificate of Achievement is valid for a period of one year only. Staff believes that our current CAFR continues to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

The district's Adopted Budget Document for the 2017/18 Fiscal Year received the *Distinguished Budget Presentation* award from GFOA. This is the thirteenth year that the district has received such an award. In order to qualify, the budget document must be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'K. D. Hobson', with a stylized flourish at the end.

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

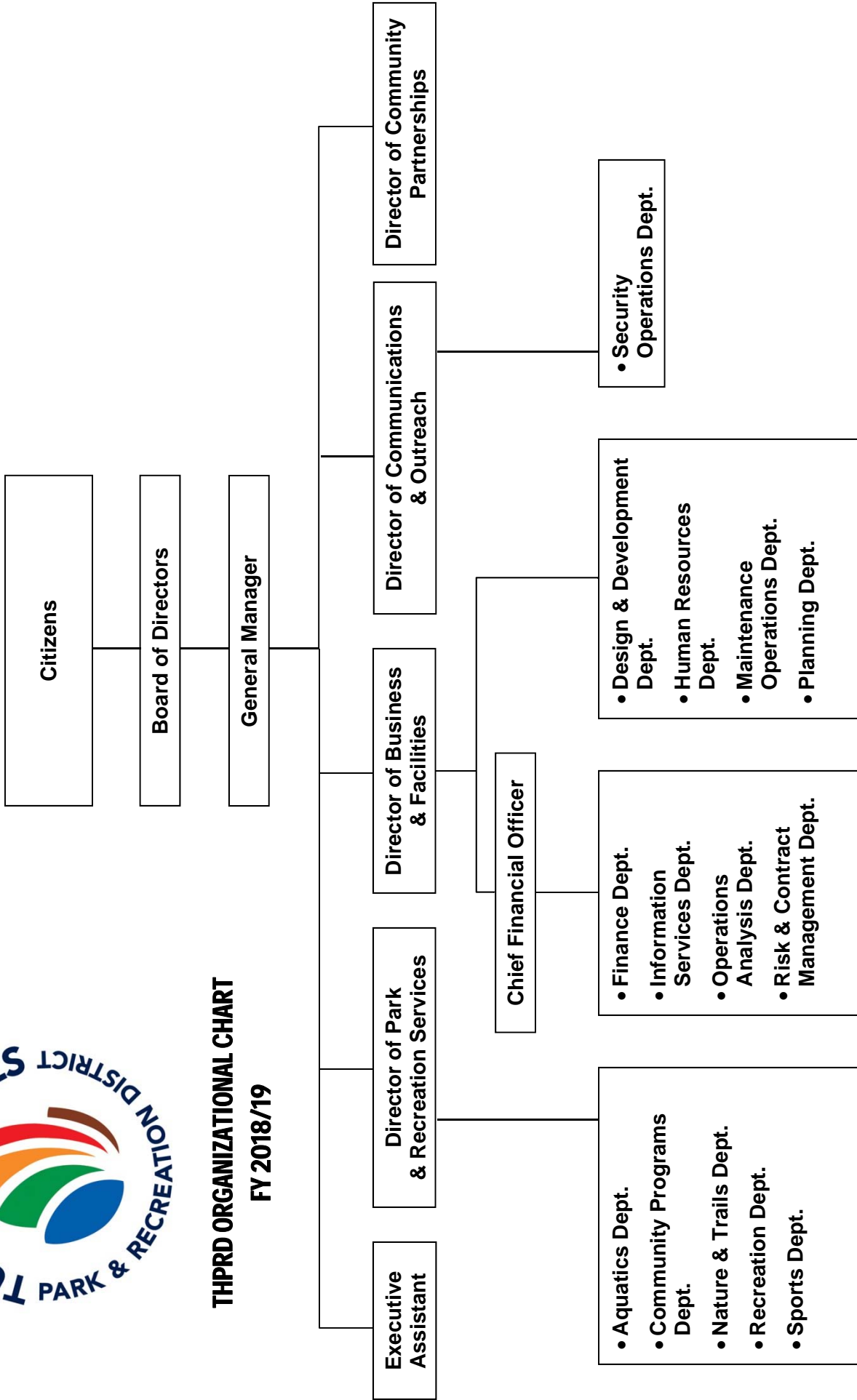
**June 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO



**THPRD ORGANIZATIONAL CHART  
FY 2018/19**



# 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, 2018

<u>Name</u>	<u>Term Expires</u>
Ali Kavianian, President	June 30, 2019
Felicita Montebianco, Secretary	June 30, 2021
John Griffiths, Secretary Pro-tempore	June 30, 2019
Wendy Kroger	June 30, 2019
Holly Thompson	June 30, 2021

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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

4800 Meadows Road, Suite 200  
Lake Oswego, OR 97035

PS03.274.2849  
F503.274.2853

[www.tkw.com](http://www.tkw.com)

## **INDEPENDENT AUDITOR'S REPORT**

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

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Tualatin Hills Park & Recreation District (the District), as of and for the year ended June 30, 2018, 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 & 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of June 30, 2018, 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.

### **EMPHASIS OF MATTER**

As discussed in Note I.E. to the financial statements, as of and for the year ended June 30, 2018, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which resulted in the restatement of previously reported amounts for the year ended June 30, 2017. Our opinions are not modified with respect to this matter.

As of and for the year ended June 30, 2018, the District adopted GASB Statement No. 84, *Fiduciary Activities*, which resulted in the addition of trust fund statements. Our opinions are not modified with respect to this matter.

### **OTHER MATTERS**

#### *Required Supplementary Information*

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

#### *Supplemental Information*

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

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

Board of Directors  
Tualatin Hills Park & Recreation District

**OTHER MATTERS (CONTINUED)**

*Other Information*

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

**OTHER REPORTING REQUIRED BY OREGON MINIMUM STANDARDS**

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated November 29, 2018, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

**TALBOT, KORVOLA & WARWICK, LLP**

By   
Julie B. Fahey, Partner

Lake Oswego, Oregon  
November 29, 2018

# Tualatin Hills Park & Recreation District

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial activities of the Tualatin Hills Park & 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, 2018 by \$187,497,777.
- Net investment in capital assets (net of accumulated depreciation and related debt) accounts for most of net position, with a value of \$161,615,483.
- Of the remaining net position, \$8,574,662 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 \$18,565,976 or 11.0 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 \$44,664,770, an increase of \$8,524,811, or 23.6 percent. Decreases were reported in the Bonded Debt Fund and Bond Capital Projects Fund. Increases were reported in the General Fund due to increased property tax revenues and under-expenditure of budgeted costs and the System Development Charges Fund due to under-expenditure of budgeted costs.
- As of June 30, 2018, fund balance for the General Fund was \$12,583,814 or 29.6 percent of total general fund expenditures, on a modified accrual basis.

### Overview of the Financial Statements

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

#### Government-wide financial statements

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

The **statement of net position** presents information on all of the district's assets and deferred outflows of resources and the district's liabilities and deferred inflows of resources, with the difference 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

# Tualatin Hills Park & Recreation District

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Overview of the Financial Statements (Continued)

#### Government-wide financial statements (continued)

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, 2018, 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, 2018.

#### 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.

# Tualatin Hills Park & Recreation District

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Overview of the Financial Statements (Continued)

#### 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

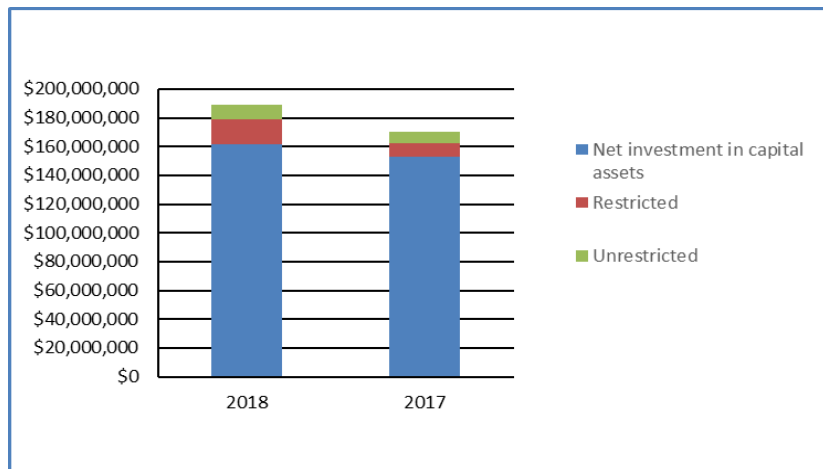
#### Statement of Net Position

As noted earlier, net position may serve over time as an indicator of the district's financial position. As of June 30, 2018, the district's assets and deferred outflows of resources exceeded liabilities by \$187,497,777.

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

**Tualatin Hills Park & Recreation District  
Net Position**

	<b>Governmental Activities</b>	
	June 30, 2018	June 30, 2017
Cash and investments	\$ 48,001,555	\$ 39,102,911
Other assets	3,061,075	3,470,688
Capital assets	228,851,631	223,596,629
Total assets	<u>279,914,261</u>	<u>266,170,228</u>
Deferred outflow of resources - pension	9,229,198	9,748,471
Deferred outflow of resources - charge on debt refunding	4,784,457	5,308,527
Total assets and deferred outflow of resources	<u>293,927,916</u>	<u>281,227,226</u>
Other liabilities	5,499,044	5,083,876
Debt liabilities	85,214,770	91,169,643
Net pension and OPEB liability	15,716,325	16,041,906
Total liabilities	<u>106,430,139</u>	<u>112,295,425</u>
Net investment in capital assets	161,615,483	152,863,521
Restricted	17,307,632	9,760,567
Unrestricted	8,574,662	6,307,713
Total net position	<u>\$ 187,497,777</u>	<u>\$ 168,931,801</u>



# Tualatin Hills Park & Recreation District

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Government-wide Financial Analysis (Continued)

#### Statement of Net Position (Continued)

The largest portion of the district's net position, \$161,615,483 or 86.2 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, \$17,307,632 or 9.2 percent represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$8,574,662 or 4.6 percent is unrestricted and may be used to meet the district's ongoing obligations. For the year ended June 30, 2018, the district had positive balances in all three categories of net position.

#### Statement of Activities

Governmental activities increased the district's net position by \$18,565,976 in this fiscal year. Key elements of this increase are as follows:

#### Tualatin Hills Park and Recreation District Changes in Net Position

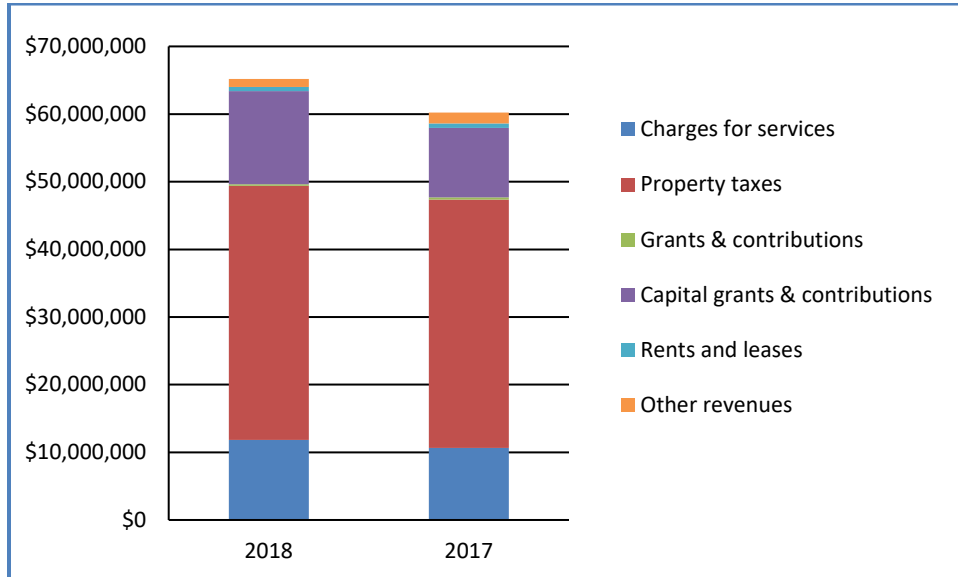
	<b>Governmental Activities</b>	
	For the year ended	
	June 30, 2018	June 30, 2017
Revenues:		
Program revenues:		
Charges for services	\$ 11,830,934	\$ 10,641,932
Operating grants and contributions	56,719	161,744
Capital grants and contributions	13,795,425	10,276,395
Rents and leases	591,040	635,913
General revenues:		
Property taxes	37,548,487	36,692,351
Grants and contributions not restricted to specific programs	184,024	183,894
Other	1,162,454	1,634,984
Total revenues	65,169,083	60,227,213
Expenses:		
Board of Directors	183,678	209,412
Administration	2,313,893	2,210,239
Business and facilities	24,953,742	23,818,025
Park and recreation services	16,186,439	15,186,213
Interest on long-term debt	2,965,355	3,074,328
Total expenses	46,603,107	44,498,217
Change in net position	18,565,976	15,728,996
Net position - beginning as previously stated		154,367,432
Restatement		(1,164,627)
Net position - beginning as restated	168,931,801	153,202,805
Net position - ending	\$ 187,497,777	\$ 168,931,801

# Tualatin Hills Park & Recreation District

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

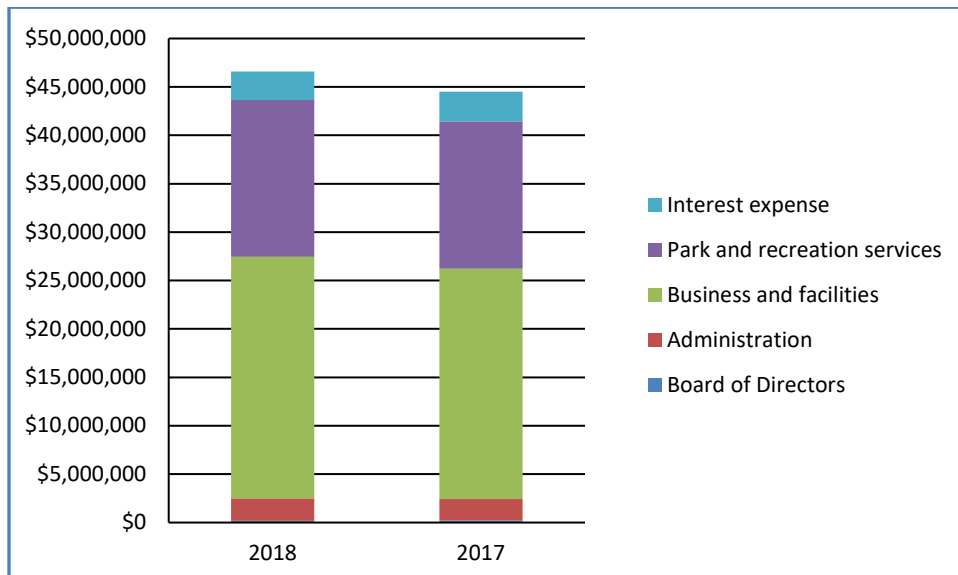
### Government-wide Financial Analysis (Continued)

#### Statement of Activities (Continued)



Property taxes increased \$856,136, or 2.3 percent due to statutorily allowed increases in assessed value of existing properties and new construction within the district boundaries, offset by a reserve for uncollectible taxes which includes consideration of a settlement in June 2018 of a large outstanding balance. Capital grants and contributions increased \$3,519,030, or 34.2 percent due to increases in SDC revenues received in the current year.

Expenses for the district increased by 4.7 percent over last year. This increase is due primarily to inflationary increases and facility and program expansions.





# Tualatin Hills Park & Recreation District

## MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

### 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 2017/18, the district’s governmental funds reported a increase in combined ending fund balances of \$8,524,811. The General Fund, System Development Charges Fund and Other Governmental Fund reported increases within the year while the remaining major funds reported decreases. The previous fiscal year had a decrease of \$12,872,943, attributable primarily to continued spending of bond proceeds on land acquisition and park development capital projects.

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 \$12,401,382. 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 29.2 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 & Recreation District Statement of Revenues, Expenditures and Changes in Fund Balance

	<b>General Fund</b>	
	For the year ended	
	June 30, 2018	June 30, 2017
Revenues:		
Program revenues	\$ 11,830,934	\$ 10,641,932
Property taxes	30,780,846	29,444,230
Other revenues	2,522,068	1,946,372
Total revenues	45,133,848	42,032,534
Expenditures:		
Board of Directors	226,289	274,731
Administration	2,334,048	2,193,086
Business and facilities	18,502,519	17,489,302
Park and recreation services	16,152,894	15,022,217
Capital outlay	4,400,663	5,576,272
Debt service	854,032	827,852
Total expenditures	42,470,445	41,383,460
Change in fund balance	2,663,403	649,074
Fund balance - beginning	9,920,411	9,271,337
Fund balance - ending	\$ 12,583,814	\$ 9,920,411

# Tualatin Hills Park & Recreation District

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Financial Analysis of the District's Funds (Continued)

#### Governmental funds analysis (Continued)

Fund balance of the General Fund increased by \$2,663,403 or 26.8 percent on the modified accrual method of accounting, due to increased growth and tight fiscal controls.

Program revenues increased \$1,189,002 or 11.2 percent. Sports, recreation, tennis and aquatics experienced increases. For revenues other than program revenues, the 6.1 percent or \$1,912,312 increase was due primarily to the following factors:

- Increase of 4.5 percent or \$1,336,616 in property tax revenues related primarily to statutorily allowable growth in assessed property values, and new construction in the district.
- Increase of \$398,043 or 69.7 percent in grants and sponsorships related primarily to the receipt of grants from the State of Oregon for southwest quadrant community park and Washington County for the Waterhouse trail.

Non-capital operating expenditures increased 6.3 percent or \$2,262,594, primarily due to increases in personnel service costs including a budgeted cost-of-living and merit increases, an 8 percent increase in health insurance costs and increases in retirement plan costs and payroll taxes. Capital expenditures decreased from the previous year by \$1,175,609 or 21.1 percent due to timing of construction projects.

The **Bonded Debt Fund** has a negative fund balance of \$44,480, a decrease of \$197,987 versus the previous year. The negative fund balance was resolved by September 2018, with the receipt of property tax revenues.

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 \$2,632,522 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 two more years. As of the end of the year, total fund balance in this fund restricted for capital project development is \$14,648,852.

The **System Development Charges Fund** accounts for development impact fees assessed on new construction within the district boundaries. Total revenues increased by \$2,763,241 or 28.4 percent over last year, due to an increase in new construction activity in two new urban areas of the district. Total expenditures decreased by \$8,798,598 or 64.7 percent due to timing of construction on district projects. Fund balance increased by \$7,700,572 or 80.2 percent over the previous year. This total fund balance of \$17,307,632 is entirely restricted for parks acquisition and development and improvements related to capacity expansion.

#### General Fund Budgetary Highlights

The district prepares and adopts its budget on an annual basis using a modified cash basis of accounting. General Fund revenues were slightly more than budget by 0.1 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 20.9 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. Budgetary basis accounting is equivalent to GAAP basis accounting. There were no differences between the original and final amended budget at the program level.

# Tualatin Hills Park & Recreation District

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Capital Asset and Debt Administration

#### Capital assets

The district's investment in capital assets as of June 30, 2018 amounts to \$228,851,631 (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 \$5,255,002 or 2.4 percent, which reflected asset additions of \$11,368,129 and depreciation of \$6,074,561.

Additions of \$2,297,816 were generated in land primarily related to new acquisitions of park and natural area parcels. Additions of \$1,924,159 in park sites was due primarily to the completion of Mountainview Champions park. Additions of \$2,247,951 in buildings and improvements was primarily due to the renovation of the Tualatin Hills Aquatic Center. Construction in process had additions of \$4,396,762 which included initial construction at Cedar Hills park and work on the Westside trail. Deferred maintenance was funded for both buildings and parks improvements, to the extent of available funds.

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

	June 30	
	2018	2017
Land	\$ 107,035,901	\$ 104,738,085
Parks sites and planning development	66,143,161	54,523,016
Buildings and improvements	45,551,626	43,742,643
Equipment and furnishings	1,090,962	993,273
Intangible assets	84,835	111,926
Construction in progress	8,945,146	19,487,686
Total	\$ 228,851,631	\$ 223,596,629

Additional information on the district's capital assets can be found in Note IV.B on page 42 of this report.

#### Long-term debt and other long-term obligations

At June 30, 2018, the district had \$85.2 million in debt and other long-term obligations outstanding compared to \$91.2 million last year. Approximately \$7.0 million of the debt outstanding and other long-term obligations at June 30, 2018 is due within one year. Debt decreased by a net of \$6.0 million, mainly due to the principal payments made on existing debt.

#### Tualatin Hills Park & Recreation District Outstanding Debt and Obligations

	June 30	
	2018	2017
General obligation bonds	\$ 68,760,000	\$ 73,280,000
Premiums	6,453,650	7,539,786
Full faith and credit obligations	8,620,000	8,890,000
Loans	327,133	354,819
Compensated absences	1,053,987	1,105,038
Total	\$ 85,214,770	\$ 91,169,643

# Tualatin Hills Park & Recreation District

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Capital Asset and Debt Administration (Continued)

#### Long-term debt and other long-term obligations (Continued)

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 43 - 45.

### Economic Factors and Next Year's Budget and Rates

Some of the factors considered during the preparation of the 2018/19 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 6.1 percent, with a cost of living increase of 4.2 percent for full and regular part-time staff. The budget includes an increase of one full-time position and upgrades of one part-time position to a full-time position, and conversion of two part-time positions 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, and upgrades to heating/cooling control software and equipment.
- Continued funding of the capital replacement reserve for long-term funding of capital asset needs.
- Continued funding of necessary park planning personnel to complete the Bond Capital project program.
- Funding of land acquisition (increase of \$6.8 million) and new construction (increase of \$1.2 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.

# **Tualatin Hills Park & Recreation District**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

### **Economic Factors and Next Year's Budget and Rates (Continued)**

Overall, on a budgetary basis the General Fund beginning balance is \$1,568,663 or 14.2 percent over the anticipated beginning fund balance in the 2018/19 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.

# **BASIC FINANCIAL STATEMENTS**



**Tualatin Hills Park & Recreation District**  
**Statement of Net Position**  
**June 30, 2018**

	<b>Governmental Activities</b>	<b>Component Unit - Tualatin Hills Park Foundation</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 41,793,442	\$ 662,686
Investments	5,987,898	65,362
Due from other governments	1,021,055	-
Receivables (net of reserve for uncollectible accounts)	1,857,588	67,387
Inventories	76,652	-
Prepays	105,780	-
Cash and cash equivalents - restricted	220,215	-
Capital assets (net of accumulated depreciation):		
Land	107,035,901	-
Park sites and planning development	66,143,161	-
Buildings and improvements	45,551,626	-
Equipment and furnishings	1,090,962	-
Intangible assets	84,835	-
Construction in progress	8,945,146	-
Total assets	279,914,261	795,435
<b>Deferred Outflows of Resources:</b>		
Deferred outflows - pension	9,229,198	-
Deferred outflows - charge on debt refunding	4,784,457	-
Total deferred outflows of resources	14,013,655	-
<b>Liabilities:</b>		
Accounts payable and other current liabilities	3,245,094	14,323
Accrued interest payable	284,271	-
Unearned revenue	1,969,679	-
Long-term debt:		
Due within one year	6,953,985	-
Due in more than one year	78,260,785	-
Net other post-employment benefits liability	1,240,853	-
Net pension liability	14,475,472	-
Total liabilities	106,430,139	14,323
<b>Net Position:</b>		
Net investment in capital assets	161,615,483	-
Restricted for:		
Capital improvements	17,307,632	-
Temporarily restricted	-	161,112
Unrestricted	8,574,662	620,000
Total net position	\$ 187,497,777	\$ 781,112

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



**Tualatin Hills Park & Recreation District**  
**Statement of Activities**  
**For the Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues				Net Revenue (Expense) and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Rents and Leases	Governmental Activities	Component Unit - Tualatin Hills Park Foundation
<b>Primary government:</b>							
Governmental activities:							
Board of Directors	\$ 183,678	\$ -	\$ -	\$ -	\$ -	\$ (183,678)	\$ -
Administration	2,313,893	-	-	-	-	(2,313,893)	-
Business and facilities	24,953,742	-	-	13,795,425	591,040	(10,567,277)	-
Park and recreation services	16,186,439	11,830,934	56,719	-	-	(4,298,786)	-
Interest on long-term debt	2,965,355	-	-	-	-	(2,965,355)	-
<b>Total primary government</b>	<b>\$ 46,603,107</b>	<b>\$ 11,830,934</b>	<b>\$ 56,719</b>	<b>\$ 13,795,425</b>	<b>\$ 591,040</b>	<b>(20,328,989)</b>	<b>-</b>
<b>Component unit:</b>							
Tualatin Hills Park Foundation	\$ 862,450	\$ 63,670	\$ 69,910	\$ -	\$ -		(728,870)
General revenues:							
Property taxes levied for general purposes						30,412,787	-
Property taxes levied for debt service						7,135,700	-
Grants and contributions not restricted to specific programs						184,024	78,206
Unrestricted investments earnings						872,511	1,279
Miscellaneous						289,943	21,024
Total general revenues						<u>38,894,965</u>	<u>100,509</u>
Change in net position						18,565,976	(628,361)
Net position - beginning (prior to restatement)						170,096,428	1,409,473
Restatement						(1,164,627)	-
Net position - beginning (restated)						<u>168,931,801</u>	<u>1,409,473</u>
Net position - ending						<u>\$ 187,497,777</u>	<u>\$ 781,112</u>

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

**Tualatin Hills Park & Recreation District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	<b>General Fund</b>	<b>Bonded Debt Fund</b>	<b>Bond Capital Projects Fund</b>	<b>System Development Charges Fund</b>	<b>Other Governmental Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>						
Assets:						
Cash and cash equivalents	\$ 15,730,303	\$ 20,701	\$ 10,640,999	\$ 15,232,487	\$ 168,952	\$ 41,793,442
Investments	-	-	3,991,932	1,995,966	-	5,987,898
Receivables:						
Interest	409	292	4,875	2,437	-	8,013
Property taxes	1,124,380	317,198	-	-	-	1,441,578
Accounts receivable	407,897	-	100	-	-	407,997
Intergovernmental	105,617	-	-	915,438	-	1,021,055
Cash and cash equivalents - restricted	39,415	-	156,743	24,057	-	220,215
Prepays	105,780	-	-	-	-	105,780
Inventories	76,652	-	-	-	-	76,652
Total assets	<u>\$ 17,590,453</u>	<u>\$ 338,191</u>	<u>\$ 14,794,649</u>	<u>\$ 18,170,385</u>	<u>\$ 168,952</u>	<u>\$ 51,062,630</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
Liabilities:						
Accounts payable	\$ 1,193,715	\$ -	\$ 145,797	\$ 862,753	\$ -	\$ 2,202,265
Salaries payable	458,886	-	-	-	-	458,886
Retainages payable	10,866	-	-	-	-	10,866
Other current liabilities payable	457,068	116,009	-	-	-	573,077
Unearned revenue	1,969,679	-	-	-	-	1,969,679
Total liabilities	<u>4,090,214</u>	<u>116,009</u>	<u>145,797</u>	<u>862,753</u>	<u>-</u>	<u>5,214,773</u>
Deferred inflows of resources:						
Unavailable revenue - taxes	916,425	266,662	-	-	-	1,183,087
Fund balances:						
Nonspendable:						
Prepays	105,780	-	-	-	-	105,780
Inventory	76,652	-	-	-	-	76,652
Restricted:						
Capital improvements	-	-	14,648,852	17,307,632	-	31,956,484
Committed - mitigation maintenance	-	-	-	-	168,952	168,952
Unassigned	12,401,382	(44,480)	-	-	-	12,356,902
Total fund balance	<u>12,583,814</u>	<u>(44,480)</u>	<u>14,648,852</u>	<u>17,307,632</u>	<u>168,952</u>	<u>44,664,770</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,590,453</u>	<u>\$ 338,191</u>	<u>\$ 14,794,649</u>	<u>\$ 18,170,385</u>	<u>\$ 168,952</u>	<u>\$ 51,062,630</u>

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

**Tualatin Hills Park & Recreation District**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2018**

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

Fund balances - total governmental funds:	\$ 44,664,770
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	228,851,631
Unavailable revenues for those amounts that were not available to pay current period expenditures.	1,183,087
Other long-term items are not available to pay for current period expenditures and, therefore, are deferred in the fund statements:	
Deferred outflows - pension	9,229,198
Deferred outflow - charge on debt refunding	4,784,457
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(284,271)
Bonds, FFC and loans payable	(84,160,783)
Compensated absences	(1,053,987)
Net OPEB liability	(1,240,853)
Net pension liability	(14,475,472)
Net position of governmental activities	\$ 187,497,777

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

**Tualatin Hills Park & Recreation District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	General Fund	Bonded Debt Fund	Bond Capital Projects Fund	System Development Charges Fund	Other Governmental Fund	Total Governmental Funds
Revenues:						
Property taxes	\$ 30,780,846	\$ 7,233,596	\$ -	\$ -	\$ -	\$ 38,014,442
Aquatic programs	3,028,311	-	-	-	-	3,028,311
Tennis center	1,062,214	-	-	-	-	1,062,214
Sports programs	1,840,300	-	-	-	-	1,840,300
Recreation programs	5,900,109	-	-	-	-	5,900,109
Grants and sponsorships	968,760	-	749,731	-	-	1,718,491
Rents and leases	591,040	-	-	-	-	591,040
System development charges	-	-	-	12,287,677	-	12,287,677
Interest earned	334,856	74,498	238,714	221,543	2,900	872,511
Charges for services	337,469	-	-	-	-	337,469
Miscellaneous revenues	289,943	-	-	-	-	289,943
Total revenues	<u>45,133,848</u>	<u>7,308,094</u>	<u>988,445</u>	<u>12,509,220</u>	<u>2,900</u>	<u>65,942,507</u>
Expenditures:						
Current:						
Board of Directors	226,289	-	-	-	-	226,289
Administration	2,334,048	-	-	-	-	2,334,048
Business and facilities	18,502,519	-	-	-	-	18,502,519
Park and recreation services	16,152,894	-	-	-	-	16,152,894
Capital outlay	4,400,663	-	2,632,522	4,808,648	-	11,841,833
Debt service	854,032	7,506,081	-	-	-	8,360,113
Total expenditures	<u>42,470,445</u>	<u>7,506,081</u>	<u>2,632,522</u>	<u>4,808,648</u>	<u>-</u>	<u>57,417,696</u>
Excess (deficiency) of revenues over (under) expenditures	2,663,403	(197,987)	(1,644,077)	7,700,572	2,900	8,524,811
Fund balances at beginning of year	<u>9,920,411</u>	<u>153,507</u>	<u>16,292,929</u>	<u>9,607,060</u>	<u>166,052</u>	<u>36,139,959</u>
Fund balances at end of year	<u>\$ 12,583,814</u>	<u>\$ (44,480)</u>	<u>\$ 14,648,852</u>	<u>\$ 17,307,632</u>	<u>\$ 168,952</u>	<u>\$ 44,664,770</u>

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

**Tualatin Hills Park & Recreation District**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2018**

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

Net changes in fund balances - total governmental funds	\$ 8,524,811
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (for capitalized assets) exceeded depreciation in the current period.	5,263,568
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(8,566)
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.	(465,955)
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.	5,379,751
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	15,007
Accrued compensated absences payable	51,052
Net OPEB liability	(75,929)
Net pension liability and related deferrals	(117,763)
Change in net position of governmental activities	\$ 18,565,976

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

**Tualatin Hills Park & Recreation District**  
**Statement of Fiduciary Net Position**  
**June 30, 2018**

	<b>Pension and OPEB Trust Funds</b>
<b>Assets</b>	
Cash and investments	\$ 13,349,308
Accrued interest	<u>32,264</u>
Total assets	<u>13,381,572</u>
 <b>Net Position</b>	
Restricted for pension	11,647,266
Restricted for other post-employment benefits	<u>1,734,306</u>
Total net position held in trust	<u><u>\$ 13,381,572</u></u>

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

**Tualatin Hills Park & Recreation District**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2018**

	<b>Pension and OPEB Trust Funds</b>
<b>Additions:</b>	
Contributions	
Employer	\$ 2,834,174
Employee	817,858
	3,652,032
Total contributions	
Investment earnings	1,105,683
	4,757,715
Total additions	
<b>Deductions:</b>	
Benefits paid	10,100,195
Administrative expenses	87,720
	10,187,915
Total deductions	
Change in net position	(5,430,200)
Net position, at beginning of year	18,811,772
	\$ 13,381,572
Net position, at end of year	\$ 13,381,572

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

**Tualatin Hills Park & Recreation District**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 30,741,497	\$ 30,741,497	\$ 30,780,846	\$ 39,349
Aquatic programs	3,216,289	3,216,289	3,028,311	(187,978)
Tennis center	1,129,096	1,129,096	1,062,214	(66,882)
Sports programs	1,639,061	1,639,061	1,840,300	201,239
Recreation programs	5,185,787	5,185,787	5,900,109	714,322
Grants and sponsorships	2,055,417	2,055,417	968,760	(1,086,657)
Rents and leases	468,900	468,900	591,040	122,140
Interest earned	155,000	155,000	334,856	179,856
Charges for services	356,900	356,900	337,469	(19,431)
Miscellaneous revenues	142,350	142,350	289,943	147,593
Total revenues	45,090,297	45,090,297	45,133,848	43,551
Expenditures:				
Board of directors	269,895	269,895	226,289	43,606
Administration	2,513,864	2,513,864	2,334,048	179,816
Business and facilities	22,024,608	22,024,608	19,999,810	2,024,798
Park and recreation services	17,406,311	17,406,311	16,152,894	1,253,417
Capital outlay	6,419,213	6,419,213	3,757,404	2,661,809
Contingency	2,500,000	2,500,000	-	2,500,000
Capital reserve	2,550,000	2,550,000	-	2,550,000
Total expenditures	53,683,891	53,683,891	42,470,445	11,213,446
Net change in fund balance	(8,593,594)	(8,593,594)	2,663,403	11,256,997
Fund balances at beginning of year	8,593,594	8,593,594	9,920,411	1,326,817
Fund balances at end of year	\$ -	\$ -	\$ 12,583,814	\$ 12,583,814

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



# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

### I. Summary of significant accounting policies

#### A. Reporting entity

Tualatin Hills Park & 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 and its component unit. The discretely presented component unit, Tualatin Hills Park Foundation (the foundation), is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the district. The district has no other potential component units.

#### Discretely Presented Component Unit

Tualatin Hills Park Foundation, formed in 1958, is a publicly supported non-profit, tax-exempt organization dedicated to benefit the district by enhancing the recreational opportunities within the community. The Board of Trustees elects trustees by majority vote, with one member from the district board. The nature and significance of the relationship is such that the exclusion of the foundation statement would cause the district's financial statements to be misleading or incomplete. The foundation has a June 30 year end. The complete financial statements of the Tualatin Hills Park Foundation may be obtained at the district's administrative office.

#### 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 and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary trust funds for pension and other post-employment benefits are reported separately.

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### I. Summary of significant accounting policies (Continued)

#### 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 by the district 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.

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### I. Summary of significant accounting policies (Continued)

#### C. Measurement focus, basis of accounting and financial statement presentation (Continued)

Additionally, the district reports fiduciary funds as follows:

The *Pension Trust Fund* accounts for activities of the district's defined benefit pension plan.

The *Other Post-employment Benefits (OPEB) Trust Fund* accounts for activities of the district's other post-employment benefits plan.

#### Flow of resources

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

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

##### 1. *Cash, cash equivalents and investments*

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

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

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

##### 2. *Receivables and payables*

Recorded property taxes receivable that are collected within 60 days after year-end are considered measurable and available and, therefore, are recognized as revenue in the fund financial statements. The remaining balance is recorded as unavailable revenue because it is not deemed available to finance operations of the current period in the fund financial statements. An allowance for doubtful accounts is estimated based upon the history of collections of property tax, and any information received from the county related to settlements for outstanding tax balances. Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15 and

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### I. Summary of significant accounting policies (Continued)

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

##### 2. *Receivables and payables (Continued)*

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 deferred charges from refunding, and the following items that relate to the defined benefit pension plan: contributions subsequent to the measurement date, the difference between expected and actual experience, and the difference between projected and actual investment earnings. All four items are reported in the government-wide statement of net position. Deferred

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### I. Summary of significant accounting policies (Continued)

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

##### 5. *Deferred outflows/inflows of resources (Continued)*

charges, resulting from the carrying value of refunded debt and its reacquisition price, are deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

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

##### 6. *Unearned revenue*

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

##### 7. *Compensated absences*

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

##### 8. *Long-term obligations*

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

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

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### I. Summary of significant accounting policies (Continued)

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

##### 9. Fund balance

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

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

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

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

#### E. New accounting pronouncements

In fiscal year 2018, the district implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement improves information provided by state and local government employers about financial support for other post-employment benefits. As a result of implementing GASB Statement No. 75, the district restated its net position for the fiscal year ending June 30, 2017. The adjustment to the beginning net position is presented below:

Net position, June 30, 2017, as previously reported	\$ 170,096,428
Effect of implementation	<u>(1,664,627)</u>
Net position, June 30, 2017, as restated	<u>\$ 168,431,801</u>

In connection with implementing GASB Statement No. 75, the district recognized \$135,945 in OPEB expense in fiscal year 2018.

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### 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 \$(84,160,783) difference are as follows:

Bonds payable	\$ (68,760,000)
Plus: Issuance premiums (to be amortized over life of debt)	(6,440,647)
Full faith and credit obligations	(8,620,000)
Plus: Issuance premiums (to be amortized over life of debt)	(13,003)
Loans payable	<u>(327,133)</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (84,160,783)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliations between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$5,263,568 difference are as follows:

Capital outlay (for capitalized assets)	\$ 11,338,129
Depreciation expense	<u>(6,074,561)</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>\$ 5,263,568</u>

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### II. Reconciliation of government-wide and fund financial statements (Continued)

#### 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 (Continued)

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 \$(8,566) 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.	\$ 30,000
Loss on forfeiture of earnest money payment for land	<u>(38,566)</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>\$ (8,566)</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 \$5,379,751 difference are as follows:

Principal repayments:	
General obligation debt	\$ 4,520,000
Other long-term debt	297,686
Amortization of premiums	1,086,135
Amortization of deferred charges on refundings	<u>(524,070)</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>\$ 5,379,751</u>



# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### 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, 2018, the district had the following cash, cash equivalents and investments at fair value:

Governmental funds:	
Demand deposits and short term commercial paper	\$ 6,581,156
Commercial paper	735,773
Investments in the State Treasurer's	
Local Government Investment Pool	34,696,728
Government and agency obligations	<u>5,987,898</u>
Total governmental funds cash, cash equivalents and investments	48,001,555
Fiduciary funds:	
Mutual funds	<u>5,935,619</u>
Total cash, cash equivalents and investments at fair value	<u>\$ 53,937,174</u>

At June 30, 2018, the district had the following investments at contract value:

Fiduciary funds:	
Guaranteed long-term fund	\$ 7,413,689

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### IV. Detailed notes on all funds (Continued)

#### A. Cash, cash equivalents and investments (Continued)

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

Cash and cash equivalents	\$ 41,793,442
Investments	5,987,898
Cash, cash equivalents, and investments - restricted	<u>220,215</u>
Total cash, cash equivalents and investments - governmental activities	48,001,555
 Investments - fiduciary activities	 <u>13,349,308</u>
Total cash, cash equivalents and investments	<u><u>\$ 61,350,863</u></u>

The district categorizes its investments according to the fair value hierarchy established by GAAP. GASB Statement No. 72, *Fair value Measurement and Application*, 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, 2018:

	Level 1
Commercial paper	\$ 735,773
Government and agency obligations	5,987,898
Mutual funds	<u>5,935,619</u>
 Total	 <u><u>\$ 12,659,290</u></u>

Current investments ratings are:

	Moody's Aaa	Total	Weighted Average Maturity years)
Commercial paper	\$ 735,773	\$ 735,773	0.48
Government and Agency Obligations	5,987,898	5,987,898	0.43

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.

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### IV. Detailed notes on all funds (Continued)

#### A. Cash, cash equivalents and investments (Continued)

##### A. *Interest rate risk (Continued)*

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, 2018, 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, 2018, 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 \$8,252,071. 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.

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### IV. Detailed notes on all funds (Continued)

#### B. Capital assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balance 6/30/17	Increases	Decreases	Transfers	Ending Balance 6/30/18
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 104,738,085	\$ 2,267,304	\$ -	\$ 30,512	\$ 107,035,901
Construction in progress	19,487,686	4,396,762	(38,566)	(14,900,736)	8,945,146
Total capital assets, not being depreciated	<u>124,225,771</u>	<u>6,664,066</u>	<u>(38,566)</u>	<u>(14,870,224)</u>	<u>115,981,047</u>
Capital assets, being depreciated:					
Parks sites and planning development	89,042,025	1,924,159	-	13,426,059	104,392,243
Buildings and improvements	72,181,783	2,247,951	-	1,438,455	75,868,189
Equipment and furnishings	7,675,642	531,953	(119,409)	5,710	8,093,896
Intangible assets	341,762	-	-	-	341,762
Total capital assets being depreciated	<u>169,241,212</u>	<u>4,704,063</u>	<u>(119,409)</u>	<u>14,870,224</u>	<u>188,696,090</u>
Less accumulated depreciation for:					
Parks sites and planning development	(34,519,009)	(3,730,073)	-	-	(38,249,082)
Buildings and improvements	(28,439,140)	(1,877,423)	-	-	(30,316,563)
Equipment and furnishings	(6,682,369)	(439,974)	119,409	-	(7,002,934)
Intangible assets	(229,836)	(27,091)	-	-	(256,927)
	<u>(69,870,354)</u>	<u>(6,074,561)</u>	<u>119,409</u>	<u>-</u>	<u>(75,825,506)</u>
Total capital assets, being depreciated, net	<u>99,370,858</u>	<u>(1,370,498)</u>	<u>-</u>	<u>14,870,224</u>	<u>112,870,584</u>
Governmental activities capital assets, net	<u>\$ 223,596,629</u>	<u>\$ 5,293,568</u>	<u>\$ (38,566)</u>	<u>\$ -</u>	<u>\$ 228,851,631</u>

Depreciation expense of \$6,074,561 for governmental activities was charged to the business and facilities function.

The district has the following significant construction commitments related to projects begun prior to June 30, 2018:

	Commitments Made Before June 30, 2018	Commitments Made After June 30, 2018	Total Commitments
Cedar Hills Park and athletic field	\$ 7,694,958	\$ 43,466	\$ 7,738,424
Hazeldale parking lot	266,550	29,709	296,259
Bonnie Meadow neighborhood park	214,629	-	214,629
Southwest Neighborhood park	277,249	-	277,249
Bethany Creek trail	272,822	-	272,822

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### IV. Detailed notes on all funds (Continued)

#### 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 6/30/17	Increase	Amortization/ Repayments	Ending Balance	Due Within Balance 6/30/18
General Obligation Bonds					
Series 2009	\$ 4,535,000	\$ -	\$ 2,170,000	\$ 2,365,000	\$ 2,365,000
Series 2011	23,170,000	-	1,685,000	21,485,000	1,820,000
Series 2015	36,865,000	-	665,000	36,200,000	715,000
Series 2016	8,710,000	-	-	8,710,000	-
plus premium	7,522,769	-	1,082,122	6,440,647	1,059,235
Full Faith & Credit					
Series 2006	375,000	-	120,000	255,000	125,000
Series 2010A	1,310,000	-	50,000	1,260,000	55,000
Series 2010B	6,820,000	-	-	6,820,000	-
Series 2010C	385,000	-	100,000	285,000	100,000
plus premium	17,017	-	4,014	13,003	3,103
Loans					
Energy Savings Contract	354,819	-	27,686	327,133	28,520
Compensated Absences	1,105,038	870,488	921,539	1,053,987	683,127
	<u>\$ 91,169,643</u>	<u>\$ 870,488</u>	<u>\$ 6,825,361</u>	<u>\$ 85,214,770</u>	<u>\$ 6,953,985</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 obligation 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

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### IV. Detailed notes on all funds (Continued)

#### C. Long-term debt (Continued)

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. 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.

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### IV. Detailed notes on all funds (Continued)

#### C. Long-term debt (Continued)

##### 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										
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	-	2,500,000	4,340,000	-	-	80,000	265,000	-	32,114	7,217,114
2024-2028	-	6,880,000	20,195,000	8,710,000	-	525,000	1,445,000	-	175,682	37,930,682
2029-2033	-	3,830,000	-	-	-	395,000	1,710,000	-	-	5,935,000
2034-2038	-	-	-	-	-	-	2,050,000	-	-	2,050,000
2039-2042	-	-	-	-	-	-	930,000	-	-	930,000
	<u>\$ 2,365,000</u>	<u>\$ 21,485,000</u>	<u>\$ 36,200,000</u>	<u>\$ 8,710,000</u>	<u>\$ 255,000</u>	<u>\$ 1,260,000</u>	<u>\$ 6,820,000</u>	<u>\$ 285,000</u>	<u>\$ 327,133</u>	<u>\$ 77,707,133</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
Principal										
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	-	458,506	1,120,750	292,550	-	39,670	414,868	-	5,975	2,332,319
2024-2028	-	1,303,819	2,136,500	1,112,100	-	141,380	1,842,432	-	14,767	6,550,998
2029-2033	-	153,200	-	-	-	24,885	1,354,054	-	-	1,532,139
2034-2038	-	-	-	-	-	-	738,141	-	-	738,141
2039-2042	-	-	-	-	-	-	94,713	-	-	94,713
	<u>\$ 82,775</u>	<u>\$ 4,545,499</u>	<u>\$ 9,436,950</u>	<u>\$ 2,574,850</u>	<u>\$ 19,250</u>	<u>\$ 392,040</u>	<u>\$ 6,183,218</u>	<u>\$ 26,372</u>	<u>\$ 53,762</u>	<u>\$ 23,314,716</u>

##### Compensated Absences

The district's compensated absences of \$1,053,987 are liquidated by the General Fund.

##### Short-term Debt

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

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### V. Other information

#### A. Defined benefit pension plan

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

#### ***General Information About the Pension Plan***

##### Plan Description

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

Membership in the Plan as of July 1, 2017 was:

<u>Group</u>	<u>Tier I</u>	<u>Tier II</u>
Active participants	110	78
Terminated	15	8
Retired receiving medical premium benefits	10	1
Total	<u>135</u>	<u>87</u>

##### Benefits Provided

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

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

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



# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### V. Other information (Continued)

#### A. Defined benefit pension plan (Continued)

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. Total actual contributions to the plan for the year ended as of the measurement date of June 30, 2017 totaled \$3,385,841 which is 25.7% of annual covered payroll of \$13,159,789. Pension expense for the fiscal year ended June 30, 2018 was \$2,906,321.

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, 2018, with a measurement date of June 30, 2017, was determined using the following actuarial assumptions from the July 1, 2016 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%

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### V. Other information (Continued)

#### A. Defined benefit pension plan (Continued)

*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, 2018 based on the measurement date of June 30, 2017:

	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances at 06/30/2017	\$ 32,127,997	\$ 17,251,015	\$ 14,876,982
Changes for the year:			
Service cost	1,387,648	-	1,387,648
Interest	2,246,552	-	2,246,552
Difference between expected and actual experience	1,252,327	-	1,252,327
Contributions	-	3,385,841	(3,385,841)
Net investment income	-	1,986,626	(1,986,626)
Benefit payments	(5,348,750)	(5,348,750)	-
Administration expense	-	(84,430)	84,430
Net changes	(462,223)	(60,713)	(401,510)
Balances at 06/30/2018	\$ 31,665,774	\$ 17,190,302	\$ 14,475,472

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### V. Other information (Continued)

#### A. Defined benefit pension plan (Continued)

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

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

	1% Decrease (6.00%)	Discount rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 19,549,230	\$ 14,475,472	\$ 10,274,038

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

For the year ended June 30, 2018, the district recognized pension expense of \$2,906,321. The following table presents the components of deferred outflows of resources for the fiscal year ended June 30, 2018:

	Deferred Outflows of Resources
Differences between expected and actual earnings on investments	\$ 773,191
Contributions after measurement date	3,590,968
Differences between expected and actual experience	4,865,039
	\$ 9,229,198

Deferred outflows of resources related to pensions of \$3,590,968 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, 2019.

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 Ended June 30,	Deferred Outflows of Resources
2018	\$ 1,126,912
2019	1,421,102
2020	998,276
2021	697,509
2022	636,388
Thereafter	758,043
	\$ 5,638,230

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### V. Other information (Continued)

#### B. Other post-employment benefits (OPEB)

On July 1, 2017, the district implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and GASB Statement No. 57, *OPEB Measurement by Agent Employers and Agent Multiple-Employer Plans*. Specifically, Statement No. 75 recognizes the long-term obligation for health and life insurance benefits offered to retirees. The accounting change adopted to conform to the provisions of GASB 75 has been applied retroactively by restating the beginning net position for the fiscal year ended June 30, 2018 by \$1,164,627, which included recording an adjustment to the net other post-employment benefits liability.

#### **General Information About 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, 2018, 184 retirees were receiving post-employment healthcare benefits.

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### V. Other information (Continued)

#### B. Other post-employment benefits (OPEB) (Continued)

##### *Net OPEB Liability*

##### Actuarial Valuation Assumptions

The total OPEB liability reported as of June 30, 2018, with a measurement date of June 30, 2017, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Mortality assumptions	RP-2014, adjusted to 2006
Discount rate	7.0%
Salary growth assumption	3.5%
Inflation (post retirement COLA)	2.5%
Investment rate of return (net of expenses)	7.0%
Healthcare cost trend rates	6.9% in 2018/19, declining annual by 0.1% until 2037, 5.0% thereafter

*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 OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Investment rate of return* - the long-term expected rate of return on OPEB 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%	6.0%
Fixed income	35	2.0

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### V. Other information (Continued)

#### B. Other post-employment benefits (OPEB) (Continued)

##### Changes in Net OPEB Liability

The following table presents the changes in the net OPEB liability for the fiscal year ended June 30, 2018 based on the measurement date of June 30, 2017:

	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balances at 06/30/2017	\$ 2,818,506	\$ 1,653,582	\$ 1,164,924
Changes for the year:			
Service cost	71,089	-	71,089
Interest	195,921	-	195,921
Employer contributions	-	60,016	(60,016)
Net investment income	-	136,475	(136,475)
Benefit payments	(110,357)	(110,357)	-
Administration expense	-	(5,410)	5,410
Net changes	156,653	80,724	75,929
Balances at 06/30/2018	\$ 2,975,159	\$ 1,734,306	\$ 1,240,853

##### Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability	\$ 1,510,362	\$ 1,240,853	\$ 1,021,594

##### Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following table presents the sensitivity of the net OPEB liability calculation to a one percent increase or decrease in the current healthcare cost trend rate used to measure the total OPEB liability:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$ 1,108,956	\$ 1,240,853	\$ 1,416,464

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

For the year ended June 30, 2018, the district recognized OPEB expense of \$135,945. There were no deferred outflows or inflows of resources for the fiscal year ended June 30, 2018.

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### V. Other information (Continued)

#### C. Risk management

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

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

#### D. Commitments and contingencies

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

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

On January 21, 2011, the district entered into an operating lease agreement with Peregrine Sports, LLC, doing business as the Portland Timbers (the Timbers), a professional soccer team, to lease a portion of the Fanno Creek Service Center 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, 2018 approximates \$7.6 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 \$1.7 million.

# Tualatin Hills Park & Recreation District

## NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2018

### V. Other information (Continued)

#### D. Commitments and contingencies (Continued)

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

<u>Year Ending June 30,</u>	<u>Lease Payments</u>
2019	\$ 210,790
2020	210,790
2021	210,790
	<u>\$ 632,370</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), business 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.

The Vertical Housing Program is a partial property tax exemption program (ORS 307.864) for new mixed-use development. The program is administered by the Oregon Housing and Community Services Department. To qualify, a project must have improved, leasable, non-residential development on the ground floor and residential development on the floors above.

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.

Tax abated during the year ended June 30, 2018:	
Enterprise Zone	\$ 11,000
Vertical Housing	8,000
Nonprofit Corporations Low Income Housing	34,000
	\$ 53,000

#### F. Subsequent events

The district issued a Tax and Revenue Anticipation Note, Series 2018 in the amount of \$4,000,000 on July 20, 2018 to continue operations of the general government prior to receipt of annual tax revenue. This note matures December 31, 2018 and bears interest at a rate of 2.43%.



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



**Tualatin Hills Park & Recreation District  
Required Supplementary Information**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability:</b>				
Service cost	\$ 1,387,648	\$ 1,489,089	\$ 1,440,139	\$ 1,212,449
Interest	2,246,552	2,408,620	2,319,600	2,114,196
Benefit payments	(5,348,750)	(9,378,957)	(1,920,016)	(4,052,930)
Difference between expected and actual experience	1,252,327	3,112,507	-	2,366,480
Net change in total pension liability	(462,223)	(2,368,741)	1,839,723	1,640,195
Total pension liability, beginning	32,127,997	34,496,738	32,657,015	31,016,820
Total pension liability, ending	<u>31,665,774</u>	<u>32,127,997</u>	<u>34,496,738</u>	<u>32,657,015</u>
<b>Plan Fiduciary Net Position:</b>				
Total contributions	3,385,841	3,288,096	3,103,438	3,191,093
Net investment income	1,986,626	(73,994)	(471,679)	2,972,365
Benefit payments	(5,348,750)	(9,378,957)	(1,920,016)	(3,999,039)
Administrative expense	(84,430)	(111,684)	(111,881)	(104,035)
Net change in plan net position	(60,713)	(6,276,539)	599,862	2,060,384
Plan net position, beginning	17,251,015	23,527,554	22,927,692	20,867,308
Plan net position, ending	<u>17,190,302</u>	<u>17,251,015</u>	<u>23,527,554</u>	<u>22,927,692</u>
Net pension liability	<u>\$ 14,475,472</u>	<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	54%	54%	68%	70%
Covered payroll	\$ 13,159,789	\$ 12,331,990	\$ 13,874,307	\$ 12,442,910
Net pension liability as a percent of covered payroll	110%	121%	79%	78%
Annual money-weighted return on pension plan investments	12%	(0.4)%	0%	2%

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

**Tualatin Hills Park & Recreation District  
Required Supplementary Information**

**Pension Plan  
Schedule of Contributions**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 3,590,968	\$ 3,384,945	\$ 3,286,864	\$ 3,098,289	\$ 3,191,093
Contributions recognized by the plan	3,590,968	3,384,945	3,286,864	3,098,289	3,191,093
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 13,855,154	\$ 13,159,789	\$ 12,331,990	\$ 13,874,307	\$ 12,442,910
Contributions as a percent of covered payroll	26%	26%	27%	22%	26%

**Notes to Schedule**

Valuation date:	July 1, 2016
Measurement date:	June 30, 2017
Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	Seven 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 & Recreation District  
Required Supplementary Information**

**Other Post-employment Benefits Plan  
Schedule of Changes in Net OPEB Liability and Related Ratios**

	<b>2018</b>
<b>Total OPEB Liability:</b>	
Service cost	\$ 71,089
Interest	195,921
Benefit payments	(110,357)
Net change in total OPEB liability	156,653
Total OPEB liability, beginning	2,818,506
Total OPEB liability, ending	2,975,159
 <b>Plan Fiduciary Net Position:</b>	
Total contributions	60,016
Net investment income	136,475
Benefit payments	(110,357)
Administrative expense	(5,410)
Net change in plan net position	80,724
Plan net position, beginning	1,653,582
Plan net position, ending	1,734,306
Net OPEB liability	\$ 1,240,853
 Plan fiduciary net position as a percent of total OPEB liability	58.3%
 Covered payroll	\$ 13,613,440
 Net OPEB liability as a percent of covered payroll	9.1%
 Average money-weighted return on OPEB investments	8.4%

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

**Tualatin Hills Park & Recreation District  
Required Supplementary Information**

**Other Post-employment Benefits Plan  
Schedule of Contributions**

	<b>2018</b>
Actuarially determined contribution	\$ 60,016
Contributions recognized by the plan	60,016
Contribution deficiency (excess)	\$ -
Covered payroll	\$ 13,613,440
Contributions as a percent of covered payroll	0.4%

**Notes to Schedule**

Valuation date:	July 1, 2017
Measurement date:	June 30, 2018
Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Inflation (post retirement COLA)	2.5%
Discount rate:	7.0%
Salary growth assumption:	3.5%
Investment rate of return (net of expenses):	7.0%
Mortality assumptions:	RP-2014, adjusted to 2006
Medical inflation rate:	6.9% in 2018-19, declining annually by 0.1% until 2037; 5.0% thereafter

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

# **SUPPLEMENTAL INFORMATION**





**Tualatin Hills Park & Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BOARD OF DIRECTORS:</b>				
Part time salaries	\$ 3,000	\$ 3,000	\$ 2,850	\$ 150
Payroll taxes	300	300	243	57
<b>Personnel services</b>	<u>3,300</u>	<u>3,300</u>	<u>3,093</u>	<u>207</u>
Professional services	205,504	205,504	175,826	29,678
Technical services	15,888	15,888	451	15,437
Office supplies	3,075	3,075	6,693	(3,618)
Dues and memberships	3,075	3,075	3,250	(175)
Conferences	26,240	26,240	29,809	(3,569)
Other travel	12,813	12,813	7,167	5,646
<b>Materials and services</b>	<u>266,595</u>	<u>266,595</u>	<u>223,196</u>	<u>43,399</u>
<b>Total Board of Directors</b>	<u><b>269,895</b></u>	<u><b>269,895</b></u>	<u><b>226,289</b></u>	<u><b>43,606</b></u>
<b>ADMINISTRATION:</b>				
<b>General Manager</b>				
Full time salaries	339,840	339,840	302,322	37,518
Part time salaries	-	-	128	(128)
Employee benefits	173,832	173,832	173,508	324
Payroll taxes	25,783	25,783	21,602	4,181
<b>Personnel services</b>	<u>539,455</u>	<u>539,455</u>	<u>497,560</u>	<u>41,895</u>
Advertising	-	-	-	-
Telecommunications	9,300	9,300	3,909	5,391
Office supplies	4,050	4,050	1,484	2,566
Program supplies	3,000	3,000	1,609	1,391
Dues and memberships	18,000	18,000	15,529	2,471
Conferences	18,324	18,324	10,245	8,079
Other travel	7,000	7,000	22,955	(15,955)
Technical training	9,550	9,550	1,080	8,470
Staff transportation	8,000	8,000	7,800	200
<b>Materials and services</b>	<u>77,224</u>	<u>77,224</u>	<u>64,611</u>	<u>12,613</u>
<b>Total General Manager</b>	<u>616,679</u>	<u>616,679</u>	<u>562,171</u>	<u>54,508</u>
<b>Communications and Outreach</b>				
Full time salaries	462,193	462,193	424,282	37,911
Part time salaries	47,681	47,681	85,748	(38,067)
Employee benefits	195,167	195,167	174,634	20,533
Payroll taxes	44,067	44,067	42,763	1,304
<b>Personnel services</b>	<u>749,108</u>	<u>749,108</u>	<u>727,427</u>	<u>21,681</u>
Professional services	79,130	79,130	57,293	21,837
Technical services	20,440	20,440	6,162	14,278
Telecommunications	-	-	1,902	(1,902)
Printing and publications	152,885	152,885	142,955	9,930
Postage	97,150	97,150	91,742	5,408
Advertising	97,200	97,200	96,280	920
Office supplies	12,000	12,000	10,263	1,737
Program supplies	11,316	11,316	7,782	3,534
Dues and memberships	-	-	5,727	(5,727)
Conferences	4,290	4,290	5,366	(1,076)
Technical training	6,954	6,954	-	6,954
Staff transportation	9,000	9,000	3,570	5,430
Small furniture and equipment	2,000	2,000	5,275	(3,275)
<b>Materials and services</b>	<u>492,365</u>	<u>492,365</u>	<u>434,317</u>	<u>58,048</u>
<b>Total Communications and Outreach</b>	<u>1,241,473</u>	<u>1,241,473</u>	<u>1,161,744</u>	<u>79,729</u>

**Tualatin Hills Park & Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>ADMINISTRATION (continued):</b>				
<b>Security Operations</b>				
Full time salaries	\$ 106,281	\$ 106,281	\$ 106,080	\$ 201
Part time salaries	117,951	117,951	111,227	6,724
Employee benefits	45,382	45,382	49,502	(4,120)
Payroll taxes	23,241	23,241	22,468	773
<b>Personnel services</b>	<u>292,855</u>	<u>292,855</u>	<u>289,277</u>	<u>3,578</u>
Technical services	103,200	103,200	91,386	11,814
Maintenance services	11,648	11,648	14,472	(2,824)
Printing and publications	165	165	35	130
Telecommunications	3,200	3,200	3,270	(70)
Vehicle and equipment services	-	-	344	(344)
Office supplies	500	500	351	149
Program supplies	9,000	9,000	5,786	3,214
Dues and memberships	100	100	-	100
Conferences	225	225	-	225
Technical training	1,000	1,000	600	400
Staff transportation	150	150	-	150
Small furniture and equipment	450	450	66	384
<b>Materials and services</b>	<u>129,638</u>	<u>129,638</u>	<u>116,310</u>	<u>13,328</u>
<b>Total Security Operations</b>	<u>422,493</u>	<u>422,493</u>	<u>405,587</u>	<u>16,906</u>
<b>Community Partnerships</b>				
Full time salaries	146,203	146,203	139,692	6,511
Employee benefits	32,701	32,701	31,934	767
Payroll taxes	11,895	11,895	11,420	475
<b>Personnel services</b>	<u>190,799</u>	<u>190,799</u>	<u>183,046</u>	<u>7,753</u>
Professional services	37,620	37,620	17,204	20,416
Technical services	1,200	1,200	696	504
Staff transportation	3,600	3,600	3,600	-
<b>Materials and services</b>	<u>42,420</u>	<u>42,420</u>	<u>21,500</u>	<u>20,920</u>
<b>Total Community Partnerships</b>	<u>233,219</u>	<u>233,219</u>	<u>204,546</u>	<u>28,673</u>
<b>Total Administration</b>	<u>2,513,864</u>	<u>2,513,864</u>	<u>2,334,048</u>	<u>179,816</u>
<b>BUSINESS AND FACILITIES:</b>				
<b>Director of Business and Facilities</b>				
Full time salaries	385,066	385,066	414,055	(28,989)
Employee benefits	144,325	144,325	153,820	(9,495)
Payroll taxes	30,379	30,379	32,335	(1,956)
<b>Personnel services</b>	<u>559,770</u>	<u>559,770</u>	<u>600,210</u>	<u>(40,440)</u>
Professional services	7,000	7,000	21,987	(14,987)
Technical services	149,000	149,000	36,000	113,000
Rental equipment	43,050	43,050	40,515	2,535
Bank charges and fees	6,250	6,250	5,300	950
Printing and publications	5,000	5,000	4,229	771
Postage	54,600	54,600	15,696	38,904
Advertising	4,200	4,200	934	3,266
Telecommunications	6,600	6,600	4,230	2,370
Office supplies	50,400	50,400	15,979	34,421
Dues and memberships	3,615	3,615	4,250	(635)
Conferences	17,550	17,550	9,965	7,585
Technical training	2,100	2,100	354	1,746

**Tualatin Hills Park & Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BUSINESS AND FACILITIES (continued):</b>				
<b>Director of Business and Facilities (continued):</b>				
Staff transportation	\$ 5,700	\$ 5,700	\$ 5,231	\$ 469
Other travel	6,100	6,100	3,762	2,338
Small furniture and equipment	2,000	2,000	650	1,350
<b>Materials and services</b>	<u>363,165</u>	<u>363,165</u>	<u>169,082</u>	<u>194,083</u>
Debt principal	297,686	297,686	297,686	-
Debt interest	684,972	684,972	556,347	128,625
<b>Debt service</b>	<u>982,658</u>	<u>982,658</u>	<u>854,033</u>	<u>128,625</u>
<b>Total Director of Business and Facilities</b>	<u>1,905,593</u>	<u>1,905,593</u>	<u>1,623,325</u>	<u>282,268</u>
<b>Finance</b>				
Full time salaries	426,241	426,241	465,048	(38,807)
Part time salaries	80,069	80,069	-	80,069
Employee benefits	200,508	200,508	211,795	(11,287)
Payroll taxes	45,025	45,025	40,070	4,955
<b>Personnel services</b>	<u>751,843</u>	<u>751,843</u>	<u>716,913</u>	<u>34,930</u>
Professional services	15,400	15,400	13,080	2,320
Technical services	3,965	3,965	2,167	1,798
Bank charges and fees	18,000	18,000	15,754	2,246
Printing and publications	3,170	3,170	1,608	1,562
Advertising	-	-	25	(25)
Telecommunications	-	-	549	(549)
Office supplies	925	925	799	126
Dues and memberships	820	820	610	210
Conferences	3,000	3,000	350	2,650
Technical training	3,760	3,760	1,289	2,471
Staff transportation	300	300	71	229
Small furniture and equipment	500	500	1,104	(604)
<b>Materials and services</b>	<u>49,840</u>	<u>49,840</u>	<u>37,406</u>	<u>12,434</u>
<b>Total Finance</b>	<u>801,683</u>	<u>801,683</u>	<u>754,319</u>	<u>47,364</u>
<b>Human Resources</b>				
Full time salaries	324,878	324,878	338,209	(13,331)
Part time salaries	-	-	4,150	(4,150)
Employee benefits	133,152	133,152	139,801	(6,649)
Payroll taxes	28,199	28,199	28,834	(635)
<b>Personnel services</b>	<u>486,229</u>	<u>486,229</u>	<u>510,994</u>	<u>(24,765)</u>
Professional services	49,447	49,447	22,448	26,999
Technical services	13,575	13,575	6,715	6,860
Printing and publications	550	550	450	100
Advertising	6,000	6,000	6,649	(649)
Telecommunications	2,760	2,760	1,914	846
Office supplies	1,450	1,450	812	638
Program supplies	6,933	6,933	4,712	2,221
Dues and memberships	1,840	1,840	774	1,066
Conferences	12,200	12,200	8,449	3,751
Technical training	44,700	44,700	21,809	22,891
Staff transportation	600	600	92	508
Small furniture and equipment	450	450	873	(423)
<b>Materials and services</b>	<u>140,505</u>	<u>140,505</u>	<u>75,697</u>	<u>64,808</u>
<b>Total Human Resources</b>	<u>626,734</u>	<u>626,734</u>	<u>586,691</u>	<u>40,043</u>

**Tualatin Hills Park & Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BUSINESS AND FACILITIES (continued):</b>				
<b>Information Services:</b>				
Full time salaries	\$ 532,240	\$ 532,240	\$ 477,409	\$ 54,831
Employee benefits	239,795	239,795	218,046	21,749
Payroll taxes	46,382	46,382	41,039	5,343
<b>Personnel services</b>	<u>818,417</u>	<u>818,417</u>	<u>736,494</u>	<u>81,923</u>
Professional services	58,000	58,000	10,013	47,987
Technical services	363,868	363,868	384,850	(20,982)
Telecommunications	65,000	65,000	70,023	(5,023)
Office supplies	-	-	2	(2)
Program supplies	39,000	39,000	43,205	(4,205)
Maintenance supplies	17,000	17,000	5,407	11,593
Technical training	8,000	8,000	3,209	4,791
Staff transportation	1,000	1,000	408	592
Small furniture and equipment	3,990	3,990	2,838	1,152
<b>Materials and services</b>	<u>555,858</u>	<u>555,858</u>	<u>519,955</u>	<u>35,903</u>
Computer technology replacement	221,474	221,474	146,151	75,323
Computer technology improvement	464,050	464,050	-	464,050
<b>Capital outlay</b>	<u>685,524</u>	<u>685,524</u>	<u>146,151</u>	<u>539,373</u>
<b>Total Information Services</b>	<u>2,059,799</u>	<u>2,059,799</u>	<u>1,402,600</u>	<u>657,199</u>
<b>Risk and Contract Management</b>				
Full time salaries	179,338	179,338	178,604	734
Part time salaries	3,000	3,000	3,032	(32)
Employee benefits	86,098	86,098	90,597	(4,499)
Payroll taxes	15,859	15,859	15,362	497
<b>Personnel services</b>	<u>284,295</u>	<u>284,295</u>	<u>287,595</u>	<u>(3,300)</u>
Professional services	6,000	6,000	95	5,905
Technical services	5,684	5,684	360	5,324
Miscellaneous other services	5,350	5,350	7,599	(2,249)
Insurance	337,340	337,340	333,729	3,611
Printing and publications	900	900	-	900
Advertising	600	600	-	600
Telecommunications	1,920	1,920	2,091	(171)
Office supplies	1,600	1,600	1,676	(76)
Program supplies	16,800	16,800	3,382	13,418
Dues and memberships	7,675	7,675	6,050	1,625
Conferences	2,000	2,000	306	1,694
Technical training	8,050	8,050	5,155	2,895
Staff transportation	1,037	1,037	906	131
Small furniture and equipment	500	500	-	500
<b>Materials and services</b>	<u>395,456</u>	<u>395,456</u>	<u>361,349</u>	<u>34,107</u>
<b>Total Risk and Contract Management</b>	<u>679,751</u>	<u>679,751</u>	<u>648,944</u>	<u>30,807</u>
<b>Maintenance Operations</b>				
Full time salaries	4,455,133	4,455,133	4,090,632	364,501
Part time salaries	1,946,819	1,946,819	1,718,216	228,603
Employee benefits	2,211,745	2,211,745	2,130,193	81,552
Payroll taxes	663,997	663,997	553,042	110,955
<b>Personnel services</b>	<u>9,277,694</u>	<u>9,277,694</u>	<u>8,492,083</u>	<u>785,611</u>
Instructional services	1,050	1,050	1,050	-
Professional services	8,021	8,021	6,267	1,754
Technical services	98,232	98,232	85,578	12,654
Heat	-	-	1,000	(1,000)

**Tualatin Hills Park & Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BUSINESS AND FACILITIES (continued):</b>				
<b>Maintenance Operations (continued):</b>				
Electricity	\$ 380,499	\$ 380,499	\$ 384,012	\$ (3,513)
Water and sewer	873,083	873,083	818,362	54,721
Refuse services	950,223	950,223	1,012,307	(62,084)
Rental equipment	18,545	18,545	14,605	3,940
Maintenance services	442,761	442,761	486,241	(43,480)
Vehicle and equipment services	31,150	31,150	21,501	9,649
Advertising	-	-	140	(140)
Telecommunications	128,924	128,924	129,552	(628)
Office supplies	4,723	4,723	5,276	(553)
Program supplies	19,915	19,915	18,200	1,715
Maintenance supplies	1,035,758	1,035,758	1,036,468	(710)
Gas & oil (vehicles)	168,771	168,771	132,684	36,087
Dues and memberships	2,795	2,795	1,270	1,525
Conferences	1,000	1,000	4,182	(3,182)
Technical training	23,850	23,850	12,300	11,550
Staff transportation	5,885	5,885	8,592	(2,707)
Small furniture and equipment	1,710	1,710	496	1,214
<b>Materials and services</b>	<u>4,314,367</u>	<u>4,314,367</u>	<u>4,299,755</u>	<u>14,612</u>
Fleet capital replacement	491,700	491,700	497,113	(5,413)
<b>Capital outlay</b>	<u>491,700</u>	<u>491,700</u>	<u>497,113</u>	<u>(5,413)</u>
<b>Total Maintenance Operations</b>	<u>14,083,761</u>	<u>14,083,761</u>	<u>13,288,951</u>	<u>794,810</u>
<b>Operations Analysis</b>				
Full time salaries	184,504	184,504	181,708	2,796
Employee benefits	82,962	82,962	87,220	(4,258)
Payroll taxes	16,007	16,007	16,154	(147)
<b>Personnel services</b>	<u>283,473</u>	<u>283,473</u>	<u>285,082</u>	<u>(1,609)</u>
Technical services	31,050	31,050	21,450	9,600
Telecommunications	780	780	713	67
Office supplies	2,300	2,300	1,204	1,096
Dues and memberships	574	574	535	39
Conferences	8,980	8,980	4,445	4,535
Technical training	810	810	239	571
Staff transportation	1,130	1,130	981	149
<b>Materials and services</b>	<u>45,624</u>	<u>45,624</u>	<u>29,567</u>	<u>16,057</u>
<b>Total Operations Analysis</b>	<u>329,097</u>	<u>329,097</u>	<u>314,649</u>	<u>14,448</u>
<b>Planning</b>				
Full time salaries	267,960	267,960	268,380	(420)
Part time salaries	162,423	162,423	62,693	99,730
Employee benefits	121,241	121,241	112,493	8,748
Payroll taxes	39,489	39,489	29,322	10,167
<b>Personnel services</b>	<u>591,113</u>	<u>591,113</u>	<u>472,888</u>	<u>118,225</u>
Telecommunications	2,000	2,000	3,470	(1,470)
Office supplies	300	300	2,821	(2,521)
Dues and memberships	1,825	1,825	23,655	(21,830)
Conferences	10,010	10,010	599	9,411
Technical Training	2,997	2,997	3,411	(414)
Staff transportation	4,500	4,500	620	3,880
<b>Materials and services</b>	<u>21,632</u>	<u>21,632</u>	<u>36,089</u>	<u>(14,457)</u>
<b>Total Planning</b>	<u>612,745</u>	<u>612,745</u>	<u>508,977</u>	<u>103,768</u>

**Tualatin Hills Park & Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BUSINESS AND FACILITIES (continued):</b>				
<b>Design and Development:</b>				
Full time salaries	\$ 562,487	\$ 562,487	\$ 527,150	\$ 35,337
Part time salaries	4,700	4,700	1,149	3,551
Employee benefits	252,453	252,453	256,891	(4,438)
Payroll taxes	49,265	49,265	45,509	3,756
<b>Personnel services</b>	<b>868,905</b>	<b>868,905</b>	<b>830,699</b>	<b>38,206</b>
Professional services	28,000	28,000	19,698	8,302
Telecommunications	2,640	2,640	1,770	870
Office supplies	6,200	6,200	4,489	1,711
Program supplies	2,900	2,900	892	2,008
Dues and memberships	950	950	975	(25)
Conferences	7,200	7,200	6,566	634
Technical training	2,200	2,200	1,648	552
Staff transportation	5,450	5,450	3,628	1,822
Small furniture and equipment	1,000	1,000	989	11
<b>Materials and services</b>	<b>56,540</b>	<b>56,540</b>	<b>40,655</b>	
<b>Total Design and Development</b>	<b>925,445</b>	<b>925,445</b>	<b>871,354</b>	<b>38,206</b>
<b>Total Business and Facilities</b>	<b>22,024,608</b>	<b>22,024,608</b>	<b>19,999,810</b>	<b>2,024,798</b>
<b>PARK AND RECREATION SERVICES:</b>				
<b>Director of Park and Recreation</b>				
Full time salaries	204,355	204,355	202,004	2,351
Employee benefits	76,569	76,569	76,149	420
Part time salaries	16,005	16,005	23,155	(7,150)
Payroll taxes	18,422	18,422	18,309	113
<b>Personnel services</b>	<b>315,351</b>	<b>315,351</b>	<b>319,617</b>	<b>(4,266)</b>
Professional services	102,000	102,000	72,184	29,816
Fee reductions-family assistance	206,800	206,800	188,521	18,279
Printing and publications	1,000	1,000	-	1,000
Telecommunications	7,500	7,500	1,572	5,928
Office supplies	17,000	17,000	7,996	9,004
Dues and memberships	3,500	3,500	4,870	(1,370)
Conferences	24,250	24,250	9,879	14,371
Technical training	2,000	2,000	-	2,000
Staff transportation	5,820	5,820	4,702	1,118
Small furniture and equipment	-	-	495	(495)
<b>Materials and services</b>	<b>369,870</b>	<b>369,870</b>	<b>290,219</b>	<b>79,651</b>
<b>Total Director of Park and Recreation</b>	<b>685,221</b>	<b>685,221</b>	<b>609,836</b>	<b>75,385</b>
<b>Aquatics</b>				
Full time salaries	1,328,763	1,328,763	1,292,631	36,132
Part time salaries	1,717,128	1,717,128	1,500,041	217,087
Employee benefits	693,939	693,939	695,205	(1,266)
Payroll taxes	309,542	309,542	245,364	64,178
<b>Personnel services</b>	<b>4,049,372</b>	<b>4,049,372</b>	<b>3,733,241</b>	<b>316,131</b>
Advertising	-	-	224	(224)
Telecommunications	5,000	5,000	4,957	43
Office supplies	11,572	11,572	2,123	9,449
Program supplies	57,525	57,525	60,552	(3,027)
Dues and memberships	12,400	12,400	300	12,100

**Tualatin Hills Park & Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>PARK AND RECREATION SERVICES (continued):</b>				
<b>Aquatics (continued):</b>				
Conferences	\$ 19,750	\$ 19,750	\$ 7,223	\$ 12,527
Technical training	2,000	2,000	13,176	(11,176)
Staff transportation	1,550	1,550	1,596	(46)
<b>Materials and services</b>	<u>109,797</u>	<u>109,797</u>	<u>90,727</u>	<u>19,070</u>
<b>Total Aquatics</b>	<u>4,159,169</u>	<u>4,159,169</u>	<u>3,823,968</u>	<u>335,201</u>
<b>Sports</b>				
Full time salaries	907,040	907,040	876,710	30,330
Part time salaries	1,280,887	1,280,887	1,146,777	134,110
Employee benefits	530,903	530,903	533,801	(2,898)
Payroll taxes	219,097	219,097	199,721	19,376
<b>Personnel services</b>	<u>2,937,927</u>	<u>2,937,927</u>	<u>2,757,009</u>	<u>180,918</u>
Instructional services	132,650.00	132,650.00	74,295.00	58,355.00
Rental equipment	46,000	46,000	34,900	11,100
Printing and publications	750	750	602	148
Telecommunications	7,500	7,500	7,883	(383)
Office supplies	10,053	10,053	8,152	1,901
Program supplies	291,746	291,746	202,949	88,797
Dues and memberships	1,330	1,330	939	391
Conferences	7,500	7,500	4,010	3,490
Technical training	1,000	1,000	-	1,000
Staff transportation	3,701	3,701	1,762	1,939
Small furniture and equipment	7,500	7,500	1,509	5,991
<b>Materials and services</b>	<u>509,730</u>	<u>509,730</u>	<u>337,001</u>	<u>172,729</u>
<b>Total Sports</b>	<u>3,447,657</u>	<u>3,447,657</u>	<u>3,094,010</u>	<u>353,647</u>
<b>Recreation</b>				
Full time salaries	1,523,534	1,523,534	1,413,895	109,639
Part time salaries	3,033,791	3,033,791	3,033,045	746
Employee benefits	788,042	788,042	808,977	(20,935)
Payroll taxes	450,365	450,365	431,132	19,233
<b>Personnel services</b>	<u>5,795,732</u>	<u>5,795,732</u>	<u>5,687,049</u>	<u>108,683</u>
Technical services	-	-	2,984	(2,984)
Maintenance services	8,000	8,000	2,034	5,966
Printing and publications	800	800	47	753
Postage	500	500	-	500
Advertising	9,600	9,600	939	8,661
Telecommunications	4,900	4,900	7,707	(2,807)
Office supplies	53,267	53,267	32,901	20,366
Program supplies	531,618	531,618	388,291	143,327
Rental equipment	-	-	2,169	(2,169)
Dues and memberships	1,080	1,080	395	685
Conferences	9,150	9,150	4,417	4,733
Technical training	1,020	1,020	305	715
Staff transportation	5,840	5,840	2,002	3,838
Water and sewer	-	-	2,427	(2,427)
Small furniture and equipment	12,100	12,100	4,763	7,337
<b>Materials and services</b>	<u>637,875</u>	<u>637,875</u>	<u>451,381</u>	<u>186,494</u>
<b>Total Recreation</b>	<u>6,433,607</u>	<u>6,433,607</u>	<u>6,138,430</u>	<u>295,177</u>

**Tualatin Hills Park & Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>PARK AND RECREATION SERVICES (continued):</b>				
<b>Programs and Special Activities</b>				
Full time salaries	\$ 244,122	\$ 244,122	\$ 214,548	\$ 29,574
Part time salaries	80,645	80,645	78,905	1,740
Employee benefits	90,636	90,636	81,091	9,545
Payroll taxes	30,368	30,368	27,769	2,599
<b>Personnel services</b>	<u>445,771</u>	<u>445,771</u>	<u>402,313</u>	<u>43,458</u>
Technical services	99,600	99,600	92,996	6,604
Rental facility	1,500	1,500	2,400	(900)
Telecommunications	1,500	1,500	1,449	51
Office supplies	3,900	3,900	3,640	260
Program supplies	18,250	18,250	9,708	8,542
Dues and memberships	1,500	1,500	-	1,500
Conferences	2,000	2,000	862	1,138
Technical training	7,000	7,000	5,755	1,245
Staff transportation	2,100	2,100	1,004	1,096
Small furniture and equipment	-	-	500	(500)
<b>Materials and services</b>	<u>137,350</u>	<u>137,350</u>	<u>118,314</u>	<u>19,036</u>
<b>Total Programs and Special Activities</b>	<u>583,121</u>	<u>583,121</u>	<u>520,627</u>	<u>62,494</u>
<b>Natural Resources and Trails</b>				
Full time salaries	835,578	835,578	827,135	8,443
Part time salaries	502,229	502,229	419,471	82,758
Employee benefits	389,901	389,901	407,685	(17,784)
Payroll taxes	137,209	137,209	122,924	14,285
<b>Personnel services</b>	<u>1,864,917</u>	<u>1,864,917</u>	<u>1,777,215</u>	<u>87,702</u>
Instructional services	3,460	3,460	3,260	200
Technical services	43,916	43,916	68,627	(24,711)
Rental equipment	25,805	25,805	24,756	1,049
Maintenance services	2,400	2,400	1,400	1,000
Printing and publications	1,000	1,000	555	445
Advertising	500	500	580	(80)
Telecommunications	6,920	6,920	4,268	2,652
Office supplies	13,900	13,900	14,237	(337)
Program supplies	42,488	42,488	26,815	15,673
Maintenance supplies	77,800	77,800	33,441	44,359
Dues and memberships	1,400	1,400	998	402
Conferences	5,000	5,000	1,222	3,778
Technical training	3,750	3,750	2,264	1,486
Staff transportation	1,280	1,280	1,250	30
Small furniture and equipment	3,000	3,000	5,054	(2,054)
<b>Materials and services</b>	<u>232,619</u>	<u>232,619</u>	<u>188,808</u>	<u>43,811</u>
<b>Total Natural Resources and Trails</b>	<u>2,097,536</u>	<u>2,097,536</u>	<u>1,966,023</u>	<u>131,513</u>
<b>Total Park and Recreation Services</b>	<u>17,406,311</u>	<u>17,406,311</u>	<u>16,152,894</u>	<u>1,253,417</u>



**Tualatin Hills Park & Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>CAPITAL OUTLAY:</b>				
Carryforward projects	\$ 2,465,895	\$ 2,465,895	\$ 2,062,567	\$ 403,328
Athletic facility replacement	118,000	118,000	84,483	33,517
Park and trail replacement	1,258,141	1,258,141	474,297	783,844
Park and trail improvements	1,685,391	1,685,391	282,155	1,403,236
Building replacement	611,264	611,264	623,193	(11,929)
Building improvements	105,522	105,522	112,903	(7,381)
ADA projects	100,000	100,000	92,996	7,004
Program facility challenge grants	75,000	75,000	24,810	50,190
<b>Total Capital Outlay</b>	<b>6,419,213</b>	<b>6,419,213</b>	<b>3,757,404</b>	<b>2,661,809</b>
<b>CONTINGENCY:</b>				
Contingency	<b>2,500,000</b>	<b>2,500,000</b>	-	<b>2,500,000</b>
<b>CAPITAL REPLACEMENT RESERVE:</b>				
Capital Replacement Reserve	<b>2,550,000</b>	<b>2,550,000</b>	-	<b>2,550,000</b>
<b>Total General Fund Expenditures</b>	<b>\$ 53,683,891</b>	<b>\$ 53,683,891</b>	<b>\$ 42,470,445</b>	<b>\$ 11,213,446</b>

**Tualatin Hills Park & Recreation District**  
**Bonded Debt Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2018**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Property taxes	\$ 7,171,081	\$ 7,233,596	\$ 62,515
Interest earned	35,000	74,498	39,498
Total revenues	<u>7,206,081</u>	<u>7,308,094</u>	<u>102,013</u>
Expenditures:			
Debt service	<u>7,506,081</u>	<u>7,506,081</u>	<u>-</u>
Total expenditures	<u>7,506,081</u>	<u>7,506,081</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(300,000)</u>	<u>(197,987)</u>	<u>102,013</u>
Fund balance at beginning of year	<u>300,000</u>	<u>153,507</u>	<u>(146,493)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ (44,480)</u>	<u>\$ (44,480)</u>

**Tualatin Hills Park & Recreation District**  
**Bond Capital Projects Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget to Actual**  
**For the Year Ended June 30, 2018**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Grants and contributions	\$ -	\$ 749,731	\$ 749,731
Interest earned	160,000	238,714	78,714
Total revenues	<u>160,000</u>	<u>988,445</u>	<u>828,445</u>
Expenditures:			
Capital outlay	<u>17,070,146</u>	<u>2,632,522</u>	<u>14,437,624</u>
Total expenditures	<u>17,070,146</u>	<u>2,632,522</u>	<u>14,437,624</u>
Excess (deficiency) of revenues over (under) expenditures	(16,910,146)	(1,644,077)	15,266,069
Fund balances at beginning of year	<u>16,910,146</u>	<u>16,292,929</u>	<u>(617,217)</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 14,648,852</u>	<u>\$ 14,648,852</u>

**Tualatin Hills Park & Recreation District**  
**System Development Charges Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2018**

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	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
Revenues:			
System development charges	\$ 10,876,987	\$ 12,287,677	\$ 1,410,690
Interest earned	60,770	221,543	160,773
Total revenues	10,937,757	12,509,220	1,571,463
Expenditures:			
Capital outlay	22,115,685	4,808,648	17,307,037
Total expenditures	22,115,685	4,808,648	17,307,037
Excess (deficiency) of revenues over (under) expenditures	(11,177,928)	7,700,572	18,878,500
Fund balances at beginning of year	11,177,928	9,607,060	(1,570,868)
Fund balances at end of year	\$ -	\$ 17,307,632	\$ 17,307,632

**Tualatin Hills Park & Recreation District**  
**Mitigation Maintenance Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2018**

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	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Interest earned	\$ 500	\$ 2,900	\$ 2,400
Total revenues	<u>500</u>	<u>2,900</u>	<u>2,400</u>
Expenditures:			
Materials and services	164,300	-	164,300
Total expenditures	<u>164,300</u>	<u>-</u>	<u>164,300</u>
Excess (deficiency) of revenues over (under) expenditures	(163,800)	2,900	166,700
Fund balance at beginning of year	<u>163,800</u>	<u>166,052</u>	<u>2,252</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 168,952</u>	<u>\$ 168,952</u>

**Tualatin Hills Park & Recreation District**  
**Trust Funds**  
**Combining Balance Sheet**  
**June 30, 2018**

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	<b>Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total Trust Funds</b>
<b>Assets</b>			
Cash and investments	\$ 11,615,002	\$ 1,734,306	\$ 13,349,308
Accrued interest	32,264	-	32,264
Total assets	11,647,266	1,734,306	13,381,572
<b>Net Position</b>			
Net position restricted for pension	11,647,266	-	11,647,266
Net position restricted for other post-employment benefits	-	1,734,306	1,734,306
Total net position	\$ 11,647,266	\$ 1,734,306	\$ 13,381,572

**Tualatin Hills Park & Recreation District**  
**Trust Funds**  
**Schedule of Changes in Net Position**  
**For the Year Ended June 30, 2018**

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total Trust Funds</u>
<b>Additions</b>			
Contributions			
Employer	\$ 2,774,158	\$ 60,016	\$ 2,834,174
Employee	<u>817,858</u>	<u>-</u>	<u>817,858</u>
Total contributions	<u>3,592,016</u>	<u>60,016</u>	<u>3,652,032</u>
Investment earnings	<u>969,208</u>	<u>136,475</u>	<u>1,105,683</u>
Total additions	<u>4,561,224</u>	<u>196,491</u>	<u>4,757,715</u>
<b>Deductions</b>			
Benefits paid	9,989,838	110,357	10,100,195
Administrative expenses	<u>82,310</u>	<u>5,410</u>	<u>87,720</u>
Total deductions	<u>10,072,148</u>	<u>115,767</u>	<u>10,187,915</u>
Change in net position	(5,510,924)	80,724	(5,430,200)
Net position at beginning of year	<u>17,158,190</u>	<u>1,653,582</u>	<u>18,811,772</u>
Net position at end of year	<u>\$ 11,647,266</u>	<u>\$ 1,734,306</u>	<u>\$ 13,381,572</u>

**OTHER  
FINANCIAL  
SCHEDULES**





**Tualatin Hills Park & Recreation District**  
**Schedule of Property Tax Transactions and Outstanding Balances**  
**For the Year Ended June 30, 2018**

	Taxes Uncollected June 30, 2017	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, 2018
2017-2018	\$ -	\$ 39,400,040	\$(1,076,689)	\$ 8,186	\$ (299,957)	\$ (37,619,466)	\$ 412,114
2016-2017	615,475	-	(18)	15,013	(30,382)	(238,367)	361,721
2015-2016	288,450	-	36	10,481	(2,571)	(65,942)	230,454
2014-2015	258,754	-	6	16,523	(2,354)	(74,035)	198,894
2013-2014	182,981	-	4	8,680	(365)	(33,533)	157,767
2012-2013	138,337	-	1	875	(269)	(2,611)	136,333
Prior Years	342,743	-	-	2,551	(2,125)	(5,339)	337,830
	<u>\$ 1,826,740</u>	<u>\$ 39,400,040</u>	<u>\$(1,076,660)</u>	<u>\$ 62,309</u>	<u>\$ (338,023)</u>	<u>\$ (38,039,293)</u>	<u>1,835,113</u>

June property tax receivable collected by the County	106,465
Less allowance for uncollectibility	<u>(500,000)</u>
	<u>\$ 1,441,578</u>

General Fund

\$ 1,425,770		\$ 1,439,053
	June property tax receivable collected by the County	85,327
	Less allowance for uncollectibility	<u>(400,000)</u>
		1,124,380

Debt Service Fund

400,970		396,060
	June property tax receivable collected by the County	21,138
	Less allowance for uncollectibility	<u>(100,000)</u>
		317,198

<u>\$ 1,826,740</u>		<u>\$ 1,441,578</u>
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**Tualatin Hills Park & Recreation District**  
**Schedule of District Pension Contributions**  
**Last Ten Fiscal Years**

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Fiscal Year	Actuarially Determined Contribution (ADC)	District Contributions	District Contributions as a Percentage of ADC	Contribution Deficiency (Excess)
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)
2018	2,773,861	2,774,158	100.01	(297)

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

# STATISTICAL SECTION

This part of the Tualatin Hills Park & 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.

<b>CONTENTS</b>	<b>PAGE</b>
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>	76
Revenue Capacity <i>These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</i>	80
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>	87
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>	91
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>	93

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



**Tualatin Hills Park & Recreation District**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015 (as restated)	2016	2017 (as restated)	2018
Governmental activities										
Net investment in capital assets	\$ 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	\$ 161,615,483
Restricted	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	17,307,632
Unrestricted	2,826,589	2,681,289	6,419,121	6,270,492	7,578,867	7,413,183	9,444,786	6,814,560	6,307,713	8,574,662
Total primary government net position	<u>\$ 97,329,654</u>	<u>\$ 105,768,913</u>	<u>\$ 113,711,076</u>	<u>\$ 121,418,378</u>	<u>\$ 128,299,688</u>	<u>\$ 135,704,873</u>	<u>\$ 140,992,912</u>	<u>\$ 154,367,432</u>	<u>\$ 168,931,801</u>	<u>\$ 187,497,777</u>

**Tualatin Hills Park & Recreation District**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
Board of Directors	\$ 252,707	\$ 158,614	\$ 212,527	\$ 229,942	\$ 200,248	\$ 154,475	\$ 218,847	\$ 178,381	\$ 209,412	\$ 183,678
Administration	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	2,313,893
Business and facilities	13,414,199	14,022,988	14,061,469	14,337,163	14,917,033	15,126,974	14,575,963	16,447,289	23,818,025	24,953,742 <sup>3)</sup>
Planning and development	925,029	724,568	571,594	640,871	800,198	897,304	554,465	550,044	-	- <sup>2)</sup>
Park and recreation services	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	16,186,439 <sup>3)</sup>
Interest on long-term debt	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	2,965,355
<b>Total governmental activities expenses</b>	<b>\$ 33,894,555</b>	<b>\$ 37,219,199</b>	<b>\$ 37,306,023</b>	<b>\$ 39,182,347</b>	<b>\$ 41,295,907</b>	<b>\$ 41,846,422</b>	<b>\$ 40,251,444</b>	<b>\$ 43,738,804</b>	<b>\$ 44,498,217</b>	<b>\$ 46,603,107</b>
<b>Program Revenues</b>										
Governmental activities:										
Park and recreation services:										
Charges for services	\$ 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	\$ 11,830,934
Operating grants and contributions	42,756	143,768	155,727	195,890	173,616	214,865	91,112	32,385	161,744	56,719
Capital grants and contributions	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	13,795,425
Rents and leases	-	-	-	-	-	-	-	648,897	635,913	591,040 <sup>1)</sup>
<b>Total governmental program revenues</b>	<b>\$ 11,159,954</b>	<b>\$ 13,378,374</b>	<b>\$ 12,766,647</b>	<b>\$ 13,439,909</b>	<b>\$ 14,347,433</b>	<b>\$ 15,144,820</b>	<b>\$ 17,821,499</b>	<b>\$ 21,161,672</b>	<b>\$ 21,715,984</b>	<b>\$ 26,274,118</b>
Net revenue(expense)										
Governmental activities	(22,734,601)	(23,840,825)	(24,539,376)	(25,742,438)	(26,948,474)	(26,701,602)	(22,429,945)	(22,577,132)	(22,782,233)	(20,328,989)
<b>Total primary government net expense</b>	<b>\$ (22,734,601)</b>	<b>\$ (23,840,825)</b>	<b>\$ (24,539,376)</b>	<b>\$ (25,742,438)</b>	<b>\$ (26,948,474)</b>	<b>\$ (26,701,602)</b>	<b>\$ (22,429,945)</b>	<b>\$ (22,577,132)</b>	<b>\$ (22,782,233)</b>	<b>\$ (20,328,989)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 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	\$ 37,548,487
Unrestricted grants and contributions	234,137	215,450	197,632	233,515	245,112	237,636	261,528	185,805	183,894	184,024
Investment earnings	488,973	793,970	445,603	507,727	447,101	365,782	380,671	458,566	516,989	872,511
Gain on sale of capital assets	-	-	-	-	-	-	-	-	945,760	-
Miscellaneous	348,592	693,992	204,308	171,665	139,083	159,819	203,731	188,479	172,235	289,943
<b>Total governmental activities</b>	<b>\$ 25,512,327</b>	<b>\$ 32,280,084</b>	<b>\$ 32,481,539</b>	<b>\$ 33,449,740</b>	<b>\$ 33,829,784</b>	<b>\$ 35,088,615</b>	<b>\$ 36,235,131</b>	<b>\$ 35,951,652</b>	<b>\$ 38,511,229</b>	<b>\$ 38,894,965</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 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	\$ 18,565,976
<b>Total primary government</b>	<b>\$ 2,777,726</b>	<b>\$ 8,439,259</b>	<b>\$ 7,942,163</b>	<b>\$ 7,707,302</b>	<b>\$ 6,881,310</b>	<b>\$ 8,387,013</b>	<b>\$ 13,805,186</b>	<b>\$ 13,374,520</b>	<b>\$ 15,728,996</b>	<b>\$ 18,565,976</b>

<sup>1)</sup> In FY 2016, revenues from Rents and Leases was reported separately (previously in Grants & Contributions, Program and Miscellaneous revenues.

<sup>2)</sup> In FY 2017, the Planning and Design & Development departments were moved into Business and facilities.

<sup>3)</sup> In FY 2017, capital outlay and depreciation expenses were moved from Park and recreation services to Business and facilities.

**Tualatin Hills Park & Recreation District**  
**Fund Balance Of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2009	2010 (as restated)	2011 (as restated)	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved	\$ 116,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,185,875	-	-	-	-	-	-	-	-	-
Nonspendable	-	131,319	93,642	64,728	211,223	225,668	172,449	316,161	179,842	182,432
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	12,401,382
<b>Total general fund</b>	<b>\$ 4,302,587</b>	<b>\$ 3,848,900</b>	<b>\$ 5,396,117</b>	<b>\$ 3,837,993</b>	<b>\$ 5,106,550</b>	<b>\$ 5,528,303</b>	<b>\$ 8,437,058</b>	<b>\$ 9,271,337</b>	<b>\$ 9,920,411</b>	<b>\$ 12,583,814</b>
All other governmental funds										
Reserved, reported in:										
Special revenue fund	\$ 175,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service fund	255,341	-	-	-	-	-	-	-	-	-
Capital project funds	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	31,956,484
Committed, reported in:										
Special revenue fund	-	182,010	182,820	183,657	182,071	163,989	166,364	164,356	166,052	168,952
Unassigned, reported in:										
Debt service fund	-	-	-	-	-	-	-	-	-	(44,480)
<b>Total all other governmental funds</b>	<b>\$ 63,114,935</b>	<b>\$ 60,237,786</b>	<b>\$ 43,869,090</b>	<b>\$ 70,657,902</b>	<b>\$ 57,372,297</b>	<b>\$ 42,758,918</b>	<b>\$ 43,450,280</b>	<b>\$ 39,741,565</b>	<b>\$ 26,219,548</b>	<b>\$ 32,080,956</b>

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



**Tualatin Hills Park & Recreation District**  
**Changes In Fund Balances Of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Property taxes	\$ 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	\$ 38,014,442
Aquatic programs	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	3,028,311
Tennis center	798,424	867,529	869,498	853,427	881,620	952,762	1,025,969	1,017,285	978,178	1,062,214
Sports programs	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	1,840,300
Recreation programs	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	5,900,109
Grants and sponsorships	950,096	1,906,063	1,441,320	1,742,561	1,608,261	1,275,106	1,300,759	279,707	806,995	1,718,491
Rents and leases	-	-	-	-	-	-	-	648,896	635,913	591,040 <sup>1)</sup>
System development charges	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	12,287,677
Interest earned	488,973	793,970	445,603	507,727	447,101	365,782	380,671	458,566	516,988	872,511
Charges for services	-	553,515	712,478	799,091	689,931	579,099	511,362	328,170	367,696	337,469
Miscellaneous	378,292	710,592	192,203	278,137	190,957	281,997	565,079	188,479	172,235	289,943
<b>Total revenues</b>	<b>35,670,678</b>	<b>45,500,168</b>	<b>45,589,207</b>	<b>46,863,172</b>	<b>48,885,447</b>	<b>50,686,805</b>	<b>54,357,273</b>	<b>52,709,286</b>	<b>59,314,139</b>	<b>65,942,507</b>
<b>Expenditures</b>										
Board of Directors	\$ 252,707	\$ 158,614	\$ 212,527	\$ 229,942	\$ 200,248	\$ 154,475	\$ 218,847	\$ 178,381	\$ 274,731	\$ 226,289
Administration	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	2,334,048
Business and facilities	12,970,222	13,836,899	13,796,771	14,018,655	14,590,241	14,901,004	15,621,414	16,074,842	17,489,302	18,502,519
Planning and development	907,994	1,250,838	1,282,382	1,430,176	1,503,184	1,497,804	1,211,690	1,262,721	-	- <sup>2)</sup>
Park and recreation services	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	16,152,894
Capital outlay	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	11,841,833
Debt service										
Principal	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	4,817,686
Interest	1,345,100	3,285,448	3,298,121	4,566,274	4,346,236	4,195,779	4,225,622	3,960,447	3,789,741	3,542,427
<b>Total expenditures</b>	<b>36,657,364</b>	<b>48,831,004</b>	<b>68,684,350</b>	<b>63,552,042</b>	<b>61,359,595</b>	<b>64,878,431</b>	<b>52,843,445</b>	<b>55,583,722</b>	<b>73,710,696</b>	<b>57,417,696</b>
Excess of revenues over (under) expenditures	(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)	8,524,811
<b>Other financing sources (uses)</b>										
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	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>59,492,156</b>	<b>-</b>	<b>9,532,166</b>	<b>41,919,558</b>	<b>457,100</b>	<b>-</b>	<b>2,086,289</b>	<b>-</b>	<b>1,523,614</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 58,505,470</b>	<b>\$ (3,330,836)</b>	<b>\$ (13,562,977)</b>	<b>\$ 25,230,688</b>	<b>\$ (12,017,048)</b>	<b>\$ (14,191,626)</b>	<b>\$ 3,600,117</b>	<b>\$ (2,874,436)</b>	<b>\$ (12,872,943)</b>	<b>\$ 8,524,811</b>
Debt service as a percentage of noncapital expenditures	10.4%	20.5%	22.4%	23.3%	21.2%	21.5%	21.9%	18.0%	18.8%	18.1%

<sup>1)</sup> In FY 2016, revenues from Rents and Leases was reported separately (previously in Grants & Contributions, Program and Miscellaneous revenues).

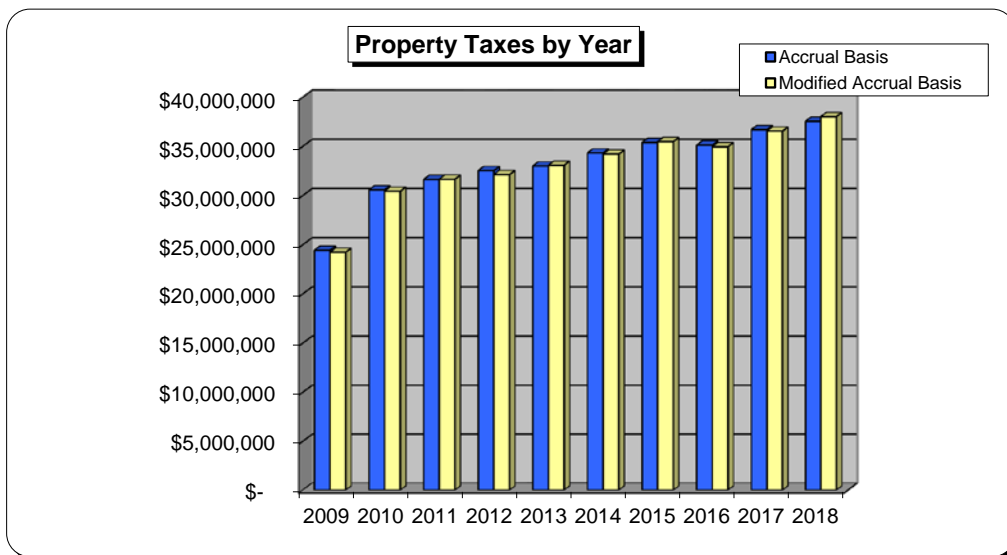
<sup>2)</sup> In FY 2017, Planning and Development expenditures were moved to Business and Facilities.

**Tualatin Hills Park & Recreation District  
Governmental Activities Tax Revenues By Source  
Last Ten Fiscal Years  
(accrual basis of accounting)**

<u>Fiscal Year</u>	<u>Property Tax</u>
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
2018	37,548,487

**(modified accrual basis of accounting)**

<u>Fiscal Year</u>	<u>Property Tax</u>
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
2018	38,014,442



**Tualatin Hills Park & Recreation District  
Assessed Values And Estimated Actual Value  
Of Taxable Property  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Real Property		Personal Property		Public Utilities		Total		Assessed Value as a Percentage of Market Value	Direct Tax Rate per \$1,000
	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value		
2009	\$ 28,690,818,930	\$ 16,428,933,960	\$ 646,678,370	\$ 644,613,810	\$ 488,253,163	\$ 487,065,660	\$ 29,825,750,463	\$ 17,560,613,430	58.88 %	1.4291
2010	26,842,700,370	17,044,511,490	584,058,386	580,800,516	542,678,941	542,600,920	27,969,437,697	18,167,912,926	64.96	1.7343
2011	25,415,795,100	17,588,772,400	576,119,940	568,963,800	562,879,594	560,660,160	26,554,794,634	18,718,396,360	70.49	1.7428
2012	24,106,665,298	18,012,341,620	587,010,937	580,369,457	578,886,050	555,788,140	25,272,562,285	19,148,499,217	75.77	1.7372
2013	23,607,540,340	18,581,040,050	617,142,106	610,830,076	624,892,048	559,899,100	24,849,574,494	19,751,769,226	79.49	1.7298
2014	25,100,916,650	19,261,563,030	607,228,905	600,748,735	637,019,227	565,666,850	26,345,164,782	20,427,978,615	77.54	1.7282
2015	27,933,899,694	20,049,326,753	610,281,231	603,605,791	647,433,574	592,184,300	29,191,614,499	21,245,116,844	72.78	1.7167
2016	30,055,910,584	21,034,184,283	661,326,115	652,465,905	701,056,667	598,739,300	31,418,293,366	22,285,389,488	70.93	1.6246
2017	33,870,049,729	22,045,761,923	697,114,641	683,052,351	721,904,470	704,324,200	35,289,068,840	23,433,138,474	66.40	1.6192
2018	37,964,311,493	23,143,902,554	736,600,520	712,522,070	736,796,581	712,342,161	39,437,708,594	24,568,766,785	62.30	1.6111

Source: Washington County, Department of Assessment and Taxation

**Tualatin Hills Park & Recreation District**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Direct Government:										
Tualatin Hills Park and Recreation District										
Permanent Tax Rate	\$ 1.3073	\$ 1.3073	\$ 1.3073	\$ 1.3073	\$ 1.3073	\$ 1.3073	\$ 1.3073	\$ 1.3073	\$ 1.3073	\$ 1.3073
Bond Levy Tax Rate	0.1218	0.4270	0.4355	0.4299	0.4225	0.4209	0.4094	0.3173	0.3119	0.3038
Overlapping Government:										
Washington County	2.9840	2.9840	2.9798	2.9744	2.9670	2.9605	2.8254	2.8235	2.9354	2.9584
Washington County - Enhanced Patrol	1.3099	1.2823	1.2660	1.2477	1.2285	1.3165	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	1.7890	1.6919	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	1.2500
Northwest Regional ESD	0.1538	0.1538	0.1538	0.1538	0.1536	0.1534	0.1530	0.1528	0.1523	0.1538
Multnomah ESD	0.4576	0.4576	0.4576	0.4134	0.4576	0.4576	0.4576	0.4576	0.4576	0.6050
Portland Community College	0.5031	0.6325	0.6359	0.5981	0.6646	0.7329	0.7199	0.5837	0.6756	0.6756
School District No. 48, Beaverton	6.5643	6.8793	6.7841	6.8603	6.7749	8.0537	8.0368	7.9571	7.9205	8.0527
School District No. 1J, Hillsboro	7.1016	7.4600	7.5846	7.4663	7.4881	7.3794	7.3812	7.1812	7.1268	7.1512
School District No. 1J, Portland	6.5281	6.5281	6.5281	6.5166	7.2681	8.3571	8.3535	8.3632	8.3304	8.8052
School District - Hillsboro, Reedville Bonds	0.2617	0.4102	-	-	-	-	-	-	-	-
Tualatin Valley Fire and Rescue District	1.8434	1.8947	1.8828	1.9302	1.9145	1.9061	1.8911	2.1078	2.0978	2.0457
Port of Portland	0.0701	0.0701	0.0701	0.0701	0.0701	0.0699	0.0697	0.0697	0.0694	0.0693
City of Beaverton	4.1153	4.1986	4.2034	4.1791	4.2350	4.3662	4.3517	4.3279	4.3109	4.2851
Urban Renewal - Beaverton	-	-	-	-	0.0113	0.0361	0.0929	0.1731	0.2233	0.2961
City of Hillsboro	5.3865	5.3865	5.3865	5.3827	5.3815	5.3755	5.3652	5.3621	5.3485	5.3387
Urban Renewal - Hillsboro	-	-	-	0.0141	0.0187	0.0415	0.0776	0.0867	0.1374	0.0856
City of Portland	6.7554	7.0862	7.0527	6.9497	7.0558	7.2043	7.1759	7.0455	6.9712	4.7097
Urban Renewal - Portland	1.0508	1.1624	1.1722	1.1314	1.1529	1.1727	1.0878	1.0608	1.1069	3.5073
Metro Service District	0.3984	0.4368	0.4088	0.3154	0.4043	0.4667	0.4575	0.3876	0.396	0.3777
TriMet	0.0803	0.0863	0.0878	0.0583	-	-	-	-	-	-

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Rate per \$1,000 of assessed valuation

Source: Washington County, Department of Assessment and Taxation

**Tualatin Hills Park & Recreation District**  
**District Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2018			2009		
	Taxable	Rank	Percentage of	Taxable	Rank	Percentage of
	Assessed Value		Total Taxable Assessed Value	Assessed Value		Total Taxable Assessed Value
Nike, Inc.	\$ 696,381,658	1	2.83 %	\$ 355,774,882	1	2.03 %
Comcast Corporation	272,500,600	2	1.11			
Portland General Electric	134,000,371	3	0.55	111,872,330	6	0.64
Northwest Natural Gas Co.	130,654,000	4	0.53	83,322,900	8	0.47
Maxim Integrated Products, Inc.	121,840,480	5	0.50	128,905,510	4	0.73
Nike IHM	115,554,910	6	0.47			
Beaverton LLC	94,221,900	7	0.38			
Frontier Communications	79,406,000	8	0.32			
Harsch Investment Corp	77,720,253	9	0.32			
LaSalle Owner LLC	60,337,580	10	0.25			
Verizon				203,095,506	2	1.16
Tektronix, Inc.				134,978,001	3	0.77
ERP Operating LP				115,412,910	5	0.66
PS Business Parks LP				102,805,926	7	0.59
Bernard Properties Partnership				56,247,700	9	0.32
Nimbus Center LLC				52,362,820	10	0.30
All other taxpayers	22,786,149,033		92.74	16,215,834,945		92.33
<b>Totals</b>	<b>\$24,568,766,785</b>		<b>100.00 %</b>	<b>\$17,560,613,430</b>		<b>100.00 %</b>

Source: Washington County, Department of Assessment and Taxation

**Tualatin Hills Park & Recreation District  
Washington County Principal Property Taxpayers  
Current Year and Nine Years Ago**

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Taxpayer	2018			2009		
	Taxable	Rank	Percentage of	Taxable	Rank	Percentage of
	Assessed Value		Total Taxable Assessed Value	Assessed Value		Total Taxable Assessed Value
Intel	\$ 2,387,794,178	1	3.83 %	\$ 1,101,356,820	1	2.64 %
Nike, Inc.	876,938,579	2	1.41	411,842,849	3	0.84
Portland General Electric	521,188,116	3	0.84	343,427,950	4	0.80
Comcast Corporation	462,371,700	4	0.74			
Pacific Realty Associates	379,444,724	5	0.61	283,366,710	6	0.62
Northwest Natural Gas Co.	355,967,210	6	0.57	286,150,490	5	0.66
Verizon Communications	214,438,000	7	0.34	438,548,983	2	0.66
Frontier Communications	191,382,000	8	0.31			
Genentech Inc.	189,956,570	9	0.30			
PPR Washington Square LLC	151,425,390	10	0.24			
Maxim Integrated Products				171,437,490	7	0.39
Tektronix Inc.				135,299,503	8	0.39
ERP Operating LP				115,412,910	9	0.34
PS Business Parks LP				102,805,926	10	0.27
All other taxpayers	56,609,740,920		90.81	40,473,472,218		92.39
Totals	<u>\$ 62,340,647,387</u>		<u>100.00 %</u>	<u>\$ 43,863,121,849</u>		<u>100.00 %</u>

Source: Washington County, Department of Assessment and Taxation

**Tualatin Hills Park & Recreation District**  
**Property Tax Levies And Collections**  
**Last Ten Fiscal Years**

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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
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	593,190	31,492,399	96.5
2012	33,334,482	31,713,114	95.1	508,617	32,220,089	96.7
2013	34,166,612	32,623,087	95.5	603,361	33,223,903	97.2
2014	35,308,500	33,590,906	95.1	586,538	34,145,997	96.7
2015	36,433,185	34,828,560	95.6	433,917	35,201,960	96.6
2016	36,088,203	34,488,930	95.6	341,776	34,773,630	96.4
2017	37,804,820	36,089,763	95.5	226,245	36,316,008	96.1
2018	39,400,040	37,551,090	95.3	-	37,551,090	95.3

**Tualatin Hills Park & Recreation District  
System Development Charge Revenue Schedule  
Last Ten Fiscal Years**

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Fiscal Year Ended June 30	Rate per Type of Dwelling Unit		
	Single Family	Multi-Family	Non-residential
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
2018	10,800	8,619	360

Source: Tualatin Hills Park and Recreation District



**Tualatin Hills Park & Recreation District**  
**Ratios Of Outstanding Debt By Type**  
**Last Ten Fiscal Years**

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Fiscal Year	Governmental Activities			Total Primary Government	Percentage of	
	General Obligation Bonds	Full Faith & Credit Obligations	Loans Payable		Personal Income <sup>a)</sup>	Per Capita <sup>b)</sup>
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	0.298	391.50
2017	80,802,769	8,907,017	354,819	90,064,605	n/a	369.74
2018	75,200,647	8,633,003	327,133	84,160,783	n/a	341.41

n/a - not available at time of printing

<sup>a)</sup> based on Washington County total population

<sup>b)</sup> 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 & Recreation District  
Ratios Of General Bonded Debt Outstanding  
Last Ten Fiscal Years**

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Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Assessed Taxable Value of Property	Per Capita <sup>a)</sup>
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
2018	75,200,647	-	75,200,647	0.31	305.06

<sup>a)</sup> per capita based on estimated district population

Source: Portland State University Center for Population Research and Census

**Tualatin Hills Park & Recreation District**  
**Direct And Overlapping Governmental Activities Debt**  
**June 30, 2018**

<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 & Recreation District	\$ 75,200,647	100.00 %	\$ 75,200,647
Direct debt	<u>75,200,647</u>		<u>75,200,647</u>
Metro	205,735,000	12.90	26,536,318
Portland Community College	461,071,466	16.16	74,488,862
City of Portland	176,992,106	0.01	12,212
City of Hillsboro	42,280,000	0.14	59,234
City of Beaverton	34,217,534	99.00	33,873,990
Washington County	219,115,761	40.82	89,445,245
School District 1J, Hillsboro 7 Bd	2,862,570	3.20	91,611
Tualatin Valley Fire and Rescue District	30,635,000	45.19	13,842,915
School District No. 23, Tigard-Tualatin	262,838,126	0.03	86,737
School District No. 48, Beaverton	1,035,618,531	82.34	852,769,724
School District No. 1J, Hillsboro	479,215,000	3.19	15,305,169
Northwest Regional ESD	35,000	32.67	11,433
School District No. 1J, Portland	982,119,880	0.39	3,796,875
Overlapping debt	<u>3,932,735,974</u>		<u>1,110,320,325</u>
Other Debt:			
Tualatin Hills Park & Recreation District	8,960,136	100.00	8,960,136
Direct debt	<u>8,960,136</u>		<u>8,960,136</u>
Metro	18,170,000	12.90	2,343,621
Portland Community College	82,005,000	16.16	13,248,400
City of Portland	474,155,648	0.01	32,716
City of Hillsboro	8,894,461	0.14	12,461
Washington County	26,305,000	40.82	10,737,964
Northwest Regional ESD	3,893,490	32.67	1,271,836
Multnomah ESD	28,200,000	0.29	81,780
Port of Portland	60,339,399	11.93	7,198,490
Overlapping debt	<u>701,962,998</u>		<u>34,927,268</u>
Total Tualatin Hills Park & Recreation District	84,160,783		84,160,783
Total overlapping debt	<u>4,634,698,972</u>		<u>1,145,247,593</u>
Total direct and overlapping debt	<u>\$ 4,718,859,755</u>		<u>\$ 1,229,408,376</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 & Recreation District**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	2009	2010	2011	2012	2013	Fiscal Year 2014	2015	2016	2017	2018
Debt limit	\$ 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	\$ 985,942,715
Total net debt application to limit	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	75,200,647
Legal debt margin	\$ 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	\$ 910,742,068
Total net debt applicable to the limit as a percentage of debt limit	9.40%	9.40%	9.12%	15.50%	15.02%	13.41%	12.25%	10.78%	9.16%	7.63%

**Legal Debt Margin Calculation for Fiscal Year 2018**

Real market value (2017/18)	\$ 39,437,708,594
General obligation debt capacity (2.5% of Real market value)	985,942,715
Less: Outstanding debt	<u>75,200,647</u>
Remaining legal debt capacity	<u>\$ 910,742,068</u>

Source: Tualatin Hills Park and Recreation District

**Tualatin Hills Park & Recreation District**  
**Demographic And Economic Statistics**  
**Last Ten Fiscal Years**

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**Washington County**

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Fiscal Year	District Population (estimated)	Population (estimated) <sup>a)</sup>	Personal Income (amounts expressed in thousands) <sup>b)</sup>	Per Capita Personal Income <sup>b)</sup>	Unemployment Rate <sup>c)</sup>	School Enrollment <sup>d)</sup>
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	49,762	5.7	39,088
2015	237,847	574,326	29,812,561	52,923	5.1	40,725
2016	240,701	582,779	31,588,397	54,203	4.7	40,568
2017	243,589	589,957	n/a	n/a	3.5	40,806
2018	246,512	n/a	n/a	n/a	3.4	40,868

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

n/a data not available at time of printing

**Tualatin Hills Park & Recreation District**  
**Major Employment Industries In Washington County**  
**Current Year and Nine Years Ago**

Industry	2018		2009	
	Annual Average	Percentage of Total County Employment	Annual Average	Percentage of Total County Employment
Mining and logging	400	0.1 %	400	0.2 %
Construction	16,400	5.7	12,850	5.3
Manufacturing:				
Computer and electronic products	27,592		25,525	
Other durable goods	15,058		11,967	
Non-durable goods	7,325		5,508	
	49,975	17.1	43,000	17.8
Trade, transportation and utilities:				
Wholesale trade	12,975		17,183	
Retail trade	32,067		28,358	
Transportation, warehousing and utilities	5,625		3,700	
	50,667	17.3	49,241	20.4
Information	7,575	2.6	8,058	3.3
Financial activities	16,808	5.7	15,600	6.5
Professional and business services:				
Professional and technical services	15,550		11,583	
Management of companies and enterprises	15,808		5,725	
Administrative and waste services	23,142		16,492	
	54,500	18.6	33,800	14.0
Educational and health services	36,583	12.5	27,867	11.6
Leisure and hospitality	27,183	9.3	20,050	8.3
Other services	9,008	3.1	7,275	3.0
Government:				
Federal government	800		825	
State government	2,692		2,683	
Local government	8,408		7,500	
Local education	11,758		12,042	
	23,658	8.1	23,050	9.6
Total non-farm employment	292,757	100.0 %	241,191	100.0 %

Source: Oregon Labor Market Information System

**Tualatin Hills Park & Recreation District**  
**Full-Time Equivalent Employees By Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Administration</b>										
Administration	2	2	2	2	2	2	3	3	3	3
Communications and outreach	6	7	6	6	6	7	7	7	8	8
Security operations	4	4	4	4	4	4	4	4	4	5
Community partnerships	-	-	-	-	-	-	1	1	1	1
<b>Business and facilities</b>										
Director	4	4	4	4	4	4	4	4	3	3
Finance services	6	6	7	7	7	7	7	7	6	7
Information services	5	5	5	5	5	5	5	5	5	6
Human resources	3	3	3	3	3	3	4	4	4	4
Risk and contract management	2	2	2	2	2	2	2	2	2	2
Operations analysis	-	-	-	-	-	-	-	-	2	2
<b>Maintenance</b>										
Operations	3	3	3	3	5	5	6	7	7	7
Park maintenance	45	46	46	46	43	43	45	45	46	-
Vehicles and equipment	6	6	6	6	6	6	6	6	6	6
Athletic facilities	23	23	23	23	25	25	26	26	27	-
Building and pool maintenance	49	48	49	49	50	51	49	48	48	27
Park and athletic facilities north	-	-	-	-	-	-	-	-	-	35
Park and athletic facilities south	-	-	-	-	-	-	-	-	-	31
Planning	1	2	2	2	3	3	3	3	3	4
Design and development	6	6	10	10	11	9	8	7	6	7
<b>Park and recreation</b>										
Director	2	3	3	3	3	3	3	3	4	3
Aquatics	80	81	81	73	74	77	79	83	78	78
Sports	31	33	32	31	31	29	30	45	58	62
Programs and special activities	41	42	42	41	42	42	38	23	14	18
Recreation	104	107	106	105	102	100	100	101	108	130
Natural resources and trails	17	21	24	23	25	25	27	29	29	38
<b>Total full-time equivalent employees</b>	<b>440</b>	<b>454</b>	<b>460</b>	<b>448</b>	<b>453</b>	<b>452</b>	<b>457</b>	<b>463</b>	<b>472</b>	<b>487</b>

Source: Tualatin Hills Park and Recreation District

**Tualatin Hills Park & Recreation District**  
**Operating Indicators By Function**  
**Last Ten Fiscal Years**

	<b>2009 actual</b>	<b>2010 actual</b>	<b>2011 actual</b>	<b>2012 actual</b>	<b>2013 actual</b>	<b>2014 actual</b>	<b>2015 actual</b>	<b>2016 actual</b>	<b>2017 actual</b>	<b>2018 estimate</b>
<b>Parks and Recreation</b>										
<b>Cultural and recreational activities:</b>										
Aquatics										
Attendance at open/drop-in programs and classes	503,355	491,548	462,982	472,057	558,152	531,824	539,836	511,251	481,665	481,130
Number of classes held	5,452	5,421	5,740	5,123	5,282	4,823	5,029	5,237	4,289	4,484
Sports <sup>1)</sup>										
Attendance at open/drop-in programs and classes	697,335	654,533	710,364	679,600	650,623	607,130	781,490	792,878	652,680	785,465
Number of classes held	521	395	583	700	527	537	1,985	2,205	2,030	2,150
Recreation										
Attendance at open/drop-in programs and classes	870,704	924,770	947,841	944,324	945,676	1,022,117	929,397	983,487	984,343	1,049,000
Number of classes held	4,896	4,869	4,794	3,972	4,236	4,199	4,184	3,919	4,111	4,260
Programs and special activities										
Attendance at open/drop-in programs and classes	354,960	374,644	375,255	284,232	285,698	265,174	140,440	141,000	143,000	143,000
Number of classes held	1,349	1,547	1,798	1,954	1,819	2,283	575	580	580	585
Natural resources and trails										
Attendance at open/drop-in programs and classes	136,960	188,450	171,449	180,704	198,997	197,877	233,790	234,967	249,189	238,000
Number of classes held	338	545	580	643	647	707	664	720	678	675
<b>Maintenance activities:</b>										
Buildings maintained (shown per 1,000 sq. ft)	366	368	368	450	461	461	461	461	461	461
Cost per sq. ft. of buildings	\$7.28	\$7.17	\$8.20	\$6.30	\$6.52	\$6.61	\$6.63	\$7.07	\$7.00	\$6.98
Pool facilities maintained (shown per 1,000 sq. ft.)	152	152	152	117	117	117	117	125	125	125
Cost per sq. ft. of pools	\$12.03	\$15.87	\$12.57	\$17.01	\$16.15	\$16.29	\$17.28	\$15.35	\$15.18	\$16.27
Parks maintained - developed acres	1,076	1,071	1,083	1,026	1,024	1,052	1,062	1,067	1,089	1,098
Cost per developed acre	\$2,638	\$2,796	\$2,765	\$2,879	\$2,720	\$2,740	\$2,892	\$3,133	\$3,288	\$3,377
Parks maintained - undeveloped acres	867	1,077	900	1,186	1,233	1,236	1,244	1,276	1,290	1,308
Cost per undeveloped acre	\$172	\$146	\$175	\$131	\$254	\$260	\$274	\$293	\$308	\$317
Vehicle and equipment units maintained	427	434	436	436	472	490	490	502	514	530
Cost per vehicle and equipment unit	\$1,870	\$1,860	\$1,937	\$1,990	\$1,757	\$1,801	\$1,768	\$1,653	\$1,720	\$1,740

<sup>1)</sup> method of computation changed - comparisons to previous years not available



**Tualatin Hills Park & Recreation District**  
**Capital Asset Statistics By Function**  
**June 30, 2018**

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**Parks and Recreation:**

Number of parks	296
Park acreage:	
Developed sites (neighborhood, community and regional parks)	1,098
Undeveloped sites (wetlands and natural areas)	1,308
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 <sup>1)</sup>	104

Basketball:

Indoor	6
Outdoor <sup>1)</sup>	50

Volleyball <sup>1)</sup>

	5
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Sports fields: <sup>1)</sup>

Soccer/football/lacrosse	147
Softball/baseball	104
Bocce	4
Hockey	1
Indoor running track	1
Skate park	3

<sup>1)</sup> 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 & Recreation District  
Beaverton, Oregon

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Tualatin Hills Park & Recreation District (the District), as of and for the year ended June 30, 2018, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 29, 2018. 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).



**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)**

**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*, except for the following:

- The Bonded Debt Fund reported a deficit fund balance of \$44,480.

**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 & Warwick, LLP*

Lake Oswego, Oregon  
November 29, 2018