

# Tualatin Hills Park & Recreation District Beaverton, Oregon



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2019**



**Tualatin Hills  
Park & Recreation District  
Beaverton, Oregon**

**Comprehensive Annual Financial Report**

**For the year ended June 30, 2019**



**Prepared by the  
Business and Facilities Division  
Finance Department**



Tualatin Hills  
Park & Recreation District  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2019**

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Tualatin Hills  
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**Comprehensive Annual Financial Report**  
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# Introductory Section









December 18, 2019

To the Honorable Members of the Board of Directors  
and the Members of the Public 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, 2019 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, 2019. 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 nearly 250,000 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 youth.

- The district maintains, either through direct ownership or joint use agreement (including school sites): 51 outdoor basketball pads; 110 outdoor tennis courts; six indoor tennis courts; 147 soccer/football/lacrosse fields; 102 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 302 park and recreation facility sites totaling approximately 2,465 acres, consisting of 1,347 acres of wetland/natural areas, and 1,118 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 in fiscal year 2015/16 based on updated methodology. However, in fiscal year 2018/19, fees decreased by 30.8 percent compared to the previous year, as a result of timing of new construction projects subject to SDC fees. SDC revenues are statutorily restricted to use for purchase or construction of new, or expansion of existing, facilities, improvements and land within the district, and do not fund district operations.

Because the district's 2019 assessed value is only 59.3 percent of market value, there is an inherent cushion in property tax collections on most properties. Fiscal year 2018/19 resulted in a growth of 4.9 percent in current year general fund property taxes over fiscal year 2017/18, consisting of approximately 3.0 percent approved valuation increase on existing properties, and 1.9 percent exception based growth (growth due to new development). Timing of collections on prior year property taxes provided an additional 2.6% in revenues for the fiscal year. 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 2019/20 of 4.5 percent.

Washington County, the second most populous county in Oregon, experienced job growth of 2.7 percent over the previous year. The following job categories showed a decline in jobs: transportation, information, financial activities, administrative services, state government and local education. The remaining job categories remained level or showed an increase, with a total net increase of 7,900 jobs. Furthermore, the county's unemployment rate as of June 2019 sits at 2.8 percent (seasonally adjusted), a lower rate than the state (4.0 percent) and national rates (3.7 percent).

## **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 was updated in April 2019.

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 2019/20 budget year:

- Continue efforts to ensure that the district serves our entire community, and work towards eliminating barriers that may limit participation by segments of our community.
- Enhance communication and outreach efforts with patrons and residents, to support marketing efforts and provide new channels for patrons to communicate with the district. This will include completion of the visioning process, the purpose of which is to conduct meaningful, cross-cultural extensive engagement to better understand the goals and aspirations of the patrons we serve.
- Maintain and enhance levels of service in the district's parks, trails, natural areas and recreation facilities, while also improving efficiency of maintenance services.
- Ensure continuity of service for our patrons and minimize service disruptions.
- Move resource allocation on district services in line with targets established in the Service and Financial Sustainability Analysis. Enhance resource allocation through efficiencies and cost savings, as well as by targeted service divestment.

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.

As part of the current year audit, the district engaged a new actuary to value the net pension liability for the pension plan. This valuation resulted in changes to assumptions in the valuation to align with current activity in the plan, and a related decision to value the liability using the current year end of June 30, 2019 as the measurement date. These changes in estimate and measurement date, resulted in a restatement of the prior year balances related to pension. The district is currently reviewing pension cashflow projections and developing long-term funding plans to ensure that the pension plan funding issues are addressed. An updated district pension funding policy is currently being developed that will allow the district to address the new information identified in the current year pension liability calculation.

## **Major Initiatives**

### **Bond measure**

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

In May 2015, the district advance refunded \$38.3 million of the Series 2009 issue to achieve an economic gain of over \$2.9 million and reduce the life of the debt by two years. Also, included in the Series 2015 borrowing was the final amount available (\$1.4 million) that fulfilled the \$100 million bond measure. In October 2016, the district advance refunded \$8.6 million of the Series 2011 issue to achieve an economic gain of \$0.7 million. The district's debt structure, capital improvements and ultimately, the tax payers have benefitted significantly from the low interest rate environment within the last nine years.

As of June 30, 2019, \$95.0 million total bond funds have been expended. Approximately \$9.5 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, 2018. This was the fourteenth 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 2018/19 Fiscal Year received the *Distinguished Budget Presentation* award from GFOA. This is the fourteenth year that the district has received such an award. In order to qualify, the budget document must be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

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

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

Respectfully submitted,



Keith D. Hobson

Director of Business and Facilities



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Tualatin Hills Park and Recreation  
District, Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

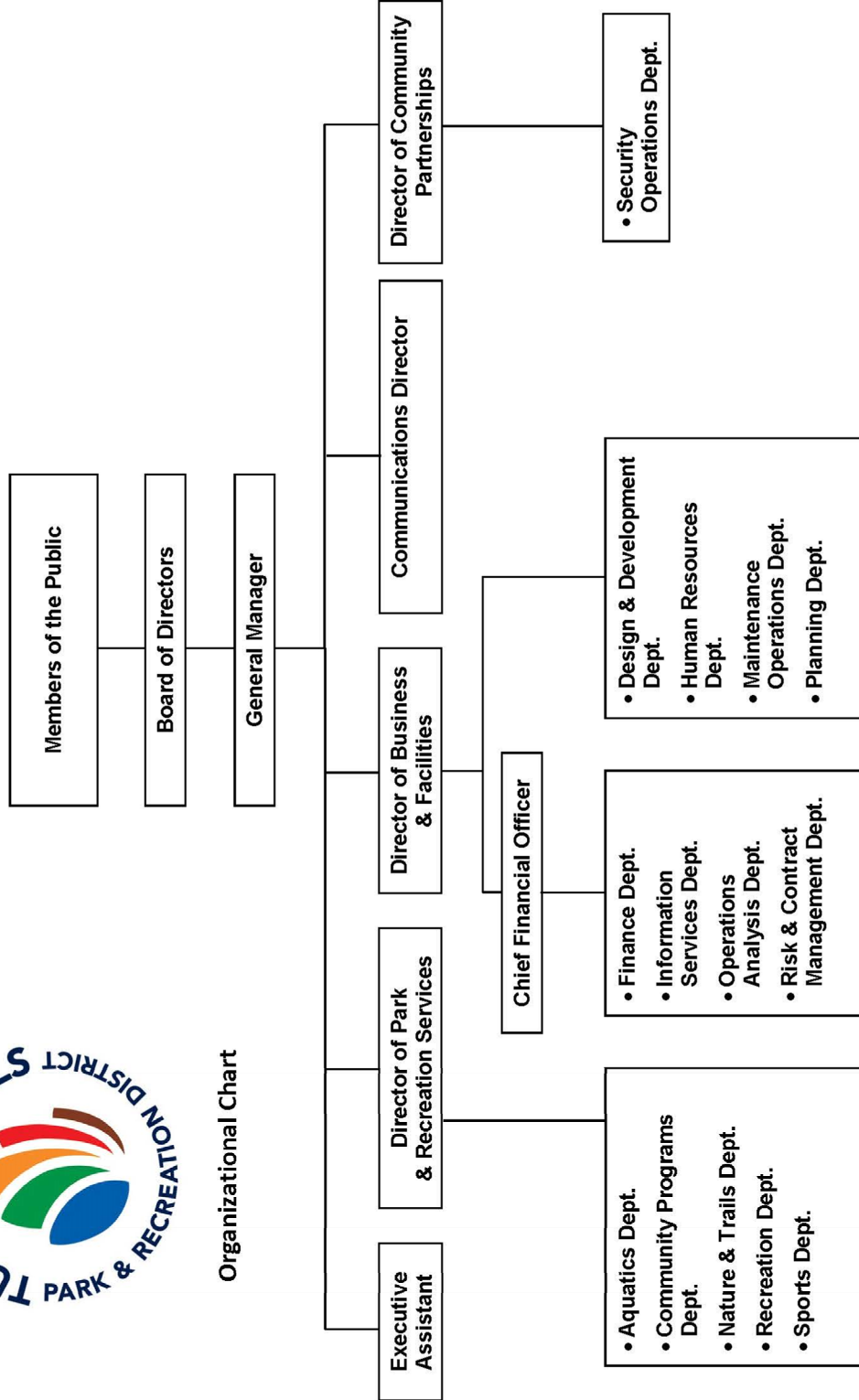
*Christopher P. Morill*

Executive Director/CEO





Organizational Chart



**Tualatin Hills  
Park & Recreation District  
Directory of Officials**

Administrative Office  
15707 S.W. Walker Road  
Beaverton, Oregon 97006

**Board of Directors  
as of June 30, 2019**

<b><u>Name</u></b>	<b><u>Term Expires</u></b>
Ali Kavarianian, President	June 30, 2019
Felicita Montebianco, Secretary	June 30, 2021
John Griffiths, Secretary Pro-tempore	June 30, 2019
Wendy Kroger	June 30, 2021
Todd Duwe	June 30, 2019

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**Registered Agent and Office**

Doug Menke  
15707 S.W. Walker Road  
Beaverton, Oregon 97006

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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

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## 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, 2019, 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, 2019, 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 the Note V. G. to the financial statements, the District reported a restatement of previously reported amounts for the year ended June 30, 2018, due to changes in actuarial assumptions and measurement date used to value the net pension liability. 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.

#### *Other Information*

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

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

Board of Directors  
Tualatin Hills Park & Recreation District

**OTHER REPORTING REQUIRED BY OREGON MINIMUM STANDARDS**

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 18, 2019, 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  
December 18, 2019



# 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, 2019 by \$156,574,185.
- Net investment in capital assets (net of accumulated depreciation and related debt) accounts for most of net position, with a value of \$174,412,777.
- Restricted net position, (\$22,307,182) includes assets restricted for capital improvements and debt service.
- The remaining net position, (\$40,145,774) is negative as a result of the district's outstanding net pension obligation. The district is developing a long-term funding plan to address pension funding over the long-term, while continuing to meet the district's ongoing obligations to patrons and creditors.
- The district's total net position increased by \$18,525,304 or 13.4 percent over the previous year as restated. The increase is mainly the result of improvements to park property. However, the update of actuarial assumptions and measurement date associated with the calculation of the net pension obligation (as discussed further in this Management's Discussion and Analysis) decreased total net position as of June 30, 2018 by \$49,448,896 with the restatement of beginning net position.
- As of the close of the current fiscal year, the district's governmental funds reported combined ending fund balances of \$46,814,287, an increase of \$2,149,517, or 4.9 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 (SDC) Fund due to under-expenditure of budgeted costs offset in part by lower than anticipated SDC revenue for the fiscal year. As of June 30, 2019, fund balance for the General Fund was \$14,840,219 or 30.2 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.

## Tualatin Hills Park & Recreation District Management's Discussion and Analysis (continued)

The **statement of activities** presents information showing how the district's net position changed during the current fiscal year. On this statement, program revenue (revenue generated by specific programs through charges for services, grants and contributions) is shown separately from general revenue (revenue provided by taxes and other sources not tied to a particular program). This shows the extent each program relies on taxes for funding. All changes in net position are reported using the accrual basis of accounting, which requires that revenues be reported when they are earned and expenses be reported when goods and services are received. Items such as uncollected taxes, unpaid vendor invoices for items received by June 30, 2019, 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, 2019.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district, like other state and local governments, uses fund accounting for compliance with finance-related legal requirements. All funds of the district fall into the governmental fund category, which accounts for the government's tax-supported activities.

### **Governmental Funds**

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

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

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

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

### **Budgetary highlights**

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

### **Notes to the basic financial statements**

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



## Tualatin Hills Park & Recreation District Management's Discussion and Analysis (continued)

### 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, 2019, the district's assets and deferred outflows of resources exceeded liabilities by \$156,574,185.

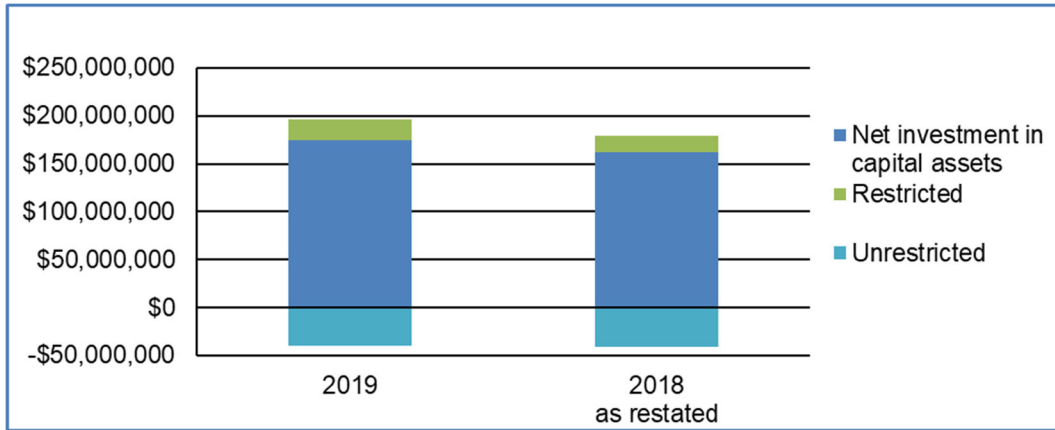
In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement provides guidance for accounting for net pension liabilities, including definition of balances to be included in deferred inflows and deferred outflows of assets and resources. The district implemented the statement in 2015, using assumptions deemed appropriate at that time. The district engaged a new plan actuary in June 2019, and the valuation indicated that assumptions should be updated to reflect plan activity. Additionally, due to current funding levels of the plan, the district determined to value the pension liability using a current measurement date. This replaces the measurement date of the 12 months prior to the fiscal year end as previously reported, as allowed under GASB Statement No. 68. The district determined that valuing the pension liability using a current measurement date will provide optimal information to allow the district to address funding of the plan on a go-forward basis. With these changes in estimate and measurement date, the prior year balances related to pension have been restated. Fiscal year 2018 information has been restated to conform to the new reporting and accounting standards. The following is a condensed version of the government-wide Statement of Net Position.

#### Net Position

	<b>Governmental Activities</b>	
	June 30, 2019	June 30, 2018 (as restated)
Cash and investments	\$ 49,547,376	\$ 48,001,555
Other assets	3,368,295	3,061,075
Capital assets	245,338,329	228,851,631
Total assets	<u>298,254,000</u>	<u>279,914,261</u>
Deferred outflow of resources - pension	1,604,040	-
Deferred outflow of resources - opeb	8,360	-
Deferred outflow of resources - charge on debt refunding	4,260,387	4,784,457
Total assets and deferred outflow of resources	<u>304,126,787</u>	<u>284,698,718</u>
Other liabilities	7,030,360	6,553,031
Debt liabilities	81,889,927	84,160,783
Net pension and OPEB liability	58,632,315	55,936,023
Total liabilities	<u>147,552,602</u>	<u>146,649,837</u>
Net investment in capital assets	174,412,777	161,615,483
Restricted	22,307,182	17,307,632
Unrestricted	(40,145,774)	(40,874,234)
Total net position	<u>\$ 156,574,185</u>	<u>\$ 138,048,881</u>

The largest portion of the district's net position, \$174,412,777 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, \$22,307,182 represents resources that are subject to external restrictions on how they may be used. The remaining net position, (\$40,145,774) is negative as a result of the district's outstanding net pension obligation. The district is developing a long-term funding plan to address pension funding over the long-term, while continuing to meet the district's ongoing obligations to patrons and creditors.

## Tualatin Hills Park & Recreation District Management's Discussion and Analysis (continued)



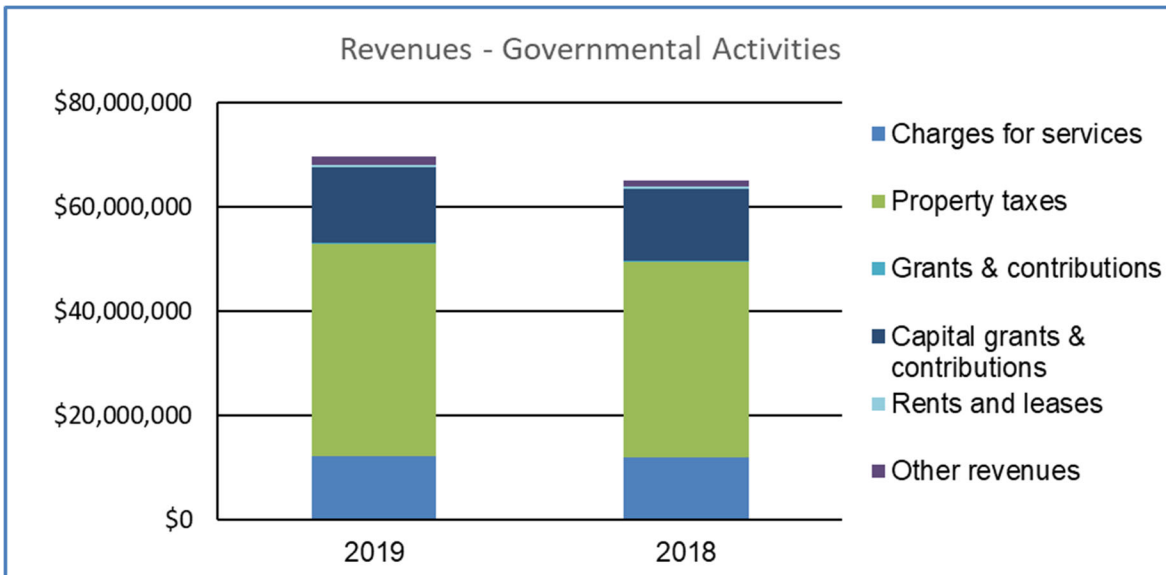
### Statement of Activities

Governmental activities increased the district's net position by \$18,525,304 in this fiscal year. Key elements of this increase are as follows:

#### Changes in Net Position

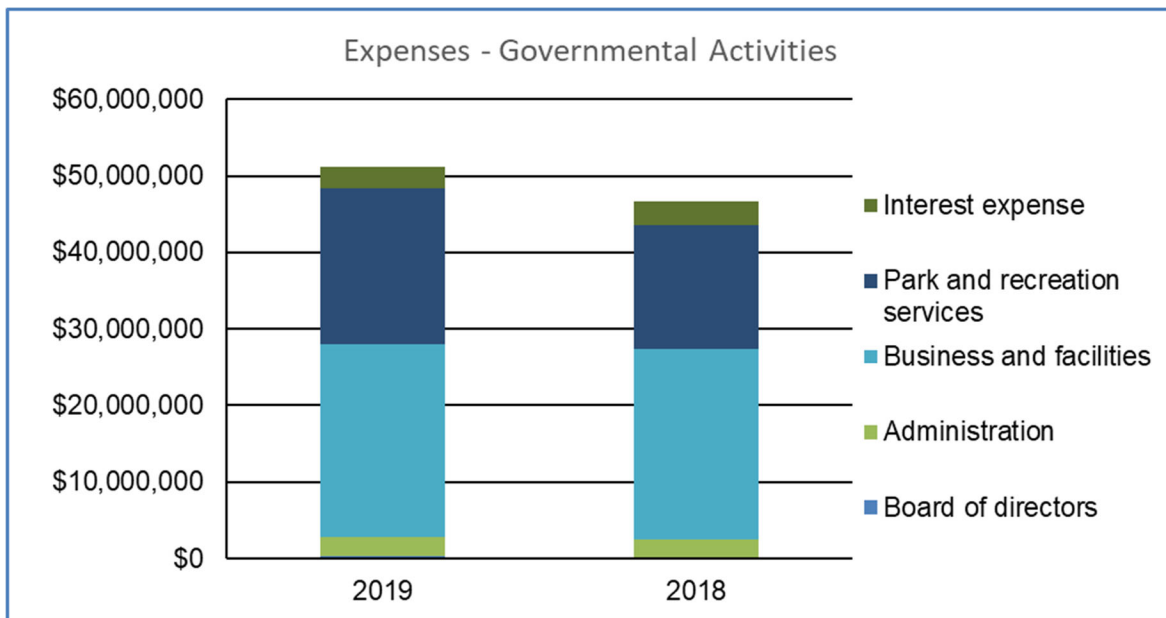
	<b>Governmental Activities</b>	
	For the year ended	
	June 30, 2019	June 30, 2018 (as restated)
Revenues:		
Program revenues:		
Charges for services	\$ 12,141,602	\$ 11,830,934
Operating grants and contributions	87,829	56,719
Capital grants and contributions	14,485,201	13,795,425
Rents and leases	548,759	591,040
General revenues:		
Property taxes	40,631,613	37,548,487
Grants and contributions not restricted to specific programs	184,637	184,024
Other	1,649,752	1,162,454
Total revenues	<u>69,729,393</u>	<u>65,169,083</u>
Expenses:		
Board of directors	287,244	183,678
Administration	2,465,436	2,313,893
Business and facilities	25,269,252	24,953,742
Park and recreation services	20,303,450	16,186,439
Interest on long-term debt	2,878,707	2,965,355
Total expenses	<u>51,204,089</u>	<u>46,603,107</u>
Change in net position	18,525,304	18,565,976
Net position - beginning as previously stated	138,048,881	168,931,801
Restatement	-	(49,448,896)
Net position - beginning, as restated	<u>138,048,881</u>	<u>119,482,905</u>
Net position - ending	<u>\$ 156,574,185</u>	<u>\$ 138,048,881</u>

## Tualatin Hills Park & Recreation District Management's Discussion and Analysis (continued)



Property taxes increased \$3,083,126, or 8.2 percent. Statutorily allowed increases in assessed value of existing properties and new construction within the district boundaries made up 4.9 percent of the increase, and collections of prior year tax balances offset by a reserve for uncollectible taxes made up the remaining 3.3 percent. Capital grants and contributions increased \$689,776, or 5.0 percent due to \$5,646,006 in donations of land and park development received via system development charge credits in the current year, offset by reductions in SDC revenue compared to the prior year.

Expenses for the district increased by 9.9 percent over last year. This increase is due primarily to inflationary increases, increases in pension expense 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, the 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 2018/19, the district's governmental funds reported an increase in combined ending fund balances of \$2,149,517. The General Fund, Bonded Debt 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 an increase of \$8,524,811, attributable primarily to timing differences between receipt of system development charge revenues and expenditure of those revenues for capital outlay.

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 \$14,456,882. 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 29.4 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, 2019	June 30, 2018
Revenues:		
Program revenues	\$ 12,141,602	\$ 11,830,934
Property taxes	33,091,556	30,780,846
Other revenues and bond proceeds	6,244,371	2,522,068
Total revenues	51,477,529	45,133,848
Expenditures:		
Board of directors	287,244	226,289
Administration	2,379,832	2,334,048
Business and facilities	17,816,512	18,502,519
Park and recreation services	19,625,019	16,152,894
Capital outlay	8,230,862	4,400,663
Debt service	881,655	854,032
Total expenditures	49,221,124	42,470,445
Change in fund balance	2,256,405	2,663,403
Fund balance - beginning	12,583,814	9,920,411
Fund balance - ending	\$ 14,840,219	\$ 12,583,814

## Tualatin Hills Park & Recreation District Management's Discussion and Analysis (continued)

Fund balance of the General Fund increased by \$2,256,405 or 17.9 percent on the modified accrual method of accounting, due to increased growth and tight fiscal controls.

Program revenues increased \$310,668 or 2.6 percent. Sports and recreation experienced increases. For revenues other than program revenues, the 18.1 percent or \$6,033,013 increase was due primarily to the following factors:

- Increase of 7.5 percent or \$2,310,710 in property tax revenues related primarily to statutorily allowable growth in assessed property values, new construction in the district and collections on prior property tax balances receivable.
- Increase of \$3,722,303 in other revenues, includes debt proceeds of \$4,000,000, which was used to fund a portion of the Cedar Hills park development, offset by decreases in grant revenues compared to the prior year.

Non-capital operating expenditures increased 7.7 percent or \$2,920,480 primarily due to increases in personnel service costs including a budgeted cost-of-living and merit increases, increases in health insurance costs, retirement plan costs and payroll taxes. Capital expenditures increased from the previous year by \$3,830,199 or 87.1 percent due to timing of construction projects, including development at Cedar Hills park.

The **Bonded Debt Fund** has a total fund balance of \$509,991, an increase of \$554,471 versus the previous year, and is restricted for payment of debt service on existing general obligation debt.

The **Bond Capital Projects Fund** accounts for the proceeds received from the sale of the general obligation bonds, Series 2009 for \$58,505,000 and Series 2011 for \$40,060,000, and Series 2015 for \$1,435,000 (new monies only). In November 2008, district voters authorized a total levy of \$100 million to target a specific list of projects and land acquisitions throughout the district. A total of \$5,436,191 was expended during the current fiscal year. The majority of capital projects have been substantially completed; however, two large park development and improvement projects, natural resource land acquisition/restoration and development of one new athletic field and one athletic facility will continue for at least one more year. As of the end of the year, total fund balance in this fund restricted for capital project development is \$9,488,405.

The **System Development Charges Fund** accounts for development impact fees assessed on new construction within the district boundaries. Total revenues decreased by \$3,544,788 or 28.8 percent over last year, due to timing of new construction activity in the district. Total expenditures decreased by \$333,775 or 6.9 percent due to timing of construction on district projects. Fund balance increased by \$4,489,559 or 25.9 percent over the previous year. This total fund balance of \$21,797,191 is entirely restricted for parks acquisition and development and improvements related to capacity expansion.

### General Fund Budgetary Highlights

The district prepares and adopts its budget on an annual basis using a modified cash basis of accounting. General Fund revenues were slightly less than budget by 0.3 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 21.4 percent, primarily due to non-expenditure of contingency and capital replacement reserve funds, control of costs in part-time personnel and capital expenditures at less than budgeted amounts. The Board approved a budget transfer from contingency during the current fiscal year, to fund unanticipated Board election costs, and increased funding requirements in the pension.

## 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, 2019 amounts to \$245,338,329 (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 \$16,486,698 or 7.2 percent, which reflected asset additions of \$23,041,436 and depreciation of \$6,456,420.

Additions of \$5,486,985 were generated in land primarily related to new acquisitions of park and natural area parcels. Additions of \$3,460,160 in park sites was due primarily to the replacement of synthetic turf at PCC Rock Creek and contributed park development received through SDC credits. Additions of \$459,950 in buildings and improvements was primarily due to various renovation projects throughout the district. Construction in process had additions of \$13,017,320 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.

#### Capital Assets (net of depreciation)

	June 30	
	2019	2018
Land	\$ 112,531,746	\$ 107,035,901
Parks sites and planning development	67,715,968	66,143,161
Buildings and improvements	44,317,224	45,551,625
Equipment and furnishings	1,258,338	1,090,963
Intangible assets	58,637	84,835
Construction in progress	19,456,416	8,945,146
Total	\$ 245,338,329	\$ 228,851,631

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

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

At June 30, 2019, the district had \$81,889,927 in debt and other long-term obligations outstanding compared to \$84,160,783 million last year. \$6,795,149 of the debt outstanding and other long-term obligations at June 30, 2019 is due within one year. Debt decreased by a net of \$2,270,856, mainly due to the principal payments made on existing debt, offset by the issuance of \$4.0 million in bonds in the current year to partially fund the construction at Cedar Hills park.

#### Outstanding Debt and Obligations

	June 30	
	2019	2018
General obligation bonds	\$ 63,860,000	\$ 68,760,000
Premiums	5,391,314	6,453,650
Full faith and credit obligations	8,340,000	8,620,000
Direct Borrowing and Loans	4,298,613	327,133
Total	\$ 81,889,927	\$ 84,160,783

## Tualatin Hills Park & Recreation District Management's Discussion and Analysis (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.

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.D on pages 40 - 42.

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

Some of the factors considered during the preparation of the 2019/20 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 9.1 percent, with a cost of living increase of 3.0 percent for full and regular part-time staff. The budget includes four upgraded regular part-time positions to full-time, and the elimination of one other vacant regular part-time position. The budget also reflects the conversion of a part-time position to full-time.
- Continuing the implementation of resource allocation strategy and evaluation of program offerings to ensure sustainable revenues for the future.
- Adjusting 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.

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.

The district is currently reviewing pension cashflow projections and developing long-term funding plans to ensure that the pension plan funding issues are addressed. An updated district pension funding policy is currently being developed that will allow the district to address the new information identified in the current year pension liability calculation.

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.

Tualatin Hills Park & Recreation District  
**Management's Discussion and Analysis (continued)**

**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, 2019**

	<b>Governmental</b>	<b>Component Unit -</b>
	<b>Activities</b>	<b>Tualatin Hills Park</b>
	<u>                    </u>	<u>                    </u>
<b>Assets:</b>		<b>Foundation</b>
Cash and cash equivalents	\$ 42,420,392	\$ 750,846
Investments	6,944,049	65,887
Due from other governments	1,813,067	-
Receivables (net of reserve for uncollectible accounts)	1,171,891	55,202
Inventories	125,692	-
Prepays	257,645	-
Cash and cash equivalents - restricted	182,935	-
Capital assets (net of accumulated depreciation):		
Land	112,531,746	-
Park sites and planning development	67,715,968	-
Buildings and improvements	44,317,224	-
Equipment and furnishings	1,258,338	-
Intangible assets	58,637	-
Construction in progress	19,456,416	-
Total assets	<u>298,254,000</u>	<u>871,935</u>
<b>Deferred Outflows of Resources:</b>		
Deferred outflows - pension	1,604,040	-
Deferred outflows - opeb	8,360	-
Deferred outflows - charge on debt refunding	4,260,387	-
Total deferred outflows of resources	<u>5,872,787</u>	<u>-</u>
<b>Liabilities:</b>		
Accounts payable and other current liabilities	3,668,561	32,446
Accrued interest payable	296,095	-
Unearned revenue	1,903,709	-
Long-term debt:		
Due within one year	6,795,149	-
Due in more than one year	75,094,778	-
Compensated absences		
Due within one year	711,051	-
Due in more than one year	450,944	-
Net other post-employment benefits liability	1,315,721	-
Net pension liability	57,316,594	-
Total liabilities	<u>147,552,602</u>	<u>32,446</u>
<b>Net Position:</b>		
Net investment in capital assets	174,412,777	-
Restricted for:		
Capital improvements	21,797,191	-
Debt service	509,991	-
With donor restrictions	-	183,969
Unrestricted	(40,145,774)	655,520
Total net position	<u>\$ 156,574,185</u>	<u>\$ 839,489</u>

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, 2019**

Functions/Programs	Program Revenues					Net Revenue (Expense) and Changes in Net Position	
	Expenses	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	\$ 287,244	\$ -	\$ -	\$ -	\$ -	\$ (287,244)	\$ -
Administration	2,465,436	-	-	-	-	(2,465,436)	-
Business and facilities	25,269,252	-	-	14,485,201	548,759	(10,235,292)	-
Park and recreation services	20,303,450	12,141,602	87,829	-	-	(8,074,019)	-
Interest on long-term debt	2,878,707	-	-	-	-	(2,878,707)	-
Total primary government	\$ 51,204,089	\$ 12,141,602	\$ 87,829	\$ 14,485,201	\$ 548,759	\$ (23,940,698)	\$ -
<b>Component unit:</b>							
Tualatin Hills Park Foundation	\$ 191,311	\$ 81,541	\$ 47,632	\$ -	\$ -		(62,138)
General revenues:							
Property taxes levied for general purposes						32,584,879	-
Property taxes levied for debt service						8,046,734	-
Grants and contributions not restricted to specific programs						184,637	96,052
Unrestricted investments earnings						1,391,423	1,564
Miscellaneous						258,329	22,899
Total general revenues						42,466,002	120,515
Change in net position						18,525,304	58,377
Net position - beginning (as previously reported)						187,497,777	781,112
Restatement						(49,448,896)	-
Net position - beginning (as restated)						138,048,881	781,112
Net position - ending						\$ 156,574,185	\$ 839,489

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, 2019**

	<u>General Fund</u>	<u>Bonded Debt Fund</u>	<u>Bond Capital Projects Fund</u>	<u>System Development Charges Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Assets:						
Cash and cash equivalents	\$ 18,732,337	\$ 466,883	\$ 7,495,143	\$ 15,547,548	\$ 178,481	\$ 42,420,392
Investments	-	-	1,994,364	4,949,685	-	6,944,049
Receivables:						
Interest	669	451	35,938	-	-	37,058
Property taxes	600,039	146,657	-	-	-	746,696
Accounts receivable	386,686	-	1,451	-	-	388,137
Intergovernmental	310,578	-	-	1,502,489	-	1,813,067
Cash and cash equivalents - restricted	-	-	158,866	24,069	-	182,935
Prepays	257,645	-	-	-	-	257,645
Inventories	125,692	-	-	-	-	125,692
Total assets	<u>\$ 20,413,646</u>	<u>\$ 613,991</u>	<u>\$ 9,685,762</u>	<u>\$ 22,023,791</u>	<u>\$ 178,481</u>	<u>\$ 52,915,671</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
Liabilities:						
Accounts payable	\$ 1,901,448	\$ -	\$ 197,357	\$ 226,600	\$ -	\$ 2,325,405
Salaries payable	508,364	-	-	-	-	508,364
Retainages payable	162,442	-	-	-	-	162,442
Other current liabilities payable	672,350	-	-	-	-	672,350
Unearned revenue	1,903,709	-	-	-	-	1,903,709
Total liabilities	<u>5,148,313</u>	<u>-</u>	<u>197,357</u>	<u>226,600</u>	<u>-</u>	<u>5,572,270</u>
Deferred inflows of resources:						
Unavailable revenue - taxes	425,114	104,000	-	-	-	529,114
Fund balances:						
Nonspendable:						
Prepays	257,645	-	-	-	-	257,645
Inventory	125,692	-	-	-	-	125,692
Restricted:						
Debt service	-	509,991	-	-	-	509,991
Capital improvements	-	-	9,488,405	21,797,191	-	31,285,596
Committed - mitigation maintenance	-	-	-	-	178,481	178,481
Unassigned	14,456,882	-	-	-	-	14,456,882
Total fund balance	<u>14,840,219</u>	<u>509,991</u>	<u>9,488,405</u>	<u>21,797,191</u>	<u>178,481</u>	<u>46,814,287</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,413,646</u>	<u>\$ 613,991</u>	<u>\$ 9,685,762</u>	<u>\$ 22,023,791</u>	<u>\$ 178,481</u>	<u>\$ 52,915,671</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 - Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2019**

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

Fund balances - total governmental funds:	\$ 46,814,287
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	245,338,329
Unavailable revenues for those amounts that were not available to pay current period expenditures.	529,114
Other long-term items are not available to pay for current period expenditures and, therefore, are deferred in the fund statements:	
Deferred outflows - pension	1,604,040
Deferred outflows - other post employment benefits	8,360
Deferred outflow - charge on debt refunding	4,260,387
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(296,095)
Bonds, FFC and loans payable	(81,889,927)
Compensated absences	(1,161,995)
Net OPEB liability	(1,315,721)
Net pension liability	(57,316,594)
Net position of governmental activities	\$ 156,574,185

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, 2019**

	<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>Revenues:</b>						
Property taxes	\$33,091,556	\$8,175,570	\$ -	\$ -	\$ -	\$ 41,267,126
Aquatic programs	3,207,755	-	-	-	-	3,207,755
Tennis center	1,061,398	-	-	-	-	1,061,398
Sports programs	1,913,715	-	-	-	-	1,913,715
Recreation programs	5,958,734	-	-	-	-	5,958,734
Grants and sponsorships	611,325	-	-	-	-	611,325
Rents and leases	548,759	-	-	-	-	548,759
System development charges	-	-	-	8,500,336	-	8,500,336
Interest earned	536,286	110,916	275,744	464,096	4,381	1,391,423
Charges for services	294,820	-	-	-	-	294,820
Miscellaneous revenues	253,181	-	-	-	5,148	258,329
<b>Total revenues</b>	<b>47,477,529</b>	<b>8,286,486</b>	<b>275,744</b>	<b>8,964,432</b>	<b>9,529</b>	<b>65,013,720</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Board of Directors	287,244	-	-	-	-	287,244
Administration	2,379,832	-	-	-	-	2,379,832
Business and facilities	17,816,512	-	-	-	-	17,816,512
Park and recreation services	19,625,019	-	-	-	-	19,625,019
Capital outlay	8,230,862	-	5,436,191	4,474,873	-	18,141,926
Debt service	881,655	7,732,015	-	-	-	8,613,670
<b>Total expenditures</b>	<b>49,221,124</b>	<b>7,732,015</b>	<b>5,436,191</b>	<b>4,474,873</b>	<b>-</b>	<b>66,864,203</b>
Excess (deficiency) of revenues over (under) expenditures	(1,743,595)	554,471	(5,160,447)	4,489,559	9,529	(1,850,483)
<b>Other financing sources (uses):</b>						
Proceeds from bonds issued	4,000,000	-	-	-	-	4,000,000
<b>Total other finance sources (uses)</b>	<b>4,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,000,000</b>
<b>Net change in fund balances</b>	<b>2,256,405</b>	<b>554,471</b>	<b>(5,160,447)</b>	<b>4,489,559</b>	<b>9,529</b>	<b>2,149,517</b>
Fund balances at beginning of year	12,583,814	(44,480)	14,648,852	17,307,632	168,952	44,664,770
<b>Fund balances at end of year</b>	<b>\$14,840,219</b>	<b>\$ 509,991</b>	<b>\$ 9,488,405</b>	<b>\$ 21,797,191</b>	<b>\$ 178,481</b>	<b>\$ 46,814,287</b>

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, 2019**

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

Net changes in fund balances - total governmental funds	\$ 2,149,517
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.	10,939,010
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	5,547,688
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.	(653,973)
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.	1,746,787
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	(11,824)
Accrued compensated absences payable	(108,009)
Net OPEB liability and related deferrals	(66,508)
Net pension liability and related deferrals	(1,017,384)
Change in net position of governmental activities	\$18,525,304

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, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 31,969,978	\$ 31,969,978	\$ 33,091,556	\$ 1,121,578
Aquatic programs	3,527,061	3,527,061	3,207,755	(319,306)
Tennis center	1,145,403	1,145,403	1,061,398	(84,005)
Sports programs	1,727,357	1,727,357	1,913,715	186,358
Recreation programs	6,077,595	6,077,595	5,958,734	(118,861)
Grants and sponsorships	2,003,539	2,003,539	611,325	(1,392,214)
Rents and leases	512,200	512,200	548,759	36,559
Interest earned	250,000	250,000	536,286	286,286
Charges for services	258,100	258,100	294,820	36,720
Debt proceeds	4,000,000	4,000,000	4,000,000	-
Miscellaneous revenues	140,350	140,350	253,181	112,831
Total revenues	51,611,583	51,611,583	51,477,529	(134,054)
Expenditures:				
Board of Directors	311,500	356,500	287,244	69,256
Administration	2,601,140	2,689,564	2,379,832	309,732
Business and facilities	20,122,803	20,667,213	19,308,403	1,358,810
Park and recreation services	21,161,879	21,718,986	19,625,019	2,093,967
Capital outlay	12,529,412	12,529,412	7,620,626	4,908,786
Contingency	2,500,000	1,265,059	-	1,265,059
Capital reserve	3,400,000	3,400,000	-	3,400,000
Total expenditures	62,626,734	62,626,734	49,221,124	13,405,610
Net change in fund balance	(11,015,151)	(11,015,151)	2,256,405	13,271,556
Fund balances at beginning of year	11,015,151	11,015,151	12,583,814	1,568,663
Fund balances at end of year	\$ -	\$ -	\$ 14,840,219	\$ 14,840,219

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, 2019**

	<b>Pension and OPEB Trust Funds</b>
<b>Assets</b>	
Cash and investments	\$ 13,057,571
Accrued interest	96
Total assets	13,057,667
<b>Liabilities</b>	
Accounts payable	18,261
Total liabilities	18,261
<b>Net Position</b>	
Restricted for pension	11,245,290
Restricted for other post-employment benefits	1,794,116
Total net position held in trust	\$ 13,039,406

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, 2019**

	<b>Pension and OPEB Trust Funds</b>
<b>Additions:</b>	
Contributions	
Employer	\$ 4,047,223
Employee	826,693
Total contributions	4,873,916
Investment earnings	527,862
Total additions	5,401,778
<b>Deductions:</b>	
Benefits paid	5,644,257
Administrative expenses	99,687
Total deductions	5,743,944
Change in net position	(342,166)
Net position, at beginning of year	13,381,572
Net position, at end of year	\$ 13,039,406

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

**Tualatin Hills Park & Recreation District**  
**Notes to Basic Financial Statements**  
**June 30, 2019**

**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 Basic Financial Statements (continued)**  
**June 30, 2019**

**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 to 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.

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.

**Tualatin Hills Park & Recreation District**  
**Notes to Basic Financial Statements (continued)**  
**June 30, 2019**

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 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

**Tualatin Hills Park & Recreation District**  
**Notes to Basic Financial Statements (continued)**  
**June 30, 2019**

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 costs are 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 and OPEB 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 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 received 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.

Tualatin Hills Park & Recreation District  
**Notes to Basic Financial Statements (continued)**  
**June 30, 2019**

*8. Long-term obligations*

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

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

*9. Fund balance*

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

- Nonspendable fund balance represents amounts that are not in a spendable form, or 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 2019, the district implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement improves information that is disclosed in the notes to the financial statements related to debt.



**Tualatin Hills Park & Recreation District**  
**Notes to Basic Financial Statements (continued)**  
**June 30, 2019**

**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 \$(81,889,927) difference are as follows:

Bonds payable	\$ (63,860,000)
Plus: Issuance premiums (to be amortized over life of debt)	(5,381,413)
Full faith and credit obligations	(8,340,000)
Plus: Issuance premiums (to be amortized over life of debt)	(9,901)
Direct debt and loans payable	<u>(4,298,613)</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (81,889,927)</u></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 \$10,939,010 difference are as follows:

Capital outlay (for capitalized assets)	\$ 17,395,430
Depreciation expense	<u>(6,456,420)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at changes in <i>net position of governmental activities</i>	<u><u>\$ 10,939,010</u></u>

Another element of that reconciliation states “the net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net position.” The details of this \$5,547,688 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	\$ 5,646,006
Deletions of capital assets decrease the net position in the statement of net position, but do not appear in the governmental funds because they are not financial uses.	<u>(98,318)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at changes in <i>net position of governmental activities</i>	<u><u>\$ 5,547,688</u></u>

**Tualatin Hills Park & Recreation District**  
**Notes to Basic Financial Statements (continued)**  
**June 30, 2019**

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 \$1,746,787 difference are as follows:

Principal repayments:	
General obligation debt	\$ 4,900,000
Other long-term debt	308,520
Amortization of premiums	1,062,337
Amortization of deferred charges on refundings	(524,070)
Proceeds from issuance of debt	<u>(4,000,000)</u>
Net adjustments 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>\$ 1,746,787</u>

**III. Stewardship, compliance and accountability**

**A. Budgetary information**

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

Governmental fund budgets are established in accordance with state law, and are adopted on a fund level except the General Fund. The General Fund budget is adopted on an organizational unit level. Organizational units are the levels of control for all funds established by the resolution. The detail budget document, however, is required to contain more specific information for the above mentioned appropriation levels. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the board. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the board. In the year ended June 30, 2019, the board approved a budget transfer in the general fund, from contingency, to cover unexpected board election costs and additional funding of employee pension costs.

**IV. Detailed notes on all funds**

**A. Cash, cash equivalents and investments**

Deposits with financial institutions include bank demand deposits and deposits in the Local Government Investment Pool (LGIP), as authorized by Oregon statutes.

At June 30, 2019, the district had the following investments at contract value:

Fiduciary funds:	
Guaranteed long-term fund	\$ 5,535,305

**Tualatin Hills Park & Recreation District**  
**Notes to Basic Financial Statements (continued)**  
**June 30, 2019**

At June 30, 2019, the district had the following cash, cash equivalents and investments at fair value:

Governmental funds:	
Demand deposits and short term commercial paper	\$ 4,803,661
Commercial paper	698,597
Investments in the State Treasurer's LGIP	37,101,069
Government and agency obligations	<u>6,944,049</u>
Total governmental funds cash, cash equivalents and investments	49,547,376
Fiduciary funds:	
Cash in transit	1,235,000
Stable value fund	5,535,305
Mutual funds	<u>6,287,266</u>
Total cash, cash equivalents and investments at fair value	<u>\$ 62,604,947</u>

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

Cash and cash equivalents	\$ 42,420,392
Investments	6,944,049
Cash, cash equivalents and investments - restricted	<u>182,935</u>
Total cash, cash equivalents and investments - governmental activities	49,547,376
Cash and cash equivalents - fiduciary activities	1,235,000
Investments - fiduciary activities	<u>11,822,571</u>
Total cash, cash equivalents and investments - fiduciary activities	<u>13,057,571</u>
Total cash, cash equivalents and investments	<u>\$ 62,604,947</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, 2019 are as follows:

	Level 1
Commercial paper	\$ 698,597
Government and agency obligations	6,944,049
Mutual funds	<u>6,287,266</u>
Total	<u>\$ 13,929,912</u>

Current investments ratings and weighted average maturities are:

	Moody's AAA	Total	Weighted Average Maturity (years)
Commercial paper	\$ 698,597	\$ 698,597	0.28
Government and agency obligations	6,944,049	6,944,049	0.44

The LGIP and Stable value fund are unrated.

**Tualatin Hills Park & Recreation District**  
**Notes to Basic Financial Statements (continued)**  
**June 30, 2019**

*A. Interest rate risk*

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

Investments in the LGIP are stated at share value, which approximates fair value, and is the value at which the shares can be withdrawn. The LGIP does not report all investments at fair value in accordance with the provisions of GASB Statement No. 31. The LGIP is required by Oregon Revised Statutes (ORS) to compute the fair value of all investments maturing more than 270 days from the date the computation is made. If the fair value totals more than one percent of the balance of the LGIP in terms of unrealized gain or loss, the amount is required to be distributed to the pool participants. Fifty percent of the LGIP portfolio must mature within 93 days. Up to 25% of the LGIP portfolio may mature in over one year and no investment may mature in over three years. At June 30, 2019, the district's share of the amount of unrealized gain reported by the LGIP was considered immaterial.

*A. 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.

*B. 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, 2019, the district did not hold any non-federal investments exceeding 5% of invested funds.

*C. Custodial credit risk – deposits*

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. The combined total bank balance is \$5,114,055. 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.

*D. 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 evaluating the safety of 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 Basic Financial Statements (continued)**  
**June 30, 2019**

**B. Capital assets**

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance 6/30/18	Increases	Decreases	Transfers	Ending Balance 6/30/19
<b>Governmental activities</b>					
Capital assets, not being depreciated					
Land	\$ 107,035,901	\$ 5,486,985	\$ -	\$ 8,860	\$ 112,531,746
Construction in progress	8,945,146	13,017,321	(92,793)	(2,413,258)	19,456,416
Total capital assets, not being depreciated	<u>115,981,047</u>	<u>18,504,306</u>	<u>(92,793)</u>	<u>(2,404,398)</u>	<u>131,988,162</u>
Capital assets, being depreciated					
Parks, sites and planning development	104,392,243	3,460,160	-	2,136,249	109,988,652
Buildings and improvements	75,868,189	459,950	-	268,149	76,596,288
Equipment and furnishings	8,093,896	617,020	(288,077)	-	8,422,839
Intangible assets	341,762	-	-	-	341,762
Total capital assets being depreciated	<u>188,696,090</u>	<u>4,537,130</u>	<u>(288,077)</u>	<u>2,404,398</u>	<u>195,349,541</u>
Less accumulated depreciation for:					
Parks, sites and planning development	(38,249,082)	(4,023,602)	-	-	(42,272,684)
Buildings and improvements	(30,316,563)	(1,962,501)	-	-	(32,279,064)
Equipment and furnishings	(7,002,934)	(444,119)	282,552	-	(7,164,501)
Intangible assets	(256,927)	(26,198)	-	-	(283,125)
Total depreciation	<u>(75,825,506)</u>	<u>(6,456,420)</u>	<u>282,552</u>	<u>-</u>	<u>(81,999,374)</u>
Total capital assets being depreciated, net	<u>112,870,584</u>	<u>(1,919,290)</u>	<u>(5,525)</u>	<u>2,404,398</u>	<u>113,350,167</u>
Governmental activities capital assets, net	<u>\$ 228,851,631</u>	<u>\$ 16,585,016</u>	<u>\$ (98,318)</u>	<u>\$ -</u>	<u>\$ 245,338,329</u>

Depreciation expense of \$6,456,420 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, 2019:

	Commitments made before 6/30/19	Commitments made after 6/30/19	Total Commitments
Crowell Woods Park	\$ 190,294	\$ 1,468,101	\$ 1,658,395
Cedar Hills Park	1,015,355	76,515	1,091,870
Waterhouse Trail #4	978,570	28,167	1,006,737
Raleigh Pool Tank and Deck	22,090	965,610	987,700
Bridges and Boardwalks	280,295	166,466	446,761
Southwest Quadrant Neighborhood Park	277,249	-	277,249
Somerset West Park	98,799	90,682	189,481
Bethany Creek Trail	173,415	-	173,415
Bonny Slope Trail	157,269	5,104	162,373
Asphalt Pedestrian Pathways	68,977	84,908	153,885
Bonnie Meadow Neighborhood Park	144,450	-	144,450
Conestoga Pool Tank and Deck	66,529	-	66,529
North Bethany Park and Trail	57,264	7,896	65,160

**Tualatin Hills Park & Recreation District**  
**Notes to Basic Financial Statements (continued)**  
**June 30, 2019**

**C. Accrued compensated absences**

The district's compensated absences are liquidated by the General Fund. The change in the balance of accrued compensated absences for the fiscal year was as follows:

	Beginning Balance 6/30/18	Increase	Repayments	Ending Balance 6/30/19	Due within one year
Compensated absences	\$ 1,053,987	\$ 968,762	\$ (860,754)	\$ 1,161,995	\$ 711,051

**D. Long-term debt**

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

	Beginning Balance 6/30/18	Increase	Repayments	Ending Balance 6/30/19	Due within one year
<b>General Obligation Bonds</b>					
Series 2009	\$ 2,365,000	\$ -	\$ (2,365,000)	\$ -	\$ -
Series 2011	21,485,000	-	(1,820,000)	19,665,000	1,985,000
Series 2015	36,200,000	-	(715,000)	35,485,000	3,325,000
Series 2016	8,710,000	-	-	8,710,000	-
Premium	6,440,647	-	(1,059,234)	5,381,413	1,008,620
Total General Obligation Bonds	75,200,647	-	(5,959,234)	69,241,413	6,318,620
<b>Full Faith &amp; Credit</b>					
Series 2006	255,000	-	(125,000)	130,000	130,000
Series 2010A	1,260,000	-	(55,000)	1,205,000	60,000
Series 2010B	6,820,000	-	-	6,820,000	-
Series 2010C	285,000	-	(100,000)	185,000	105,000
Premium	13,003	-	(3,102)	9,901	2,151
Total Full Faith & Credit	8,633,003	-	(283,102)	8,349,901	297,151
<b>Direct Borrowing</b>					
Series 2019A	-	2,775,000	-	2,775,000	150,000
Series 2019B	-	1,225,000	-	1,225,000	-
Energy Savings Contract	327,133	-	(28,520)	298,613	29,378
Total Direct Borrowing	327,133	4,000,000	(28,520)	4,298,613	179,378
<b>Total Long-term debt</b>	<b>\$ 84,160,783</b>	<b>\$ 4,000,000</b>	<b>\$ (6,270,856)</b>	<b>\$ 81,889,927</b>	<b>\$ 6,795,149</b>

**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-

**Tualatin Hills Park & Recreation District**  
**Notes to Basic Financial Statements (continued)**  
**June 30, 2019**

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 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**  
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Direct Borrowing

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.

On February 12, 2019, the district borrowed \$2,775,000 for funding a portion of the construction costs of two major capital improvement projects – Cedar Hills Park and Somerset Park. This loan bears an interest rate of 3.01%, and is payable over 15 years. Additionally, the district borrowed \$1,225,000 for funding a portion of the construction costs of the same major capital improvement projects. This loan bears a variable interest rate, and is payable over twenty years. Both loans are not collateralized.

The district's outstanding notes from direct borrowings and direct placements contain an event of default provision that allows the escrow agent to enforce the financing agreement.

Annual principal requirements for all issues are as follows:

Year Ending June 30,	General Obligation Series			Full Faith & Credit Series				Direct Borrowing			Energy Contract	Total
	2011	2015	2016	2006	2010A	2010B	2010C	2019A	2019B			
2020	\$ 1,985,000	\$ 3,325,000	\$ -	\$ 130,000	\$ 60,000	\$ -	\$ 105,000	\$ 150,000	\$ -	\$ 29,378	\$ 5,784,378	
2021	2,155,000	3,645,000	-	-	70,000	165,000	80,000	155,000	-	30,264	6,300,264	
2022	2,315,000	3,980,000	-	-	75,000	255,000	-	160,000	-	31,175	6,816,175	
2023	2,500,000	4,340,000	-	-	80,000	265,000	-	165,000	-	32,114	7,382,114	
2024	2,675,000	4,725,000	-	-	85,000	270,000	-	165,000	-	33,082	7,953,082	
2025-2029	8,035,000	15,470,000	8,710,000	-	570,000	1,495,000	-	920,000	-	142,600	35,342,600	
2030-2034	-	-	-	-	265,000	1,770,000	-	1,060,000	-	-	3,095,000	
2035-2039	-	-	-	-	-	2,125,000	-	-	1,225,000	-	3,350,000	
2040-2042	-	-	-	-	-	475,000	-	-	-	-	475,000	
	<u>\$ 19,665,000</u>	<u>\$ 35,485,000</u>	<u>\$ 8,710,000</u>	<u>\$ 130,000</u>	<u>\$ 1,205,000</u>	<u>\$ 6,820,000</u>	<u>\$ 185,000</u>	<u>\$ 2,775,000</u>	<u>\$ 1,225,000</u>	<u>\$ 298,613</u>	<u>\$ 76,498,613</u>	

Annual interest requirements for all issues are as follows:

Year Ending June 30,	General Obligation Series			Full Faith & Credit Series				Direct Borrowing			Energy Contract	Total
	2011	2015	2016	2006	2010A	2010B	2010C	2019A	2019B			
2020	\$ 695,156	\$ 1,668,250	\$ 292,550	\$ 6,500	\$ 47,970	\$ 436,918	8,936	\$ 83,528	\$ 32,585	\$ 8,710	\$ 3,281,103	
2021	615,756	1,502,000	292,550	-	45,670	436,918	3,978	79,013	32,585	7,826	3,016,296	
2022	551,106	1,319,750	292,550	-	42,770	428,256	-	74,347	32,585	6,914	2,748,278	
2023	458,506	1,120,750	292,550	-	39,670	414,868	-	69,531	32,585	5,975	2,434,435	
2024	383,506	903,750	292,550	-	36,370	400,956	-	64,565	32,585	5,007	2,119,289	
2025-2029	1,073,514	1,232,750	819,550	-	118,870	1,755,028	-	244,413	162,925	9,760	5,416,810	
2030-2034	-	-	-	-	11,025	1,241,384	-	97,676	162,925	-	1,513,010	
2035-2039	-	-	-	-	-	599,951	-	-	98,464	-	698,415	
2040-2042	-	-	-	-	-	32,021	-	-	-	-	32,021	
	<u>\$ 3,777,544</u>	<u>\$ 7,747,250</u>	<u>\$ 2,282,300</u>	<u>\$ 6,500</u>	<u>\$ 342,345</u>	<u>\$ 5,746,300</u>	<u>\$ 12,914</u>	<u>\$ 713,073</u>	<u>\$ 587,239</u>	<u>\$ 44,192</u>	<u>\$ 21,259,657</u>	

Short-term Debt

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



**Tualatin Hills Park & Recreation District**  
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**June 30, 2019**

**V. Other information**

**A. Defined benefit pension plan**

The district maintains a single-employer defined benefit pension plan (“plan”) trusted by The Standard Insurance Company. The plan provides retirement and death benefits (pre-retirement) to plan members and beneficiaries. The plan does not issue a publicly available financial statement. The plan’s authority for vesting and benefit provisions is provided by the Plan Agreement (last restatement July 1, 2016) 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 June 30, 2019 was:

Active members	182
Vested inactive members	27
Nonvest inactive members entitled to account balances	11
Retirees	18
Total	238

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 50% of unused sick leave.

The plan does not have a disability benefit, but a participant qualified under a program administered by the Social Security Administration will continue to earn vesting service credits during the period of disability. In the event of death prior to retirement, an amount equal to the present value of the vested accrued benefit will be paid. Death benefits paid post-retirement are provided only by the annuity form elected at the time of retirement. Terminated employees who have completed five years of vesting service are entitled

**Tualatin Hills Park & Recreation District**  
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**June 30, 2019**

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. Contributions are funded by the General Fund for the district. Total actual contributions to the plan for the year ended June 30, 2019 totaled \$4,022,258 which is 29.2% of annual covered payroll of \$13,759,095. Pension expense for the fiscal year ended June 30, 2019 was \$5,039,642.

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, 2019, with a measurement date of June 30, 2019, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Mortality assumptions	2019 adopted assumption for Oregon PERS General Service retirees (Pub-2010 retiree tables generationally projected).
Discount rate	3.5%
Salary growth assumption	4.0%
Inflation (post retirement COLA)	2.0%
Investment rate of return (net of expenses)	5.0%

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

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

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

**Tualatin Hills Park & Recreation District**  
**Notes to Basic Financial Statements (continued)**  
**June 30, 2019**

Changes in Net Pension Liability

The following table presents the changes in the net pension liability for the fiscal year ended June 30, 2019 based on the measurement date of June 30, 2019:

	Increases (Decreases)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances @ 6/30/2018 (as restated)	\$ 66,342,436	\$ 11,647,266	\$ 54,695,170
Changes for the year:			
Service cost	3,516,445	-	3,516,445
Interest	2,596,664	-	2,596,664
Effect of changes in assumptions or inputs	1,682,483	-	1,682,483
Benefit payments	(5,576,144)	(5,576,144)	-
Employer contributions	-	4,022,258	(4,022,258)
Member contributions	-	826,693	(826,693)
Net investment income	-	418,421	(418,421)
Administration expense	-	(93,204)	93,204
Net changes	2,219,448	(401,976)	2,621,424
Balances @ 6/30/19	<u>\$ 68,561,884</u>	<u>\$ 11,245,290</u>	<u>\$ 57,316,594</u>

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

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

	1% Decrease (2.50%)	Discount rate (3.50%)	1% Increase (4.50%)
Total pension liability	\$ 73,302,097	\$ 68,561,884	\$ 64,462,647
Fiduciary net position	11,245,290	11,245,290	11,245,290
Net pension liability	62,056,807	57,316,594	53,217,357

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

For the year ended June 30, 2019, the district recognized pension expense of \$5,039,642. The following table presents the components of deferred outflows of resources for the fiscal year ended June 30, 2019:

	Deferred Outflows of Resources
Differences between expected and actual earnings on investments	\$ 114,946
Change of assumptions or inputs	1,489,094
Total Deferred Outflows of Resources	<u>\$ 1,604,040</u>

**Tualatin Hills Park & Recreation District**  
**Notes to Basic Financial Statements (continued)**  
**June 30, 2019**

The following table, 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
2020	\$ 222,126
2021	222,126
2022	222,126
2023	222,126
2024	193,387
Thereafter	522,149
	\$ 1,604,040

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

***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, 2019, 192 retirees were receiving post-employment healthcare benefits.

***Net OPEB Liability***

Actuarial Valuation Assumptions

The total OPEB liability reported as of June 30, 2019, with a measurement date of June 30, 2019, 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	4.0%
Inflation (post retirement COLA)	2.0%
Investment rate of return (net of expenses)	7.0%
Healthcare cost trend rates	6.8% in 2019/20, declining annual by 0.1% until 2037, 5.0% thereafter

**Tualatin Hills Park & Recreation District**  
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*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

Changes in Net OPEB Liability

The following table presents the changes in the net OPEB liability for the fiscal year ended June 30, 2019 based on the measurement date of June 30, 2019:

	Increases (Decreases)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balances @ 6/30/2018	\$ 2,975,159	\$ 1,734,306	\$ 1,240,853
Changes for the year:			
Service cost	73,577	-	73,577
Interest	205,773	-	205,773
Employer contributions		101,524	(101,524)
Net investment income		109,441	(109,441)
Benefit payments	(144,672)	(144,672)	-
Administration expense		(6,483)	6,483
Net changes	134,678	59,810	74,868
Balances @ 6/30/19	\$ 3,109,837	\$ 1,794,116	\$ 1,315,721

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	\$ 1,586,899	\$ 1,315,721	\$ 1,095,953

**Tualatin Hills Park & Recreation District**  
**Notes to Basic Financial Statements (continued)**  
**June 30, 2019**

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	\$ 1,167,066	\$ 1,315,721	\$ 1,512,854

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

For the year ended June 30, 2019, the district recognized OPEB expense of \$168,032. The following table presents the components of deferred outflows of resources for the fiscal year ended June 30, 2019:

	Deferred Outflows of Resources
Differences between expected and actual earnings on investments	\$ 8,360

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

Fiscal Years Ended June 30,	Deferred Outflows of Resources
2020	\$ 2,090
2021	2,090
2022	2,090
2023	2,090
2024	-
Thereafter	-
	\$ 8,360

**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.

**Tualatin Hills Park & Recreation District**  
**Notes to Basic Financial Statements (continued)**  
**June 30, 2019**

**D. Commitments and contingencies**

The district is a defendant in various claims and litigation proceedings. These claims are either covered by insurance or are the types which are normal in the view of the district's operations. Management believes the total amount of liability, if any, which may arise from such claims and litigation, beyond what is covered by insurance, would not have a material effect on the district's financial condition or its ability to carry on its activities substantially as now conducted.

The district operated under a three year collective bargaining agreement during the fiscal year, that was effective July 1, 2016, with an employee union defining compensation and other considerations that expired at June 30, 2019. The contract renewed on July 1, 2019, and expires at June 30, 2022.

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, 2019 approximates \$7.4 million. The synthetic turf practice field was purchased and constructed at a cost of \$2.1 million in 2011. Total annual depreciation for the constructed field is \$57,000 and the carrying value of the land and the constructed field approximates \$1.6 million.

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

Year Ending June 30,	Lease Payments
2020	\$ 210,790
2021	210,790
	<u>\$ 421,580</u>

**E. Tax abatements**

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

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

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.

**Tualatin Hills Park & Recreation District**  
**Notes to Basic Financial Statements (continued)**  
**June 30, 2019**

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.

The amount of tax abated during the year ended June 30, 2019 is:

Abatement Category	Abatement
Enterprise zone	\$ 9,000
Vertical housing	12,000
Nonprofit corporations low income housing	41,000
	\$ 62,000

**F. Subsequent events**

The district issued a Tax and Revenue Anticipation Note, Series 2019 in the amount of \$3,000,000 on July 1, 2019 to continue operations of the general government prior to receipt of annual tax revenue. This note matures January 1, 2020 and bears interest at a rate of 2.42%.

**G. Restatement**

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement provides guidance for accounting for net pension liabilities, including definition of balances to be included in deferred inflows and deferred outflows of assets and resources. The district implemented the statement in 2015, using assumptions deemed appropriate at that time. The district engaged a new plan actuary in June 2019, and the valuation indicated that assumptions should be updated to reflect plan activity. Additionally, due to current funding levels of the plan, the district decided to value the pension liability using a current measurement date. This replaces the measurement date of the 12 months prior to fiscal year end, as previously reported, as allowed under GASB Statement No. 68. With these changes in estimate and measurement date, the prior year balances related to pension have been restated. The district determined that valuing the pension liability using a current measurement date will provide optimal information to allow the district to address funding of the plan on a go-forward basis. The specific accounts impacting the district are detailed below:

	Governmental Activities
Net position, June 30, 2018, as previously reported	\$ 187,497,777
Restatement for change in pension assumptions and measurement date	(49,448,896)
Net position, June 30, 2018, as restated	\$ 138,048,881



# Required Supplementary Information





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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability:</b>					
Service cost	\$ 3,516,445	\$ 1,387,648	\$ 1,489,089	\$ 1,440,139	\$ 1,212,449
Interest	2,596,664	2,246,552	2,408,620	2,319,600	2,114,196
Effect of changes in assumptions or inputs	1,682,483	-	-	-	-
Benefit payments	(5,576,144)	(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	2,219,448	(462,223)	(2,368,741)	1,839,723	1,640,195
Total pension liability, beginning	31,665,774	32,127,997	34,496,738	32,657,015	31,016,820
Restatement of total pension liability, beginning	34,676,662	-	-	-	-
Restated total pension liability, beginning	66,342,436	32,127,997	34,496,738	32,657,015	31,016,820
Total pension liability, ending	68,561,884	31,665,774	32,127,997	34,496,738	32,657,015
<b>Plan fiduciary net position:</b>					
Total contributions	4,848,951	3,385,841	3,288,096	3,103,438	3,191,093
Net investment income	418,421	1,986,626	(73,994)	(471,679)	2,972,365
Benefit payments	(5,576,144)	(5,348,750)	(9,378,957)	(1,920,016)	(3,999,039)
Administrative expense	(93,204)	(84,431)	(111,684)	(111,881)	(104,035)
Net change in plan net position	(401,976)	(60,714)	(6,276,539)	599,862	2,060,384
Plan net position, beginning	17,190,301	17,251,015	23,527,554	22,927,692	20,867,308
Restatement of plan net position, beginning	(5,543,035)	-	-	-	-
Restated plan net position, beginning	11,647,266	17,251,015	23,527,554	22,927,692	20,867,308
Plan net position, ending	11,245,290	17,190,301	17,251,015	23,527,554	22,927,692
Net pension liability	<u>\$ 57,316,594</u>	<u>\$ 14,475,473</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	16.4%	54.3%	53.7%	68.2%	70.2%
Covered payroll	\$ 13,759,095	\$ 13,159,789	\$ 12,331,990	\$ 13,874,307	\$ 12,442,910
Net pension liability as a percent of covered payroll	416.6%	110.0%	120.6%	79.1%	78.2%
Annual money-weighted return on pension plan investments	3.7%	12.2%	-0.4%	-0.1%	2.2%

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 4,022,258	\$ 3,590,968	\$ 3,384,945	\$ 3,286,864	\$ 3,098,289	\$ 3,191,093
Contributions recognized by the plan	4,022,258	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>	<u>\$ -</u>
Covered payroll	\$ 13,759,095	\$ 13,613,440	\$ 13,159,789	\$ 12,331,990	\$ 13,874,307	\$ 12,442,910
Contributions as a percent of covered payroll	29.2%	26.4%	25.7%	26.7%	22.3%	25.6%

**Notes to Schedule**

Valuation date:	June 30, 2019
Measurement Date:	June 30, 2019
Actuarial determined contribution method:	Aggregate cost
Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	Five years
Inflation (post retirement COLA)	2.0%
Discount rate	3.5%
Salary growth assumption:	4.0%
Investment rate of return (net of expenses):	5.0%
Mortality assumptions:	2019 adopted assumptions for Oregon PERS General Service retirees (Pub-2010 retiree tables generationally projected)

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

Tualatin Hills Park and Recreation District  
**Required Supplementary Information**  
**Other Post-employment Benefits Plan**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**

	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability:</b>		
Service cost	\$ 73,577	\$ 71,089
Interest	205,773	195,921
Benefit payments	<u>(144,672)</u>	<u>(110,357)</u>
Net change in total OPEB liability	134,678	156,653
Total OPEB liability, beginning	2,975,159	2,818,506
Total OPEB liability, ending	<u>3,109,837</u>	<u>2,975,159</u>
<b>Plan fiduciary net position:</b>		
Total contributions	101,524	60,016
Net investment income	109,441	136,475
Benefit payments	(144,672)	(110,357)
Administrative expense	<u>(6,483)</u>	<u>(5,410)</u>
Net change in plan net position	59,810	80,724
Plan net position, beginning	1,734,306	1,653,582
Plan net position, ending	<u>1,794,116</u>	<u>1,734,306</u>
Net OPEB liability	<u>\$ 1,315,721</u>	<u>\$ 1,240,853</u>
Plan fiduciary net position as a percent of total OPEB liability	57.7%	58.3%
Covered payroll	\$ 13,759,095	\$ 13,613,440
Net OPEB liability as a percent of covered payroll	9.6%	9.1%
Average Money-weighted return on OPEB investments	6.2%	8.4%

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

**Tualatin Hills Park and Recreation District  
Required Supplementary Information  
Other Post-Employment Benefits Plan  
Schedule of Contributions**

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 101,524	\$ 60,016
Contributions recognized by the plan	101,524	60,016
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 13,759,095	\$ 13,613,440
Contributions as a percent of covered payroll	0.7%	0.4%

**Notes to Schedule**

Valuation date:	July 1, 2017	July 1, 2017
Measurement Date:	June 30, 2019	June 30, 2018
Actuarial determined contribution method:	Aggregate cost	Aggregate cost
Actuarial cost method:	Entry age normal	Entry age normal
Amortization method:	Level percentage of payroll, closed	Level percentage of payroll, closed
Inflation (post retirement COLA)	2.0%	2.5%
Discount rate	7.0%	7.0%
Salary growth assumption:	4.0%	3.5%
Investment rate of return (net of expenses):	7.0%	7.0%
Mortality assumptions:	RP-2014, adjusted to 2006	RP-2014, adjusted to 2006
Medical inflation rate:	6.8% in 2019-20, declining annually by 0.1% until 2037; 5.0% thereafter	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 and Actual  
For the Year Ended June 30, 2019**

	<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	\$ 2,950	\$ 50
Payroll taxes	300	300	252	48
<b>Personnel services</b>	<u>3,300</u>	<u>3,300</u>	<u>3,202</u>	<u>98</u>
Professional services	204,500	204,500	153,365	51,135
Technical services	7,500	7,500	1,231	6,269
Office supplies	3,152	3,152	4,124	(972)
Dues and memberships	3,152	3,152	3,603	(451)
Conferences	26,896	26,896	28,480	(1,584)
Other travel	13,000	13,000	6,266	6,734
<b>Materials and services</b>	<u>258,200</u>	<u>258,200</u>	<u>197,069</u>	<u>61,131</u>
Elections	50,000	95,000	86,973	8,027
<b>Total Board of Directors</b>	<u>311,500</u>	<u>356,500</u>	<u>287,244</u>	<u>69,256</u>
<b>ADMINISTRATION:</b>				
<b>General Manager</b>				
Full time salaries	358,587	358,587	316,391	42,196
Employee benefits	186,389	219,320	273,731	(54,411)
Payroll taxes	26,853	26,853	22,665	4,188
<b>Personnel services</b>	<u>571,829</u>	<u>604,760</u>	<u>612,787</u>	<u>(8,027)</u>
Telecommunications	9,300	9,300	2,897	6,403
Office supplies	4,050	4,050	2,229	1,821
Program supplies	2,500	2,500	854	1,646
Dues and memberships	20,400	20,400	11,507	8,893
Conferences	18,324	18,324	18,555	(231)
Other travel	7,000	7,000	2,463	4,537
Technical training	9,550	9,550	9,206	344
Staff transportation	8,000	8,000	7,801	199
<b>Materials and services</b>	<u>79,124</u>	<u>79,124</u>	<u>55,512</u>	<u>23,612</u>
<b>Total General Manager</b>	<u>650,953</u>	<u>683,884</u>	<u>668,299</u>	<u>15,585</u>

**Tualatin Hills Park & Recreation District**  
**General Fund**  
**Schedule of Expenditures – Budget and Actual (continued)**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Communications</b>				
Full time salaries	\$ 477,387	\$ 477,387	\$ 296,905	\$ 180,482
Part time salaries	57,426	57,426	157,022	(99,596)
Employee benefits	194,661	230,842	195,008	35,834
Payroll taxes	46,154	46,154	43,892	2,262
<b>Personnel services</b>	<u>775,628</u>	<u>811,809</u>	<u>692,827</u>	<u>118,982</u>
Professional services	60,980	60,980	26,722	34,258
Technical services	6,160	6,160	6,859	(699)
Telecommunications	2,500	2,500	2,756	(256)
Printing and publications	157,450	157,450	126,056	31,394
Postage	107,250	107,250	88,309	18,941
Advertising	101,600	101,600	59,651	41,949
Office supplies	11,901	11,901	12,064	(163)
Program supplies	13,000	13,000	8,367	4,633
Dues and memberships	6,515	6,515	5,261	1,254
Conferences	8,000	8,000	6,308	1,692
Technical training	-	-	6,000	(6,000)
Staff transportation	4,290	4,290	3,564	726
Small furniture and equipment	2,000	2,000	1,975	25
<b>Materials and services</b>	<u>481,646</u>	<u>481,646</u>	<u>353,892</u>	<u>127,754</u>
<b>Total Communications</b>	<u>1,257,274</u>	<u>1,293,455</u>	<u>1,046,719</u>	<u>246,736</u>
<b>Security Operations</b>				
Full time salaries	111,384	111,384	119,565	(8,181)
Part time salaries	132,214	132,214	132,231	(17)
Employee benefits	49,612	60,073	59,803	270
Payroll taxes	25,228	25,228	26,997	(1,769)
<b>Personnel services</b>	<u>318,438</u>	<u>328,899</u>	<u>338,596</u>	<u>(9,697)</u>
Technical services	106,219	106,219	81,372	24,847
Maintenance services	11,648	11,648	14,152	(2,504)
Printing and publications	165	165	870	(705)
Telecommunications	3,200	3,200	3,100	100
Office supplies	500	500	321	179
Program supplies	9,300	9,300	6,719	2,581
Dues and memberships	100	100	-	100
Conferences	225	225	-	225
Technical training	1,000	1,000	576	424
Staff transportation	150	150	-	150
Small furniture and equipment	450	450	361	89
<b>Materials and services</b>	<u>132,957</u>	<u>132,957</u>	<u>107,471</u>	<u>25,486</u>
<b>Total Security Operations</b>	<u>451,395</u>	<u>461,856</u>	<u>446,067</u>	<u>15,789</u>

Tualatin Hills Park & Recreation District  
**General Fund**  
**Schedule of Expenditures – Budget and Actual (continued)**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Community Partnerships</b>				
Full time salaries	\$ 151,811	\$ 151,811	\$ 142,632	\$ 9,179
Employee benefits	35,164	44,015	43,742	273
Payroll taxes	12,123	12,123	11,671	452
<b>Personnel services</b>	<u>199,098</u>	<u>207,949</u>	<u>198,045</u>	<u>9,904</u>
Professional services	37,620	37,620	16,487	21,133
Technical services	1,200	1,200	615	585
Staff transportation	3,600	3,600	3,600	-
<b>Materials and services</b>	<u>42,420</u>	<u>42,420</u>	<u>20,702</u>	<u>21,718</u>
<b>Total Community Partnerships</b>	<u>241,518</u>	<u>250,369</u>	<u>218,747</u>	<u>31,622</u>
<b>Total Administration</b>	<u>2,601,140</u>	<u>2,689,564</u>	<u>2,379,832</u>	<u>309,732</u>
<b>BUSINESS AND FACILITIES:</b>				
<b>Director of Business and Facilities</b>				
Full time salaries	389,957	389,957	392,730	(2,773)
Employee benefits	146,387	176,500	186,818	(10,318)
Payroll taxes	30,169	30,169	30,846	(677)
<b>Personnel services</b>	<u>566,513</u>	<u>596,626</u>	<u>610,394</u>	<u>(13,768)</u>
Professional services	7,000	7,000	47,800	(40,800)
Technical services	207,000	207,000	110,145	96,855
Rental equipment	48,000	48,000	39,601	8,399
Bank charges and fees	6,250	6,250	5,050	1,200
Printing and publications	5,000	5,000	3,312	1,688
Postage	49,400	49,400	20,069	29,331
Advertising	4,200	4,200	75	4,125
Telecommunications	6,780	6,780	3,298	3,482
Office supplies	48,000	48,000	26,923	21,077
Dues and memberships	3,905	3,905	4,247	(342)
Conferences	18,000	18,000	8,487	9,513
Technical training	2,600	2,600	885	1,715
Staff transportation	7,500	7,500	6,659	841
Other travel	6,300	6,300	3,298	3,002
Small furniture and equipment	2,000	2,000	-	2,000
<b>Materials and services</b>	<u>421,935</u>	<u>421,935</u>	<u>279,849</u>	<u>142,086</u>
Debt principal	308,520	308,520	308,520	-
Debt interest	852,391	852,391	573,135	279,256
<b>Debt service</b>	<u>1,160,911</u>	<u>1,160,911</u>	<u>881,655</u>	<u>279,256</u>
<b>Total Director of Business and Facilities</b>	<u>2,149,359</u>	<u>2,179,472</u>	<u>1,771,898</u>	<u>407,574</u>

Tualatin Hills Park & Recreation District  
**General Fund**  
**Schedule of Expenditures – Budget and Actual (continued)**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Finance</b>				
Full time salaries	\$ 450,679	\$ 450,679	\$ 509,193	\$ (58,514)
Part time salaries	80,069	80,069	-	80,069
Employee benefits	210,187	244,730	256,363	(11,633)
Payroll taxes	47,179	47,179	44,423	2,756
<b>Personnel services</b>	<u>788,114</u>	<u>822,657</u>	<u>809,979</u>	<u>12,678</u>
Professional services	14,400	14,400	20,771	(6,371)
Technical services	3,165	3,165	2,527	638
Bank charges and fees	18,000	18,000	14,497	3,503
Printing and publications	3,170	3,170	3,367	(197)
Telecommunications	-	-	1,360	(1,360)
Office supplies	925	925	384	541
Dues and memberships	820	820	2,328	(1,508)
Conferences	5,000	5,000	2,739	2,261
Technical training	4,760	4,760	749	4,011
Staff transportation	300	300	52	248
Small furniture and equipment	500	500	3,090	(2,590)
<b>Materials and services</b>	<u>51,040</u>	<u>51,040</u>	<u>51,864</u>	<u>(824)</u>
<b>Total Finance</b>	<u>839,154</u>	<u>873,697</u>	<u>861,843</u>	<u>11,854</u>
<b>Human Resources</b>				
Full time salaries	345,277	345,277	289,729	55,548
Part time salaries	-	-	9,963	(9,963)
Employee benefits	146,354	176,435	186,166	(9,731)
Payroll taxes	29,996	29,996	28,079	1,917
<b>Personnel services</b>	<u>521,627</u>	<u>551,708</u>	<u>513,937</u>	<u>37,771</u>
Professional services	53,705	53,705	46,196	7,509
Technical services	13,500	13,500	11,800	1,700
Printing and publications	550	550	(1,429)	1,979
Advertising	7,000	7,000	10,129	(3,129)
Telecommunications	2,080	2,080	2,022	58
Office supplies	1,570	1,570	2,569	(999)
Program supplies	-	-	446	(446)
Dues and memberships	2,211	2,211	896	1,315
Conferences	9,000	9,000	7,462	1,538
Technical training	44,700	44,700	22,307	22,393
Staff transportation	800	800	590	210
Small furniture and equipment	1,200	1,200	7,890	(6,690)
<b>Materials and services</b>	<u>136,316</u>	<u>136,316</u>	<u>110,878</u>	<u>25,438</u>
<b>Total Human Resources</b>	<u>657,943</u>	<u>688,024</u>	<u>624,815</u>	<u>63,209</u>

**Tualatin Hills Park & Recreation District**  
**General Fund**  
**Schedule of Expenditures – Budget and Actual (continued)**  
**For the Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Information Services</b>				
Full time salaries	\$ 538,805	\$ 538,805	\$ 492,488	\$ 46,317
Employee benefits	249,543	296,779	277,410	19,369
Payroll taxes	47,004	47,004	43,504	3,500
<b>Personnel services</b>	<u>835,352</u>	<u>882,588</u>	<u>813,402</u>	<u>69,186</u>
Professional services	58,000	58,000	11,244	46,756
Technical services	392,690	392,690	301,503	91,187
Telecommunications	65,000	65,000	214,724	(149,724)
Program supplies	39,000	39,000	26,240	12,760
Maintenance supplies	17,000	17,000	4,738	12,262
Technical training	8,000	8,000	5,308	2,692
Staff transportation	1,000	1,000	160	840
Small furniture and equipment	3,990	3,990	5,269	(1,279)
<b>Materials and services</b>	<u>584,680</u>	<u>584,680</u>	<u>569,186</u>	<u>15,494</u>
Computer technology replacement	233,812	233,812	125,255	108,557
Computer technology improvement	23,344	23,344	12,421	10,923
<b>Capital Outlay</b>	<u>257,156</u>	<u>257,156</u>	<u>137,676</u>	<u>119,480</u>
<b>Total Information Services</b>	<u>1,677,188</u>	<u>1,724,424</u>	<u>1,520,264</u>	<u>204,160</u>
<b>Risk and Contract Management</b>				
Full time salaries	189,024	189,024	190,512	(1,488)
Part time salaries	6,240	6,240	5,221	1,019
Employee benefits	93,721	109,027	109,005	22
Payroll taxes	17,040	17,040	16,875	165
<b>Personnel services</b>	<u>306,025</u>	<u>321,331</u>	<u>321,613</u>	<u>(282)</u>
Professional services	4,000	4,000	-	4,000
Technical services	5,900	5,900	5,656	244
Miscellaneous other services	5,100	5,100	4,806	294
Insurance	352,068	352,068	337,637	14,431
Printing and publications	800	800	212	588
Advertising	400	400	-	400
Telecommunications	1,920	1,920	2,681	(761)
Office supplies	1,500	1,500	1,189	311
Program supplies	13,950	13,950	2,583	11,367
Dues and memberships	6,600	6,600	5,880	720
Conferences	1,200	1,200	-	1,200
Technical training	6,800	6,800	5,884	916
Staff transportation	1,100	1,100	774	326
Small furniture and equipment	500	500	1,684	(1,184)
<b>Materials and services</b>	<u>401,838</u>	<u>401,838</u>	<u>368,986</u>	<u>32,852</u>
<b>Total Risk and Contract Management</b>	<u>707,863</u>	<u>723,169</u>	<u>690,599</u>	<u>32,570</u>

**Tualatin Hills Park & Recreation District**  
**General Fund**  
**Schedule of Expenditures – Budget and Actual (continued)**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Maintenance Operations</b>				
Full time salaries	\$ 3,929,612	\$ 3,929,612	\$ 3,792,207	\$ 137,405
Part time salaries	1,407,572	1,407,572	1,226,386	181,186
Employee benefits	1,857,645	2,153,763	2,167,415	(13,652)
Payroll taxes	551,293	551,293	509,667	41,626
<b>Personnel services</b>	<u>7,746,122</u>	<u>8,042,240</u>	<u>7,695,675</u>	<u>346,565</u>
Instructional services	1,200	1,200	-	1,200
Professional services	8,992	8,992	4,260	4,732
Technical services	38,327	38,327	27,954	10,373
Heat	306,799	306,799	282,862	23,937
Electricity	556,572	556,572	570,383	(13,811)
Water and sewer	924,842	924,842	1,167,233	(242,391)
Refuse services	69,390	69,390	92,958	(23,568)
Rental equipment	12,600	12,600	15,861	(3,261)
Maintenance services	634,814	634,814	496,137	138,677
Vehicle and equipment services	31,750	31,750	29,012	2,738
Telecommunications	116,936	116,936	123,879	(6,943)
Office supplies	2,155	2,155	6,123	(3,968)
Program supplies	20,215	20,215	26,246	(6,031)
Maintenance supplies	870,155	870,155	828,996	41,159
Gas & oil (vehicles)	171,274	171,274	147,412	23,862
Dues and memberships	3,425	3,425	1,385	2,040
Conferences	6,500	6,500	4,421	2,079
Technical training	17,890	17,890	9,653	8,237
Staff transportation	6,240	6,240	7,001	(761)
Small furniture and equipment	500	500	5,181	(4,681)
<b>Materials and services</b>	<u>3,800,576</u>	<u>3,800,576</u>	<u>3,846,957</u>	<u>(46,381)</u>
Fleet capital replacement	520,500	520,500	472,560	47,940
<b>Capital Outlay</b>	<u>520,500</u>	<u>520,500</u>	<u>472,560</u>	<u>47,940</u>
<b>Total Maintenance Operations</b>	<u>12,067,198</u>	<u>12,363,316</u>	<u>12,015,192</u>	<u>348,124</u>
<b>Operations Analysis</b>				
Full time salaries	192,907	192,907	160,104	32,803
Employee benefits	89,969	104,309	103,801	508
Payroll taxes	16,751	16,751	15,093	1,658
<b>Personnel services</b>	<u>299,627</u>	<u>313,967</u>	<u>278,998</u>	<u>34,969</u>
Technical services	31,050	31,050	4,669	26,381
Telecommunications	780	780	954	(174)
Office supplies	1,800	1,800	79	1,721
Dues and memberships	574	574	635	(61)
Conferences	10,070	10,070	3,710	6,360
Technical training	810	810	33	777
Staff transportation	1,650	1,650	3,229	(1,579)
<b>Materials and services</b>	<u>46,734</u>	<u>46,734</u>	<u>13,309</u>	<u>33,425</u>
<b>Total Operations Analysis</b>	<u>346,361</u>	<u>360,701</u>	<u>292,307</u>	<u>68,394</u>

**Tualatin Hills Park & Recreation District**  
**General Fund**  
**Schedule of Expenditures – Budget and Actual (continued)**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Planning</b>				
Full time salaries	\$ 380,735	\$ 380,735	\$ 286,136	\$ 94,599
Part time salaries	-	-	8,361	(8,361)
Employee benefits	169,602	197,291	156,388	40,903
Payroll taxes	32,998	32,998	27,444	5,554
<b>Personnel services</b>	<u>583,335</u>	<u>611,024</u>	<u>478,329</u>	<u>132,695</u>
Telecommunications	4,000	4,000	1,684	2,318
Office supplies	300	300	2,845	(2,545)
Program supplies	-	-	3,631	(3,631)
Professional services	43,497	43,497	71,852	(28,355)
Dues and memberships	1,825	1,825	1,640	185
Conferences	6,510	6,510	1,068	5,442
Technical training	2,997	2,997	-	2,997
Staff transportation	4,500	4,500	662	3,838
<b>Materials and services</b>	<u>63,629</u>	<u>63,629</u>	<u>83,382</u>	<u>(19,753)</u>
<b>Total Planning</b>	<u>646,964</u>	<u>674,653</u>	<u>561,711</u>	<u>112,942</u>
<b>Design and Development</b>				
Full time salaries	626,145	626,145	542,708	83,437
Part time salaries	4,992	4,992	9,798	(4,806)
Employee benefits	277,062	326,046	314,713	11,333
Payroll taxes	54,844	54,844	47,464	7,380
<b>Personnel services</b>	<u>963,043</u>	<u>1,012,027</u>	<u>914,683</u>	<u>97,344</u>
Professional services	29,000	29,000	32,859	(3,859)
Telecommunications	1,490	1,490	1,716	(226)
Office supplies	6,500	6,500	4,261	2,239
Program supplies	12,980	12,980	6,060	6,920
Dues and memberships	1,520	1,520	1,130	390
Conferences	7,540	7,540	5,270	2,270
Technical training	2,300	2,300	240	2,060
Staff transportation	5,000	5,000	2,403	2,597
Small furniture and equipment	1,400	1,400	1,153	247
<b>Materials and services</b>	<u>67,730</u>	<u>67,730</u>	<u>55,092</u>	<u>12,638</u>
<b>Total Design and Development</b>	<u>1,030,773</u>	<u>1,079,757</u>	<u>969,775</u>	<u>109,982</u>
<b>Total Business and Facilities</b>	<u>20,122,803</u>	<u>20,667,213</u>	<u>19,308,403</u>	<u>1,358,810</u>

Tualatin Hills Park & Recreation District  
**General Fund**  
**Schedule of Expenditures – Budget and Actual (continued)**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>PARK AND RECREATION SERVICES:</b>				
<b>Director of Park and Recreation</b>				
Full time salaries	\$ 215,343	\$ 215,343	\$ 214,438	\$ 905
Employee benefits	87,489	100,372	100,693	(321)
Part time salaries	16,005	16,005	15,186	819
Payroll taxes	18,932	18,932	18,699	233
<b>Personnel services</b>	<b>337,769</b>	<b>350,652</b>	<b>349,016</b>	<b>1,636</b>
Professional services	66,000	66,000	20,036	45,964
Fee reductions-family assistance	206,800	206,800	226,575	(19,775)
Printing and publications	1,000	1,000	25	975
Telecommunications	5,000	5,000	1,649	3,351
Office supplies	28,933	28,933	14,746	14,187
Dues and memberships	3,500	3,500	5,126	(1,626)
Conferences	25,250	25,250	10,040	15,210
Technical training	2,000	2,000	7,000	(5,000)
Staff transportation	6,720	6,720	4,435	2,285
<b>Materials and services</b>	<b>345,203</b>	<b>345,203</b>	<b>289,632</b>	<b>55,571</b>
<b>Total Director of Park and Recreation</b>	<b>682,972</b>	<b>695,855</b>	<b>638,648</b>	<b>57,207</b>
<b>Aquatics</b>				
Full time salaries	1,431,767	1,431,767	1,319,871	111,896
Part time salaries	1,822,482	1,822,482	1,561,793	260,689
Employee benefits	753,056	893,715	886,274	7,441
Payroll taxes	331,398	331,398	256,659	74,739
<b>Personnel services</b>	<b>4,338,703</b>	<b>4,479,362</b>	<b>4,024,597</b>	<b>454,765</b>
Advertising	-	-	17	(17)
Telecommunications	5,000	5,000	5,556	(556)
Office supplies	4,371	4,371	2,375	1,996
Program supplies	70,743	70,743	71,724	(981)
Dues and memberships	200	200	330	(130)
Conferences	15,000	15,000	6,970	8,030
Technical training	18,100	18,100	11,506	6,594
Staff transportation	2,000	2,000	1,364	636
Small furniture and equipment	-	-	1,943	(1,943)
<b>Materials and services</b>	<b>115,414</b>	<b>115,414</b>	<b>101,785</b>	<b>13,629</b>
<b>Total Aquatics</b>	<b>4,454,117</b>	<b>4,594,776</b>	<b>4,126,382</b>	<b>468,394</b>
<b>Sports</b>				
Full time salaries	1,062,641	1,062,641	985,760	76,881
Part time salaries	1,510,731	1,510,731	1,297,833	212,898
Employee benefits	653,088	760,941	725,471	35,470
Payroll taxes	259,246	259,246	234,607	24,639
<b>Personnel services</b>	<b>3,485,706</b>	<b>3,593,559</b>	<b>3,243,671</b>	<b>349,888</b>



**Tualatin Hills Park & Recreation District**  
**General Fund**  
**Schedule of Expenditures – Budget and Actual (continued)**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Sports</b>				
Instructional services	\$ 76,880	\$ 76,880	\$ 76,908	\$ (28)
Rental equipment	46,000	46,000	27,892	18,108
Miscellaneous other services	-	-	430	(430)
Printing and publications	750	750	9	741
Advertising	-	-	118	(118)
Telecommunications	8,500	8,500	8,392	108
Heat	22,454	22,454	35,035	(12,581)
Electricity	80,626	80,626	86,178	(5,552)
Rental equipment	1,845	1,845	1,380	465
Maintenance services	32,899	32,899	32,513	386
Maintenance supplies	12,436	12,436	12,543	(107)
Office supplies	10,473	10,473	8,841	1,632
Program supplies	306,046	306,046	270,457	35,589
Dues and memberships	400	400	609	(209)
Conferences	8,500	8,500	4,977	3,523
Technical services	-	-	190	(190)
Staff transportation	4,236	4,236	1,578	2,658
Small furniture and equipment	114,652	114,652	102,343	12,309
<b>Materials and services</b>	<u>726,697</u>	<u>726,697</u>	<u>670,393</u>	<u>56,304</u>
<b>Total Sports</b>	<u>4,212,403</u>	<u>4,320,256</u>	<u>3,914,064</u>	<u>406,192</u>
<b>Recreation</b>				
Full time salaries	1,912,875	1,912,875	1,631,370	281,505
Part time salaries	3,799,962	3,799,962	3,503,674	296,288
Employee benefits	1,154,409	1,336,512	1,247,594	88,918
Payroll taxes	569,261	569,261	515,987	53,274
<b>Personnel services</b>	<u>7,436,507</u>	<u>7,618,610</u>	<u>6,898,625</u>	<u>719,985</u>
Technical services	138	138	2,793	(2,655)
Maintenance services	68,552	68,552	48,614	19,938
Miscellaneous other services	-	-	1,000	(1,000)
Printing and publications	800	800	31	769
Postage	1,000	1,000	773	227
Advertising	8,900	8,900	3,470	5,430
Telecommunications	12,549	12,549	17,084	(4,535)
Heat	35,426	35,426	28,576	6,850
Electricity	64,478	64,478	59,754	4,724
Maintenance supplies	23,584	23,584	24,027	(443)
Office supplies	54,621	54,621	33,373	21,248
Program supplies	578,044	578,044	463,932	114,112
Dues and memberships	1,080	1,080	1,962	(882)
Conferences	9,150	9,150	11,601	(2,451)
Technical training	19,608	19,608	18,246	1,362
Staff transportation	7,251	7,251	2,826	4,425
Water and sewer	77,559	77,559	97,993	(20,434)
Small furniture and equipment	13,500	13,500	7,244	6,256
<b>Materials and services</b>	<u>976,240</u>	<u>976,240</u>	<u>823,299</u>	<u>152,941</u>
<b>Total Recreation</b>	<u>8,412,747</u>	<u>8,594,850</u>	<u>7,721,924</u>	<u>872,926</u>

**Tualatin Hills Park & Recreation District**  
**General Fund**  
**Schedule of Expenditures – Budget and Actual (continued)**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Community Programs</b>				
Full time salaries	\$ 228,313	\$ 228,313	\$ 208,400	\$ 19,913
Part time salaries	39,516	39,516	36,334	3,182
Employee benefits	93,508	113,252	143,423	(30,171)
Payroll taxes	24,799	24,799	23,667	1,132
<b>Personnel services</b>	<u>386,136</u>	<u>405,880</u>	<u>411,824</u>	<u>(5,944)</u>
Technical services	63,100	63,100	50,068	13,032
Rental facility	2,400	2,400	1,800	600
Telecommunications	1,500	1,500	1,561	(61)
Office supplies	5,500	5,500	2,105	3,395
Program supplies	14,250	14,250	7,953	6,297
Dues and memberships	1,000	1,000	-	1,000
Conferences	7,000	7,000	3,683	3,317
Technical training	1,500	1,500	494	1,006
Staff transportation	3,100	3,100	1,016	2,084
Small furniture and equipment	-	-	614	(614)
<b>Materials and services</b>	<u>99,350</u>	<u>99,350</u>	<u>69,294</u>	<u>30,056</u>
<b>Total Community Programs</b>	<u>485,486</u>	<u>505,230</u>	<u>481,118</u>	<u>24,112</u>
<b>Nature and Trails</b>				
Full time salaries	1,144,150	1,144,150	1,103,221	40,929
Part time salaries	814,264	814,264	718,046	96,218
Employee benefits	399,108	492,973	476,060	16,913
Payroll taxes	186,626	186,626	171,330	15,296
<b>Personnel services</b>	<u>2,544,148</u>	<u>2,638,013</u>	<u>2,468,657</u>	<u>169,356</u>
Instructional services	3,460	3,460	1,403	2,057
Technical services	84,015	84,015	68,481	15,534
Rental equipment	23,205	23,205	17,755	5,450
Maintenance services	19,646	19,646	8,979	10,667
Miscellaneous other services	-	-	127	(127)
Printing and publications	1,000	1,000	594	406
Advertising	500	500	621	(121)
Telecommunications	9,995	9,995	10,700	(705)
Office supplies	14,900	14,900	14,317	583
Program supplies	41,960	41,960	35,337	6,623
Heat	2,485	2,485	2,482	3
Electricity	12,802	12,802	11,059	1,743
Water and sewer	1,930	1,930	2,491	(561)
Refuse services	3,900	3,900	1,912	1,988
Maintenance supplies	93,560	93,560	29,174	64,386

Tualatin Hills Park & Recreation District  
**General Fund**  
**Schedule of Expenditures – Budget and Actual (continued)**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Nature and Trails</b>				
Dues and memberships	\$ 1,800	\$ 1,800	\$ 1,350	\$ 450
Conferences	6,000	6,000	3,567	2,433
Technical training	43,148	43,148	57,242	(14,094)
Staff transportation	2,200	2,200	2,560	(360)
Small furniture and equipment	3,500	3,500	4,076	(576)
<b>Materials and services</b>	<u>370,006</u>	<u>370,006</u>	<u>274,227</u>	<u>95,779</u>
<b>Total Nature and Trails</b>	<u>2,914,154</u>	<u>3,008,019</u>	<u>2,742,884</u>	<u>265,135</u>
<b>Total Park and Recreation Services</b>	<u>21,161,879</u>	<u>21,718,986</u>	<u>19,625,019</u>	<u>2,093,967</u>
<b>CAPITAL OUTLAY:</b>				
Carryforward projects	2,396,151	2,396,151	762,620	1,633,531
Athletic facility replacement	1,265,000	1,265,000	1,212,775	52,225
Athletic facility improvement	15,000	15,000	14,000	1,000
Park and trail replacement	706,750	706,750	479,319	227,431
Park and trail improvements	5,656,452	5,656,452	4,081,464	1,574,988
Building replacement	2,154,480	2,154,480	886,693	1,267,787
Building improvements	167,079	167,079	72,424	94,655
ADA projects	93,500	93,500	67,321	26,179
Program facility challenge grants	75,000	75,000	44,010	30,990
<b>Total Capital Outlay</b>	<u>12,529,412</u>	<u>12,529,412</u>	<u>7,620,626</u>	<u>4,908,786</u>
<b>CAPITAL REPLACEMENT RESERVE</b>				
Capital Replacement Reserve	3,400,000	3,400,000	-	3,400,000
<b>CONTINGENCY:</b>				
Contingency	2,500,000	1,265,059	-	1,265,059
<b>Total General Fund Expenditures</b>	<u><u>\$ 62,626,734</u></u>	<u><u>\$ 62,626,734</u></u>	<u><u>\$ 49,221,124</u></u>	<u><u>\$ 13,405,610</u></u>

**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, 2019**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
Revenues			
Property Taxes	\$ 7,817,981	\$ 8,175,570	\$ 357,589
Interest earned	15,000	110,916	95,916
Total Revenues	<u>7,832,981</u>	<u>8,286,486</u>	<u>453,505</u>
Expenditures			
Debt service	7,832,981	7,732,015	100,966
Total Expenditures	<u>7,832,981</u>	<u>7,732,015</u>	<u>100,966</u>
Excess (deficiency) of revenues over (under) expenditures	-	554,471	554,471
Fund balance at beginning of year	-	(44,480)	(44,480)
Fund balance at end of year	<u>\$ -</u>	<u>\$ 509,991</u>	<u>\$ 509,991</u>

**Tualatin Hills Park & Recreation District**  
**Bond Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Interest earned	\$ 170,000	\$ 275,744	\$ 105,744
Total Revenues	<u>170,000</u>	<u>275,744</u>	<u>105,744</u>
Expenditures			
Capital Outlay	16,403,557	5,436,191	10,967,366
Total Expenditures	<u>16,403,557</u>	<u>5,436,191</u>	<u>10,967,366</u>
Excess (deficiency) of revenues over (under) expenditures	(16,233,557)	(5,160,447)	11,073,110
Fund balance at beginning of year	<u>16,233,557</u>	<u>14,648,852</u>	<u>(1,584,705)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 9,488,405</u>	<u>\$ 9,488,405</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, 2019**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
Revenues			
System development charges	\$ 14,004,566	\$ 8,500,336	\$ (5,504,230)
Interest earned	110,500	464,096	353,596
Total Revenues	<u>14,115,066</u>	<u>8,964,432</u>	<u>(5,150,634)</u>
Expenditures			
Capital outlay	29,924,176	4,474,873	25,449,303
Total Expenditures	<u>29,924,176</u>	<u>4,474,873</u>	<u>25,449,303</u>
Excess (deficiency) of revenues over (under) expenditures	(15,809,110)	4,489,559	20,298,669
Fund balance at beginning of year	<u>15,809,110</u>	<u>17,307,632</u>	<u>1,498,522</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 21,797,191</u>	<u>\$ 21,797,191</u>

**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, 2019**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues			
Interest earned	\$ 500	\$ 4,381	\$ 3,881
Miscellaneous Income	-	5,148	5,148
Total Revenues	<u>500</u>	<u>9,529</u>	<u>9,029</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)	9,529	173,329
Fund balance at beginning of year	<u>163,800</u>	<u>168,952</u>	<u>5,152</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 178,481</u>	<u>\$ 178,481</u>

Tualatin Hills Park & Recreation District  
**Trust Funds**  
**Combining Balance Sheet**  
**June 30, 2019**

	<b>Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total Trust Funds</b>
<b>Assets</b>			
Cash and investments	\$11,263,455	\$ 1,794,116	\$ 13,057,571
Accrued interest	96	-	96
Total assets	11,263,551	1,794,116	13,057,667
<b>Liabilities</b>			
Accounts payable	18,261	-	18,261
Total liabilities	18,261	-	18,261
<b>Net Position</b>			
Net position restricted for pension	11,245,290	-	11,245,290
Net position restricted for other post-employment benefits	-	1,794,116	1,794,116
Total net position	\$11,245,290	\$ 1,794,116	\$ 13,039,406



Tualatin Hills Park & Recreation District  
**Trust Funds**  
**Schedule of Changes in Net Position**  
**For the Year Ended June 30, 2019**

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total Trust Funds</u>
<b>Additions</b>			
Contributions			
Employer	\$ 4,022,258	\$ 24,965	\$ 4,047,223
Employee	826,693	-	826,693
	<u>4,848,951</u>	<u>24,965</u>	<u>4,873,916</u>
Total contributions			
Investment earnings	<u>418,421</u>	<u>109,441</u>	<u>527,862</u>
Total additions	<u>5,267,372</u>	<u>134,406</u>	<u>5,401,778</u>
<b>Deductions</b>			
Benefits paid	5,576,144	68,113	5,644,257
Administrative expenses	<u>93,204</u>	<u>6,483</u>	<u>99,687</u>
Total deductions	<u>5,669,348</u>	<u>74,596</u>	<u>5,743,944</u>
Change in net position	(401,976)	59,810	(342,166)
Net position at beginning of year	<u>11,647,266</u>	<u>1,734,306</u>	<u>13,381,572</u>
Net position at end of year	<u>\$ 11,245,290</u>	<u>\$1,794,116</u>	<u>\$ 13,039,406</u>



# Other Financial Schedules





**Tualatin Hills Park & Recreation District**  
**Schedule of Property Tax Transactions and Outstanding Balances**  
**For the Year Ended June 30, 2019**

	Taxes Uncollected June 30, 2018	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, 2019
2018-2019	\$ -	\$41,606,766	\$(1,140,158)	\$ 8,710	\$ (116,846)	\$ (39,939,463)	\$ 419,009
2017-2018	412,114	-	4,320	16,755	65,165	(385,502)	112,852
2016-2017	361,721	-	(2,433)	12,187	(151,926)	(157,244)	62,305
2015-2016	230,454	-	(1,577)	11,402	(112,807)	(101,134)	26,338
2014-2015	198,894	-	(3,988)	6,231	(38,520)	(152,569)	10,048
2013-2014	157,767	-	(3,900)	956	(19,574)	(128,939)	6,310
Prior Years	474,163	-	(12,734)	3,904	(20,477)	(417,373)	27,483
	<u>\$ 1,835,113</u>	<u>\$41,606,766</u>	<u>\$(1,160,470)</u>	<u>\$60,145</u>	<u>\$ (394,985)</u>	<u>\$ (41,282,224)</u>	<u>664,345</u>
							June property tax receivable collected by the County 102,351
							Less allowance for uncollectibility (20,000)
							<u>\$ 746,696</u>
<b>General Fund</b>							
	<u>\$ 1,439,053</u>						<u>\$ 532,783</u>
							June property tax receivable collected by the County 82,256
							Less allowance for uncollectibility (15,000)
							<u>600,039</u>
<b>Debt Service Fund</b>							
	<u>396,060</u>						<u>131,562</u>
							June property tax receivable collected by the County 20,095
							Less allowance for uncollectibility (5,000)
							<u>146,657</u>
	<u>\$ 1,835,113</u>						<u>\$ 746,696</u>

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

Fiscal Year	Actuarially Determined Contribution (ADC)	District Contributions	District Contributions as a Percentage of ADC	Contribution Deficiency (Excess)
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)
2019	4,022,258	4,022,258	100.00	-

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

# Statistical Section

This part of the Tualatin Hills Park & Recreation District's comprehensive annual financial report presents detail 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>	74
Revenue Capacity <i>These schedules contain information to help the reader assess the district's most significant local revenue source, property tax revenue.</i>	78
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>	85
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</i>	89
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>	92

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									
	2010	2011	2012	2013	2014	2015 (as restated)	2016	2017 (as restated)	2018 (as restated)	2019
Governmental activities										
Net investment in capital assets	\$ 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	\$ 174,412,777
Restricted	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	22,307,182
Unrestricted	2,681,289	6,419,121	6,270,492	7,578,867	7,413,183	9,444,786	6,814,560	6,307,713	(40,874,234)	(40,145,774)
Total primary government net position	\$ 105,768,913	\$ 113,711,076	\$ 121,418,378	\$ 128,299,688	\$ 135,704,873	\$ 140,992,912	\$ 154,367,432	\$ 168,931,801	\$ 138,048,881	\$ 156,574,185

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities:										
Board of Directors	\$ 158,614	\$ 212,527	\$ 229,942	\$ 200,248	\$ 154,475	\$ 218,847	\$ 178,381	\$ 209,412	\$ 183,678	\$ 287,244
Administration	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	2,465,436
Business and facilities	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	25,269,252
Planning and development	724,568	571,594	640,871	800,198	897,304	554,465	550,044	-	-	-
Park and recreation services	17,769,469	17,750,967	18,210,409	19,536,037	19,759,250	19,188,743	21,180,758	15,186,213	16,186,439	20,303,450
Interest on long-term debt	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	2,878,707
<b>Total governmental activities expenses</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>\$ 51,204,089</b>
<b>Program Revenues</b>										
Governmental activities:										
Park and recreation services:										
Charges for services	\$ 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	\$ 12,141,602
Operating grants and contributions	143,768	155,727	195,890	173,616	214,865	91,112	32,385	161,744	56,719	87,829
Capital grants and contributions	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	14,485,201
Rents and leases	-	-	-	-	-	-	648,897	635,913	591,040	548,759
<b>Total governmental program revenues</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>	<b>\$ 27,263,391</b>
Net revenue(expense)	(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)	(23,940,698)
<b>Total primary government net expense</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>\$ (23,940,698)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 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	\$ 40,631,613
Unrestricted grants and contributions	215,450	197,632	233,515	245,112	237,636	261,528	185,805	183,894	184,024	184,637
Investment earnings	793,970	445,603	507,727	447,101	365,782	380,671	458,566	516,989	872,511	1,391,423
Gain on sale of capital assets	-	-	-	-	-	-	-	945,760	-	-
Miscellaneous	693,992	204,308	171,665	139,083	159,819	203,731	188,479	172,235	289,943	258,329
<b>Total governmental activities</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>\$ 42,466,002</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 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	\$ 18,525,304
<b>Total primary government</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>	<b>\$ 18,525,304</b>

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

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

3) 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	(as restated)									
General fund										
Nonspendable	\$ 131,319	\$ 93,642	\$ 64,728	\$ 211,223	\$ 225,668	\$ 172,449	\$ 316,161	\$ 179,842	\$ 182,432	\$ 383,337
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	14,456,882
<b>Total general fund</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>	<b>\$14,840,219</b>
All other governmental funds										
Restricted, reported in:										
Debt service fund	\$ 189,152	\$ 303,177	\$ 413,134	\$ 440,064	\$ 477,206	\$ 450,745	\$ 286,350	\$ 153,507	\$ -	\$ 509,991
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	31,285,596
Committed, reported in:										
Special revenue fund	182,010	182,820	183,657	182,071	163,989	166,364	164,356	166,052	168,952	178,481
Unassigned, reported in:										
Debt service fund	-	-	-	-	-	-	-	-	(44,480)	-
<b>Total all other governmental funds</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>	<b>\$31,974,068</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Property taxes	\$ 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	\$ 41,267,126
Aquatic programs	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	3,207,755
Tennis center	867,529	869,498	853,427	881,620	952,762	1,025,969	1,017,285	978,178	1,062,214	1,061,398
Sports programs	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	1,913,715
Recreation programs	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	5,958,734
Grants and sponsorships	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	611,325
Rents and leases	-	-	-	-	-	-	648,896	635,913	591,040	548,759 <sup>1)</sup>
System development charges	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	8,500,336
Interest earned	793,970	445,603	507,727	447,101	365,782	380,671	458,566	516,988	872,511	1,391,423
Charges for services	553,515	712,478	799,091	689,931	579,099	511,362	328,170	367,696	337,469	294,820
Miscellaneous	710,592	192,203	278,137	190,957	281,997	565,079	188,479	172,235	289,943	258,329
<b>Total revenues</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>65,013,720</b>
<b>Expenditures</b>										
Board of Directors	\$ 158,614	\$ 212,527	\$ 229,942	\$ 200,248	\$ 154,475	\$ 218,847	\$ 178,381	\$ 274,731	\$ 226,289	\$ 287,244
Administration	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	2,379,832
Business and facilities	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	17,816,512
Planning and development	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	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	19,625,019
Capital outlay	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	18,141,926
Debt service										
Principal	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	5,208,520
Interest	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	3,405,150
<b>Total expenditures</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>	<b>66,864,203</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(3,330,836)</b>	<b>(23,095,143)</b>	<b>(16,688,870)</b>	<b>(12,474,148)</b>	<b>(14,191,626)</b>	<b>1,513,828</b>	<b>(2,874,436)</b>	<b>(14,396,557)</b>	<b>8,524,811</b>	<b>(1,850,483)</b>
<b>Other financing sources (uses)</b>										
Proceeds from debt issuance	-	9,510,000	40,060,000	-	-	37,880,000	-	8,710,000	-	4,000,000
Premiums on debt issuance	-	22,166	1,859,558	-	-	6,987,825	-	1,283,919	-	-
Proceeds from sale of capital assets	-	-	-	-	-	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>-</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>4,000,000</b>
<b>Net change in fund balances</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>	<b>\$ 2,149,517</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>20.5%</b>	<b>22.4%</b>	<b>23.3%</b>	<b>21.2%</b>	<b>21.5%</b>	<b>21.9%</b>	<b>18.0%</b>	<b>18.8%</b>	<b>18.1%</b>	<b>17.4%</b>

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

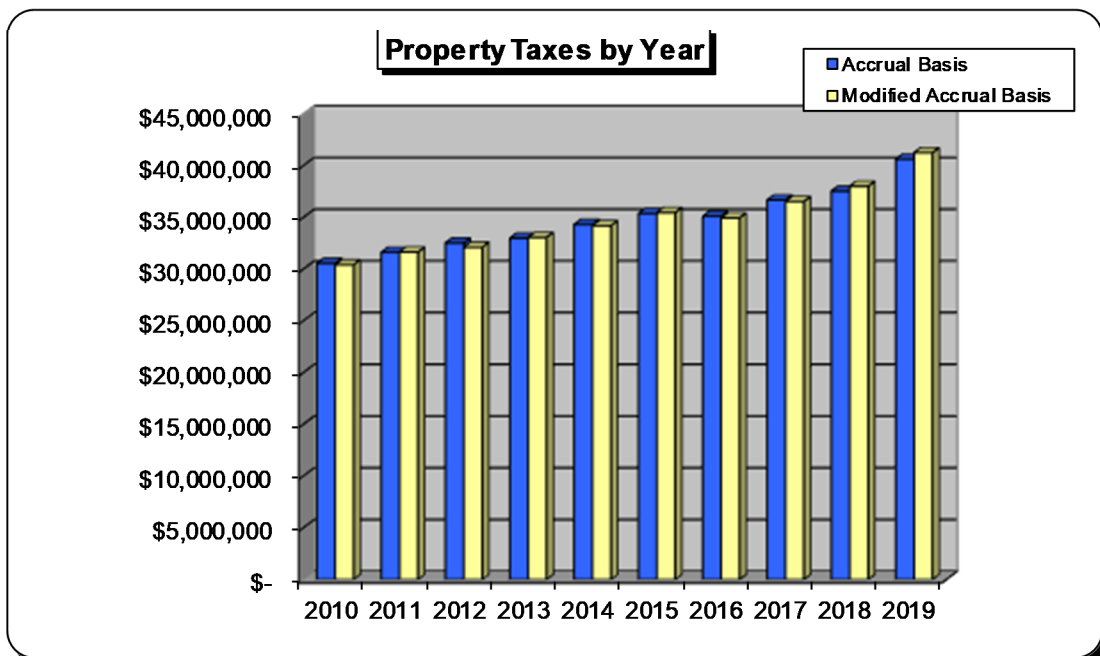
2) In FY 2017, Planning and Development expenditures were moved to Business and Facilities.

**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>
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
2019	40,631,613

**Governmental Activities Tax Revenues By Source**  
**(modified accrual basis of accounting)**

<u>Fiscal Year</u>	<u>Property Tax</u>
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
2019	41,267,126



**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	Value as a Percentage of Market Value	Direct Tax Rate per \$1,000	
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	
2019	42,018,755,716	24,394,680,474	788,727,155	746,681,555	643,170,899	642,837,559	43,450,653,770	25,784,199,588	59.34	1.6241	

Source: Washington County, Department of Assessment and Taxation

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Direct Government:</b>										
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	0.4270	0.4355	0.4299	0.4225	0.4209	0.4094	0.3173	0.3119	0.3038	0.3168
<b>Total Tax Rate</b>	<b>1.7343</b>	<b>1.7428</b>	<b>1.7372</b>	<b>1.7298</b>	<b>1.7282</b>	<b>1.7167</b>	<b>1.6246</b>	<b>1.6192</b>	<b>1.6111</b>	<b>1.6241</b>
<b>Overlapping Government:</b>										
Washington County	2.9840	2.9798	2.9744	2.9670	2.9605	2.8254	2.8235	2.9354	2.9584	2.9583
Washington County - Enhanced Patrol	1.2823	1.2660	1.2477	1.2285	1.3165	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	1.6919	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	0.1536	0.1534	0.1530	0.1528	0.1523	0.1538	0.1538
Multnomah ESD	0.4576	0.4576	0.4134	0.4576	0.4576	0.4576	0.4576	0.4576	0.4576	0.4576
Portland Community College	0.6325	0.6359	0.5981	0.6646	0.7329	0.7199	0.5837	0.6756	0.6756	0.6874
School District No. 48, Beaverton	6.8793	6.7841	6.8603	6.7749	8.0537	8.0368	7.9571	7.9205	8.0527	8.0205
School District No. 1J, Hillsboro	7.4600	7.5846	7.4663	7.4881	7.3794	7.3812	7.1812	7.1268	7.1512	7.1388
School District No. 1J, Portland	6.5281	6.5281	6.5166	7.2681	8.3571	8.3535	8.3632	8.3304	8.8052	9.7571
School District - Hillsboro, Reedville Bonds	0.4102	-	-	-	-	-	-	-	-	-
Tualatin Valley Fire and Rescue District	1.8947	1.8828	1.9302	1.9145	1.9061	1.8911	2.1078	2.0978	2.0457	2.0839
Port of Portland	0.0701	0.0701	0.0701	0.0701	0.0699	0.0697	0.0697	0.0694	0.0693	0.0701
City of Beaverton	4.1986	4.2034	4.1791	4.2350	4.3662	4.3517	4.3279	4.3109	4.2851	4.3196
Urban Renewal - Beaverton	-	-	-	0.0113	0.0361	0.0929	0.1731	0.2233	0.2961	0.3718
City of Hillsboro	5.3865	5.3865	5.3827	5.3815	5.3755	5.3652	5.3621	5.3485	5.3387	5.3147
Urban Renewal - Hillsboro	-	-	0.0141	0.0187	0.0415	0.0776	0.0867	0.1374	0.0856	0.1296
City of Portland	7.0862	7.0527	6.9497	7.0558	7.2043	7.1759	7.0455	6.9712	4.7097	4.7353
Urban Renewal - Portland	1.1624	1.1722	1.1314	1.1529	1.1727	1.0878	1.0608	1.1069	3.5073	3.5890
Metro Service District	0.4368	0.4088	0.3154	0.4043	0.4667	0.4575	0.3876	0.3960	0.3777	0.4342
TriMet	0.0863	0.0878	0.0583	-	-	-	-	-	-	-

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	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Nike, Inc.	\$ 827,364,920	1	3.21 %	\$ 370,785,469	1	2.04 %
Nike IHM	190,649,200	2	0.74	51,290,500	11	0.28
Comcast Corporation	155,657,600	3	0.60	118,369,800	4	0.65
Portland General Electric	141,884,143	4	0.55	113,878,240	5	0.63
Northwest Natural Gas Co.	133,187,000	5	0.52	88,742,100	8	0.49
Maxim Integrated Products, Inc.	110,401,140	6	0.43	112,396,720	6	0.62
Beaverton LLC	98,069,390	7	0.38			
Harsch Investment Corp	80,170,634	8	0.31			
Portland 2 LLC	67,306,110	9	0.26			
LaSalle Owner LLC	62,147,700	10	0.24			
Verizon				148,254,700	2	0.82
Tektronix, Inc.				132,387,235	3	0.73
ERP Operating LP				78,092,890	9	0.43
PS Business Parks LP				104,442,466	7	0.57
Bernard Properties Partnership				58,092,190	10	0.32
All other taxpayers	23,917,361,751		92.76	16,791,180,616		92.42
Totals	<u>\$25,784,199,588</u>		<u>100.00 %</u>	<u>\$18,167,912,926</u>		<u>100.00 %</u>

Source: Washington County, Department of Assessment and Taxation



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

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Intel	\$ 2,078,052,359	1	3.20 %	\$ 1,053,477,587	1	2.32 %
Nike, Inc.	1,093,542,161	2	1.68	429,873,425	3	0.95
Portland General Electric	562,421,042	3	0.87	355,703,920	4	0.78
Pacific Realty Associates	393,578,781	4	0.61	294,193,459	6	0.65
Northwest Natural Gas Co.	363,827,660	5	0.56	300,943,530	5	0.66
Comcast Corporation	256,677,200	6	0.40	212,605,300	7	0.47
Verizon Communications	235,898,000	7	0.36	436,478,049	2	0.96
Genentech Inc.	212,360,480	8	0.33			
LAM Research Corporation	169,942,151	9	0.26			
PPR Washington Square LLC	149,777,028	10	0.23	118,656,711	10	0.26
Maxim Integrated Products				155,112,058	8	0.34
Tektronix Inc.				132,746,367	9	0.29
All other taxpayers	59,458,235,870		91.50	41,909,692,156		92.32
Totals	<u>\$ 64,974,312,732</u>		<u>100.00 %</u>	<u>\$ 45,399,482,562</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**

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
2010	\$ 31,527,965	\$ 29,768,038	94.4 %	\$ 943,856	\$ 30,611,077	97.1 %
2011	32,641,290	30,901,476	94.7	692,950	31,492,399	96.5
2012	33,334,482	31,713,114	95.1	582,485	32,220,089	96.7
2013	34,166,612	32,623,087	95.5	722,183	33,223,903	97.2
2014	35,308,500	33,590,906	95.1	715,477	34,145,997	96.7
2015	36,433,185	34,828,560	95.6	586,486	35,201,960	96.6
2016	36,088,203	34,488,930	95.6	442,910	34,773,630	96.4
2017	37,804,820	36,089,763	95.5	383,489	36,316,008	96.1
2018	39,400,040	37,551,090	95.3	385,502	37,551,090	95.3
2019	41,606,766	39,939,463	96.0	-	39,939,463	96.0

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

Fiscal Year Ended June 30	Rate per Type of Dwelling Unit		
	Single Family	Multi-Family	Non-residential
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
2019	11,545	9,214	385

Source: Tualatin Hills Park and Recreation District

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income <sup>a)</sup>	Per Capita <sup>b)</sup>
	General Obligation Bonds	Full Faith & Credit Obligations	Direct Borrowing			
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	0.267	369.74
2018	75,200,647	8,633,003	327,133	84,160,783	n/a	341.41
2019	69,241,413	8,349,901	4,298,613	81,889,927	n/a	328.26

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

Sources: 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**

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>
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
2019	69,241,413	509,991	68,774,530	0.27	275.68

<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, 2019**

<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	\$ 69,241,413	100.00 %	\$ 69,241,413
Direct debt	<u>69,241,413</u>		<u>69,241,413</u>
City of Beaverton	34,133,680	99.07	33,816,783
City of Hillsboro	47,929,994	0.13	60,727
City of Portland	730,277,274	0.01	46,738
Metro	836,005,000	13.06	109,209,841
Multnomah County SD 1J, Portland	867,455,242	0.39	3,348,377
Multnomah ESD	26,825,000	0.29	77,819
Northwest Regional ESD	3,299,644	33.16	1,094,076
Port of Portland	58,452,781	12.06	7,052,153
Portland Community College	678,492,900	16.42	111,412,605
Tualatin Valley Fire & Rescue	38,125,000	43.61	16,625,169
Washington County	228,769,717	41.22	94,292,014
Washington County SD 1J Hillsboro 7 Bd	1,682,551	3.24	54,478
Washington County SD 1J Hillsboro	461,390,000	3.23	14,910,741
Washington County SD 23J Tigard Tualatin	341,851,415	0.03	107,683
Washington County SD 48J Beaverton	996,146,084	82.63	823,095,586
Overlapping debt	<u>5,350,836,282</u>		<u>1,215,204,790</u>
Other Debt:			
Tualatin Hills Park & Recreation District	12,648,514	100.00	12,648,514
Direct debt	<u>12,648,514</u>		<u>12,648,514</u>
City of Beaverton	28,298,848	99.07	28,036,122
City of Hillsboro	4,640,000	0.13	5,879
City of Portland	2,070,910,447	0.01	132,539
Clean Water Services	178,485,000	42.65	76,132,348
Port of Portland	1,146,270,828	12.06	138,294,143
Washington County SD 1J Hillsboro	2,586,363	3.23	83,583
West Slope Water District	2,720,000	100.00	2,720,000
Overlapping debt	<u>3,433,911,486</u>		<u>245,404,614</u>
Total Tualatin Hills Park & Recreation District	81,889,927		81,889,927
Total overlapping debt	<u>8,784,747,768</u>		<u>1,460,609,404</u>
Total direct and overlapping debt	<u>\$ 8,866,637,695</u>		<u>\$ 1,542,499,331</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**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$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	\$1,086,266,344
Total net debt application to limit	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	69,241,413
Legal debt margin	<u>\$633,525,018</u>	<u>\$603,291,973</u>	<u>\$533,898,674</u>	<u>\$527,925,740</u>	<u>\$570,283,561</u>	<u>\$640,402,087</u>	<u>\$700,765,487</u>	<u>\$801,423,952</u>	<u>\$910,742,068</u>	<u>\$1,017,024,931</u>

Total net debt applicable to the limit as a percentage of debt limit	9.40%	9.12%	15.50%	15.02%	13.41%	12.25%	10.78%	9.16%	7.63%	6.37%
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**Legal Debt Margin Calculation for Fiscal Year 2019**

Real market value (2018/19)	\$43,450,653,770
General obligation debt capacity (2.5% of Real market value)	1,086,266,344
Less: Outstanding debt	69,241,413
Remaining legal debt capacity	<u>\$1,017,024,931</u>

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

**Washington County**

Fiscal Year	District Population (estimated)	Population (estimated) <sup>a)</sup>	Personal Income		Unemployment Rate <sup>c)</sup>	School Enrollment <sup>d)</sup>
			(amounts expressed in thousands) <sup>b)</sup>	Per Capita Personal Income <sup>b)</sup>		
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	25,919,173	46,735	6.4	38,775
2014	235,026	562,998	28,387,146	50,542	5.7	39,088
2015	237,847	574,326	30,840,797	53,878	5.1	40,725
2016	240,701	582,779	32,076,558	55,044	4.7	40,715
2017	243,589	589,957	33,765,596	57,331	3.5	40,912
2018	246,512	597,695	n/a	n/a	3.4	41,016
2019	249,470	n/a	n/a	n/a	2.8	40,860

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

n/a data not available at time of printing



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

Industry	2019		2010	
	Annual Average	Percentage of Total County Employment	Annual Average	Percentage of Total County Employment
Mining and logging	400	0.1 %	392	0.2 %
Construction	17,267	5.9	10,600	4.6
Manufacturing:				
Computer and electronic products	29,150		24,967	
Other durable goods	15,400		10,574	
Non-durable goods	<u>7,725</u>		<u>5,217</u>	
	52,275	17.5	40,758	17.5
Trade, transportation and utilities:				
Wholesale trade	15,992		13,342	
Retail trade	32,067		27,292	
Transportation, warehousing and utilities	<u>2,624</u>		<u>5,933</u>	
	50,683	16.9	46,567	20.0
Information	7,533	2.5	7,775	3.3
Financial activities	17,558	5.9	15,350	6.6
Professional and business services:				
Professional and technical services	15,808		10,950	
Management of companies and enterprises	16,633		5,608	
Administrative and waste services	<u>22,734</u>		<u>15,917</u>	
	55,175	18.4	32,475	14.0
Educational and health services	38,100	12.7	29,025	12.5
Leisure and hospitality	27,808	9.3	19,308	8.3
Other services	9,358	3.1	6,925	3.0
Government:				
Federal government	800		975	
State government	2,042		2,700	
Local government	8,642		7,642	
Local education	<u>11,742</u>		<u>12,066</u>	
	23,226	7.7	23,383	10.0
Total non-farm employment	<u>299,383</u>	<u>100.0 %</u>	<u>232,558</u>	<u>100.0 %</u>

Source: Oregon Labor Market Information System

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

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Administration</b>										
Office of the General Manager	2	2	2	2	2	3	3	3	3	3
Communications	7	6	6	6	7	7	7	8	8	8
Security operations	4	4	4	4	4	4	4	4	5	5
Community partnerships	-	-	-	-	-	1	1	1	1	1
<b>Business and facilities</b>										
Director	4	4	4	4	4	4	4	3	3	3
Finance services	6	7	7	7	7	7	7	6	7	7
Information services	5	5	5	5	5	5	5	5	6	6
Human resources	3	3	3	3	3	4	4	4	4	4
Risk and contract management	2	2	2	2	2	2	2	2	2	2
Operations analysis	-	-	-	-	-	-	-	2	2	2
<b>Maintenance</b>										
Operations Manager	3	3	3	5	5	6	7	7	7	7
Park maintenance	46	46	46	43	43	45	45	46	-	-
Fleet maintenance	6	6	6	6	6	6	6	6	6	6
Athletic facilities	23	23	23	25	25	26	26	27	-	-
Building and pool maintenance	48	49	49	50	51	49	48	48	27	27
Park and athletic facilities north	-	-	-	-	-	-	-	-	35	35
Park and athletic facilities south	-	-	-	-	-	-	-	-	31	31
Planning	2	2	2	3	3	3	3	3	4	4
Design and development	6	10	10	11	9	8	7	6	7	7
<b>Park and recreation</b>										
Director	3	3	3	3	3	3	3	4	3	3
Aquatics	81	81	73	74	77	79	83	78	78	78
Sports	33	32	31	31	29	30	45	58	62	62
Community programs	42	42	41	42	42	38	23	14	18	4
Recreation	107	106	105	102	100	100	101	108	130	144
Nature and trails	21	24	23	25	25	27	29	29	38	38
<b>Total full-time equivalent employees</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>	<b>487</b>

Source: Tualatin Hills Park and Recreation District

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

	2010 actual	2011 actual	2012 actual	2013 actual	2014 actual	2015 actual	2016 actual	2017 actual	2018 actual	2019 estimate
<b>Parks and Recreation</b>										
<b>Cultural and recreational activities:</b>										
Aquatics										
Attendance at open/drop-in programs and classes	491,548	462,982	472,057	558,152	531,824	539,836	511,251	481,665	524,137	514,905
Number of classes held	5,421	5,740	5,123	5,282	4,823	5,029	5,237	4,289	4,128	4,639
Sports										
Attendance at open/drop-in programs and classes	654,533	710,364	679,600	650,623	607,130	781,490	792,878	652,680	750,272	751,425
Number of classes held	395	583	700	527	537	1,985	2,205	2,030	2,331	2,090
Recreation										
Attendance at open/drop-in programs and classes	924,770	947,841	944,324	945,676	1,022,117	929,397	983,487	984,343	995,770	1,000,000
Number of classes held	4,869	4,794	3,972	4,236	4,199	4,184	3,919	4,111	4,379	4,067
Community programs										
Attendance at open/drop-in programs and classes	374,644	375,255	284,232	285,698	265,174	140,440	141,000	143,000	145,000	146,000
Number of classes held	1,547	1,798	1,954	1,819	2,283	575	580	580	591	550
Nature and trails										
Attendance at open/drop-in programs and classes	188,450	171,449	180,704	198,997	197,877	233,790	234,967	249,189	250,310	249,000
Number of classes held	545	580	643	647	707	664	720	678	711	700
<b>Maintenance activities:</b>										
Buildings maintained (shown per 1,000 sq. ft.)	368	368	450	461	461	461	461	461	461	461
Cost per sq. ft. of buildings	\$7.17	\$8.20	\$6.30	\$6.52	\$6.61	\$6.63	\$7.07	\$7.00	\$6.55	\$7.53
Pool facilities maintained (shown per 1,000 sq. ft.)	152	152	117	117	117	117	125	125	125	125
Cost per sq. ft. of pools	\$15.87	\$12.57	\$17.01	\$16.15	\$16.29	\$17.28	\$15.35	\$15.34	\$16.66	\$16.65
Parks maintained - developed acres	1,071	1,083	1,026	1,024	1,052	1,062	1,067	1,089	1,089	1,098
Cost per developed acre	\$2,796	\$2,765	\$2,879	\$2,720	\$2,740	\$2,892	\$3,133	\$3,288	\$3,288	\$2,737
Parks maintained - undeveloped acres	1,077	900	1,186	1,233	1,236	1,244	1,276	1,290	1,290	1,308
Cost per undeveloped acre	\$146	\$175	\$131	\$254	\$260	\$274	\$293	\$308	\$308	\$255
Vehicle and equipment units maintained	434	436	436	472	490	490	502	514	530	540
Cost per vehicle and equipment unit	\$1,860	\$1,937	\$1,990	\$1,757	\$1,801	\$1,768	\$1,653	\$1,720	\$1,709	\$1,786

Source: Tualatin Hills Park & Recreation District

## Tualatin Hills Park & Recreation District Capital Asset Statistics By Function June 30, 2019

### Parks and Recreation:

Number of parks	302
Park acreage:	
Developed sites (neighborhood, community and regional parks)	1,118
Undeveloped sites (wetlands and natural areas)	1,347
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>	110
Basketball:	
Indoor	6
Outdoor <sup>1)</sup>	51
Volleyball <sup>1)</sup>	5
Sports fields: <sup>1)</sup>	
Soccer/football/lacrosse	147
Softball/baseball	102
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

# Audit Comments and Disclosures Section







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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, 2019, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 18, 2019. 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.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

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



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

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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, Kavola & Warwick, LLP*

Lake Oswego, Oregon  
December 18, 2019