

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2013**



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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2013**



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

**TUALATIN HILLS PARK AND RECREATION DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2013**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Introductory Section:</b>	
Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	6
Organizational Chart	7
Directory of Officials	8
 <b>Financial Section:</b>	
Report of Independent Auditors	9
Management's Discussion and Analysis	13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	23
Statement of Activities	24
Fund Financial Statements:	
Balance Sheet – Governmental Funds	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	27
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	28
Notes to Basic Financial Statements	29
Required Supplementary Information:	
Schedule of Funding Progress – Pension	47
Schedule of Funding Progress – Other Post Employment Benefits	47
Supplemental Information:	
Combining and Individual Fund Statements and Schedules:	
Schedule of Expenditures – Budget and Actual – General Fund	49
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Bonded Debt Fund	57
Bond Capital Projects Fund	58
System Development Charges Fund	59
Combining Balance Sheet – Nonmajor Governmental Funds	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	61
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Mitigation Maintenance Fund	62
Metro Natural Areas Bond Fund	63

Other Financial Schedule:	
Schedule of Property Tax Transactions and Outstanding Balances	65

**Statistical Section:**

Net Position by Component	67
Changes in Net Position	68
Fund Balance of Governmental Funds	69
Changes in Fund Balances of Governmental Funds	70
Governmental Activities Tax Revenues by Source	71
Assessed Values and Estimated Actual Value of Taxable Property	72
Property Tax Rates-Direct and Overlapping Governments	73
Principal Property Taxpayers	74
Property Tax Levies and Collections	75
Ratios of Outstanding Debt by Type	76
Ratios of General Bonded Debt Outstanding	77
Direct and Overlapping Governmental Activities Debt	78
Legal Debt Margin Information	79
Demographic and Economic Statistics	80
Major Employment Industries in Washington County	81
Full-Time Equivalent Employees by Function	82
Operating Indicators by Function	83
Capital Asset Statistics by Function	84

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

Independent Auditor’s Report Required by Oregon State Regulations	85
-------------------------------------------------------------------	----

# **INTRODUCTORY SECTION**



November 25, 2013

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

In accordance with state statutes, the Comprehensive Annual Financial Report (CAFR) of the Tualatin Hills Park and Recreation District (District) for the fiscal year ended June 30, 2013 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 and Warwick, LLP to complete the audit of the District's records.

Talbot, Korvola and Warwick, LLP has issued an unmodified opinion on the District's financial statements for the year ended June 30, 2013. The independent auditor's report is located at the front of the financial section of this report. Immediately following, the reader will find Management's Discussion and Analysis (MD&A) that provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

#### **PROFILE OF THE GOVERNMENT**

The Tualatin Hills Park and Recreation District is a special service district formed in 1955, operating under Oregon Revised Statutes Chapter 266 as a separate municipal corporation. The District is governed by a five member Board of Directors, elected to four-year terms of office, with daily operations administered by a General Manager. The District provides year-round park and recreation services to a diverse population of over 230,000 residents within 50 square miles of east Washington County, Oregon, including the City of Beaverton.

- District facilities include: five indoor and two outdoor swim centers; a combined recreation/aquatic center; two recreation centers; an athletic center with six indoor multi-purpose athletic courts; a senior center; historic sites (Jenkins Estate, Fanno Farmhouse and John Quincy Adams Young House); a 220-acre Nature Park and Interpretive Center; the Cooper Mountain Nature Park and Interpretive Center; a tennis center with six indoor and eight outdoor courts (covered by two air structures for fall and winter season usage); and a camp for developmentally disabled youth.
- The District maintains, either through direct ownership or joint use agreement (including school sites): 51 outdoor basketball pads; 101 outdoor tennis courts; 155 soccer/football/lacrosse fields; 108 softball/baseball fields; two skate parks; three bocce courts; five volleyball courts; and an outdoor hockey rink.
- The District has 285 park and recreation facility sites totaling approximately 2,300 acres, consisting of 1,229 acres of wetland/natural areas, and 1,060 acres of developed sites, including neighborhood, community and regional parks. District sites include three lakes, 27 miles of stream corridor, and 45 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% increase is allowed on maximum assessed valuation, along with increases due to new construction, land partitions, zoning changes, etc. The District has been able to maintain a relatively stable revenue base despite the economic downturn. Both the City of Beaverton and Washington County had experienced a higher rate of growth than the state as a whole for several years, resulting in a strong property tax base that had previously increased at a rate of approximately four to five percent annually.

Because the District's 2013 assessed value is only 79.5% of market value, there is an inherent cushion in property tax collections on most properties. However, with the decline in market values realized over the past few years, certain properties have now

converged to comparable market/assessed value, where the 3.0% increase is no longer applicable. Convergence has affected 15.0% of properties within District boundaries for the current year, resulting in an anticipated reduction of \$120,500 in property tax revenues. This will be closely monitored in future years to ensure accurate resource estimates. Fortunately, the collection rate within the County remains strong, averaging over 96.8% for the past ten years. During the 2013 year, property taxes increased by 3.4% within the general fund, and a 3.28% increase is anticipated for the current year.

Washington County, the second most populous county in Oregon, had experienced declines in most job sectors since July 2008, however, all categories except Information and Government showed modest gains in 2012. Furthermore, the County's unemployment rate as of August, 2013 sits at 6.4%, a lower rate than either the state (7.7%) or national rate (7.3%). Within the District, the revenues received from the assessment of system development charges (SDC's) had trended down in previous years; however, increased new construction during the past year has generated a 41.0% gain in revenues over the previous year. SDC revenues are statutorily restricted to use for purchase or construction of new, or expansion of existing, facilities, improvements and land within the District.

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

To address the ongoing implications of funding constraints, the District developed a long-term financial plan six years ago, along with finalizing an updated Comprehensive Plan and Trails Plan. It is recommended that the Comprehensive Plan be reviewed and updated every five to ten years, which was completed in October, 2013. Eight implementation goals are included in the Comprehensive Plan, which currently comprise the foundation of our annual budget process.

Furthermore, the District engaged consultants, specializing in parks and recreation services, to not only complete the update to the Comprehensive Plan but provide these additional key components:

- A cost-recovery philosophy that establishes cost recovery targets based on the nature of the provided service, and
- A service assessment that analyzes all District services relative to our market position and alternate service providers.

The resulting Strategic Plan, from these additional components, will be finalized and adopted by the end of 2013, with implementation commencing immediately.

An SDC methodology update was completed and implemented in January 2008, with inflationary adjustments scheduled annually. Subsequently, a review of applicable cost indexes resulted in a downward adjustment to the actual fees for the past four years. As mentioned previously, even though SDC revenue had decreased significantly, new construction is occurring throughout the District and revenues are recovering.

The District is actively monitoring deferred and projected maintenance replacements. Major replacement items (those specifically identified and critical to District operations) have been effectively addressed; however, funding for routine replacements (all non-

major items) has not kept up with replacement needs (other than safety related items). 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 previously mentioned long-term financial plan, the District established viable financial strategies to ensure stable management during all economic conditions. Some of the issues addressed, either this year or into the next, ensure the adherence to these policies and exhibit a proactive approach to our economic targets.

- Completed the final year of implementation of the Tier II addition to the District retirement program for employees hired after June 30, 2010; this will contain the cost of funding of required contributions, while providing a stable retirement plan to all eligible staff.
- Continue long range planning by completing functional plans for natural resources and parks.
- Continued commitment to sustainability by adopting practices that ensure the economic and environmental viability of District services.
- Completion of the second phase of District-wide implementation of energy savings performance contract improvements to reduce water consumption and install pervious materials in various hardscape surfaces.

## **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.

As of June 30, 2013, \$50.5 million of bond funds have been expended.

### **Future goals**

With the 2013/14 budget process, the Board developed goal outcome measures, based on the Comprehensive Plan goals, to provide quantifiable performance measure targets. Business plans were developed based on these measures, and those that met the required return on investment were incorporated into the adopted budget. Along with these targeted business plans, the District will also be focusing on:

- Continued efforts to reach all under-served populations throughout the District, including funding for the development of an ethnic outreach plan.
- Continued management of the Bond Capital Project program, including dedicated funding for personnel necessary to complete the voter approved list of projects.
- Target new audiences for District programs, such as development of the Adventure Recreation Center.

## 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, 2012. This was the eighth year of submission, and subsequent receipt, of this prestigious award. In order to be awarded the Certificate of Achievement, the District had to publish an easily readable and efficiently organized CAFR that satisfied both GAAP and applicable legal requirements.

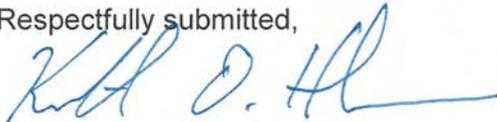
A Certificate of Achievement is valid for a period of one year only. Staff believes that our current CAFR continues to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

The District's Adopted Budget Document for the 2012/13 Fiscal Year received the *Distinguished Budget Presentation* award from GFOA. This is the eighth 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**

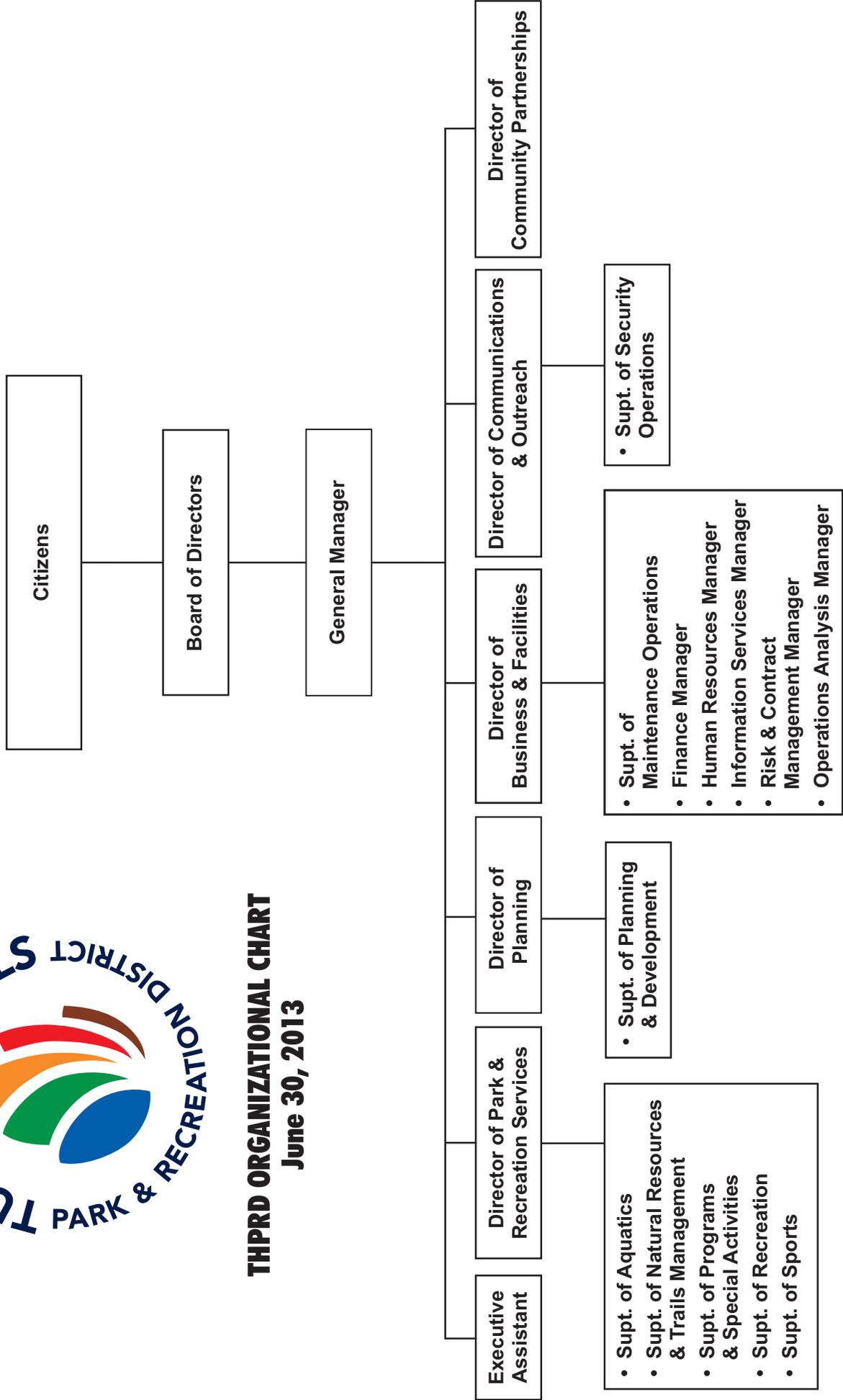
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO



**THPRD ORGANIZATIONAL CHART**  
**June 30, 2013**



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

Administrative Office  
15707 SW Walker Road  
Beaverton, Oregon 97006

Board of Directors  
as of June 30, 2013

<b><u>Name</u></b>	<b><u>Term Expires</u></b>
Joe Blowers, President 2050 SW 78 <sup>th</sup> Ave. Portland, Oregon 97225	June 30, 2015
Larry Pelatt, Secretary 7655 SW 140 <sup>th</sup> Ave. Beaverton, Oregon 97008	June 30, 2013
Bob Scott, Secretary Pro-tempore 21302 NW Cannes Dr. Portland, Oregon 97229	June 30, 2013
John Griffiths 10245 SW 153 <sup>rd</sup> Ave. Beaverton, Oregon 97007	June 30, 2015
Bill Kanable 8130 SW Sorrento Rd. Beaverton, Oregon 97008	June 30, 2013

---

Register Agent and Office

Doug Menke  
15707 SW Walker Road  
Beaverton, Oregon 97006

---

General Manager  
Doug Menke

Director of Business and Facilities  
Keith D. Hobson

# **FINANCIAL SECTION**



Talbot, Korvola  
& Warwick, LLP

Certified Public Accountants  
& Consultants

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

P 503.274.2849  
F 503.274.2853

www.tkw.com

## **INDEPENDENT AUDITOR'S REPORT**

November 25, 2013

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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tualatin Hills Park and Recreation District (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

### **AUDITOR'S RESPONSIBILITY**

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

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

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

Board of Directors  
Tualatin Hills Park and Recreation District  
November 25, 2013

### **AUDITOR'S RESPONSIBILITY (Continued)**

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

### **OPINIONS**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2013, and the respective changes in financial position thereof and the budgetary comparison information of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **OTHER MATTERS**

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Supplemental Information and Other Financial Schedule, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental Information and Other Financial Schedule are the responsibility of management and were 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

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

Board of Directors  
Tualatin Hills Park and Recreation District  
November 25, 2013

**OTHER MATTERS (Continued)**

***Other Information (Continued)***

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information and Other Financial Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections, 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 it.

**OTHER REPORTING REQUIRED BY OREGON MINIMUM STANDARDS**

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated November 25, 2013, 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**  
Certified Public Accountants

By   
Angelique Whitlow, Partner



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

### **Financial Highlights**

- The assets of the District exceeded its liabilities at June 30, 2013 by \$128,299,688.
- Capital assets (net of accumulated depreciation and related debt) account for most of this amount, with a value of \$115,214,103.
- Of the remaining net position, \$7,578,867 may be used to meet the District's ongoing obligations to patrons and creditors, without legal restriction.
- The District's total net position increased by \$6,881,310 or 5.7 percent over the previous year. Acquisitions of park property and improvements contribute mainly to this increase.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$62,478,847 a decrease of \$12,017,048, or 16.1 percent, due from the expending of capital funds related to the bond capital projects funding. All other major funds reported an increase to ending fund balance.
- As of June 30, 2013, fund balance for the General Fund was \$5,106,550 or 14.1 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 liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the District is improving or deteriorating. Other indicators include the condition of the District's assets, changes in the property tax base, and general economic conditions within the area.

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

position are reported using the accrual basis of accounting, which requires that revenues be reported when they are earned and expenses be reported when goods and services are received. Items such as uncollected taxes, unpaid vendor invoices for items received by June 30, 2013, 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, 2013.

### **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 of the funds of the District fall into the governmental fund category, which accounts for most, if not all, of a 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 funds, the Maintenance Mitigation Fund and Metro Natural Areas Bond Fund, are combined into a single presentation.

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

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

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

### **Budgetary highlights**

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

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

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

## Government-wide Financial Analysis

### Statement of Net Position

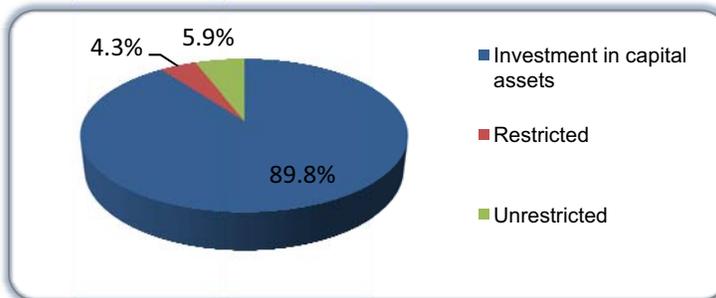
As noted earlier, net position may serve over time as an indicator of the District's financial position. As of June 30, 2013, the District's assets exceeded liabilities by \$128,299,688.

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

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

	Governmental Activities	
	June 30, 2013	June 30, 2012
Cash and investments	\$ 64,534,727	\$ 77,860,236
Other assets	3,681,257	3,706,642
Capital assets	168,753,960	154,013,472
Total assets	<u>236,969,944</u>	<u>235,580,350</u>
Other liabilities	5,028,330	5,082,165
Debt liabilities	103,641,926	109,079,807
Total liabilities	<u>108,670,256</u>	<u>114,161,972</u>
Net position:		
Investment in capital assets	115,214,103	111,753,935
Restricted	5,506,718	3,393,951
Unrestricted	7,578,867	6,270,492
Total net position	<u>\$ 128,299,688</u>	<u>\$ 121,418,378</u>

The largest portion of the District's net position, \$115,214,103 or 89.8 percent reflects its investment in capital assets, less any related debt used to acquire these assets still outstanding.



The District's assets (recorded at cost) are used to provide services to patrons. Consequently, these assets are not available for future spending, and debt repayment must be provided from other sources. An additional portion of the District's net position, \$5,506,718 or 4.3 percent represents resources that are subject to external

restrictions on how they may be used. The remaining balance of \$7,578,867 or 5.9 percent is unrestricted and may be used to meet the District's ongoing obligations. For the year ended June 30, 2013, the District had positive balances in all three categories of net position.

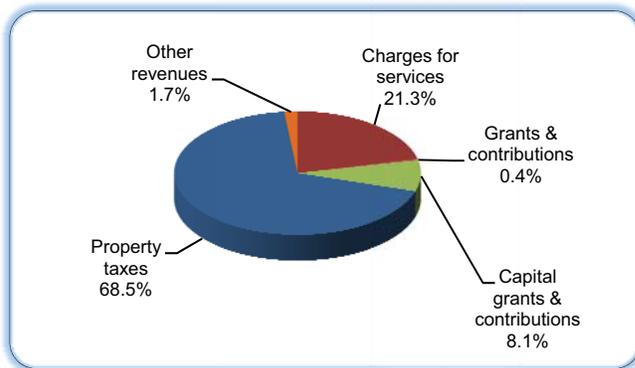
## Statement of Activities

Governmental activities increased the District's net position by \$6,881,310 in this fiscal year. Key elements of this increase are as follows:

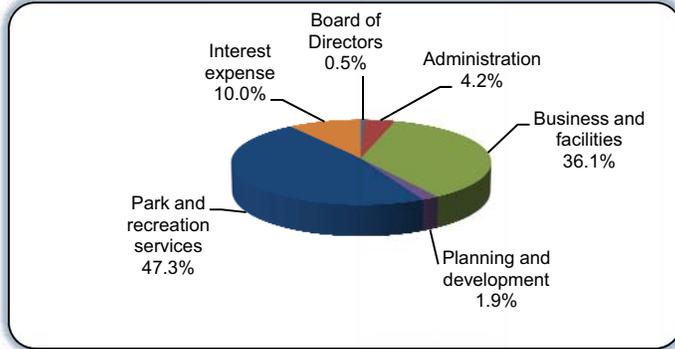
### Tualatin Hills Park and Recreation District Changes in Net Position

	<b>Governmental Activities</b>	
	<b>Fiscal Year Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 10,248,497	\$ 9,622,209
Operating grants and contributions	173,616	195,890
Capital grants and contributions	3,925,320	3,621,810
General revenues:		
Property taxes	32,998,488	32,536,833
Grants and contributions not restricted to specific programs	245,112	233,515
Other	586,184	679,392
Total revenues	<u>48,177,217</u>	<u>46,889,649</u>
<b>Expenses:</b>		
Board of Directors	200,248	229,942
Administration	1,717,417	1,678,446
Business and facilities	14,917,033	14,337,163
Planning and development	800,198	640,871
Park and recreation services	19,536,037	18,210,409
Interest on long-term debt	4,124,974	4,085,516
Total expenses	<u>41,295,907</u>	<u>39,182,347</u>
Change in net position	6,881,310	7,707,302
Net position - beginning balance	121,418,378	113,711,076
Net position - ending	<u>\$ 128,299,688</u>	<u>\$ 121,418,378</u>

Property taxes increased by \$461,655 over the prior year, or 1.4 percent due to the statutorily allowable increases in assessed value on existing property and some new construction within the District boundaries. Charges for services increased by \$626,288, or 6.5 percent due to expansion of programs, increased drop-in and frequent user pass fees, along with annual inflationary fee increases as warranted. Capital grants and contributions reflect an increase of 8.4 percent, or \$303,510 due to increased funding received during the year for capital projects.



Expenses for the District reflect an increase of 5.4 percent over last year, due to several factors:



- Temporary personnel hired for administrative and construction management of bond related capital projects,
- Expansion of program offerings resulting in increased related costs, and
- Increase in depreciation expense from completed bond related capital projects.

## Financial Analysis of the District's Funds

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

### Governmental funds analysis

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

During Fiscal Year 2012/13, the District's governmental funds reported a decrease in combined ending fund balances of \$12,017,048 attributable to the expending of funds for capital related projects within the Bond Capital Projects Fund. The General Fund, Bonded Debt Fund and System Development Charges Fund both reported increases within the year while the remaining funds reported decreases. The previous fiscal year had an increase of \$25,230,688, largely attributable to the resources generated from the Series 2011 general obligation bond issue within the Bond Capital Projects Fund.

The **General Fund** is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$4,895,327. 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 13.5 percent of total General Fund expenditures, exceeding the District's financial policy guideline of 10 percent.

Program revenues increased by 7.2 percent or \$680,886, from program expansion mainly within the aquatic and recreation departments, along with annual inflationary increases to class registration fees. Other than program revenues, General Fund revenues increased by \$719,415 or 2.7 percent over the previous year, with slight increases in property tax collections and grants. Slight decreases showed in the following categories:

- Interest earnings – due to stagnant investment rates and reduced investable funds,
- Charges for services – decreased cost recovery of services from the Bond Capital Project Fund due to completion of projects and reduced staffing, and
- Miscellaneous revenues – minor reduction in benefit related dividends and fees from other sources.

General Fund fund balance increased by \$1,268,557 over the previous year, because of tight fiscal controls, increased revenues and completion of a major expenditure in the 2011/12 fiscal year. Operating expenditures (excluding capital outlay and debt service) increased by \$1,130,154 or 3.6 percent due to additional funding for personnel in Administration and Planning

divisions, along with inflationary increases in supplies and programming costs. Capital expenditures decreased from the previous year by \$1,586,510 or 34.2 percent. Debt service decreased by \$512,924 or 38.3 percent over the previous year, resulting from decreased interest costs associated with the 2010A Full Faith and Credit obligation.

The **Bonded Debt Fund** has a total fund balance of \$440,064, an increase of \$26,930 versus the previous year, and is restricted for the 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. 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 \$15,827,399 was expended during the current fiscal year. As of the end of the year, total fund balance in this fund restricted for park development is \$51,683,508.

The **System Development Charges Fund** accounts for development impact fees assessed on new construction within the District boundaries. Total revenues increased significantly by \$1,187,067, or 61.7 percent over last year due to some recovery to new construction within the District, largely in the multi-family unit category and grant funds received towards land acquisition. Expenditures decreased by \$2,581,487 over the previous year, due to completion of projects in prior years, and needed replenishment of the overall fund. Fund balance increased by \$2,085,837 or 70.0 percent over the previous year. This fund balance of \$5,066,654 is entirely restricted for parks acquisition and development and improvements related to capacity expansion, and is fully available for appropriation.

## 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 budgeted by 0.9 percent, largely due to anticipated grants not awarded or received and lower miscellaneous revenues than expected. Expenditures stayed well under budget by 13.0 percent, primarily due to non-expenditure of contingency funds, control of costs to offset reduced revenues within programming and capital expenditures at less than budgeted amounts. A reconciliation of budgetary basis to GAAP basis is shown on the General Fund Budget to Actual statement on page 28. The difference between the original budget and final amended budget consisted of the following adjustments to the General Fund:

<u>Classification</u>	<u>Category</u>	<u>Amount</u>
Resource	Grants and sponsorships	\$ 47,708
Resource	Other financing source	457,100
Appropriation	Administration	35,944
Appropriation	Park and recreation services	(66,414)
Appropriation	Planning	30,470
Appropriation	Capital outlay	504,808

## Capital Asset and Debt Administration

### Capital assets

The District's investment in capital assets as of June 30, 2013, amounts to \$168,753,960 (net of accumulated depreciation). This investment in capital assets includes land, park sites and development, buildings and improvements, plus machinery, equipment and furnishings. The net increase in the District's capital assets for the current fiscal year was \$14,740,488 or 9.6 percent.

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

	<b>June 30</b>	
	<b>2013</b>	<b>2012</b>
Land	\$ 77,684,111	\$ 70,452,882
Parks sites and planning development	35,557,990	30,978,898
Buildings and improvements	43,328,553	37,920,310
Equipment and furnishings	1,180,947	1,442,981
Intangible assets	123,184	164,445
Construction in progress	10,879,175	13,053,956
<b>Total</b>	<b>\$ 168,753,960</b>	<b>\$ 154,013,472</b>

Increases were generated in land (\$7,231,229) due to new acquisitions of park and natural area parcels and in parks sites and planning development (\$4,579,092) from project completion, as required by the bond capital projects program. The decrease to construction in progress (\$2,174,781) is also mainly related project completion within the bond capital projects. The building and improvements increase (\$5,408,243) is attributable to the completion of seismic structural improvements to several facilities within the bond capital project scope. Deferred maintenance was funded for both buildings and parks improvements, to the extent of available funds.

Additional information on the District's capital assets can be found in Note IV.B on page 37 of this report.

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

At June 30, 2013 the District had \$104.8 million in debt and other long-term obligations outstanding compared to \$109.1 million last year. Approximately \$6.1 million of the debt outstanding and other long-term obligations at June 30, 2013 is due within one year. Debt decreased by a net of \$4.2 million, mainly due to retirement of existing debt.

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

	<b>June 30</b>	
	<b>2013</b>	<b>2012</b>
General obligation bonds	\$ 91,415,000	\$ 95,780,000
Premiums	1,939,826	2,163,005
Full faith and credit obligations	9,810,000	10,010,000
Loans	477,100	60,000
Net pension obligation (asset)	91,356	(4,877)
Compensated absences	1,103,969	1,066,802
<b>Total</b>	<b>\$ 104,837,251</b>	<b>\$ 109,074,930</b>

The District's most recent credit ratings, received in September 2011 were "AA" from Standard & Poor's and "Aa1" from Moody's for general obligation debt, and "AA" from Standard & Poor's and "Aa2" from Moody's for full faith and credit obligations.

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

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

Additional information on the District’s long-term obligations can be found in Note IV.C on pages 38 - 40.

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

Some of the factors considered during the preparation of the 2013/14 budget were:

- Assessed value on property was estimated to increase by approximately 3.28 percent over the previous year.
- Review and adjustment of user fees to accurately reflect changes in current participation levels and ensure cost recovery.
- Completion of the Comprehensive Plan update along with associated components to ensure continued sustainability of services.
- Anticipated opening of an Adventure Recreation Facility to target new audiences for District programs with operational, capital and financing costs accounted for as an enterprise fund operation.
- Absorbing an overall increase of Personal Service costs of 5.2 percent, with a cost of living increase of 2.3 percent for full and regular part-time staff.
- A slight inflationary increase to Materials and Services of 2.0 percent to ensure adequate coverage of maintenance responsibilities to newly acquired properties.
- Continued funding of necessary personnel to complete the Bond Capital project program.
- Funding of land acquisition and new construction within the Systems Development Charges Fund for approximately \$2.8 million.

In previous years, property taxes generally increased by the statutorily allowed 3.0 percent of assessed value on all properties. With the decline in market value, certain properties now have a comparable market/assessed value; therefore, the 3.0 percent increase cannot be generally applied. For the 2013/14 budget, approximately 15.0 percent of residential property within District boundaries is at market value, decreasing the overall growth to 2.53 percent. New development growth is conservatively estimated at 0.75 percent, for the combined rate of 3.28 percent. The District will continue to closely analyze the various properties to accurately estimate future resources.

Deferred maintenance is being funded at the maximum level available, and will continue to be a critical component of future budgetary plans. The District continues to actively research alternative revenue sources, and has seen growth in grants, sponsorships and various rental incomes.

Overall, on a budgetary basis the General Fund shows an increase of \$406,792 or 7.2% over the anticipated beginning fund balance in the 2013/14 budget. This increase is largely due to factors such as:

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

In order to remain stable and sustainable in this current economic environment, the District has carefully scrutinized revenues, expenditures, and all other facets affecting daily and long term operations. Property tax collections have remained consistent, and program revenues are stable overall, with some increases in selected areas. Local parks and recreation programs offer an affordable alternative for families of all sizes and economic backgrounds, as reflected by our residents' involvement. We will continue to examine new and trending activities, to ensure we remain competitive and accessible for all.

### **Requests for Information**

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



**Tualatin Hills Park and Recreation District**  
**Statement of Net Position**  
**June 30, 2013**

	<b>Primary Government</b>
	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 35,585,726
Investments	28,591,937
Due from other governments	710,389
Receivables	1,731,581
Inventories	95,997
Prepays	115,226
Bond issuance costs	1,028,064
Cash and cash equivalents - temporarily restricted	357,064
Capital assets (net of accumulated depreciation):	
Land	77,684,111
Park sites and planning development	35,557,990
Buildings and improvements	43,328,553
Equipment and furnishings	1,180,947
Intangible assets	123,184
Construction in progress	10,879,175
Total assets	236,969,944
<b>Liabilities:</b>	
Accounts payable and other current liabilities	2,367,632
Accrued interest payable	416,178
Unearned revenue	1,049,195
Noncurrent liabilities:	
Due within one year	6,062,473
Due in more than one year	98,774,778
Total liabilities	108,670,256
<b>Net Position:</b>	
Net investment in capital assets	115,214,103
Restricted for:	
Debt service	440,064
Parks development	5,066,654
Unrestricted	7,578,867
Total net position	\$ 128,299,688

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

**Tualatin Hills Park and Recreation District**  
**Statement of Activities**  
**For the Year Ended June 30, 2013**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Primary government:</b>					
Governmental activities:					
Board of Directors	\$ 200,248	\$ -	\$ -	\$ -	\$ (200,248)
Administration	1,717,417	-	-	-	(1,717,417)
Business and facilities	14,917,033	-	-	-	(14,917,033)
Planning and development	800,198	-	-	-	(800,198)
Park and recreation services	19,536,037	10,248,497	173,616	3,925,320	(5,188,604)
Interest on long-term debt	4,124,974	-	-	-	(4,124,974)
<b>Total primary government</b>	<b>\$ 41,295,907</b>	<b>\$ 10,248,497</b>	<b>\$ 173,616</b>	<b>\$ 3,925,320</b>	<b>(26,948,474)</b>
General revenues:					
Property taxes levied for general purposes					24,907,304
Property taxes levied for debt service					8,091,184
Grants and contributions not restricted to specific programs					245,112
Unrestricted investment earnings					447,101
Miscellaneous					139,083
Total general revenues					<u>33,829,784</u>
Change in net position					6,881,310
Net position - beginning balance					<u>121,418,378</u>
Net position- ending					<u>\$ 128,299,688</u>

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

**Tualatin Hills Park and Recreation District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2013**

	<u>General Fund</u>	<u>Bonded Debt Fund</u>	<u>Bond Capital Projects Fund</u>	<u>System Development Charges Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Assets:						
Cash and cash equivalents	\$ 6,881,876	\$ 344,464	\$ 23,315,533	\$ 4,859,881	\$ 183,972	\$ 35,585,726
Investments	-	-	28,591,937	-	-	28,591,937
Receivables:						
Interest	467	170	102,692	-	-	103,329
Property taxes	1,167,475	374,010	-	-	-	1,541,485
Accounts receivable	86,767	-	-	-	-	86,767
Intergovernmental	287,943	34,557	176,000	211,889	-	710,389
Cash and cash equivalents - restricted	141,958	-	215,106	-	-	357,064
Prepays	115,226	-	-	-	-	115,226
Inventories	95,997	-	-	-	-	95,997
Total assets	<u>\$ 8,777,709</u>	<u>\$ 753,201</u>	<u>\$ 52,401,268</u>	<u>\$ 5,071,770</u>	<u>\$ 183,972</u>	<u>\$ 67,187,920</u>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accounts payable	\$ 874,096	\$ -	\$ 637,198	\$ 5,116	\$ 1,901	\$ 1,518,311
Salaries payable	429,090	-	-	-	-	429,090
Contracts payable	-	-	2,205	-	-	2,205
Retainages payable	-	-	78,357	-	-	78,357
Other current liabilities payable	339,669	-	-	-	-	339,669
Unearned revenue	2,028,304	313,137	-	-	-	2,341,441
Total liabilities	<u>3,671,159</u>	<u>313,137</u>	<u>717,760</u>	<u>5,116</u>	<u>1,901</u>	<u>4,709,073</u>
Fund balances:						
Nonspendable	211,223	-	-	-	-	211,223
Restricted - debt service	-	440,064	-	-	-	440,064
Restricted - parks development	-	-	51,683,508	5,066,654	-	56,750,162
Committed - mitigation maintenance	-	-	-	-	182,071	182,071
Unassigned	4,895,327	-	-	-	-	4,895,327
Total fund balances	<u>5,106,550</u>	<u>440,064</u>	<u>51,683,508</u>	<u>5,066,654</u>	<u>182,071</u>	<u>62,478,847</u>
Total liabilities and fund balances	<u>\$ 8,777,709</u>	<u>\$ 753,201</u>	<u>\$ 52,401,268</u>	<u>\$ 5,071,770</u>	<u>\$ 183,972</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	168,753,960
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(104,225,365)
Reduction of deferred revenues for those amounts that were not available to pay current period expenditures.	1,292,246
Net position of governmental activities	<u>\$ 128,299,688</u>

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

**Tualatin Hills Park and Recreation District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the fiscal year ended June 30, 2013**

	<b>General Fund</b>	<b>Bonded Debt Fund</b>	<b>Bond Capital Projects Fund</b>	<b>System Development Charges Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>						
Property taxes	\$ 24,965,206	\$ 8,111,172	\$ -	\$ -	\$ -	\$ 33,076,378
Aquatic programs	2,680,571	-	-	-	-	2,680,571
Tennis center	881,620	-	-	-	-	881,620
Sports programs	1,338,838	-	-	-	-	1,338,838
Recreation programs	5,295,593	-	-	-	-	5,295,593
Grants and sponsorships	990,962	-	176,000	418,731	22,568	1,608,261
System development charges	-	-	-	2,676,196	-	2,676,196
Interest earned	134,185	39,735	254,613	17,641	927	447,101
Charges for services	689,931	-	-	-	-	689,931
Miscellaneous revenues	190,957	-	-	-	-	190,957
Total revenues	<u>37,167,863</u>	<u>8,150,907</u>	<u>430,613</u>	<u>3,112,568</u>	<u>23,495</u>	<u>48,885,446</u>
<b>Expenditures:</b>						
<b>Current:</b>						
Board of Directors	200,248	-	-	-	-	200,248
Administration	1,713,305	-	-	-	-	1,713,305
Business and facilities	14,590,240	-	-	-	-	14,590,240
Planning and development	1,503,184	-	-	-	-	1,503,184
Park and recreation services	14,474,299	-	-	-	2,513	14,476,812
Capital outlay	3,047,871	-	15,827,399	1,026,731	22,568	19,924,569
Debt service	827,259	8,123,977	-	-	-	8,951,236
Total expenditures	<u>36,356,406</u>	<u>8,123,977</u>	<u>15,827,399</u>	<u>1,026,731</u>	<u>25,081</u>	<u>61,359,594</u>
Excess (deficiency) of revenues over (under) expenditures	811,457	26,930	(15,396,786)	2,085,837	(1,586)	(12,474,148)
<b>Other financing sources:</b>						
Loan proceeds	457,100	-	-	-	-	457,100
Net change in fund balance	1,268,557	26,930	(15,396,786)	2,085,837	(1,586)	(12,017,048)
Fund balances at beginning of year	<u>3,837,993</u>	<u>413,134</u>	<u>67,080,294</u>	<u>2,980,817</u>	<u>183,657</u>	<u>74,495,895</u>
Fund balances at end of year	<u>\$ 5,106,550</u>	<u>\$ 440,064</u>	<u>\$ 51,683,508</u>	<u>\$ 5,066,654</u>	<u>\$ 182,071</u>	<u>\$ 62,478,847</u>

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

**Tualatin Hills Park and Recreation District**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures and Changes in Fund Balance of Governmental Funds**  
**to the Statement of Activities**  
**For the fiscal year ended June 30, 2013**

Amounts reported for governmental activities in the statement of net position are different because:

Net changes in fund balances - total governmental funds	\$ (12,017,048)
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	14,680,897
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	59,591
Governmental funds defer revenues that do not provide current financial resources. However, the statement of net position recognizes such revenues at their net realizable value when earned, regardless of when received.	(77,890)
The issuance of long-term debt (e.g., bond, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,147,900
Some expenses reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	87,860
Change in net position of governmental activities	<u><u>\$ 6,881,310</u></u>

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

**Tualatin Hills Park and Recreation District**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the fiscal year ended June 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 24,909,925	\$ 24,909,925	\$ 24,965,206	\$ 55,281
Aquatic programs	2,466,382	2,466,382	2,664,324	197,942
Tennis center	896,900	896,900	882,715	(14,185)
Sports programs	1,173,452	1,173,452	1,314,714	141,262
Recreation programs	5,091,100	5,091,100	5,121,935	30,835
Grants and sponsorships	1,294,372	1,342,080	990,962	(351,118)
Interest earned	110,000	110,000	134,185	24,185
Charges for services	879,619	879,619	689,931	(189,688)
Miscellaneous revenues	405,900	405,900	190,957	(214,943)
Total revenues	37,227,650	37,275,358	36,954,929	(320,429)
Expenditures:				
Board of directors	2,332,900	2,332,900	200,248	2,132,652
Administration	1,878,069	1,914,013	1,713,305	200,708
Business and facilities	16,420,325	16,420,325	15,771,628	648,697
Planning	1,646,067	1,676,537	1,503,184	173,353
Park and recreation services	15,580,174	15,513,760	14,466,387	1,047,373
Capital outlay	3,402,925	3,907,733	2,693,743	1,213,990
Total expenditures	41,260,460	41,765,268	36,348,495	5,416,773
Excess (deficiency) of revenues over (under) expenditures	(4,032,810)	(4,489,910)	606,434	5,096,344
Other financing source:				
Loan proceeds	-	457,100	457,100	-
Net change in fund balance	(4,032,810)	(4,032,810)	1,063,534	5,096,344
Fund balances at beginning of year	4,032,810	4,032,810	4,976,986	944,176
Fund balances at end of year	\$ -	\$ -	\$ 6,040,520	\$ 6,040,520
Fund balance - budgetary basis			\$ 6,040,520	
Recognition of prior year deferred revenue			(1,262,131)	
Recognition of current year deferred revenue			212,934	
Recognition of prior year prepaids			123,138	
Recognition of current year prepaids			(7,911)	
Fund balance - GAAP basis			\$ 5,106,550	

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

# Tualatin Hills Park and Recreation District

## **NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2013**

### **I. Summary of significant accounting policies**

#### **A. Reporting entity**

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

#### **B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the District.

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

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

#### **C. Measurement focus, basis of accounting and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the year. Expenditures generally are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

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

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

The District reports the following major governmental funds:

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

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

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

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

#### Other governmental funds

Other governmental funds include the nonmajor funds of the District. The following details the Mitigation Maintenance Fund, a special revenue fund and the Metro Natural Areas Bond Fund, a capital project fund.

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

The *Metro Natural Areas Bond Fund* accounts for the funds received from a local bond measure for the acquisition and improvement of natural areas and water quality.

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 and net position or equity**

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

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

State statutes, and the District’s Investment Policy, authorize the District to invest in obligations of the U.S. Treasury, commercial paper, repurchase agreements, bankers’ acceptances, municipal

bonds, mutual funds and the LGIP. Investments are reported at fair value, based on quoted prices for identical investments.

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

## 2. *Receivables and payables*

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

## 3. *Inventory and prepaid items*

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

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

## 4. *Capital assets*

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Facilities improvements	20–50
Equipment and furnishings	5
Intangible assets	5

## 5. *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.

## 6. *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, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

## 7. *Fund balance*

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

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

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

To ensure financial stability, the Board has adopted a policy stating that the minimum level of ending fund balance will be at least 10 percent of operating expenses in the year. In any year in which the District is not at the targeted fund level, the budgeted contingency will be increased by 1 percent of property tax revenues, or \$150,000.

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

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(104,225,365) difference are as follows:

Net pension obligation	\$ (91,356)
Bonds payable	(91,415,000)
Less: Deferred charge for issuance costs (to be amortized over life of debt)	1,028,064
Plus: Issuance premium (to be amortized over life of debt)	(1,939,826)
Full faith and credit obligations	(9,810,000)
Loans payable	(477,100)
Accrued interest payable	(416,178)
Compensated absences	<u>(1,103,969)</u>
Net adjustment to decrease <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ (104,225,365)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$14,680,897 difference are as follows:

Capital outlay (for capitalized assets)	\$ 19,232,533
Depreciation expense	<u>(4,551,636)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 14,680,897</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 \$59,591 difference are as follows:

Donations of capital assets increase the net position in the statement of net position, but do not appear in the governmental funds because they are not financial resources.	<u>\$ 59,591</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 59,591</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of net position.” The details of this \$4,147,900 difference are as follows:

Debt issued or incurred:	
Energy Savings Loan Agreement	\$ (457,100)
Principal repayments:	
General obligation debt	4,365,000
Other long-term debt	<u>240,000</u>
 Net adjustment to increase <i>net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities</i>	 <u>\$ 4,147,900</u>

Another element of that reconciliation states that “Some expenses reported in the statement of net position do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$87,860 difference are as follows:

Compensated absences	\$ (37,167)
Net pension obligation	(96,233)
Accrued interest	74,519
Amortization of interest costs (premiums)	223,179
Amortization of deferred charges (issuance costs)	<u>(76,438)</u>
 Net adjustment to increase <i>net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities</i>	 <u>\$ 87,860</u>

### **III. Stewardship, compliance and accountability**

#### **A. Budgetary information**

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

Governmental fund budgets are established in accordance with state law, and are adopted on a fund level except the General Fund. The General Fund budget is adopted on an organizational unit level. Organization units are the levels of control for all funds established by the resolution. The detail budget document, however, is required to contain more specific information for the above mentioned appropriation levels. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the Board. The Board approved two resolutions to adjust budget appropriations within the year. First, in November, 2012, an appropriation transfer between the Administration and Parks & Recreation Services divisions within the General Fund,

in the amount of \$35,944 to fund personnel. Then, in February, 2013, an increase to Capital Outlay within the General Fund by \$504,808 for the Energy Savings Improvement project (funded by financing and grants) along with a transfer between Planning and Parks & Recreation Services divisions within the General Fund, in the amount of \$30,470 for additional personnel funding.

#### IV. Detailed notes on all funds

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

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

At June 30, 2013, the District had the following cash, cash equivalents and investments at fair value:

Demand deposits	\$ 2,945,091
Certificates of deposit	215,106
Commercial paper	141,958
Investments in the State Treasurer's Local Government Investment Pool	32,640,635
Government and agency obligations	<u>28,591,937</u>
Total cash equivalents and investments	<u>\$ 64,534,727</u>

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

Cash and cash equivalents	\$ 35,585,726
Investments	28,591,937
Cash and cash equivalents – restricted	<u>357,064</u>
Total cash equivalents and investments	<u>\$ 64,534,727</u>

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

Investments in the LGIP are stated at share value, which approximates fair value, and is the value at which the shares can be withdrawn. The LGIP does not report all investments at fair value in accordance with the provisions of GASB Statement No. 31. The LGIP is required by Oregon Revised Statutes (ORS) to compute the fair value of all investments maturing more than 270 days from the date the computation is made. If the fair value totals more than one percent of the balance of the LGIP in terms of unrealized gain or loss, the amount is required to be distributed to the pool participants. Fifty percent of the LGIP portfolio must mature within 93 days. Up to 25% of the LGIP portfolio may mature in over one year and no investment may mature in over three years. At June 30, 2013, the District's share of the amount of unrealized gain reported by the LGIP was considered immaterial.

Current investments ratings are:

	N/A	Moody's Aaa	Total	Weighted Average Maturity (years)
Government and agency obligations	-	\$ 28,591,937	\$28,591,937	.47

The LGIP is unrated.

*A. Interest rate risk*

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

*B. Credit risk*

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

*C. Concentration of credit risk*

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

In accordance with GASB Statement No. 40, the District is required to report all individual non-federal investments, which exceed 5% of total invested funds. As of June 30, 2013, the District did not hold any non-federal investments exceeding 5% of invested funds.

*D. Custodial credit risk – deposits*

Deposits with financial institutions are comprised of bank demand deposits. The combined total bank balance is \$3,153,537. Of these deposits, \$250,000 is covered by federal depository insurance. As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer.

*E. Custodial credit risk – investments*

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

## B. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 70,452,882	\$ 7,231,229	\$ -	\$ 77,684,111
Construction in progress	13,053,956	5,673,228	(7,848,009)	10,879,175
Total capital assets, not being depreciated	<u>83,506,838</u>	<u>12,904,457</u>	<u>(7,848,009)</u>	<u>88,563,286</u>
Capital assets, being depreciated:				
Parks sites and planning development	49,997,639	6,987,846	-	56,985,485
Buildings and improvements	58,110,675	6,966,857	-	65,077,532
Equipment and furnishings	6,354,250	280,973	(165,984)	6,469,239
Intangible assets	206,309	-	-	206,309
Total capital assets being depreciated	<u>114,668,873</u>	<u>14,235,676</u>	<u>(165,984)</u>	<u>128,738,565</u>
Less accumulated depreciation for:				
Park sites and planning development	(19,018,741)	(2,408,754)	-	(21,427,495)
Buildings and improvements	(20,190,365)	(1,558,614)	-	(21,748,979)
Equipment and furnishings	(4,911,270)	(543,006)	165,984	(5,288,292)
Intangible assets	(41,863)	(41,262)	-	(83,125)
	<u>(44,162,239)</u>	<u>(4,551,636)</u>	<u>165,984</u>	<u>(48,547,891)</u>
Total capital assets, being depreciated, net	<u>70,506,634</u>	<u>9,684,040</u>	<u>-</u>	<u>80,190,674</u>
Governmental activities capital assets, net	<u>\$ 154,013,472</u>	<u>\$ 22,588,497</u>	<u>\$ (7,848,009)</u>	<u>\$ 168,753,960</u>

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

Business and facilities	\$ 168,241
Parks and recreation services	<u>4,383,395</u>
Total depreciation expense – governmental activities	<u>\$ 4,551,636</u>

Construction commitments as of June 30, 2013 were as follows:

Project	Spent to date	Remaining Commitment
Schiffler Park renovation	\$ 1,786,096	\$ 16,061
Conestoga Rec/Aquatic expansion	3,916,389	26,340
Hyland Forest Park restoration	41,790	10,010
Jenkins Estate restoration	87,203	22,495
AM Kennedy Park	621,853	491,780
Westside Trail Segments 1,4 & 7	100,361	1,352,688
Hansen Ridge Park	-	489,500
Lowami Hart Woods	-	633,000
Sunset Swim Center	48,290	381,290
Pioneer Park	-	236,150
Barsotti Park	-	771,314
Vista Brook Park	127,712	341,287
Waterhouse Trail	-	671,000
Total	<u>\$6,729,694</u>	<u>\$5,442,915</u>

### C. Long-term debt

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

	Beginning Balance	Increase	Amortization/ Repayments	Ending Balance	Due Within One Year
General Obligation Bonds:					
Series 1998	\$ 5,980,000	\$ -	\$ (1,870,000)	\$ 4,110,000	\$ 1,990,000
plus refunding premium	43,705	-	(21,405)	22,300	14,711
Series 2009	51,260,000	-	(1,385,000)	49,875,000	1,520,000
plus premium	374,515	-	(36,210)	338,305	35,231
Series 2011	38,540,000	-	(1,110,000)	37,430,000	1,255,000
plus premium	1,695,678	-	(157,661)	1,538,017	153,121
Full Faith and Credit Obligations:					
Series 2006	895,000	-	(95,000)	800,000	100,000
plus refunding premium	30,361	-	(6,416)	23,945	5,735
Series 2010A	1,470,000	-	(20,000)	1,450,000	25,000
plus premium	18,746	-	(1,487)	17,259	1,467
Series 2010B	6,820,000	-	-	6,820,000	-
Series 2010C	825,000	-	(85,000)	740,000	85,000
Loans:					
Synthetic turf #2 project	60,000	-	(40,000)	20,000	20,000
Energy savings contract	-	457,100	-	457,100	23,988
Net Pension Obligations	(4,877)	96,233	-	91,356	-
Compensated Absences	1,066,802	931,619	(894,452)	1,103,969	833,220
	<u>\$ 109,074,930</u>	<u>\$ 1,484,952</u>	<u>\$ (5,722,631)</u>	<u>\$ 104,837,251</u>	<u>\$ 6,062,473</u>

#### General Obligations Bonds

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

General obligation bonds, Series 1995, were issued on March 1, 1995 in the amount of \$25,900,000 to finance building construction, land acquisition and park improvements. Stated interest rates for specific maturities ranged from 4.75 to 5.75%, in accordance with the terms agreed at issuance. The general obligation advance refunding bonds, Series 1998 were issued to refund \$15,350,000 principal of these bonds. The outstanding balance of Series 1995 obligation has been paid in full.

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

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

obligations bonds, Series 2011 were issued on September 13, 2011 in the amount of \$40,060,000, as the second series of the 2008 bond measure, to complete the voter approved list of acquisitions and projects. Stated interest rates for specific maturities ranged from 2.00% to 4.00%, in accordance with the terms agreed at issuance. The bonds are paid annually, with interest payments semi-annually, over a term of eighteen years.

#### Full Faith and Credit Obligations

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

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

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

#### Loans Payable

On May 4, 2005, the District borrowed \$340,000 for construction of an additional Synthetic Turf Project on District property. \$140,000 of the proceeds was used to prepay the previous Synthetic Turf Loan, and the balance of \$200,000 was used to fund a portion of the construction costs. This loan bears an interest rate of 4.5%, and is payable over nine years. This loan is not collateralized.

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

Annual principal requirements for all issues are as follows:

Year ending June 30,	General Obligation Series			Full Faith & Credit Series				Loans	Total
	1998	2009	2011	2006	2010A	2010B	2010C		
Principal									
2014	\$ 1,990,000	\$ 1,520,000	\$ 1,255,000	\$ 100,000	\$ 25,000	\$ -	\$ 85,000	\$ 43,988	\$ 5,018,988
2015	2,120,000	1,665,000	1,360,000	105,000	30,000	-	85,000	25,327	5,390,327
2016	-	1,825,000	1,455,000	110,000	40,000	-	90,000	26,090	3,546,090
2017	-	1,990,000	1,570,000	110,000	45,000	-	95,000	26,876	3,836,876
2018	-	2,170,000	1,685,000	120,000	50,000	-	100,000	27,686	4,152,686
2019-2023	-	14,135,000	10,775,000	255,000	340,000	685,000	285,000	151,451	26,626,451
2024-2028	-	21,245,000	15,500,000	-	525,000	1,445,000	-	175,682	38,890,682
2029-2033	-	5,325,000	3,830,000	-	395,000	1,710,000	-	-	11,260,000
2034-2038	-	-	-	-	-	2,050,000	-	-	2,050,000
2039-2040	-	-	-	-	-	930,000	-	-	930,000
	<u>\$ 4,110,000</u>	<u>\$ 49,875,000</u>	<u>\$ 37,430,000</u>	<u>\$ 800,000</u>	<u>\$ 1,450,000</u>	<u>\$ 6,820,000</u>	<u>\$ 740,000</u>	<u>\$ 477,100</u>	<u>\$ 101,702,100</u>

Annual interest requirements for all issues are as follows:

Year ending June 30,	General Obligation Series			Full Faith & Credit Series				Loans	Total
	1998	2009	2011	2006	2010A	2010B	2010C		
Interest									
2014	\$ 236,325	\$ 2,058,413	\$ 1,303,356	\$ 36,850	\$ 56,270	\$ 436,918	\$ 28,528	\$ 15,001	\$ 4,171,661
2015	121,900	2,020,413	1,278,256	32,850	55,720	436,918	26,389	12,762	3,985,208
2016	-	1,974,625	1,254,456	28,650	54,620	436,918	23,953	11,999	3,785,221
2017	-	1,919,875	1,225,356	24,250	52,920	436,918	21,016	11,213	3,691,548
2018	-	1,860,175	1,193,956	18,750	51,270	436,918	17,630	10,404	3,589,103
2019-2023	-	7,893,450	4,965,731	19,250	225,775	2,153,878	26,372	38,995	15,323,451
2024-2028	-	4,293,994	2,741,569	-	141,380	1,842,432	-	14,767	9,034,142
2029-2033	-	252,938	153,200	-	24,885	1,354,054	-	-	1,785,077
2034-2038	-	-	-	-	-	738,141	-	-	738,141
2039-2040	-	-	-	-	-	94,713	-	-	94,713
	<u>\$ 358,225</u>	<u>\$ 22,273,883</u>	<u>\$ 14,115,880</u>	<u>\$ 160,600</u>	<u>\$ 662,840</u>	<u>\$ 8,367,808</u>	<u>\$ 143,888</u>	<u>\$ 115,141</u>	<u>\$ 46,198,265</u>

### Compensated Absences and Net Pension Obligations

The District's compensated absences of \$1,103,969 and net pension obligations of \$91,356 are liquidated by the General Fund. As of June 30, 2013, the District had a net pension obligation resulting from an underfunding of the annual recommended contribution, which will be included with the subsequent year contributions.

### Short-term Debt

The District issued Tax and Revenue Anticipation Notes, Series 2012, in the amount of \$6,000,000 on August 14, 2012 to continue operations of the general government prior to receipt of annual tax revenue. These notes matured on December 15, 2012, with an interest rate of 1.00%.

## **V. Other information**

### **A. Defined Benefit Pension Plan**

#### Plan Description

The District maintains a single-employer, defined benefit pension plan ("Plan") trustee by Standard Insurance Company. The plan provides retirement, disability and death benefits to plan members and beneficiaries. The Plan does not issue a publicly available financial statement. Within the plan, Tier I, a defined benefit plan, applies to all full-time employees hired before July 1, 2010. 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 per the schedule noted on page 39. The two components are the employer paid pension fund and an Individual Account Program (IAP).

Membership in the Plan as of July 1, 2013 was:

<u>Group</u>	<u>Number of Participants</u>
Active participants	194
Terminated	18
Retired receiving medical premium benefits	<u>7</u>
Total	<u>219</u>

Employees who have completed six months of full-time employment are participants in the Plan.

Tier I Plan (all full-time employees hired prior to July 1, 2010)

The normal retirement benefit, as authorized by the Board, is equal to 1.9% of the participant's basic monthly earnings multiplied by the years and months of employment with the District. An employee may retire at age 58, or elect early retirement at a reduced benefit after age 55 with ten years of service.

As of May 1, 2004, a change in plan provisions allows participants that have reached normal retirement age (58) and accrued 20 years of benefit service to elect to receive an "in-service" distribution of the benefits accrued to the date of distribution.

Tier I Funding Policy

Participants are required to contribute 6% of salary to the retirement plan. Employee contributions are withheld on a pre-tax basis. Per Board direction, the District is required to contribute at an actuarially determined rate, which was 18.1% (blended rate for both plans) of annual covered payroll for 12/13. A participant may make voluntary contributions up to a maximum of 10% of monthly salary. Benefits derived from such contributions are in addition to other Plan benefits. Both mandatory and voluntary contributions are fully vested at all times.

Tier II Plan (all full-time employees hired on or after July 1, 2011 and all regular part-time employees)

The normal retirement benefit under the Tier II Plan is equal to 1.5% of the participant's basic monthly earnings multiplied by the years and months of employment with the District. An employee may retire at 65, or elect early retirement at a reduced benefit after age 55 with ten years of service. There is no "in-service" distribution allowed within the Tier II plan.

Tier II Funding Policy

Per Board direction, the District will contribute at the actuarially determined rate, which was 18.1% (blended for both plans) as computed at the close of each year. Participants are required to contribute 6% of salary to a separate individual account (IAP) which is treated as a defined contribution account. The IAP fund will be pooled and invested by the District fund manager. A participant 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.

All regular part-time employees began receiving pension benefits under the Tier II plan phased in as follows:

- During July 1, 2010 – June 30, 2011: no pension benefits were earned by RPT employees. However, RPT employees began satisfying vesting requirements as of the latter of July 1, 2010 or his/her hire date.
- During July 1, 2011 – June 30, 2012: RPT employees began making mandatory 6% contributions to the IAP account, if possible.
- During July 1, 2012 – June 30, 2013: RPT employees shall receive full Tier II pension benefits (IAP + employer contribution) and will begin earning years of service credits.

### Annual Pension Cost and Net Pension Obligations

The District's annual pension cost and net pension obligations to the Plan for the year ended June 30, 2013 were as follows:

Annual required contribution	\$2,294,355
Interest on net pension benefit	(378)
Adjustment to annual required contribution	<u>589</u>
Annual pension cost	2,294,566
Contributions made	<u>(2,198,333)</u>
Increase in net pension obligations	96,233
Net pension benefit beginning of year	<u>(4,877)</u>
Net pension obligation end of year	<u>\$ 91,356</u>

For 2013, the District's annual pension cost was equal to the required contribution. However, the contributions made were slightly less than the annual pension cost due to unfilled positions, resulting in an increase to the net pension obligation. The annual required contribution was determined as of the July 1, 2012 actuarial valuation using the aggregate actuarial cost method.

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension (Benefit) Obligation
06/30/13	\$ 2,294,566	96.0%	\$ 91,356
06/30/12	2,165,512	98.9%	( 4,877)
06/30/11	2,411,109	101.2%	(29,806)

### Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 79.5 percent funded. The actuarial accrued liability for benefits was \$26.4 million, and the actuarial value of assets was \$21.0 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$5.4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$9.7 million, and the ratio of the UAAL to the covered payroll was 55.8 percent.

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

### Actuarial Assumptions

The actuarial assumptions included (a) an investment rate of return (net of expenses) of 7.75% pre-retirement and 6% post-retirement, and (b) projected salary based on a graded salary scale (S-4, set back 8 years, plus 3%) and post-retirement cost of living adjustments (or assumed inflation rate) of 2% a year. The valuation of assets is based on market value as of the first day of the plan year, increased by the amount of any accrued contributions and decreased by the amount of any accrued expenses. The amortization method is level percentage of payroll on a closed basis. The remaining amortization period as of June 30, 2013 is approximately nine years.

The Aggregate Cost Method is the method used to determine actuarial cost of the plan. Because the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared

using the entry age actuarial cost method for that purpose, and the information presented is intended to approximate the funding progress of the plan.

## **B. Other Post-Employment Benefits (OPEB)**

### Plan Description

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

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

### Funding Policy

The District does not pay any portion of the health insurance premium for retirees; however the retirees do receive benefits, as described below, through the District's retirement plan. Also, retirees receive an implicit benefit of a tiered healthcare premium at the same rate provided to active employees. Retirees may not convert either benefit into an in-lieu payment to secure coverage under independent plans. At June 30, 2013, 26 retirees were receiving post-employment healthcare benefits.

### Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability or excess over a period not to exceed 30 years. For 2013, the District's annual OPEB cost was equal to the required contribution, as authorized by the Board.

The District's annual OPEB cost and net OPEB obligation to the Plan for the year ended June 30, 2013 were as follows:

Annual required contribution	\$ 47,955
Interest on net OPEB obligations	-
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost	47,955
Contributions made	<u>(47,955)</u>
Increase (decrease) in net OPEB obligations	-
Net OPEB obligations beginning of year	<u>-</u>
Net OPEB obligations end of year	<u><u>\$ -</u></u>

The District's annual OPEB cost, the percentage contributed to the plan and the net OPEB obligations as of June 30, 2013 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
06/30/13	\$ 47,955	100.0%	\$ -
06/30/12	68,656	100.0%	-
06/30/11	123,358	100.0%	-

Funded Status and Funding Progress

As of July 1, 2013 the most recent actuarial valuation date, the plan was 86.1 percent funded. The actuarial accrued liability for benefits was \$1.5 million, and the actuarial value of assets was \$1.3 million, resulting in an unfunded actuarial liability of approximately \$200,000. The covered payroll (annual payroll of active employees covered by the plan) was \$7.7 million, and the ratio of the unfunded actuarial liability to the covered payroll was 2.8 percent.

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

Actuarial Assumptions

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

In the July 1, 2012 actuarial valuation the aggregate actuarial cost method was used to determine the ARC. The actuarial assumptions included (a) an investment rate of return (net of expenses) of 7.75% pre-retirement and 6% post-retirement, and (b) post-retirement cost of living adjustments (or assumed inflation rate) of 2% a year. The valuation of assets is based on market value as of the first day of the plan year, increased by the amount of any accrued contributions and decreased by the amount of any accrued expenses. Because of the limitation on monthly benefits within the plan, the healthcare cost trend is not a factor in the valuation of the medical component. An assumption is made that all retirees will receive the maximum benefit amount, so healthcare cost increases or decreases, would have no impact.

Because the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and the information presented is intended to approximate the funding progress of the plan. In consideration of healthcare cost trends, the plan assumes that each newly retired participant will purchase medical insurance with premiums of at least the benefit provided by the plan. The amortization period was considered closed, meaning all active participants, inactive participants with vested benefits and retired participants receiving medical insurance premium benefits were included in the valuation period. The remaining amortization period as of June 30, 2013 is approximately eight years. The valuation of assets is based on market value as of the first day of the plan year, increased by the amount of any accrued contributions and decreased by the amount of any accrued expenses.

**C. Risk Management**

The District is a member of the Special Districts Insurance Services (SDIS). The Special Districts Association of Oregon created SDIS in 1984 for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk

management services. SDIS has over 800 members, and is governed by a five member Board of Directors who are elected to three-year terms. In-house services of SDIS include risk management consultation, claims and litigation administration, investigation and loss analyses. SDIS contracts for specialists in land use problems and lobbyist services.

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

**D. Commitments and Contingencies**

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

The District has a contract with an employee union defining compensation and other considerations that expires at June 30, 2016.

On January 21, 2011, the District entered into an operating lease agreement with Peregrine Sports, LLC, doing business as the Portland Timbers (the Timbers), a professional soccer team, to lease a portion of the new maintenance 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. The Timbers were responsible for all construction costs associated with the leased space and field, and have exclusive use of said improvements. Furthermore, the Timbers participated in construction of an adjacent artificial turf field for public use.

Currently, the Timbers pay \$48,236 per year to the District no later than December 31<sup>st</sup> of each year. Lease payments for the balance of the term are as follows:

<u>Year ending June 30,</u>		
2014	\$	48,236
2015		48,236
2016		48,236
2017		48,236
2018		48,236
2019-2021		144,708
	<u>\$</u>	<u>385,888</u>

**E. Subsequent Events**

The District issued Tax and Revenue Anticipation Notes, Series 2013, in the amount of \$5,500,000 on July 15, 2013. These notes mature on December 15, 2013 and bear interest at a rate of 0.95%.



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**Tualatin Hills Park and Recreation District**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**Pension**  
**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Present Value of Accrued Pension Benefits (b)</b>	<b>Difference (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>Difference as a Percentage of Covered Payroll ((b-a)/c)</b>
6/30/2011	17,357,823	22,060,730	4,702,907	78.7%	8,723,566	53.9%
6/30/2012	19,493,603	24,345,620	4,852,017	80.1%	9,877,197	49.1%
6/30/2013	20,976,587	26,398,833	5,422,246	79.5%	9,712,126	55.8%

**Other Post Employment Benefits**  
**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Present Value of Future Benefits (b)</b>	<b>Difference (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>Difference as a Percentage of Covered Payroll ((b-a)/c)</b>
6/30/2011	1,097,645	1,587,685	490,040	69.1%	8,426,083	5.8%
6/30/2012	1,177,451	1,487,101	309,650	79.2%	8,261,380	3.7%
6/30/2013	1,321,492	1,534,606	213,114	86.1%	7,738,881	2.8%



# **SUPPLEMENTAL INFORMATION**

**Tualatin Hills Park and Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the fiscal year ended June 30, 2013**

	<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	\$ 3,000	\$ -
Payroll taxes	300	300	290	10
<b>Personal services</b>	<u>3,300</u>	<u>3,300</u>	<u>3,290</u>	<u>10</u>
Professional services	169,100	169,100	144,180	24,920
Office supplies	6,000	6,000	3,802	2,198
Dues and memberships	2,000	2,000	1,224	776
Conferences	19,500	19,500	18,203	1,297
<b>Materials and services</b>	<u>196,600</u>	<u>196,600</u>	<u>167,409</u>	<u>29,191</u>
Contingency	2,100,000	2,100,000	-	2,100,000
Elections	33,000	33,000	29,549	3,451
<b>Total Board of Directors</b>	<u>2,332,900</u>	<u>2,332,900</u>	<u>200,248</u>	<u>2,132,652</u>
<b>ADMINISTRATION:</b>				
<b>General Manager</b>				
Full time salaries	235,765	235,765	235,881	(116)
Part time salaries	-	-	455	(455)
Employee benefits	79,048	79,048	80,347	(1,299)
Payroll taxes	20,167	20,167	20,830	(663)
<b>Personal services</b>	<u>334,980</u>	<u>334,980</u>	<u>337,513</u>	<u>(2,533)</u>
Telecommunications	6,500	6,500	6,577	(77)
Office supplies	4,500	4,500	1,270	3,230
Dues and memberships	23,350	23,350	19,480	3,870
Conferences	17,500	17,500	16,172	1,328
Technical training	16,000	16,000	1,750	14,250
Staff transportation	8,000	8,000	8,550	(550)
<b>Materials and services</b>	<u>75,850</u>	<u>75,850</u>	<u>53,799</u>	<u>22,051</u>
<b>Total General Manager</b>	<u>410,830</u>	<u>410,830</u>	<u>391,312</u>	<u>19,518</u>
<b>Communications and Development</b>				
Full time salaries	368,075	393,751	394,282	(531)
Part time salaries	17,691	17,691	16,803	888
Employee benefits	143,211	150,915	138,787	12,128
Payroll taxes	37,697	40,261	42,335	(2,074)
<b>Personal services</b>	<u>566,674</u>	<u>602,618</u>	<u>592,207</u>	<u>10,411</u>
Professional services	134,500	134,500	61,126	73,374
Technical services	3,500	3,500	3,915	(415)
Printing and publications	208,100	208,100	159,731	48,369
Postage	99,500	99,500	92,907	6,593
Advertising	86,950	86,950	58,002	28,948
Office supplies	7,000	7,000	9,404	(2,404)
Program supplies	10,600	10,600	12,742	(2,142)
Dues and memberships	4,729	4,729	4,134	595
Conferences	2,000	2,000	2,618	(618)
Technical training	2,000	2,000	-	2,000
Staff transportation	3,440	3,440	5,165	(1,725)
Small furniture and equipment	982	982	1,342	(360)
<b>Materials and services</b>	<u>563,301</u>	<u>563,301</u>	<u>411,086</u>	<u>152,215</u>
<b>Total Communications and Development</b>	<u>1,129,975</u>	<u>1,165,919</u>	<u>1,003,293</u>	<u>162,626</u>

**Tualatin Hills Park and Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the fiscal year ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>ADMINISTRATION (continued):</b>				
<b>Security Operations</b>				
Full time salaries	\$ 83,443	\$ 83,443	\$ 83,844	\$ (401)
Part time salaries	92,005	92,005	88,508	3,497
Employee benefits	35,833	35,833	36,885	(1,052)
Payroll taxes	18,626	18,626	20,194	(1,568)
<b>Personal services</b>	<u>229,907</u>	<u>229,907</u>	<u>229,431</u>	<u>476</u>
Technical services	90,066	90,066	78,352	11,714
Maintenance services	7,632	7,632	6,370	1,262
Printing and publications	157	157	-	157
Telecommunications	2,448	2,448	(330)	2,778
Office supplies	382	382	162	220
Program supplies	5,091	5,091	4,321	770
Dues and memberships	102	102	-	102
Conferences	200	200	25	175
Technical training	514	514	115	399
Staff transportation	310	310	24	286
Small furniture and equipment	455	455	230	225
<b>Materials and services</b>	<u>107,357</u>	<u>107,357</u>	<u>89,269</u>	<u>18,088</u>
<b>Total Security Operations</b>	<u>337,264</u>	<u>337,264</u>	<u>318,700</u>	<u>18,564</u>
<b>Total Administration</b>	<u>1,878,069</u>	<u>1,914,013</u>	<u>1,713,305</u>	<u>200,708</u>
<b>BUSINESS AND FACILITIES:</b>				
<b>Director of Business and Facilities</b>				
Full time salaries	352,528	352,528	353,634	(1,106)
Part time salaries	3,200	3,200	2,002	1,198
Employee benefits	132,100	132,100	135,923	(3,823)
Payroll taxes	33,514	33,514	33,577	(63)
<b>Personal services</b>	<u>521,342</u>	<u>521,342</u>	<u>525,136</u>	<u>(3,794)</u>
Professional services	6,000	6,000	5,600	400
Technical services	169,800	169,800	152,251	17,549
Rental equipment	42,000	42,000	39,871	2,129
Bank charges and fees	4,500	4,500	5,550	(1,050)
Printing and publications	4,000	4,000	2,538	1,462
Postage	62,400	62,400	35,329	27,071
Advertising	1,500	1,500	445	1,055
Telecommunications	3,000	3,000	2,264	736
Office supplies	65,100	65,100	34,658	30,442
Dues and memberships	3,325	3,325	3,145	180
Conferences	9,400	9,400	9,451	(51)
Technical training	2,750	2,750	760	1,990
Staff transportation	5,280	5,280	4,558	722
Small furniture and equipment	-	-	236	(236)
<b>Materials and services</b>	<u>379,055</u>	<u>379,055</u>	<u>296,656</u>	<u>82,399</u>
Debt principal	220,000	220,000	240,000	(20,000)
Debt interest	729,764	729,764	587,259	142,505
<b>Debt service</b>	<u>949,764</u>	<u>949,764</u>	<u>827,259</u>	<u>122,505</u>
<b>Total Director of Business and Facilities</b>	<u>1,850,161</u>	<u>1,850,161</u>	<u>1,649,051</u>	<u>201,110</u>

**Tualatin Hills Park and Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the fiscal year ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BUSINESS AND FACILITIES (continued):</b>				
<b>Finance</b>				
Full time salaries	\$ 423,148	\$ 423,148	\$ 422,646	\$ 502
Employee benefits	176,233	176,233	171,036	5,197
Payroll taxes	42,061	42,061	41,989	72
<b>Personal services</b>	<u>641,442</u>	<u>641,442</u>	<u>635,671</u>	<u>5,771</u>
Professional services	11,100	11,100	12,282	(1,182)
Technical services	55,006	55,006	51,753	3,253
Bank charges and fees	15,950	15,950	15,420	530
Printing and publications	5,050	5,050	1,143	3,907
Office supplies	1,215	1,215	354	861
Dues and memberships	520	520	730	(210)
Conferences	4,500	4,500	4,429	71
Technical training	2,990	2,990	901	2,089
Staff transportation	300	300	170	130
Small furniture and equipment	500	500	400	100
<b>Materials and services</b>	<u>97,131</u>	<u>97,131</u>	<u>87,582</u>	<u>9,549</u>
<b>Total Finance</b>	<u>738,573</u>	<u>738,573</u>	<u>723,253</u>	<u>15,320</u>
<b>Human Resources</b>				
Full time salaries	214,597	214,597	215,224	(627)
Employee benefits	88,543	88,543	90,739	(2,196)
Payroll taxes	21,314	21,314	21,312	2
<b>Personal services</b>	<u>324,454</u>	<u>324,454</u>	<u>327,275</u>	<u>(2,821)</u>
Professional services	11,432	11,432	7,105	4,327
Technical services	15,605	15,605	4,864	10,741
Printing and publications	260	260	200	60
Advertising	1,000	1,000	-	1,000
Office supplies	973	973	499	474
Program supplies	900	900	996	(96)
Dues and memberships	394	394	335	59
Conferences	4,500	4,500	2,190	2,310
Technical training	39,000	39,000	11,067	27,933
Staff transportation	450	450	109	341
<b>Materials and services</b>	<u>74,514</u>	<u>74,514</u>	<u>27,365</u>	<u>47,149</u>
<b>Total Human Resources</b>	<u>398,968</u>	<u>398,968</u>	<u>354,640</u>	<u>44,328</u>
<b>Information Services</b>				
Full time salaries	378,235	378,235	375,852	2,383
Employee benefits	155,983	155,983	164,697	(8,714)
Payroll taxes	37,570	37,570	37,745	(175)
<b>Personal services</b>	<u>571,788</u>	<u>571,788</u>	<u>578,294</u>	<u>(6,506)</u>
Professional services	59,000	59,000	30,398	28,602
Technical services	104,400	104,400	102,457	1,943
Telecommunications	76,000	76,000	71,030	4,970
Program supplies	39,000	39,000	22,936	16,064
Maintenance supplies	11,200	11,200	7,223	3,977
Technical training	7,000	7,000	4,748	2,252
Staff transportation	500	500	-	500
Small furniture and equipment	1,000	1,000	-	1,000
<b>Materials and services</b>	<u>298,100</u>	<u>298,100</u>	<u>238,792</u>	<u>59,308</u>

**Tualatin Hills Park and Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the fiscal year ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BUSINESS AND FACILITIES (continued):</b>				
<b>Information Services (continued)</b>				
Computer technology replacement	\$ 136,000	\$ 136,000	\$ 117,244	\$ 18,756
Computer technology improvement	54,900	54,900	38,382	16,518
<b>Capital outlay</b>	<b>190,900</b>	<b>190,900</b>	<b>155,626</b>	<b>35,274</b>
<b>Total Information Services</b>	<b>1,060,788</b>	<b>1,060,788</b>	<b>972,712</b>	<b>88,076</b>
<b>Risk and Contract Management</b>				
Full time salaries	172,209	172,209	171,156	1,053
Part time salaries	6,000	6,000	1,393	4,607
Employee benefits	72,532	72,532	74,309	(1,777)
Payroll taxes	17,708	17,708	16,925	783
<b>Personal services</b>	<b>268,449</b>	<b>268,449</b>	<b>263,783</b>	<b>4,666</b>
Professional services	1,000	1,000	1,700	(700)
Technical services	11,120	11,120	2,179	8,941
Miscellaneous other services	22,898	22,898	4,256	18,642
Insurance	314,527	314,527	313,257	1,270
Printing and publications	1,300	1,300	165	1,135
Advertising	300	300	103	197
Telecommunications	960	960	690	270
Office supplies	700	700	417	283
Program supplies	5,850	5,850	4,959	891
Dues and memberships	1,695	1,695	665	1,030
Conferences	2,000	2,000	230	1,770
Technical training	5,150	5,150	2,449	2,701
Staff transportation	1,210	1,210	1,005	205
Small furniture and equipment	2,950	2,950	687	2,263
<b>Materials and services</b>	<b>371,660</b>	<b>371,660</b>	<b>332,762</b>	<b>38,898</b>
<b>Total Risk and Contract Management</b>	<b>640,109</b>	<b>640,109</b>	<b>596,545</b>	<b>43,564</b>
<b>Maintenance Operations</b>				
Full time salaries	3,689,311	3,689,311	3,627,193	62,118
Part time salaries	1,729,973	1,729,973	1,626,759	103,214
Employee benefits	1,712,063	1,712,063	1,732,768	(20,705)
Payroll taxes	588,915	588,915	600,232	(11,317)
<b>Personal services</b>	<b>7,720,262</b>	<b>7,720,262</b>	<b>7,586,952</b>	<b>133,310</b>
Instructional services	1,500	1,500	-	1,500
Professional services	10,218	10,218	4,252	5,966
Technical services	81,800	81,800	80,606	1,194
Heat	565,949	565,949	450,845	115,104
Electricity	743,792	743,792	721,531	22,261
Water and sewer	525,089	525,089	670,930	(145,841)
Refuse services	99,136	99,136	109,304	(10,168)
Rental facility	2,000	2,000	425	1,575
Rental equipment	20,983	20,983	13,137	7,846
Maintenance services	423,227	423,227	427,202	(3,975)
Vehicle and equipment services	27,680	27,680	19,927	7,753
Advertising	-	-	50	(50)
Telecommunications	86,376	86,376	80,360	6,016
Office supplies	3,800	3,800	5,100	(1,300)
Program supplies	17,625	17,625	20,752	(3,127)
Maintenance supplies	937,821	937,821	866,979	70,842

**Tualatin Hills Park and Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the fiscal year ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>BUSINESS AND FACILITIES (continued):</b>				
<b>Maintenance Operations (continued)</b>				
Gas & oil (vehicles)	\$ 198,932	\$ 198,932	\$ 196,087	\$ 2,845
Dues and memberships	2,278	2,278	1,368	910
Conferences	3,900	3,900	964	2,936
Technical training	14,611	14,611	11,358	3,253
Staff transportation	11,648	11,648	7,848	3,800
Small furniture and equipment	1,699	1,699	948	751
<b>Materials and services</b>	<u>3,780,064</u>	<u>3,780,064</u>	<u>3,689,973</u>	<u>90,091</u>
Fleet capital replacement	198,900	198,900	192,447	6,453
Fleet capital improvement	32,500	32,500	6,055	26,445
<b>Capital outlay</b>	<u>231,400</u>	<u>231,400</u>	<u>198,502</u>	<u>32,898</u>
<b>Total Maintenance Operations</b>	<u>11,731,726</u>	<u>11,731,726</u>	<u>11,475,427</u>	<u>256,299</u>
<b>Total Business and Facilities</b>	<u>16,420,325</u>	<u>16,420,325</u>	<u>15,771,628</u>	<u>648,697</u>
<b>PLANNING:</b>				
<b>Director of Planning</b>				
Full time salaries	113,387	136,887	113,928	22,959
Part time salaries	230,630	230,630	180,230	50,400
Employee benefits	34,031	38,651	34,979	3,672
Payroll taxes	34,126	36,476	32,537	3,939
<b>Personal services</b>	<u>412,174</u>	<u>442,644</u>	<u>361,674</u>	<u>80,970</u>
Advertising	-	-	225	(225)
Telecommunications	2,500	2,500	2,133	367
Office supplies	200	200	65	135
Program supplies	200	200	424	(224)
Dues and memberships	-	-	-	-
Staff transportation	3,628	3,628	3,240	388
<b>Materials and services</b>	<u>6,528</u>	<u>6,528</u>	<u>6,087</u>	<u>441</u>
<b>Total Director of Planning</b>	<u>418,702</u>	<u>449,172</u>	<u>367,761</u>	<u>81,411</u>
<b>Planning and Development</b>				
Full time salaries	752,297	752,297	707,943	44,354
Employee benefits	294,796	294,796	291,822	2,974
Payroll taxes	74,872	74,872	70,147	4,725
<b>Personal services</b>	<u>1,121,965</u>	<u>1,121,965</u>	<u>1,069,912</u>	<u>52,053</u>
Professional services	77,000	77,000	45,340	31,660
Advertising	-	-	173	(173)
Telecommunications	900	900	825	75
Office supplies	9,000	9,000	4,508	4,492
Program supplies	3,000	3,000	1,002	1,998
Dues and memberships	3,250	3,250	2,708	542
Conferences	3,500	3,500	3,545	(45)
Technical training	1,750	1,750	680	1,070
Staff transportation	6,000	6,000	5,917	83
Small furniture and equipment	1,000	1,000	813	187
<b>Materials and services</b>	<u>105,400</u>	<u>105,400</u>	<u>65,511</u>	<u>39,889</u>
<b>Total Planning and Development</b>	<u>1,227,365</u>	<u>1,227,365</u>	<u>1,135,423</u>	<u>91,942</u>
<b>Total Planning</b>	<u>1,646,067</u>	<u>1,676,537</u>	<u>1,503,184</u>	<u>173,353</u>

**Tualatin Hills Park and Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the fiscal year ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>PARK AND RECREATION SERVICES:</b>				
<b>Director of Park and Recreation</b>				
Full time salaries	\$ 185,012	\$ 185,012	\$ 185,284	\$ (272)
Employee benefits	75,087	75,087	69,260	5,827
Part time salaries	13,200	13,200	14,068	(868)
Payroll taxes	18,239	18,239	18,726	(487)
<b>Personal services</b>	<u>291,538</u>	<u>291,538</u>	<u>287,338</u>	<u>4,200</u>
Professional services	30,500	30,500	28,225	2,275
Fee reductions-family assistance	320,000	320,000	306,809	13,191
Printing and publications	1,000	1,000	236	764
Advertising	-	-	25	(25)
Telecommunications	7,500	7,500	1,569	5,931
Office supplies	8,500	8,500	1,094	7,406
Dues and memberships	-	-	770	(770)
Conferences	13,000	13,000	6,834	6,166
Technical training	2,000	2,000	149	1,851
Staff transportation	3,000	3,000	4,724	(1,724)
<b>Materials and services</b>	<u>385,500</u>	<u>385,500</u>	<u>350,435</u>	<u>35,065</u>
<b>Total Director of Park and Recreation</b>	<u>677,038</u>	<u>677,038</u>	<u>637,773</u>	<u>39,265</u>
<b>Aquatics</b>				
Full time salaries	1,292,712	1,292,712	1,296,163	(3,451)
Part time salaries	1,382,062	1,382,062	1,286,981	95,081
Employee benefits	658,447	658,447	638,280	20,167
Payroll taxes	284,344	284,344	294,663	(10,319)
<b>Personal services</b>	<u>3,617,565</u>	<u>3,617,565</u>	<u>3,516,087</u>	<u>101,478</u>
Telecommunications	3,340	3,340	2,511	829
Office supplies	2,400	2,400	500	1,900
Program supplies	44,359	44,359	37,134	7,225
Dues and memberships	1,320	1,320	976	344
Conferences	8,200	8,200	7,726	474
Technical training	14,658	14,658	2,395	12,263
Staff transportation	2,100	2,100	2,179	(79)
Small furniture and equipment	130	130	1,105	(975)
<b>Materials and services</b>	<u>76,507</u>	<u>76,507</u>	<u>54,526</u>	<u>21,981</u>
<b>Total Aquatics</b>	<u>3,694,072</u>	<u>3,694,072</u>	<u>3,570,613</u>	<u>123,459</u>
<b>Sports</b>				
Full time salaries	476,270	452,770	425,079	27,691
Part time salaries	599,080	599,080	550,165	48,915
Employee benefits	232,336	227,717	212,613	15,104
Payroll taxes	110,994	108,644	109,697	(1,053)
<b>Personal services</b>	<u>1,418,680</u>	<u>1,388,211</u>	<u>1,297,554</u>	<u>90,657</u>
Instructional services	146,455	146,455	119,959	26,496
Rental facility	46,000	46,000	34,852	11,148
Other miscellaneous service	-	-	1,000	(1,000)
Printing and publications	1,200	1,200	-	1,200
Advertising	640	640	319	321
Telecommunications	1,900	1,900	1,560	340
Office supplies	8,112	8,112	5,327	2,785
Program supplies	101,685	101,685	119,141	(17,456)

**Tualatin Hills Park and Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the fiscal year ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>PARK AND RECREATION SERVICES (continued):</b>				
<b>Sports (continued)</b>				
Dues and memberships	\$ 140	\$ 140	\$ 250	\$ (110)
Conferences	2,000	2,000	1,698	302
Staff transportation	1,750	1,750	1,723	27
Small furniture and equipment	1,500	1,500	199	1,301
<b>Materials and services</b>	<u>311,382</u>	<u>311,382</u>	<u>286,028</u>	<u>25,354</u>
<b>Total Sports</b>	<u>1,730,062</u>	<u>1,699,593</u>	<u>1,583,582</u>	<u>116,011</u>
<b>Recreation</b>				
Full time salaries	1,109,644	1,109,644	1,042,927	66,717
Part time salaries	2,344,851	2,344,851	2,158,155	186,696
Employee benefits	567,082	567,082	533,016	34,066
Payroll taxes	353,787	353,787	364,263	(10,476)
<b>Personal services</b>	<u>4,375,364</u>	<u>4,375,364</u>	<u>4,098,361</u>	<u>277,003</u>
Instructional services	16,248	16,248	15,595	653
Rental facility	2,700	2,700	-	2,700
Rental equipment	8,436	8,436	1,759	6,677
Maintenance services	2,247	2,247	1,228	1,019
Printing and publications	3,020	3,020	-	3,020
Advertising	800	800	420	380
Telecommunications	3,300	3,300	2,787	513
Office supplies	31,530	31,530	30,513	1,017
Program supplies	385,527	385,527	282,486	103,041
Dues and memberships	1,260	1,260	1,290	(30)
Conferences	8,000	8,000	5,876	2,124
Technical training	3,812	3,812	493	3,319
Staff transportation	3,348	3,348	3,078	270
Small furniture and equipment	9,700	9,700	5,499	4,201
<b>Materials and services</b>	<u>479,928</u>	<u>479,928</u>	<u>351,024</u>	<u>128,904</u>
<b>Total Recreation</b>	<u>4,855,292</u>	<u>4,855,292</u>	<u>4,449,385</u>	<u>405,907</u>
<b>Programs and Special Activities</b>				
Full time salaries	943,140	917,464	924,818	(7,354)
Part time salaries	975,331	975,331	851,458	123,873
Employee benefits	463,310	455,606	487,507	(31,901)
Payroll taxes	199,171	196,607	198,186	(1,579)
<b>Personal services</b>	<u>2,580,952</u>	<u>2,545,008</u>	<u>2,461,969</u>	<u>83,039</u>
Instructional services	1,420	1,420	-	1,420
Professional services	20,000	20,000	-	20,000
Technical services	111,926	111,926	125,494	(13,568)
Rental facility	2,400	2,400	2,400	-
Rental equipment	5,700	5,700	9,205	(3,505)
Maintenance services	5,085	5,085	3,166	1,919
Miscellaneous other services	-	-	673	(673)
Postage	2,130	2,130	-	2,130
Advertising	6,167	6,167	2,962	3,205
Telecommunications	6,120	6,120	2,576	3,544
Office supplies	19,372	19,372	12,438	6,934
Program supplies	168,050	168,050	135,111	32,939

**Tualatin Hills Park and Recreation District**  
**General Fund**  
**Schedule of Expenditures - Budget to Actual**  
**For the fiscal year ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>PARK AND RECREATION SERVICES (continued):</b>				
<b>Programs and Special Activities (continued)</b>				
Maintenance supplies	\$ 5,227	\$ 5,227	\$ -	\$ 5,227
Dues and memberships	3,000	3,000	1,349	1,651
Conferences	8,200	8,200	7,608	592
Technical training	3,040	3,040	786	2,254
Staff transportation	8,586	8,586	3,239	5,347
Small furniture and equipment	-	-	1,568	(1,568)
<b>Materials and services</b>	<u>376,423</u>	<u>376,423</u>	<u>308,575</u>	<u>67,848</u>
<b>Total Programs and Special Activities</b>	<u>2,957,375</u>	<u>2,921,431</u>	<u>2,770,544</u>	<u>150,887</u>
<b>Natural Resources and Trails</b>				
Full time salaries	656,427	656,427	641,908	14,519
Part time salaries	403,969	403,969	339,959	64,010
Employee benefits	238,015	238,015	252,615	(14,600)
Payroll taxes	113,630	113,630	111,212	2,418
<b>Personal services</b>	<u>1,412,041</u>	<u>1,412,041</u>	<u>1,345,694</u>	<u>66,347</u>
Instructional services	3,861	3,861	3,535	326
Professional services	-	-	375	(375)
Technical services	38,792	38,792	18,450	20,342
Rental equipment	8,610	8,610	8,908	(298)
Maintenance services	5,600	5,600	2,194	3,406
Printing and publications	500	500	-	500
Advertising	500	500	1,023	(523)
Telecommunications	5,558	5,558	3,415	2,143
Office supplies	10,440	10,440	8,995	1,445
Program supplies	46,683	46,682	33,221	13,461
Maintenance supplies	116,770	116,770	17,815	98,955
Dues and memberships	1,200	1,200	864	336
Conferences	4,500	4,500	1,478	3,022
Technical training	3,500	3,500	1,489	2,011
Staff transportation	2,780	2,780	1,814	966
Small furniture and equipment	5,000	5,000	5,220	(220)
<b>Materials and services</b>	<u>254,294</u>	<u>254,293</u>	<u>108,796</u>	<u>145,497</u>
<b>Total Natural Resources and Trails</b>	<u>1,666,335</u>	<u>1,666,334</u>	<u>1,454,490</u>	<u>211,844</u>
<b>Total Park and Recreation Services</b>	<u>15,580,174</u>	<u>15,513,760</u>	<u>14,466,387</u>	<u>1,047,373</u>
<b>CAPITAL OUTLAY:</b>				
Carryforward projects	1,227,010	1,227,010	858,381	368,629
Athletic facility replacement	448,770	448,770	414,696	34,074
Park and trail replacement	369,834	369,834	279,311	90,523
Park and trail improvements	214,500	214,500	132,991	81,509
Building replacement	829,283	829,283	770,510	58,773
Building improvements	4,500	4,500	3,730	770
ADA projects	41,600	41,600	21,973	19,627
Energy savings improvements	169,928	674,736	156,700	518,036
Program facility challenge grants	97,500	97,500	55,451	42,049
<b>Total Capital Outlay</b>	<u>3,402,925</u>	<u>3,907,733</u>	<u>2,693,743</u>	<u>1,213,990</u>
<b>Total General Fund Expenditures</b>	<u>\$ 41,260,460</u>	<u>\$ 41,765,268</u>	<u>\$ 36,348,495</u>	<u>\$ 5,416,773</u>

**Tualatin Hills Park and Recreation District**  
**Bonded Debt Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the fiscal year ended June 30, 2013**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Property taxes	\$ 8,012,544	\$ 8,111,172	\$ 98,628
Interest earned	13,000	39,735	26,735
Total revenues	<u>8,025,544</u>	<u>8,150,907</u>	<u>125,363</u>
Expenditures:			
Debt service	<u>8,123,981</u>	<u>8,123,977</u>	<u>4</u>
Total expenditures	<u>8,123,981</u>	<u>8,123,977</u>	<u>4</u>
Excess (deficiency) of revenues over (under) expenditures and net change in fund balance	<u>(98,437)</u>	<u>26,930</u>	<u>125,367</u>
Fund balance at beginning of year	<u>216,600</u>	<u>413,134</u>	<u>196,534</u>
Fund balance at end of year	<u>\$ 118,163</u>	<u>\$ 440,064</u>	<u>\$ 321,901</u>

**Tualatin Hills Park and Recreation District**  
**Bond Capital Projects Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget to Actual**  
**For the fiscal year ended June 30, 2013**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Grants and contributions	\$ -	\$ 176,000	\$ 176,000
Interest earned	210,000	254,613	44,613
Total revenues	<u>210,000</u>	<u>430,613</u>	<u>220,613</u>
Expenditures:			
Capital outlay	70,373,476	15,827,399	54,546,077
Total expenditures	<u>70,373,476</u>	<u>15,827,399</u>	<u>54,546,077</u>
Excess (deficiency) of revenues over (under) expenditures and net change in fund balance	(70,163,476)	(15,396,786)	54,766,690
Fund balances at beginning of year	<u>70,163,476</u>	<u>67,080,294</u>	<u>(3,083,182)</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 51,683,508</u>	<u>\$ 51,683,508</u>

**Tualatin Hills Park and Recreation District**  
**System Development Charges Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget to Actual**  
**For the fiscal year ended June 30, 2013**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
System development charges	\$ 2,721,804	\$ 2,676,196	\$ (45,608)
Grants and sponsorships	-	418,731	418,731
Interest earned	23,200	17,641	(5,559)
Total revenues	<u>2,745,004</u>	<u>3,112,568</u>	<u>367,564</u>
Expenditures:			
Capital outlay	<u>5,702,797</u>	<u>1,026,731</u>	<u>4,676,066</u>
Total expenditures	<u>5,702,797</u>	<u>1,026,731</u>	<u>4,676,066</u>
Excess (deficiency) of revenues over (under) expenditures and net change in fund balance	(2,957,793)	2,085,837	5,043,630
Fund balances at beginning of year	2,957,793	2,980,817	23,024
Fund balances at end of year	<u>\$ -</u>	<u>\$ 5,066,654</u>	<u>\$ 5,066,654</u>

**Tualatin Hills Park and Recreation District**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2013**

	<u>Special Revenue</u> <u>Mitigation</u> <u>Maintenance</u> <u>Fund</u>	<u>Capital Project</u> <u>Metro</u> <u>Natural Areas</u> <u>Bond Fund</u>	<u>Total</u> <u>Other</u> <u>Governmental</u> <u>Funds</u>
<b>Assets</b>			
Assets:			
Cash and cash equivalents	\$ 183,972	\$ -	\$ 183,972
Total assets	<u>\$ 183,972</u>	<u>\$ -</u>	<u>\$ 183,972</u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 1,901	\$ -	\$ 1,901
Total liabilities	<u>1,901</u>	<u>-</u>	<u>1,901</u>
Fund balances:			
Committed - mitigation maintenance	<u>182,071</u>	<u>-</u>	<u>182,071</u>
Total fund balances	<u>182,071</u>	<u>-</u>	<u>182,071</u>
Total liabilities and fund balances	<u>\$ 183,972</u>	<u>\$ -</u>	<u>\$ 183,972</u>

**Tualatin Hills Park and Recreation District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the fiscal year ended June 30, 2013**

	<u>Special Revenue</u> <u>Mitigation</u> <u>Maintenance</u> <u>Fund</u>	<u>Capital Project</u> <u>Metro</u> <u>Natural Areas</u> <u>Bond Fund</u>	<u>Total</u> <u>Other</u> <u>Governmental</u> <u>Funds</u>
Revenues:			
Capital grants	\$ -	\$ 22,568	\$ 22,568
Interest earned	927	-	927
Total revenues	<u>927</u>	<u>22,568</u>	<u>23,495</u>
Expenditures:			
Materials and services	2,513	-	2,513
Capital outlay	-	22,568	22,568
Total expenditures	<u>2,513</u>	<u>22,568</u>	<u>25,081</u>
Deficiency of revenues under expenditures and net changes in fund balance	(1,586)	-	(1,586)
Fund balances at beginning of year	<u>183,657</u>	<u>-</u>	<u>183,657</u>
Fund balances at end of year	<u>\$ 182,071</u>	<u>\$ -</u>	<u>\$ 182,071</u>

**Tualatin Hills Park and Recreation District**  
**Mitigation Maintenance Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the fiscal year ended June 30, 2013**

---

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
Revenues:			
Interest earned	\$ 700	\$ 927	\$ 227
Total revenues	700	927	227
Expenditures:			
Materials and services	5,000	2,513	2,487
Contingency	179,200	-	179,200
Total expenditures	184,200	2,513	181,687
Excess (deficiency) of revenues over (under) expenditures and net change in fund balance	(183,500)	(1,586)	181,914
Fund balance at beginning of year	183,500	183,657	157
Fund balance at end of year	\$ -	\$ 182,071	\$ 182,071

**Tualatin Hills Park and Recreation District**  
**Metro Natural Areas Bond Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget to Actual**  
**For the fiscal year ended June 30, 2013**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Capital grants	\$ 22,568	\$ 22,568	\$ -
Total revenues	<u>22,568</u>	<u>22,568</u>	<u>-</u>
Expenditures:			
Capital outlay	22,568	22,568	-
Total expenditures	<u>22,568</u>	<u>22,568</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**OTHER  
FINANCIAL  
SCHEDULE**

**Tualatin Hills Park and Recreation District**  
 Schedule of Property Tax Transactions and Outstanding Balances  
 For the fiscal year ended June 30, 2013

	Taxes Uncollected June 30, 2012	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, 2013
2012-2013	\$ -	\$ 34,166,612	\$ (887,924)	\$ 10,546	\$ 47,843	\$ (32,623,087)	\$ 713,990
2011-2012	828,850	-	1,953	27,501	(265,609)	(230,432)	362,263
2010-2011	468,346	-	1,537	25,142	(121,833)	(104,076)	269,116
2009-2010	264,036	-	60	31,526	(3,533)	(131,958)	160,131
2008-2009	37,972	-	10	9,099	(1,157)	(32,424)	13,500
2007-2008	10,525	-	8	1,977	(771)	(5,202)	6,537
Prior Years	19,767	-	-	2,743	(257)	(6,304)	15,949
	<u>\$ 1,629,496</u>	<u>\$ 34,166,612</u>	<u>\$ (884,356)</u>	<u>\$ 108,534</u>	<u>\$ (345,317)</u>	<u>\$ (33,133,483)</u>	<u>\$ 1,541,486</u>
General Fund	\$ 1,236,046						\$ 1,167,475
Debt Service Fund	<u>393,450</u>						<u>374,010</u>
	<u>\$ 1,629,496</u>						<u>\$ 1,541,485</u>



# STATISTICAL SECTION

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

<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>	67
Revenue Capacity <i>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</i>	71
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>	76
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the readers understand the environment within which the District's financial activities take place.</i>	80
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>	82

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

Ten years of data is presented on required tables unless not available from existing sources.

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

	Fiscal Year										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Governmental activities					(as restated)						
Net investment in capital assets	\$ 56,189,179	\$ 62,890,110	\$ 65,083,859	\$ 81,461,139	\$ 86,885,092	\$ 89,588,161	\$ 97,699,300	\$ 102,325,244	\$ 111,753,935	\$ 115,214,103	
Restricted	9,346,441	10,406,433	13,392,572	5,233,264	4,089,447	4,914,904	5,388,324	4,966,711	3,393,951	5,506,718	
Unrestricted	2,884,929	3,008,933	3,380,183	3,965,498	3,577,389	2,826,589	2,681,289	6,419,121	6,270,492	7,578,867	
Total primary government net position	\$ 68,420,549	\$ 76,305,476	\$ 81,856,614	\$ 90,659,901	\$ 94,551,928	\$ 97,329,654	\$ 105,768,913	\$ 113,711,076	\$ 121,418,378	\$ 128,299,688	

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

	Fiscal Year									
	2004	2005	2006	2007	2008 (as restated)	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
Board of Directors	\$ 105,476	\$ 136,597	\$ 170,390	\$ 187,210	\$ 151,139	\$ 252,707	\$ 158,614	\$ 212,527	\$ 229,942	\$ 200,248
Administration	1,082,661	1,339,707	1,189,415	1,148,393	1,620,813	1,435,073	1,510,804	1,603,306	1,678,446	1,717,417
Business and facilities	1,822,421	1,924,598	3,047,589	2,942,845	2,963,834	13,414,199 <sup>1)</sup>	14,022,988	14,061,469	14,337,163	14,917,033
Planning and development	-	-	-	-	-	925,029 <sup>2)</sup>	724,568	571,594	640,871	800,198
Park and recreation services	20,508,872	21,787,823	21,658,035	22,854,097	25,260,805	16,749,941	17,769,469	17,750,967	18,210,409	19,536,037
Interest on long-term debt	1,199,130	1,111,955	1,130,474	1,063,732	935,564	1,117,606	3,032,756	3,106,160	4,085,516	4,124,974
Total governmental activities expenses	\$ 24,718,560	\$ 26,300,680	\$ 27,195,903	\$ 28,196,277	\$ 30,932,155	\$ 33,894,555	\$ 37,219,199	\$ 37,306,023	\$ 39,182,347	\$ 41,295,907
<b>Program Revenues</b>										
Governmental activities:										
Park and recreation services:										
Charges for services	\$ 5,611,020	\$ 6,040,307	\$ 6,381,080	\$ 6,720,311	\$ 7,379,076	\$ 8,158,928	\$ 8,673,796	\$ 9,087,924	\$ 9,622,209	\$ 10,248,497
Operating grants and contributions	47,723	26,653	19,078	35,185	27,599	42,756	143,768	155,727	195,890	173,616
Capital grants and contributions	3,154,087	3,914,526	3,868,580	2,283,436	2,372,111	2,958,270	4,560,810	3,522,996	3,621,810	3,925,320
Total governmental program revenues	\$ 8,812,830	\$ 9,981,486	\$ 10,268,738	\$ 9,038,932	\$ 9,778,786	\$ 11,159,954	\$ 13,378,374	\$ 12,766,647	\$ 13,439,909	\$ 14,347,433
Net(expenditure)/revenue	<u>\$(15,905,730)</u>	<u>\$(16,319,194)</u>	<u>\$(16,927,165)</u>	<u>\$(19,157,345)</u>	<u>\$(21,153,369)</u>	<u>\$(22,734,601)</u>	<u>\$(23,840,825)</u>	<u>\$(24,539,376)</u>	<u>\$(25,742,438)</u>	<u>\$(26,948,474)</u>
Governmental activities										
Total primary government net expense	<u>\$(15,905,730)</u>	<u>\$(16,319,194)</u>	<u>\$(16,927,165)</u>	<u>\$(19,157,345)</u>	<u>\$(21,153,369)</u>	<u>\$(22,734,601)</u>	<u>\$(23,840,825)</u>	<u>\$(24,539,376)</u>	<u>\$(25,742,438)</u>	<u>\$(26,948,474)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 19,373,497	\$ 20,182,058	\$ 21,097,305	\$ 22,162,377	\$ 23,201,119	\$ 24,440,625	\$ 30,576,672	\$ 31,633,996	\$ 32,536,833	\$ 32,998,488
Unrestricted grants and contributions	126,878	181,035	161,784	186,127	232,743	234,137	215,450	197,632	233,515	245,112
Investment earnings	294,270	447,771	935,335	1,059,117	637,812	488,973	793,970	445,603	507,727	447,101
Gain on sale of capital assets	-	5,988	-	-	-	-	-	-	-	-
Miscellaneous	674,976	3,387,269	283,879	4,553,011	1,879,872	348,592	693,992	204,308	171,665	139,083
Total governmental activities	\$ 20,469,621	\$ 24,204,121	\$ 22,478,303	\$ 27,960,632	\$ 25,951,546	\$ 25,512,327	\$ 32,280,084	\$ 32,481,539	\$ 33,449,740	\$ 33,829,784
<b>Change in Net Position</b>										
Governmental activities	\$ 4,563,891	\$ 7,884,927	\$ 5,551,138	\$ 8,803,287	\$ 4,798,177	\$ 2,777,726	\$ 8,439,259	\$ 7,942,163	\$ 7,707,302	\$ 6,881,310
Total primary government	\$ 4,563,891	\$ 7,884,927	\$ 5,551,138	\$ 8,803,287	\$ 4,798,177	\$ 2,777,726	\$ 8,439,259	\$ 7,942,163	\$ 7,707,302	\$ 6,881,310

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

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

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

	2004	2005	2006	2007	2008	2009	2010 (as restated)	2011 (as restated)	2012	2013
General fund										
Reserved	\$ 79,403	\$ 103,878	\$ 120,398	\$ 75,840	\$ 112,826	\$ 116,712	\$ -	\$ -	\$ -	\$ -
Unreserved	2,607,151	2,908,752	3,818,904	4,261,281	4,548,093	4,185,875	-	-	-	-
Nonspendable	-	-	-	-	-	-	131,319	93,642	64,728	211,223
Unassigned	-	-	-	-	-	-	3,717,581	5,302,475	3,773,265	4,895,327
<b>Total general fund</b>	<b>\$ 2,686,554</b>	<b>\$ 3,012,630</b>	<b>\$ 3,939,302</b>	<b>\$ 4,337,121</b>	<b>\$ 4,660,919</b>	<b>\$ 4,302,587</b>	<b>\$ 3,848,900</b>	<b>\$ 5,396,117</b>	<b>\$ 3,837,993</b>	<b>\$ 5,106,550</b>
All other governmental funds										
Reserved, reported in:										
Special revenue fund	\$ -	\$ -	\$ 66,963	\$ 83,943	\$ 161,686	\$ 175,925	\$ -	\$ -	\$ -	\$ -
Debt service fund	540,896	484,716	460,511	418,913	338,212	255,341	-	-	-	-
Capital project funds	9,346,441	10,406,433	12,932,061	4,814,351	3,751,235	62,683,669	-	-	-	-
Restricted, reported in:										
Debt service fund	-	-	-	-	-	-	189,152	303,177	413,134	440,064
Capital project funds	-	-	-	-	-	-	59,866,624	43,383,093	70,061,111	56,750,162
Committed, reported in:										
Special revenue fund	-	-	-	-	-	-	182,010	182,820	183,657	182,071
<b>Total all other governmental funds</b>	<b>\$ 9,887,337</b>	<b>\$ 10,891,149</b>	<b>\$ 13,459,535</b>	<b>\$ 5,317,207</b>	<b>\$ 4,251,133</b>	<b>\$ 63,114,935</b>	<b>\$ 60,237,786</b>	<b>\$ 43,869,090</b>	<b>\$ 70,657,902</b>	<b>\$ 57,372,297</b>

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Property taxes	\$19,387,604	\$20,297,846	\$21,124,084	\$22,095,939	\$23,064,951	\$24,227,511	\$30,429,777	\$31,656,648	\$32,122,160	\$33,076,378
Aquatic programs	2,446,928	2,679,791	2,787,489	2,820,884	2,070,276	2,236,943	2,438,104	2,542,840	2,604,415	2,680,571
Tennis center	543,968	582,343	594,451	630,856	779,947	798,424	867,529	869,498	853,427	881,620
Sports programs	696,659	644,289	648,302	676,849	756,520	991,443	1,123,287	1,233,700	1,287,406	1,338,838
Recreation programs	1,881,185	2,102,083	2,321,238	2,571,571	3,824,758	4,192,324	4,307,171	4,555,062	4,770,489	5,295,594
Grants and sponsorships	485,538	354,688	892,183	221,312	857,212	950,096	1,906,063	1,441,320	1,742,561	1,608,261
System development charges	2,843,150	3,767,526	3,165,261	2,283,436	1,775,241	1,406,672	2,370,160	1,939,855	1,897,759	2,676,196
Interest earned	294,270	442,698	924,540	1,074,988	632,735	488,973	793,970	445,603	507,727	447,101
Charges for services	-	-	-	-	-	-	553,515	712,478	799,091	689,931
Miscellaneous	204,176	181,759	210,989	267,646	342,161	378,292	710,592	192,203	278,137	190,957
<b>Total revenues</b>	<b>28,783,478</b>	<b>31,053,023</b>	<b>32,668,537</b>	<b>32,643,481</b>	<b>34,103,801</b>	<b>35,670,678</b>	<b>45,500,168</b>	<b>45,589,207</b>	<b>46,863,172</b>	<b>48,885,447</b>
<b>Expenditures</b>										
Board of Directors	\$ 105,476	\$ 136,597	\$ 170,390	\$ 187,210	\$ 151,139	\$ 252,707	\$ 158,614	\$ 212,527	\$ 229,942	\$ 200,248
Administration	924,767	1,143,146	1,236,566	1,141,833	1,599,223	1,449,070	1,547,895	1,590,784	1,675,574	1,713,305
Business and facilities	1,822,992	1,929,548	2,612,192	2,529,507	2,643,563	12,970,222 <sup>1)</sup>	13,836,899	13,796,771	14,018,655	14,590,241
Planning and development	-	-	-	-	-	907,994 <sup>2)</sup>	1,250,838	1,282,382	1,430,176	1,503,184
Park and recreation services	18,408,515	19,300,473	19,368,313	20,710,852	22,205,573	13,199,722	14,341,740	14,201,551	13,996,776	14,476,812
Capital outlay	3,318,043	4,943,286	2,823,615	12,772,256	5,334,604	4,471,549	9,619,570	28,607,214	22,534,645	19,924,569
Debt service										
Principal	1,493,910	1,672,785	1,782,000	1,880,000	1,958,000	2,061,000	4,790,000	5,695,000	5,100,000	4,605,000
Interest	1,268,879	1,180,270	1,196,923	1,127,798	990,961	1,345,100	3,285,448	3,298,121	4,566,274	4,346,236
<b>Total expenditures</b>	<b>27,342,582</b>	<b>30,306,105</b>	<b>29,189,999</b>	<b>40,349,456</b>	<b>34,883,063</b>	<b>36,657,364</b>	<b>48,831,004</b>	<b>68,684,350</b>	<b>63,552,042</b>	<b>61,359,595</b>
Excess of revenues over (under) expenditures	1,440,896	746,918	3,478,538	(7,705,975)	(779,262)	(986,686)	(3,330,836)	(23,095,143)	(16,688,870)	(12,474,148)
<b>Other financing sources (uses)</b>										
Debt issuance	600,000	340,000	-	2,515,383	-	58,505,000	-	9,510,000	40,060,000	-
Premiums on bonds issued	-	-	-	-	-	492,215	-	22,166	1,859,558	-
Sale of capital assets	-	358,495	-	-	-	494,941	-	-	-	-
Payment of refunded debt	-	(140,000)	-	(2,509,360)	-	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-	-	-	-	457,100
<b>Total other financing sources (uses)</b>	<b>600,000</b>	<b>558,495</b>	<b>-</b>	<b>6,023</b>	<b>-</b>	<b>59,492,156</b>	<b>-</b>	<b>9,532,166</b>	<b>41,919,558</b>	<b>457,100</b>
<b>Net change in fund balances</b>	<b>\$ 2,040,896</b>	<b>\$ 1,305,413</b>	<b>\$ 3,478,538</b>	<b>\$ (7,699,952)</b>	<b>\$ (779,262)</b>	<b>\$58,505,470</b>	<b>\$ (3,330,836)</b>	<b>\$ (13,562,977)</b>	<b>\$ 25,230,688</b>	<b>\$ (12,017,048)</b>
Debt service as a percentage of noncapital expenditures	12.8%	12.3%	12.5%	12.1%	9.9%	10.4%	20.5%	22.4%	23.3%	21.2%

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

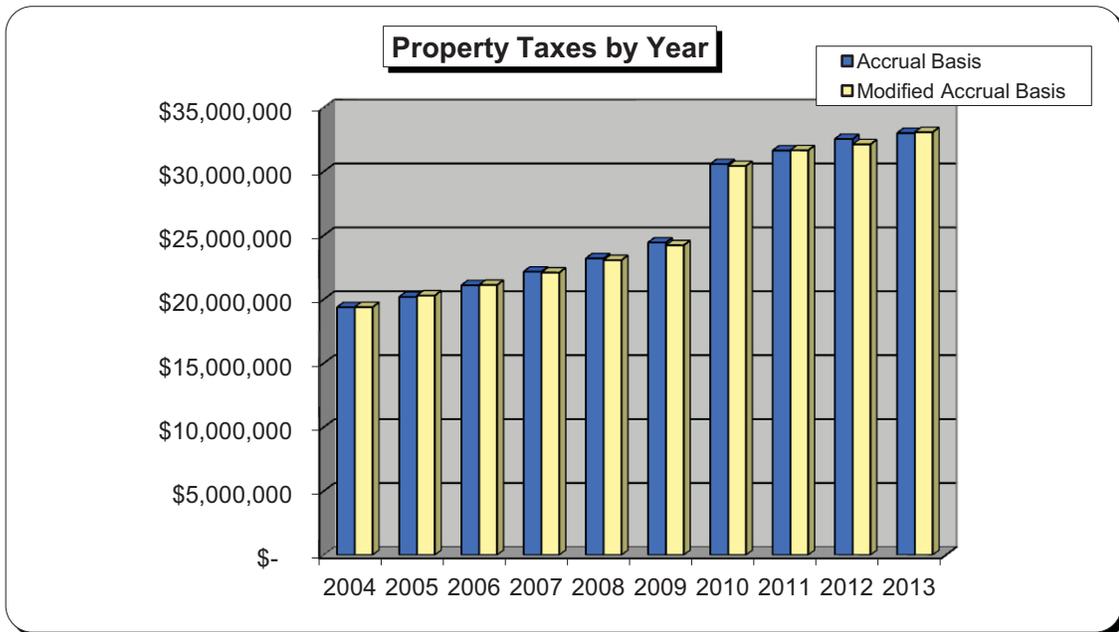
<sup>2)</sup> In FY 2009 the Planning department was moved from Business and facilities to its own division of Planning and development.

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

<u>Fiscal Year</u>	<u>Property Tax</u>
2004	\$ 19,373,497
2005	20,182,058
2006	21,097,305
2007	22,162,377
2008	23,201,119
2009	24,440,625
2010	30,576,672
2011	31,633,996
2012	32,536,833
2013	32,998,488

**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<u>Fiscal Year</u>	<u>Property Tax</u>
2004	\$ 19,387,604
2005	20,297,846
2006	21,124,084
2007	22,095,939
2008	23,064,951
2009	24,227,511
2010	30,429,777
2011	31,656,648
2012	32,122,160
2013	33,076,378



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

Fiscal Year Ended June 30	Real Property			Personal Property			Public Utilities			Total			Assessed Value as a Percentage of Market Value	Direct Tax Rate per \$1,000
	Market Value	Assessed Value	Market Value	Market Value	Assessed Value	Market Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value		
2004	\$ 17,331,674,917	\$ 12,643,746,560	\$ 623,322,326	\$ 401,969,062	\$ 401,855,424	\$ 18,356,966,305	\$ 13,667,560,758	74.45%	1.4636					
2005	18,295,984,830	13,278,625,970	599,475,083	402,148,468	401,939,489	19,297,608,381	14,278,369,342	73.99%	1.4551					
2006	20,177,301,764	13,987,126,670	571,487,358	397,350,279	396,980,470	21,146,139,401	14,953,830,912	70.72%	1.4505					
2007	25,189,449,597	14,767,708,060	571,413,816	401,502,509	399,247,240	26,162,365,922	15,736,704,516	60.15%	1.4425					
2008	27,801,627,008	15,557,016,280	607,128,846	409,574,071	404,696,250	28,818,329,925	16,566,836,666	57.49%	1.4341					
2009	28,690,818,930	16,428,933,960	646,678,370	488,253,163	487,065,660	29,825,750,463	17,560,613,430	58.88%	1.4291					
2010	26,842,700,370	17,044,511,490	584,058,386	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	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	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	624,892,048	559,899,100	24,849,574,494	19,751,769,226	79.49%	1.7298					

Source: Washington County, Department of Assessment and Taxation

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Direct Government:</b>										
Tualatin Hills Park and Recreation District	1.4636	1.4551	1.4505	1.4425	1.4341	1.4291	1.7343	1.7428	1.7372	1.7298
<b>Overlapping Government:</b>										
Washington County	2.8953	2.8731	2.8395	2.4493	3.0331	2.9840	2.9840	2.9798	2.9744	2.9670
Washington County - Enhanced Patrol	1.1650	1.1424	1.1300	1.1120	1.0920	1.3099	1.2823	1.2660	1.2477	1.2285
Washington County - Road Maintenance	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456
Washington County - RFPD #2	1.1219	1.1219	1.1219	1.1219	1.6919	1.7890	1.6919	1.6919	1.6919	1.6919
Washington County -North Bethany SD	-	-	-	-	-	-	-	-	1.2500	1.2500
Northwest Regional ESD	0.1538	0.1538	0.1538	0.1538	0.1538	0.1538	0.1538	0.1538	0.1538	0.1536
Multnomah ESD	0.4576	0.4576	0.4576	0.4576	0.4576	0.4576	0.4576	0.4576	0.4134	0.4576
Portland Community College	0.5118	0.5099	0.4950	0.4889	0.5051	0.5031	0.6325	0.6359	0.5981	0.6646
School District No. 48, Beaverton	8.0102	6.5968	7.9760	6.2900	6.7358	6.5643	6.8793	6.7841	6.8603	6.7749
School District No. 1J, Hillsboro	6.6651	6.7059	6.5835	6.5240	8.0581	7.1016	7.4600	7.5846	7.4663	7.4881
School District No. 1-1, Portland	7.1160	7.1792	4.7743	5.2781	6.5281	6.5281	6.5281	6.5281	6.5166	7.2681
School District - Hillsboro, Reedville Bonds	0.2985	0.3327	0.2556	0.2268	0.2493	0.2617	0.4102	-	-	-
School District - Wolf Creek	0.1439	0.0566	-	-	-	-	-	-	-	-
Tualatin Valley Water District - Metzger	0.2214	0.1335	-	-	-	-	-	-	-	-
Tualatin Valley Water District - Metzger	1.8265	1.8259	1.8216	1.8194	1.8692	1.8434	1.8947	1.8828	1.9302	1.9145
Port of Portland	0.0701	0.0701	0.0701	0.0701	0.0701	0.0701	0.0701	0.0701	0.0701	0.0701
City of Beaverton	3.9736	4.1041	4.0135	4.2117	4.1841	4.1153	4.1986	4.2034	4.1791	4.2350
Urban Renewal - Beaverton	-	-	-	-	-	-	-	-	-	0.0113
City of Hillsboro	4.7665	4.7665	4.7655	4.7665	4.7665	5.3865	5.3865	5.3865	5.3827	5.3815
Urban Renewal - Hillsboro	-	-	-	-	-	-	-	-	0.0141	0.0187
City of Portland	7.7258	7.4957	7.3741	7.2395	7.2779	6.7554	7.0862	7.0527	6.9497	7.0558
Urban Renewal - Portland	0.9233	0.9324	0.9867	1.0022	1.0502	1.0508	1.1624	1.1722	1.1314	1.1529
Metro Service District	0.2900	0.2838	0.2841	0.2782	0.4292	0.3984	0.4368	0.4088	0.3154	0.4043
TriMet	0.1080	0.1104	0.1191	0.0973	0.0856	0.0803	0.0863	0.0878	0.0583	-

Rate per \$1,000 of assessed valuation

Source: Washington County, Department of Assessment and Taxation

**Tualatin Hills Park and Recreation District**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**June 30, 2013**

<b>2013</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Nike, Inc.	\$386,162,519	1	1.96%
Portland General Electric	139,599,620	2	0.71%
Comcast Corporation	132,852,200	3	0.67%
PS Business Parks LP	112,151,006	4	0.57%
Frontier Communications	100,298,000	5	0.51%
Northwest Natural Gas Co.	105,845,500	6	0.54%
Maxim Integrated Products, Inc.	108,396,540	7	0.51%
Beaverton LLC	100,648,820	8	0.67%
Bernard Properties Partnership	58,656,390	9	0.30%
Nimbus Center LLC	58,015,753	10	0.29%
All other tax payers	18,449,142,878		93.27%
<b>Totals</b>	<b>\$19,751,769,226</b>		<b>100.00%</b>

Source: Washington County, Department of Assessment and Taxation  
(information not available for FY 2004)

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

---

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 20,039,878	\$ 18,939,817	94.5%	\$ 514,022	\$ 19,453,839	97.1%
2005	20,804,534	19,749,164	94.9%	441,170	20,190,334	97.0%
2006	21,736,219	20,672,358	95.1%	422,175	21,094,533	97.0%
2007	22,775,894	21,687,609	95.2%	480,035	22,167,644	97.3%
2008	23,818,049	22,614,565	94.9%	446,262	23,060,827	96.8%
2009	25,095,569	23,896,079	95.2%	787,543	24,683,622	98.4%
2010	31,527,965	29,768,038	94.4%	781,683	30,549,721	96.9%
2011	32,641,290	30,901,476	94.7%	412,599	31,314,075	95.9%
2012	33,334,482	31,713,114	95.1%	230,432	31,943,546	95.8%
2013	34,166,612	32,623,087	95.5%	-	32,623,087	95.5%

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

---

Governmental Activities

---

Fiscal Year	General Obligation Bonds	Full Faith & Credit Obligations	Loans Payable	Total Primary Government	Percentage of Personal Income <sup>a)</sup>	Per Capita <sup>b)</sup>
2004	\$ 17,830,000	\$ 3,850,000	\$ 763,776	\$ 22,443,776	0.138%	\$ 106.98
2005	16,605,000	3,540,000	826,000	20,971,000	0.124%	98.42
2006	15,310,000	3,210,000	669,000	19,189,000	0.103%	88.54
2007	13,935,000	2,935,000	509,000	17,379,000	0.087%	78.84
2008	12,495,000	2,580,000	346,000	15,421,000	0.072%	68.78
2009	69,490,000	2,195,000	180,000	71,865,000	0.339%	315.16
2010	65,155,000	1,780,000	140,000	67,075,000	0.311%	289.21
2011	60,095,000	10,695,000	100,000	70,890,000	0.308%	312.62
2012	95,780,000	10,010,000	60,000	105,850,000	n/a	461.25
2013	91,415,000	9,810,000	477,100	101,702,100	n/a	437.92

n/a - not available at time of printing

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

<sup>b)</sup> based on estimated population of District

Source: State of Oregon, OLMIS

Portland State University Center for Population Research and Census

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

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

---

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita <sup>a)</sup>
2004	\$ 17,830,000	\$ 540,896	\$ 17,289,104	0.13%	\$ 82.41
2005	16,605,000	484,716	16,120,284	0.11%	75.66
2006	15,310,000	460,511	14,849,489	0.10%	68.52
2007	13,935,000	418,913	13,516,087	0.09%	61.32
2008	12,495,000	338,212	12,156,788	0.07%	54.22
2009	69,490,000	255,341	69,234,659	0.39%	303.63
2010	65,155,000	189,152	64,965,848	0.36%	280.12
2011	60,095,000	303,177	59,791,823	0.32%	263.67
2012	95,780,000	413,134	95,366,866	0.50%	415.57
2013	91,415,000	440,064	90,974,936	0.46%	391.73

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

Source: Portland State University Center for Population Research and Census

**Tualatin Hills Park and Recreation District**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**June 30, 2013**

<u>Overlapping Government</u>	<u>Overlapping Debt</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Overlapping Net Direct Debt</u>
Debt repaid with property taxes:			
Tualatin Hills Park and Recreation District	\$ 93,313,622	100.00%	\$ 93,313,622
Direct debt	<u>93,313,622</u>		<u>93,313,622</u>
Metro	\$ 248,275,000	13.43%	\$ 33,337,622
Portland Community College	176,450,000	16.73%	29,515,497
City of Portland	125,555,000	0.01%	8,287
City of Hillsboro	36,330,000	0.27%	98,491
Washington County	26,765,000	40.15%	10,745,585
Tualatin Valley Fire and Rescue District	45,050,000	45.01%	20,276,780
School District No. 23, Tigard-Tualatin	122,453,239	0.04%	48,247
School District No. 48, Beaverton	450,175,000	81.22%	365,642,939
School District No. 1J, Hillsboro	297,468,096	3.31%	9,855,118
School District No. 1J, Portland	587,997,948	0.42%	2,491,347
Overlapping debt	<u>2,116,519,283</u>		<u>472,019,913</u>
Other Debt:			
Tualatin Hills Park and Recreation District	\$ 10,328,304	100.00%	\$ 10,328,304
Direct debt	<u>10,328,304</u>		<u>10,328,304</u>
Metro	\$ 34,570,000	13.43%	\$ 4,641,956
Portland Community College	339,660,000	16.73%	56,816,287
City of Portland	542,549,030	0.01%	35,808
City of Hillsboro	12,330,000	0.27%	33,426
Washington County	76,485,000	40.15%	30,707,122
Tualatin Valley Fire and Rescue District	14,000,000	45.01%	6,301,330
Northwest Regional ESD	5,490,000	30.66%	1,683,250
Multnomah ESD	33,780,000	0.31%	105,427
Port of Portland	68,077,306	12.31%	8,376,913
City of Beaverton	8,205,000	99.07%	8,128,800
Overlapping debt	<u>1,135,146,336</u>		<u>116,830,319</u>
Total direct and overlapping debt	<u>\$ 3,355,307,545</u>		<u>\$ 692,492,158</u>

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

Source: Oregon State Treasury, Municipal Debt Information System

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 458,924,158	\$ 482,440,210	\$ 528,653,485	\$ 654,059,148	\$ 720,458,248	\$ 745,643,762	\$ 699,235,942	\$ 663,869,866	\$ 631,814,057	\$ 621,239,362
Total net debt application to limit	17,830,000	16,605,000	15,310,000	13,935,000	12,495,000	69,490,000	65,155,000	60,095,000	95,780,000	91,415,000
Legal debt margin	\$ 441,094,158	\$ 465,835,210	\$ 513,343,485	\$ 640,124,148	\$ 707,963,248	\$ 676,153,762	\$ 634,080,942	\$ 603,774,866	\$ 536,034,057	\$ 529,824,362

Total net debt applicable to the limit as a percentage of debt limit

	3.89%	3.44%	2.90%	2.13%	1.73%	9.32%	9.32%	9.05%	15.16%	14.71%
--	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------

**Legal Debt Margin Calculation for Fiscal Year 2013**

Real market value (2012/13)	\$ 24,849,574,494
General obligation debt capacity (2.5% of Real market value)	621,239,362
Less: Outstanding debt	91,415,000
Remaining legal debt capacity	\$ 529,824,362

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

---

**Washington County**

---

Fiscal Year	District Population (estimated)	Population (estimated) <sup>a)</sup>	Personal Income (amounts expressed in thousands) <sup>b)</sup>	Per Capita Personal Income <sup>b)</sup>	Unemployment Rate <sup>c)</sup>	School Enrollment <sup>d)</sup>
2004	209,800	480,200	\$16,366,000	\$33,546	7.3%	35,329
2005	213,073	489,785	17,338,000	34,626	6.2%	36,502
2006	216,717	500,585	18,607,666	36,259	5.3%	36,646
2007	220,422	511,075	19,945,179	38,371	4.8%	37,958
2008	224,192	519,925	21,185,612	40,188	4.9%	37,552
2009	228,025	527,140	21,205,286	39,465	10.1%	37,536
2010	223,837	529,710	21,586,715	40,606	10.6%	38,460
2011	226,764	540,410	23,042,656	42,639	7.8%	38,571
2012	229,486	547,672	n/a	n/a	6.9%	39,054
2013	232,240	n/a	n/a	n/a	6.4%	38,775

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

n/a data not available at time of printing

**Tualatin Hills Park and Recreation District**  
**MAJOR EMPLOYMENT INDUSTRIES IN WASHINGTON COUNTY**  
**June 30, 2013**

Industry	2013		2004	
	Annual Average	Percentage of Total County Employment	Annual Average	Percentage of Total County Employment
Mining and logging	300	0.1%	400	0.2%
Construction	12,500	5.0%	13,200	5.9%
Manufacturing:				
Computer and electronic products	27,000		26,400	
Other durable goods	11,900		12,800	
Non-durable goods	5,300		6,400	
	<u>44,200</u>	17.7%	<u>45,600</u>	20.2%
Trade, transportation and utilities:				
Wholesale trade	17,600		16,500	
Retail trade	28,500		26,700	
Transportation, warehousing and utilities	3,800		4,200	
	<u>49,900</u>	19.9%	<u>47,400</u>	21.0%
Information	7,900	3.2%	6,700	3.0%
Financial activities	15,300	6.1%	14,700	6.5%
Professional and business services:				
Professional and technical services	12,600		9,400	
Management of companies and enterprises	4,700		4,200	
Administrative and waste services	21,500		17,100	
	<u>38,800</u>	15.5%	<u>30,700</u>	13.6%
Educational and health services	30,600	12.2%	22,100	9.8%
Leisure and hospitality	20,700	8.3%	17,900	7.9%
Other services	7,500	3.0%	7,200	3.2%
Government:				
Federal government	700		800	
State government	2,800		2,500	
Local government	7,600		6,800	
Local education	11,400		9,600	
	<u>22,500</u>	9.0%	<u>19,700</u>	8.7%
Total non-farm employment	<u>250,200</u>	<u>100.0%</u>	<u>225,600</u>	<u>100.0%</u>

\* Fiscal Year 2013 information includes data through 12/31/2012

Source: OLMIS

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Function</b>										
Administration										
Administration	4	6	6	6	6	2	2	2	2	2
Communications and outreach	2	2	2	2	5	6	7	6	6	6
Security operations	1	3	3	3	4	4	4	4	4	4
Business and facilities										
Director	2	2	3	3	1	4	4	4	4	4
Finance services	6	6	6	6	6	6	6	7	7	7
Information services	4	4	4	5	5	5	5	5	5	5
Human resources	1	1	1	1	2	3	3	3	3	3
Risk and contract management	4	4	4	4	2	2	2	2	2	2
Maintenance										
Operations	3	3	4	4	4	3	3	3	3	5
Park maintenance	35	36	38	44	44	45	46	46	46	43
Vehicles and equipment	6	6	6	6	6	6	6	6	6	6
Athletic facilities	17	17	17	17	21	23	23	23	23	25
Building and pool maintenance	41	43	43	44	44	49	48	49	49	50
Planning										
Director	-	-	-	-	-	1	2	2	2	3
Planning and development	6	6	6	6	6	6	6	10	10	11
Park and recreation										
Director	3	3	3	3	2	2	3	3	3	3
Aquatics	72	77	78	78	81	80	81	81	73	74
Sports	29	29	31	29	31	31	33	32	31	31
Programs and special activities	38	38	38	38	40	41	42	42	41	42
Recreation	91	91	92	93	97	104	107	106	105	102
Natural resources and trails	11	12	13	13	14	17	21	24	23	25
Total full-time equivalent employees	<u>376</u>	<u>389</u>	<u>398</u>	<u>405</u>	<u>421</u>	<u>440</u>	<u>454</u>	<u>460</u>	<u>448</u>	<u>453</u>

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

	2004 actual	2005 actual	2006 actual	2007 actual	2008 actual	2009 actual	2010 actual	2011 actual	2012 actual	2013 estimate
<b>Parks and Recreation</b>										
<b>Cultural and recreational activities:</b>										
Aquatics										
Attendance at open/drop-in programs and classes	530,601	560,172	556,976	531,225	577,934	603,018	589,522	563,160	621,093	623,708
Number of classes held	4,625	4,551	5,326	5,019	4,722	5,452	5,421	5,740	5,123	4,987
Sports <sup>1)</sup>										
Attendance at open/drop-in programs and classes	n/a	n/a	690,838	814,653	700,000	697,335	654,533	710,364	679,600	670,000
Number of classes held	434	471	522	521	512	521	395	583	700	705
Recreation										
Attendance at open/drop-in programs and classes	712,733	764,689	716,205	731,157	740,206	870,704	924,770	947,841	944,324	987,722
Number of classes held	4,921	6,387	4,377	4,556	4,802	4,896	4,869	4,794	3,972	4,010
Programs and special activities										
Attendance at open/drop-in programs and classes	294,532	317,539	334,601	338,275	342,314	354,960	374,644	375,255	284,232	284,820
Number of classes held	1,162	1,287	1,361	1,366	1,185	1,349	1,547	1,798	1,954	1,602
Natural Resources and trails										
Attendance at open/drop-in programs and classes	144,317	177,451	241,329	249,159	195,018	136,960	188,450	171,449	180,704	181,000
Number of classes held	187	239	263	278	293	338	545	580	643	590
<b>Maintenance activities:</b>										
Buildings maintained (shown per 1,000 sq. ft.)	326	326	326	326	355	366	368	368	450	461
Cost per sq. ft. of buildings	\$6.15	\$6.51	\$7.22	\$7.66	\$6.21	\$7.28	\$7.17	\$8.20	\$6.30	\$6.31
Pool facilities maintained (shown per 1,000 sq. ft.)	152	152	152	152	152	152	152	152	117	117
Cost per sq. ft. of pools	\$9.34	\$9.18	\$10.42	\$11.42	\$14.71	\$12.03	\$15.87	\$12.57	\$17.01	\$17.05
Parks maintained - developed acres	915	1,028	1,028	1,041	1,076	1,076	1,071	1,083	1,026	1,029
Cost per developed acre	\$2,586.00	\$2,290.00	\$2,290.00	\$2,523.00	\$2,560.00	\$2,638.00	\$2,796.00	\$2,765.00	\$2,879.00	\$2,835.00
Parks maintained - undeveloped acres	851	749	749	848	859	867	1,077	900	1,186	1,233
Cost per undeveloped acre	\$146.00	\$165.00	\$165.00	\$163.00	\$169.00	\$172.00	\$146.00	\$175.00	\$131.00	\$125.00
Vehicle and equipment units maintained	332	340	354	389	413	427	434	436	436	472
Cost per vehicle and equipment unit	\$1,901.00	\$1,853.00	\$1,768.00	\$1,800.00	\$1,752.00	\$1,870.00	\$1,860.00	\$1,937.00	\$1,990.00	\$1,843.00

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

**Tualatin Hills Park and Recreation District**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**June 30, 2013**

---

**Parks and Recreation:**

Number of parks	285
Park acreage:	
Developed sites (neighborhood, community and regional parks)	1,060
Undeveloped sites (wetlands and natural areas)	1,229
Pathways and trails mileage	45
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	14
Outdoor <sup>1)</sup>	101
Basketball:	
Indoor	6
Outdoor <sup>1)</sup>	51
Volleyball <sup>1)</sup>	5
Sports fields: <sup>1)</sup>	
Soccer/football/lacrosse	155
Softball/baseball	108
Bocce	3
Hockey	1
Indoor running track	1
Skate park	2

<sup>1)</sup> these facilities are maintained either through direct ownership or joint use agreement

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



Talbot, Korvola  
& Warwick, LLP

Certified Public Accountants  
& Consultants

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

P 503.274.2849  
F 503.274.2853

www.tkw.com

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

November 25, 2013

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Tualatin Hills Park and Recreation District (the District), as of and for the year ended June 30, 2013, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 21, 2013.

### **COMPLIANCE**

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

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

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

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

Page 2

**COMPLIANCE (Continued)**

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

**OAR 162-10-230 INTERNAL CONTROL**

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

**RESTRICTIONS ON USE**

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

*Talbot, Korvola & Warwick, LLP*

Certified Public Accountants