

Tualatin Hills Park & Recreation District Beaverton, Oregon



**Comprehensive Annual Financial Report
For the Year Ended June 30, 2020**

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

Comprehensive Annual Financial Report

For the year ended June 30, 2020



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

**Tualatin Hills
Park & Recreation District
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Introductory Section







December 4, 2020

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

In accordance with state statutes, the Comprehensive Annual Financial Report (CAFR) of the Tualatin Hills Park & Recreation District (district) for the fiscal year ended June 30, 2020 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain the maximum understanding of the district's financial activities have been included.

In developing and evaluating the district's accounting system, consideration is given to the adequacy of the internal accounting controls. Because the cost of internal controls should not outweigh their benefits, the district's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. Within this framework, management believes that the district's transactions are properly recorded, and the financial report is complete and reliable in all material respects.

As required by Oregon Revised Statutes Chapter 297, "the Municipal Audit Law", an independent audit must be conducted annually. Accordingly, the board of directors appointed the firm of Talbot, Korvola & Warwick, LLP to complete the audit of the district's records.

Talbot, Korvola & Warwick, LLP has issued an unmodified opinion on the district's financial statements for the year ended June 30, 2020. The independent auditor's report is located at the front of the financial section of this report. Immediately following, the reader will find Management's Discussion and Analysis (MD&A) that provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The Tualatin Hills Park & Recreation District is a special service district formed in 1955, operating under Oregon Revised Statutes Chapter 266 as a separate municipal corporation. The district is governed by a five member board of directors, elected to four-year terms of office, with daily operations administered by a general manager. The district provides year-round park and recreation services to a diverse population of approximately 250,000 residents within 50 square miles of east Washington County, Oregon, including the City of Beaverton.

- District facilities include: five indoor and two outdoor swim centers; a combined recreation/aquatic center; two recreation centers; an athletic center with six indoor multi-purpose athletic courts and a running track; a senior center; historic sites (Jenkins Estate, Fanno Farmhouse and John Quincy Adams Young House); a 220-acre Nature Park and Interpretive Center; the Cooper Mountain Nature Park and Interpretive Center; a tennis center with six indoor and eight outdoor courts (covered by two air structures for fall and winter season usage); and a camp for developmentally disabled youth.
- The district maintains, either through direct ownership or joint use agreement (including school sites): 52 outdoor basketball pads; 108 outdoor tennis courts; six indoor tennis courts; 147

soccer/football/lacrosse fields; 99 softball/baseball fields; three skate parks; four bocce courts; six volleyball courts; six long/high jump courts; and an outdoor hockey rink.

- The district has 305 park and recreation facility sites totaling approximately 2,495 acres, consisting of 1,371 acres of wetland/natural areas, and 1,124 acres of developed sites, including neighborhood, community and regional parks. District sites include three lakes, 27 miles of stream corridor, and 52 miles of off-street pathways.
- District programs include: aquatics instruction, leagues and drop-in programs; youth and adult sports leagues and fitness programs; youth and adult general and specialized recreation programs; youth after-school and day camps; senior fitness and recreation programs; developmentally disabled and special needs recreation programs; and natural resource education programs.

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

Factors Affecting Financial Conditions

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

Local economy – due to Ballot Measure 50, passed by voters in May 1997, the district has a permanent tax rate of \$1.3073 per \$1,000 of assessed value. An annual 3.0 percent increase is allowed on maximum assessed valuation of existing properties, along with increases due to new construction, land partitions, zoning changes, etc. The district was able to maintain a stable revenue base throughout the last recession. Over the past several years the district experienced significant revenue growth from System Development Charge (SDC) fees due to increased construction within the district boundaries and a fee increase in fiscal year 2015/16 based on updated methodology. However, in fiscal year 2018/19, fees decreased by 30.8 percent compared to the previous year, as a result of timing of new construction projects subject to SDC fees. In fiscal year 2019/20, SDC fees increased by 49.6 percent compared to the previous year, as a result of increases in new construction projects subject to SDC fees. SDC revenues are statutorily restricted to use for purchase or construction of new, or expansion of existing, facilities, improvements and land within the district, and do not fund district operations.

Because the district's 2020 assessed value is only 56.0 percent of market value, there is an inherent cushion in property tax collections on most properties. Fiscal year 2019/20 resulted in a growth of 4.6 percent in current year general fund property taxes over fiscal year 2018/19, consisting of approximately 3.0 percent approved valuation increase on existing properties, and 1.6 percent exception based growth (growth due to new development). Timing of collections on prior year property taxes resulted in a decrease of 0.7 percent in revenues for the fiscal year, due to a large settlement of prior year property taxes that occurred in fiscal year 2018/19. Property values are continuing to increase, and combined with three new urban expansion areas within the boundaries, the district is projecting growth in property taxes for fiscal year 2020/21 of 4.5 percent.

Beginning in March 2020, Washington County, the second most populous county in Oregon, experienced significant impacts to job growth and unemployment, as a result of state mandated stay at home orders, in response to the COVID-19 pandemic. County jobs declined 0.3 percent compared to the previous year. The following job categories showed a decline in jobs: manufacturing, leisure & hospitality, other services and government. The remaining job categories remained level or showed an increase, with a total net decrease of 983 jobs on an annual average basis. Furthermore, the county's unemployment rate as of June 2020 was 10.4 percent, compared to unemployment in June 2019 of 3.4 percent (seasonally adjusted). County unemployment was a lower rate than the state (11.6 percent) and national rates (11.1 percent).

The district also experienced operational impacts due to the health emergency resulting from the COVID-19 pandemic, as all district facilities and programs were closed, under order of the Oregon governor, from March 23, 2020 through the end of the fiscal year. The district lost an estimated \$4.5 million in program revenues during that time period, and is continuing to evaluate the impact of the closure. The district responded by implementing cost reductions, including layoff of nearly 800 part-time and seasonal employees, and 24 full-time employees, as well as furlough of 39 employees from May 15 through and beyond the end of the fiscal year.

In planning for fiscal year 2020/21, the district adopted a budget that reflects regular operations. Given that the pandemic situation was changing on a daily basis, and outcomes were not known during the budget process, the district determined that the best approach in the budget process was to adopt a regular budget, while continuing to monitor the situation and plan for possible contingencies. The district plans to continue monitoring the situation and manage operations to reflect any impacts on the budget.

Long-term financial planning

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

The final step necessary for this long-term focus was the completion of the five functional plans. These plans address five key areas (parks, programs, natural resources, trails and athletic fields) and provide a structured approach for implementation of the recommendations generated from the three main plans. All functional plans were completed during the 2015/16 fiscal year. Additionally, the Programs Functional Plan was updated in April 2017 and the Parks Functional Plan was updated in April 2019.

The district has completed a visioning process, the purpose of which was to conduct meaningful, cross-cultural, extensive engagement, to better understand the goals and aspirations of the patrons we serve. From the information learned through this effort, a guiding vision for the district's future will be developed to ensure the work we are doing meets the aspirational needs of our community.

To implement the key priorities as identified annually by the board of directors, the district will undertake to address or complete the following during the 2020/21 budget year:

Investing in our future through technology:

- Continue replacement of financial software to provide for growth and efficiency needs of the district
- Fund a project manager to begin evaluating business needs associated with the replacement of the registration system

Planning for future natural area, facility and trail needs and funding resources:

- Continue the completion of the Bond Capital program, which has added parks, natural areas, trail connections and athletic facilities
- Continue to manage the SDC capital program which will add new parks, trails and open space to serve newly developing, or redeveloping, areas of the district
- Continue to operate under a grant strategy that prioritizes the district's needs and matches them against available funding opportunities
- Acquire, conserve and enhance natural areas and open spaces within the district
- Complete analysis of park amenities on a walkable systems basis to reduce redundancies and provide opportunities for enhancement of amenities
- Complete a facilities functional plan to identify new major facilities needs and strategies for funding

Investing in our employees and volunteers:

- Provide lifeguard training courses that eliminate barriers to participation, such as providing financial assistance to allow individuals to participate in the course and testing, and providing language support for individuals during courses
- Extend Employee Assistance Program services to all employees

The district actively monitors deferred and projected maintenance replacements for both major and routine replacement needs. The five-year funding projection, prepared during the annual budget process, illustrates the importance of addressing this long-term need, to avoid a decline in district assets.

As part of the prior year audit, the district engaged a new actuary to value the net pension liability for the pension plan. This valuation resulted in changes to assumptions in the valuation to align with current activity in the plan, and a related decision to value the liability using the current year end of June 30, 2019 as the measurement date. These changes in estimate and measurement date, resulted in a restatement of the prior year balances related to pension. The district is continuing to review pension cashflow projections and is developing long-term funding plans to ensure that the pension plan funding issues are addressed. An updated investment policy for the plan was adopted in fiscal year 2020 and a pension funding policy is currently being developed that will allow the district to address the information identified in the current year pension liability calculation, and ongoing cash flow needs of the plan.

Major Initiatives

Bond measure

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

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

As of June 30, 2020, \$99.4 million total bond funds have been expended. Approximately \$5.3 million in funds are available for completion of the voter approved projects.

Future goals

The district will continue to maintain a long-term focus, monitoring a forward-looking 10-year projection of financial position, including the deferred maintenance backlog. With completion of all five functional plans, key implementation items will be identified and prioritized within the eight long-term strategic goals.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the district for its CAFR for the fiscal year ended June 30, 2019. This was the fifteenth year of submission, and subsequent receipt, of this prestigious award. In order to be awarded the Certificate of Achievement, the district had to publish an easily readable and efficiently organized CAFR that satisfied GFOA, accounting principles generally accepted in the United States of America (US GAAP), and applicable legal requirements.

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

The district's Adopted Budget Document for the 2019/20 Fiscal Year received the *Distinguished Budget Presentation* award from GFOA. This is the fifteenth year that the district has received such an award. In order to qualify, the budget document must be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

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

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Lori Baker".

Lori Baker

Director of Business Services





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

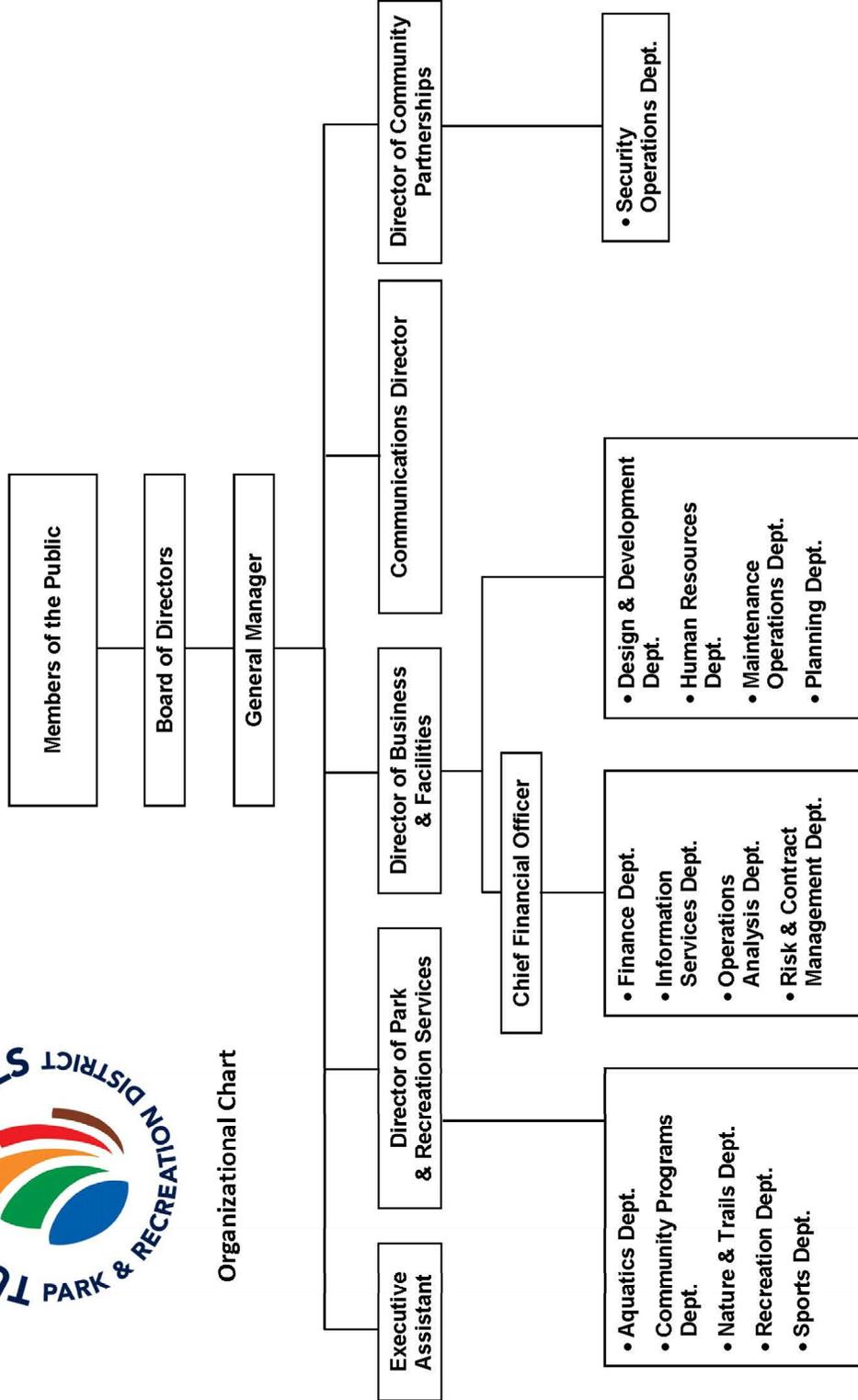
June 30, 2019

Christopher P. Morill

Executive Director/CEO



Organizational Chart



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

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

**Board of Directors
as of June 30, 2020**

<u>Name</u>	<u>Term Expires</u>
Ashley Hartmeier-Prigg, President	June 30, 2021
Tya Ping, Secretary	June 30, 2023
Wendy Kroger, Secretary Pro-tempore	June 30, 2021
Heidi Edwards	June 30, 2023
Felicita Montebianco	June 30, 2021

Registered Agent and Office

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

General Manager
Doug Menke

Director of Business Services
Lori Baker



Financial Section







Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150, Portland, Oregon 97224
P 503.274.2849 F 503.274.2853 www.tkw.com

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Tualatin Hills Park & Recreation District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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



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INDEPENDENT AUDITOR'S REPORT (Continued)

Board of Directors
Tualatin Hills Park & Recreation District

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

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

Supplemental Information

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

Other Information

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Board of Directors
Tualatin Hills Park & Recreation District

OTHER REPORTING REQUIRED BY OREGON MINIMUM STANDARDS

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 4, 2020, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

TALBOT, KORVOLA & WARWICK, LLP

By 
Julie B. Fahey, Partner

Portland, Oregon
December 4, 2020



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

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

Financial Highlights

- The current health emergency resulting from the COVID-19 pandemic had a significant impact on our communities, and the district was similarly affected. The situation changed daily and our management team worked to stay ahead of this issue and plan for possible contingencies. The district closed indoor facilities, fields, play structures and other amenities in mid-March 2020, and at fiscal year-end, is just beginning to re-open. The district experienced program revenue losses during the closure period. In an effort to manage costs, the district implemented layoffs and furloughs of staff, and is continuing to evaluate steps to move forward under new guidelines being issued by the Oregon governor.
- The assets and deferred outflows of resources of the district exceeded its liabilities and deferred inflows at June 30, 2020 by \$182,115,519.
- Net investment in capital assets (net of accumulated depreciation and related debt) accounts for most of net position, with a value of \$185,215,804.
- Restricted net position of \$29,300,471 includes assets restricted for capital improvements and debt service.
- The remaining net position, (\$32,400,756) is negative as a result of the district's outstanding net pension obligation. The district is continuing to develop a long-term funding plan to address pension funding over the long-term, while continuing to meet the district's ongoing obligations to patrons and creditors.
- The district's total net position increased by \$25,541,334 or 16.3 percent over the previous year. The increase is mainly the result of improvements to park property, increases in property tax revenue, and decreases in costs resulting from cost management actions taken in response to the impact of the COVID-19 pandemic.
- As of the close of the current fiscal year, the district's governmental funds reported combined ending fund balances of \$45,877,778, a decrease of \$936,509, or 2.0 percent. Decreases were reported in the General Fund and Bond Capital Projects Fund. Increases were reported in the Bonded Debt Fund due to increased property tax revenues and the System Development Charges (SDC) Fund due to under-expenditure of budgeted costs and higher than anticipated SDC revenue for the fiscal year. As of June 30, 2020, fund balance for the General Fund was \$11,134,820 or 22.7 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.

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

The **statement of net position** presents information on the district's assets and deferred outflows of resources and the district's liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the district is improving or deteriorating. Other indicators include the condition of the district's assets, changes in the property tax base, and general economic conditions within the area.

The **statement of activities** presents information showing how the district's net position changed during the current fiscal year. On this statement, program revenue (revenue generated by specific programs through charges for services, grants and contributions) is shown separately from general revenue (revenue provided by taxes and other sources not tied to a particular program). This shows 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, 2020, 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, 2020.

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Budgetary highlights

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

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

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

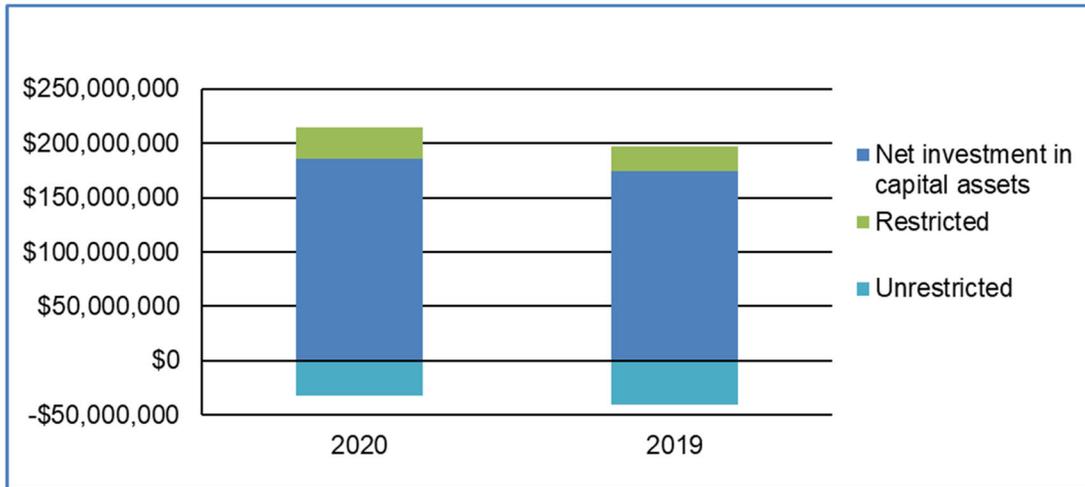
As noted earlier, net position may serve over time as an indicator of the district's financial position. As of June 30, 2020, the district's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$182,115,519.

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

	Governmental Activities	
	June 30, 2020	June 30, 2019
Cash and investments	\$ 47,998,261	\$ 49,547,376
Other assets	1,808,948	3,368,295
Capital assets	254,355,578	245,338,329
Total assets	304,162,787	298,254,000
Deferred outflow of resources - pension	1,489,457	1,604,040
Deferred outflow of resources - opeb	77,802	8,360
Deferred outflow of resources - charge on debt refunding	4,124,731	4,260,387
Total assets and deferred outflow of resources	309,854,777	304,126,787
Other liabilities	4,463,541	7,030,360
Debt liabilities	75,587,065	81,889,927
Net pension and opeb liabilities	31,165,542	58,632,315
Total liabilities	111,216,148	147,552,602
Deferred inflow of resources - pension	15,779,364	-
Deferred inflow of resources - opeb	743,746	-
Total liabilities and deferred inflow of resources	127,739,258	147,552,602
Net investment in capital assets	185,215,804	174,412,777
Restricted	29,300,471	22,307,182
Unrestricted	(32,400,756)	(40,145,774)
Total net position	\$ 182,115,519	\$ 156,574,185

The largest portion of the district's net position, \$185,215,804 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, \$29,300,471 represents resources that are subject to external restrictions on how they may be used. The remaining net position, (\$32,400,756) is negative as a result of the district's outstanding net pension obligation. The district is developing a long-term funding plan to address pension funding over the long-term, while continuing to meet the district's ongoing obligations to patrons and creditors.

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

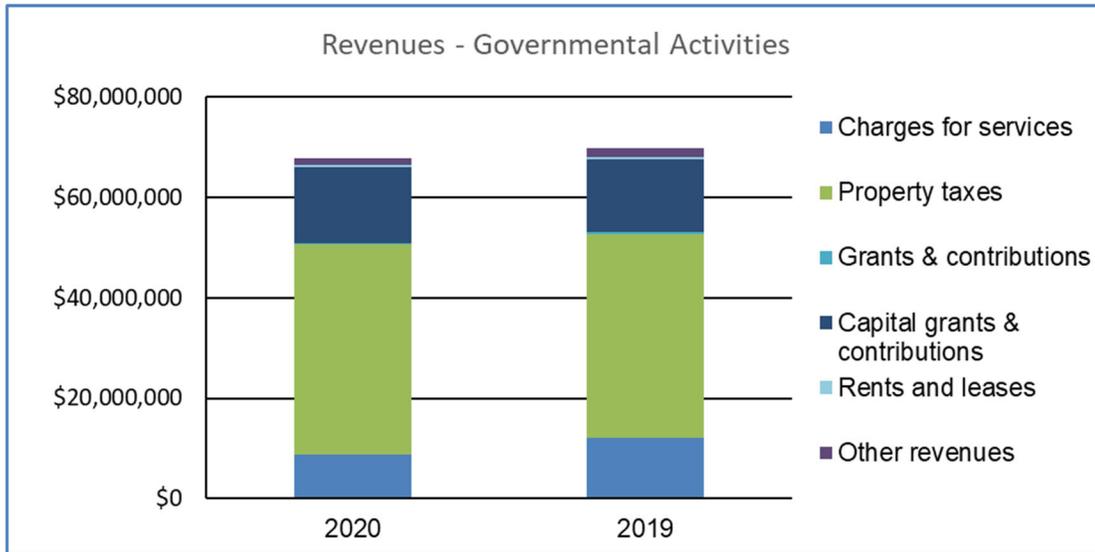


Statement of Activities

Governmental activities increased the district's net position by \$25,541,334 in this fiscal year. Key elements of this increase are included in the condensed version of the government-wide Statement of Changes in Net Position as follows:

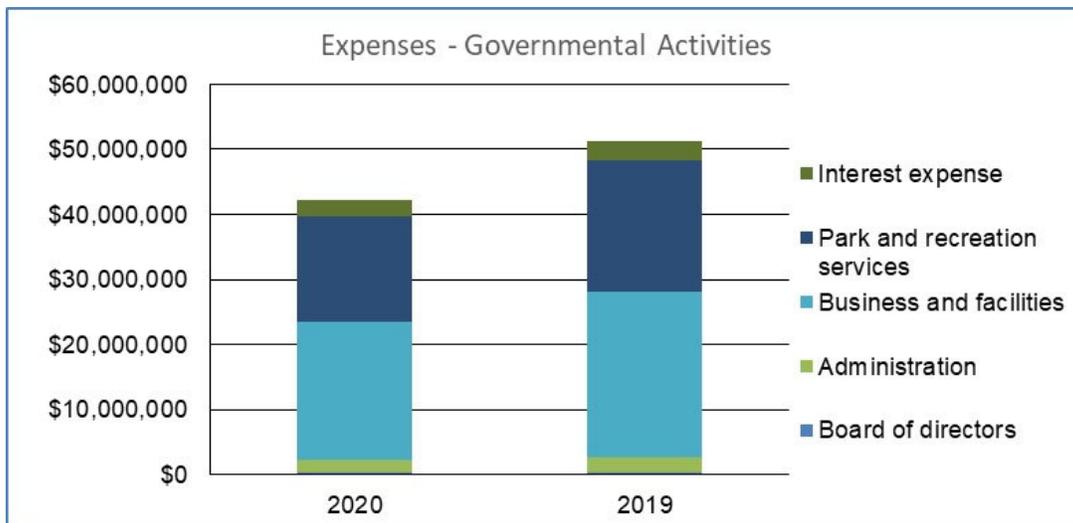
	Governmental Activities	
	For the year ended	
	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Revenues:		
Program revenues:		
Charges for services	\$ 8,716,600	\$ 12,141,602
Operating grants and contributions	67,081	87,829
Capital grants and contributions	15,073,128	14,485,201
Rents and leases	573,847	548,759
General revenues:		
Property taxes	42,020,224	40,631,613
Grants and contributions not restricted to specific programs	92,506	184,637
Other	1,294,234	1,649,752
Total revenues	<u>67,837,620</u>	<u>69,729,393</u>
Expenses:		
Board of directors	239,325	287,244
Administration	2,090,232	2,465,436
Business and facilities	21,184,639	25,269,252
Park and recreation services	16,108,717	20,303,450
Interest on long-term debt	2,673,373	2,878,707
Total expenses	<u>42,296,286</u>	<u>51,204,089</u>
Change in net position	25,541,334	18,525,304
Net position - beginning	156,574,185	138,048,881
Net position - ending	<u>\$ 182,115,519</u>	<u>\$ 156,574,185</u>

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



Property taxes increased \$1,388,611, or 3.4 percent. The increase is due primarily to statutorily allowed increases in assessed value of existing properties and new construction within the district boundaries. Charges for services decreased \$3,425,002 or 28.2 percent, resulting from closures of district facilities and programs for the last four months of the fiscal year, due to the COVID-19 pandemic. Capital grants and contributions increased \$587,927, or 4.1 percent due to increases in land contributions in the current year.

Expenses for the district decreased by 17.4 percent over last year. This decrease is due primarily to decreases in pension expense and cost reductions implemented in response to facility closures under state mandates related to the COVID-19 pandemic, offset by inflationary increases.



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

Financial Analysis of the District's Funds

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

Governmental funds analysis

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

During Fiscal Year 2019/20, the district's governmental funds reported a decrease in combined ending fund balances of \$936,509. The Bonded Debt Fund, System Development Charges Fund and Other Governmental Fund reported increases within the year while the remaining major funds reported decreases. The previous fiscal year had an increase of \$2,149,517, attributable primarily to timing differences between receipt of system development charge revenues and expenditure of those revenues for capital outlay.

The **General Fund** is the chief operating fund of the district. At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$10,884,501. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 22.1 percent of total General Fund expenditures, exceeding the district's financial policy guideline of 10.0 percent.

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

	General Fund	
	For the year ended	
	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Revenues:		
Program revenues	\$ 8,716,600	\$ 12,141,602
Property taxes	33,893,914	33,091,556
Other revenues and bond proceeds	2,758,044	6,244,371
Total revenues	<u>45,368,558</u>	<u>51,477,529</u>
Expenditures:		
Board of directors	239,325	287,244
Administration	2,923,275	2,379,832
Business and facilities	19,504,673	17,816,512
Park and recreation services	21,322,667	19,625,019
Capital outlay	4,148,641	8,230,862
Debt service	935,376	881,655
Total expenditures	<u>49,073,957</u>	<u>49,221,124</u>
Change in fund balance	(3,705,399)	2,256,405
Fund balance - beginning	<u>14,840,219</u>	<u>12,583,814</u>
Fund balance - ending	<u>\$ 11,134,820</u>	<u>\$ 14,840,219</u>

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

Fund balance of the General Fund decreased by \$3,705,400 or 25.0 percent on the modified accrual method of accounting, due primarily to the impact of the state-ordered closures resulting from the COVID-19 pandemic.

Program revenues decreased \$3,425,002 or 28.2 percent. All categories of program revenues experienced decreases resulting from facility closures due to the COVID-19 pandemic. Revenues other than program revenues changed as follows:

- Increase of 2.4 percent or \$802,358 in property tax revenues related primarily to statutorily allowable growth in assessed property values, new construction in the district, offset by lower collections in prior year taxes in comparison to the prior year.
- Other revenues decreased \$3,486,326 or 55.8 percent. In Fiscal Year 2018/19 this category included debt proceeds of \$4,000,000, which was used to fund a portion of the Cedar Hills park development, and similar debt funding was not issued in Fiscal Year 2019/20. This decrease was offset by an increase in grant revenue in Fiscal Year 2019/20.

Non-capital and non-debt service operating expenditures increased 9.7 percent or \$3,881,333 primarily due to increases in personnel service costs including budgeted cost-of-living and merit increases, increases in health insurance costs, increased retirement plan costs and payroll taxes, offset in part by pandemic related staffing reductions that were implemented in the final two months of the fiscal year. Capital expenditures decreased from the previous year by \$4,082,221 or 49.6 percent due to timing of construction projects, including development at Cedar Hills park in Fiscal Year 2018/19.

The **Bonded Debt Fund** has a total fund balance of \$727,829, an increase of \$217,838 versus the previous year, and is restricted for payment of debt service on existing general obligation debt.

The **Bond Capital Projects Fund** accounts for the proceeds received from the sale of the general obligation bonds, Series 2009 for \$58,505,000 and Series 2011 for \$40,060,000, and Series 2015 for \$1,435,000 (new monies only). In November 2008, district voters authorized a total levy of \$100 million to target a specific list of projects and land acquisitions throughout the district. A total of \$4,381,427 was expended during the current fiscal year. The majority of capital projects have been substantially completed; however, one large park development and improvement project, natural resource land restoration and development of one new athletic field and one athletic facility will continue for at least one more year. As of the end of the year, total fund balance in this fund restricted for capital project development is \$5,257,725.

The **System Development Charges Fund** accounts for development impact fees assessed on new construction within the district boundaries. Total revenues increased by \$4,218,711 or 47.1 percent over last year, due to timing of new construction activity in the district. Total expenditures increased by \$1,932,819 or 43.2 percent due to timing of construction on district projects. Fund balance increased by \$6,775,451 or 31.1 percent over the previous year. This total fund balance of \$28,572,642 is entirely restricted for parks acquisition and development and improvements related to capacity expansion.

General Fund Budgetary Highlights

The district prepares and adopts its budget on an annual basis using a modified cash basis of accounting. General Fund revenues were less than budget by 24.5 percent, largely due to program and facility closures related to COVID-19 that led to program revenues less than budget of \$4,874,806, grant revenues less than budget of \$1,854,517 and the decision by the District to forego issuance of \$8,000,000 in debt that was included in the budget as a resource. Expenditures stayed well under budget by 35.8 percent, primarily due to non-expenditure of contingency and capital replacement reserve funds, control of costs in part-time personnel, COVID-19 related staffing reductions and capital expenditures at less than budgeted amounts. The Board approved a budget transfer from contingency during the current fiscal year, to allow for increased funding of the pension.

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

Capital Asset and Debt Administration

Capital assets

The district's investment in capital assets as of June 30, 2020 amounts to \$254,355,578 (net of accumulated depreciation). This investment in capital assets includes land, park sites and planning development, buildings and improvements, plus machinery, equipment and furnishings, and intangible assets. The net increase in the district's capital assets for the current fiscal year was \$9,017,249 or 3.7 percent, which reflected asset additions of \$15,845,146 and depreciation of \$6,827,897.

Additions of \$6,133,003 in land were primarily related to new acquisitions of park and natural area parcels. Additions of \$15,930,373 in park sites was due primarily to the completion of Cedar Hills Park and contributed park development received through SDC credits. Additions of \$1,350,762 in buildings and improvements was primarily due to various renovation projects throughout the district. Construction in process had additions of \$4,873,407 which included completion of construction at Cedar Hills park and work on the Westside trail, offset by transfers out for completed projects of \$12,681,314. Deferred maintenance was funded for both buildings and parks improvements, to the extent of available funds.

Capital Assets (net of depreciation)

	June 30	
	2020	2019
Land	\$ 118,664,749	\$ 112,531,746
Parks sites and planning development	79,282,285	67,715,968
Buildings and improvements	43,682,690	44,317,224
Equipment and furnishings	1,040,439	1,258,338
Intangible assets	36,906	58,637
Construction in progress	11,648,509	19,456,416
Total	\$ 254,355,578	\$ 245,338,329

Additional information on the district's capital assets can be found in Note IV.B on page 40 of this report.

Long-term debt and other long-term obligations

At June 30, 2020, the district had \$75,587,065 in debt and other long-term obligations outstanding compared to \$81,889,927 last year. \$7,313,750 of the debt outstanding and other long-term obligations at June 30, 2020 is due within one year. Debt decreased by a net of \$6,302,862, mainly due to the principal payments made on existing debt. During Fiscal Year 2020, the district advance refunded the 2019 direct borrowings and a portion of the Series 2010 Full Faith & Credit Bonds, to provide for future interest cost savings.

Outstanding Debt and Obligations

	June 30	
	2020	2019
General obligation bonds	\$ 58,550,000	\$ 63,860,000
Premiums	5,642,830	5,391,314
Full faith and credit obligations	11,125,000	8,340,000
Direct borrowing and loans	269,235	4,298,613
Total	\$ 75,587,065	\$ 81,889,927

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

The district's most recent credit rating was "Aa1", received from Moody's in January 2020 for the full faith and credit obligations. Previously, the district received ratings of "AA" from Standard & Poor's on both general obligation and full faith and credit obligations.

Due to the district's strong credit rating, bond insurance was not financially advantageous, nor necessary, for the series 2011, 2015 and 2016 general obligation issues or the series 2010 and 2020 full faith issues.

Additional information on the district's long-term obligations can be found in Note IV.D on pages 41 - 43.

Economic Factors and Next Year's Budget and Rates

Impact of COVID-19 Pandemic

In March 2020, the district closed all facilities, programs and certain outdoor amenities including athletic fields and playgrounds under order of the Oregon governor, due to the health emergency resulting from the COVID-19 global pandemic. To offset the impact of lost program revenues resulting from the closures, the district implemented cost reduction measures including layoff of all part-time staff, furloughs and layoffs of certain full-time staff, materials and services cost reductions, and reductions in capital spending.

Concurrently, the district supported the transition of most remaining staff to work-from-home status, and implemented on-line work capabilities for staff including on-line conferencing and virtual private network access to electronic work files and programs. The district also continued public meetings and hearings using on-line conferencing and a district internet streaming and subsequent access to recordings of all public meetings. Public comment was offered at the online meetings via call-in capability, and written comment read into the record of the meeting. The district also implemented an incident response team, which managed the district's operations and response to the pandemic, including facility closures, signage and communication requirements, and response to regularly updated state mandates for safe operation of the district. This response has allowed the district to address lost revenue, while still providing safe parks, trails and natural areas for our community.

Fiscal Year 2020/21 Budget

Due to uncertainties related to the impact of the COVID-19 pandemic, the district's board adopted a normal operating budget for the upcoming fiscal year in June 2020. The district also committed to completing regular revised operating plans, that will guide the operations of the district during the months that continue to be impacted by the pandemic.

Some of the factors considered during the preparation of the 2020/21 budget were:

- Assessed value on property was estimated to increase by approximately 4.5 percent over the previous year.
- Cost of living increases of 3.0 percent for full and regular part-time staff and continued increases in pension funding. The budget includes four upgraded regular part-time positions to full-time, and the elimination of one other vacant regular part-time position. The budget also reflects the conversion of a part-time position to full-time.
- Continued implementation of resource allocation strategy and evaluation of program offerings to ensure sustainable revenues for the future.
- Adjustment for expected water usage and rate increases while continuing to explore initiatives to reduce further utility cost impacts; for example, LED lighting, and upgrades to heating/cooling control software and equipment.

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

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

The district funds maintenance replacement at the maximum level available and it will continue to be a critical component of future budgetary plans. The district has seen growth in rental income from various properties and will actively target additional grant and contribution opportunities.

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

In order to remain financially sustainable, the district will continue with the long-term focus that has served well during the past years. Continued implementation of the strategic and financial sustainability plans, and resulting functional plans, will assist in identification of key items to incorporate within the board approved long term strategic goals. Local parks and recreation programs offer an affordable alternative for families of all sizes and economic backgrounds, as reflected by our residents' involvement. The district will continue to examine existing programs, along with new and trending activities, to ensure we remain competitive and accessible for all.

Requests for Information

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

Basic Financial Statements





Tualatin Hills Park & Recreation District
Statement of Net Position
June 30, 2020

	Governmental Activities	Component Unit - Tualatin Hills Park Foundation
Assets:		
Cash and cash equivalents	\$ 47,974,181	\$ 778,490
Investments	-	66,416
Due from other governments	630,939	-
Receivables (net of reserve for uncollectible accounts)	927,690	44,231
Inventories	141,393	-
Prepays	108,926	-
Cash and cash equivalents - restricted	24,080	-
Capital assets (net of accumulated depreciation):		
Land	118,664,749	-
Park sites and planning development	79,282,285	-
Buildings and improvements	43,682,690	-
Equipment and furnishings	1,040,439	-
Intangible assets	36,906	-
Construction in progress	11,648,509	-
Total assets	304,162,787	889,137
Deferred Outflows of Resources:		
Deferred outflows - pension	1,489,457	-
Deferred outflows - opeb	77,802	-
Deferred outflows - charge on debt refunding	4,124,731	-
Total deferred outflows of resources	5,691,990	-
Liabilities:		
Accounts payable and other current liabilities	3,099,608	20,722
Accrued interest payable	235,425	-
Unearned revenue	270,865	-
Long-term debt:		
Due within one year	7,313,750	-
Due in more than one year	68,273,315	-
Compensated absences		
Due within one year	451,950	-
Due in more than one year	405,693	-
Net other post-employment benefits liability		
Due in more than one year	644,351	-
Net pension liability		
Due in more than one year	30,521,191	-
Total liabilities	111,216,148	20,722
Deferred Inflows of Resources:		
Deferred inflows - opeb	743,746	-
Deferred inflows - pension	15,779,364	-
Total deferred inflows of resources	16,523,110	-
Net Position:		
Net investment in capital assets	185,215,804	-
Restricted for:		
Capital improvements	28,572,642	-
Debt service	727,829	-
With donor restrictions	-	207,513
Unrestricted	(32,400,756)	660,902
Total net position	\$ 182,115,519	\$ 868,415

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

Tualatin Hills Park & Recreation District
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		Component
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Rents and Leases	Governmental Activities	
Primary government:							
Governmental activities:							
Board of Directors	\$ 239,325	\$ -	\$ -	\$ -	\$ -	\$ (239,325)	\$ -
Administration	2,090,232	-	-	-	-	(2,090,232)	-
Business and facilities	21,184,639	-	-	15,073,128	573,847	(5,537,664)	-
Park and recreation services	16,108,717	8,716,600	67,081	-	-	(7,325,036)	-
Interest on long-term debt	2,673,373	-	-	-	-	(2,673,373)	-
Total primary government	\$42,296,286	\$ 8,716,600	\$ 67,081	\$ 15,073,128	\$ 573,847	(17,865,630)	-
Component unit:							
Tualatin Hills Park Foundation	\$ 173,298	\$ 70,945	\$ 36,680	\$ -	\$ -	-	(65,673)
General revenues:							
Property taxes levied for general purposes						33,922,038	-
Property taxes levied for debt service						8,098,186	-
Grants and contributions not restricted to specific programs						92,506	78,565
Unrestricted investments earnings						1,160,881	1,328
Miscellaneous						133,353	14,706
Total general revenues						43,406,964	94,599
Change in net position						25,541,334	28,926
Net position - beginning						156,574,185	839,489
Net position - ending						\$ 182,115,519	\$ 868,415

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

Tualatin Hills Park & Recreation District
Balance Sheet - Governmental Funds
June 30, 2020

	General Fund	Bonded Debt Fund	Bond Capital Projects Fund	System Development Charges Fund	Other Governmental Fund	Total Governmental Funds
Assets						
Assets:						
Cash and cash equivalents	\$ 12,871,431	\$ 680,286	\$ 5,540,803	\$ 28,696,899	\$ 184,762	\$ 47,974,181
Investments	-	-	-	-	-	-
Receivables:						
Interest	559	422	-	-	-	981
Property taxes, net	648,372	155,625	-	-	-	803,997
Accounts receivable	122,323	-	389	-	-	122,712
Intergovernmental	122,872	-	-	508,067	-	630,939
Cash and cash equivalents-restricted	-	-	-	24,080	-	24,080
Prepays	108,926	-	-	-	-	108,926
Inventories	141,393	-	-	-	-	141,393
Total assets	<u>\$ 14,015,876</u>	<u>\$ 836,333</u>	<u>\$ 5,541,192</u>	<u>\$ 29,229,046</u>	<u>\$ 184,762</u>	<u>\$ 49,807,209</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 755,619	\$ -	\$ 283,467	\$ 656,404	\$ -	\$ 1,695,490
Salaries payable	33,985	-	-	-	-	33,985
Retainages payable	54,120	-	-	-	-	54,120
Other current liabilities payable	1,316,013	-	-	-	-	1,316,013
Unearned revenue	270,865	-	-	-	-	270,865
Total liabilities	<u>2,430,602</u>	<u>-</u>	<u>283,467</u>	<u>656,404</u>	<u>-</u>	<u>3,370,473</u>
Deferred inflows of resources:						
Unavailable revenue - taxes	450,454	108,504	-	-	-	558,958
Fund balances:						
Nonspendable:						
Prepays	108,926	-	-	-	-	108,926
Inventory	141,393	-	-	-	-	141,393
Restricted:						
Debt service	-	727,829	-	-	-	727,829
Capital improvements	-	-	5,257,725	28,572,642	-	33,830,367
Committed - mitigation maintenance	-	-	-	-	184,762	184,762
Unassigned	10,884,501	-	-	-	-	10,884,501
Total fund balance	<u>11,134,820</u>	<u>727,829</u>	<u>5,257,725</u>	<u>28,572,642</u>	<u>184,762</u>	<u>45,877,778</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,015,876</u>	<u>\$ 836,333</u>	<u>\$ 5,541,192</u>	<u>\$ 29,229,046</u>	<u>\$ 184,762</u>	<u>\$ 49,807,209</u>

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

Tualatin Hills Park & Recreation District
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2020

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

Fund balances - total governmental funds:	\$ 45,877,778
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	254,355,578
Unavailable revenues for those amounts that were not available to pay current period expenditures.	558,958
Other long-term items are not available to pay for current period expenditures and, therefore, are deferred in the fund statements:	
Deferred outflows - pension	1,489,457
Deferred outflows - other post employment benefits	77,802
Deferred outflow - charge on debt refunding	4,124,731
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(235,425)
Bonds, FFC and loans payable	(75,587,065)
Compensated absences	(857,643)
Net opeb liability	(644,351)
Deferred inflows - pension	(15,779,364)
Deferred inflows - other post employment benefits	(743,746)
Net pension liability	(30,521,191)
Net position of governmental activities	\$ 182,115,519

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

Tualatin Hills Park & Recreation District
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Bonded Debt Fund	Bond Capital Projects Fund	System Development Charges Fund	Other Governmental Fund	Total Governmental Funds
Revenues:						
Property taxes	\$ 33,893,914	\$ 8,096,466	\$ -	\$ -	\$ -	\$ 41,990,380
Aquatic programs	2,086,197	-	-	-	-	2,086,197
Tennis center	886,052	-	-	-	-	886,052
Sports programs	1,280,082	-	-	-	-	1,280,082
Recreation programs	4,464,269	-	-	-	-	4,464,269
Grants and sponsorships	1,264,767	-	-	-	-	1,264,767
Rents and leases	573,847	-	-	-	-	573,847
System development charges	-	-	-	12,716,580	-	12,716,580
Interest earned	452,512	87,245	150,747	466,563	3,814	1,160,881
Charges for services	312,357	-	-	-	-	312,357
Miscellaneous revenues	154,562	-	-	-	2,467	157,029
Total revenues	45,368,559	8,183,711	150,747	13,183,143	6,281	66,892,441
Expenditures:						
Current:						
Board of Directors	239,325	-	-	-	-	239,325
Administration	2,923,275	-	-	-	-	2,923,275
Business and facilities	19,480,998	-	-	-	-	19,480,998
Park and recreation services	21,322,667	-	-	-	-	21,322,667
Capital outlay	4,148,641	-	4,381,427	6,407,692	-	14,937,760
Debt service	935,376	7,965,873	-	-	-	8,901,249
Total expenditures	49,050,282	7,965,873	4,381,427	6,407,692	-	67,805,274
Excess (deficiency) of revenues over (under) expenditures	(3,681,723)	217,838	(4,230,680)	6,775,451	6,281	(912,833)
Other financing sources (uses):						
Issuance of bonds	9,900,000	-	-	-	-	9,900,000
Premiums on bonds issued	1,294,716	-	-	-	-	1,294,716
Payment to refunded bonds escrow	(11,218,392)	-	-	-	-	(11,218,392)
Total other finance sources (uses)	(23,676)	-	-	-	-	(23,676)
Net change in fund balances	(3,705,399)	217,838	(4,230,680)	6,775,451	6,281	(936,509)
Fund balances at beginning of year	14,840,219	509,991	9,488,405	21,797,191	178,481	46,814,287
Fund balances at end of year	\$ 11,134,820	\$ 727,829	\$ 5,257,725	\$ 28,572,642	\$ 184,762	\$ 45,877,778

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

**Tualatin Hills Park & Recreation District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2020**

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

Net changes in fund balances - total governmental funds	\$ (936,509)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (for capitalized assets) exceeded depreciation in the current period.	7,765,881
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	1,251,368
Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.	29,844
The issuance of long-term debt (e.g., bond, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	6,167,206
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest payable	60,670
Accrued compensated absences payable	304,352
Net OPEB liability and related deferrals	(2,934)
Net pension liability and related deferrals	10,901,456
Change in net position of governmental activities	\$ 25,541,334

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

Tualatin Hills Park & Recreation District
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 33,447,201	\$ 33,447,201	\$ 33,893,914	\$ 446,713
Aquatic programs	3,819,780	3,819,780	2,086,197	(1,733,583)
Tennis center	1,208,172	1,208,172	886,052	(322,120)
Sports programs	1,911,530	1,911,530	1,280,082	(631,448)
Recreation programs	6,127,000	6,127,000	4,073,247	(2,053,753)
Nature & Trails programs	524,924	524,924	391,022	(133,902)
Grants and sponsorships	3,119,284	3,119,284	1,264,767	(1,854,517)
Rents and leases	923,110	923,110	573,847	(349,263)
Interest earned	590,000	590,000	452,512	(137,488)
Charges for services	250,000	250,000	312,357	62,357
Debt proceeds	8,000,000	8,000,000	-	(8,000,000)
Miscellaneous revenues	150,000	150,000	154,562	4,562
Total revenues	60,071,001	60,071,001	45,368,559	(14,702,442)
Expenditures:				
Board of Directors	267,956	267,956	239,325	28,631
Administration	2,891,689	3,263,689	2,923,275	340,414
Business and facilities	22,853,208	24,467,907	20,812,591	3,655,316
Park and recreation services	23,001,621	25,264,922	21,322,667	3,942,255
Capital outlay	20,017,227	20,017,227	3,776,100	16,241,127
Contingency	2,600,000	600,000	-	600,000
Transfers to other funds	4,768,000	2,518,000	-	2,518,000
Total expenditures	76,399,701	76,399,701	49,073,958	27,325,743
Net change in fund balance	(16,328,700)	(16,328,700)	(3,705,399)	12,623,301
Fund balances at beginning of year	16,328,700	16,328,700	14,840,219	(1,488,481)
Fund balances at end of year	\$ -	\$ -	\$ 11,134,820	\$ 11,134,820

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

Tualatin Hills Park & Recreation District
Statement of Fiduciary Net Position
June 30, 2020

	<u>Pension and OPEB Trust Funds</u>
Assets	
Cash and investments	\$ 22,001,277
Total assets	<u>22,001,277</u>
Liabilities	
Benefits payable	18,193,889
Accounts payable	<u>142,018</u>
Total liabilities	<u>18,335,907</u>
Net Position	
Restricted for pension	1,865,497
Restricted for other post-employment benefits	<u>1,799,873</u>
Total net position held in trust	<u><u>\$ 3,665,370</u></u>

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

Tualatin Hills Park & Recreation District
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	Pension and OPEB Trust Funds
Additions:	
Contributions	
Employer	\$ 10,000,223
Employee	909,055
Total contributions	10,909,278
Investment earnings	255,476
Total additions	11,164,754
Deductions:	
Benefits paid	20,357,467
Administrative expenses	181,323
Total deductions	20,538,790
Change in net position	(9,374,036)
Net position, at beginning of year	13,039,406
Net position, at end of year	\$ 3,665,370

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

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements
June 30, 2020

I. Summary of significant accounting policies

A. Reporting entity

Tualatin Hills Park & Recreation District (the district) is a special service district governed by an elected five member Board of Directors (the board), and operates as a separate municipal corporation. The district, as a primary government, is a financial reporting entity, which has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As required by accounting principles generally accepted in the United States (GAAP), these financial statements present the financial status and activities of the district and its component unit. The discretely presented component unit, Tualatin Hills Park Foundation (the foundation), is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the district. The district has no other potential component units.

Discretely Presented Component Unit

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

B. Government-wide and fund financial statements

Government-Wide Financial Statements

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

The statement of net position presents the financial condition of the district at fiscal year-end.

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

Fund Financial Statements

Separate financial statements are provided for governmental, proprietary and fiduciary funds. Each fund is considered to be a separate accounting entity. Funds are reported separately to aid in financial management and to help demonstrate legal compliance in use of these funds. Currently, the district has only governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary trust funds for pension and other post-employment benefits are reported separately.

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

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

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

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

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

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

The district reports the following major governmental funds:

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

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

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

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

The other governmental fund includes the nonmajor funds of the district. The *Mitigation Maintenance Fund* is a special revenue fund that accounts for mitigation funds received from development impacting park property. This fund is accumulated for and committed to use on natural area restoration projects. The *Capital Replacement Reserve Fund* is a fund that accounts for dollars set aside to fund replacement of existing capital infrastructure. The fund and related board funding policy were placed on hold until June 30, 2025.

Additionally, the district reports fiduciary funds as follows:

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

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

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

Flow of resources

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

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

1. Cash, cash equivalents and investments

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

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

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

2. Receivables and payables

Recorded property taxes receivable that are collected within 60 days after year-end are considered measurable and available and, therefore, are recognized as revenue in the fund financial statements. The remaining balance is recorded as unavailable revenue because it is not deemed available to finance operations of the current period in the fund financial statements. An allowance for doubtful accounts is estimated based upon the history of collections of property tax, and any information received from the county related to settlements for outstanding tax balances. Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15 and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

3. Inventory and prepaid items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses at the time of consumption, rather than when purchased.

4. Capital assets

Capital assets, which include property, equipment, furnishings, improvements and intangible assets such as software, are reported in the government-wide financial statements. The district defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

5. *Deferred outflows/inflows of resources*

In addition to assets, another financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The items that qualify in this category are deferred charges from refunding, and the following items that relate to the defined benefit pension plan and OPEB plan: the difference between expected and actual experience, and the difference between projected and actual investment earnings. All four items are reported in the government-wide statement of net position. Deferred charges, resulting from the carrying value of refunded debt and its reacquisition price, are deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

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

6. *Unearned revenue*

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

7. *Compensated absences*

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

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

8. Long-term obligations

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

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

9. Fund balance

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

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

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

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

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

II. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(75,587,065) difference are as follows:

Bonds payable	\$ (58,550,000)
Plus: Issuance premiums (to be amortized over life of debt)	(4,372,793)
Full faith and credit obligations	(11,125,000)
Plus: Issuance premiums (to be amortized over life of debt)	(1,270,037)
Direct debt and loans payable	<u>(269,235)</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (75,587,065)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliations between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$7,765,881 difference are as follows:

Capital outlay (for capitalized assets)	\$ 14,593,778
Depreciation expense	<u>(6,827,897)</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>\$ 7,765,881</u>

Another element of that reconciliation states “the net effect of various miscellaneous transactions involving capital assets (i.e. donations) is to increase net position.” The details of this \$1,251,368 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>\$ 1,251,368</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>\$ 1,251,368</u>

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$6,167,206 difference are as follows:

Principal repayments:	
General obligation debt	\$ 5,310,000
Other long-term debt	324,378
Amortization of premiums	1,043,200
Amortization of deferred charges on refundings	(534,048)
Proceeds from issuance of debt	(9,900,000)
Debt Refunded	10,820,000
Deferred charge on refunding	398,392
Premiums on debt issued	<u>(1,294,716)</u>
Net adjustments to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 6,167,206</u></u>

III. Stewardship, compliance and accountability

A. Budgetary information

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

Governmental fund budgets are established in accordance with state law, and are adopted on a fund level except the General Fund. The General Fund budget is adopted on an organizational unit level. Organizational units are the levels of control for all funds established by the resolution. The detail budget document, however, is required to contain more specific information for the above mentioned appropriation levels. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the board. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the board. In the year ended June 30, 2020, the board approved a budget transfer in the general fund, from contingency, to cover additional funding of employee pension costs, and a transfer in the SDC fund, to cover unanticipated materials and services costs.

IV. Detailed notes on all funds

A. Cash, cash equivalents and investments

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

At June 30, 2020, the district had the following investments at contract value, in the Fiduciary funds:

Guaranteed long-term fund	\$5,465,474
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Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

At June 30, 2020, the district had the following cash, cash equivalents and investments at fair value:

Governmental funds:	
Demand deposits and short term commercial paper	\$ 1,109,996
Commercial paper	539,732
Investments in the State Treasurer's LGIP	46,348,533
Total governmental funds cash, cash equivalents and investments	47,998,261
Fiduciary funds:	
Stable value fund	5,465,474
Cash	36,936
Mutual funds	16,498,867
Total cash, cash equivalents and investments at fair value	\$ 69,999,538

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

Cash and cash equivalents	\$ 47,974,181
Cash, cash equivalents and investments - restricted	24,080
Total cash, cash equivalents and investments - governmental activities	47,998,261
Cash and investments - fiduciary activities	22,001,277
Total cash, cash equivalents and investments - fiduciary activities	22,001,277
Total cash, cash equivalents and investments	\$ 69,999,538

The district categorizes its investments according to the fair value hierarchy established by GAAP. GASB Statement No. 72, *Fair value Measurement and Application*, provides a fair value hierarchy based on valuation inputs to measure the fair value of the investment. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Assets valued at fair value as of June 30, 2020 are as follows:

	Level 1
Commercial paper	\$ 539,732
Mutual funds	16,498,867
Total	\$ 17,038,599

Current investments ratings and weighted average maturities are:

	Moody's AAA	Total	Weighted Average Maturity (years)
Commercial paper	\$ 539,732	\$ 539,732	0.0028

The LGIP, Stable value and mutual funds are unrated.

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

A. Interest rate risk

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

Investments in the LGIP are stated at share value, which approximates fair value, and is the value at which the shares can be withdrawn. The LGIP does not report all investments at fair value in accordance with the provisions of GASB Statement No. 31. The LGIP is required by Oregon Revised Statutes (ORS) to compute the fair value of all investments maturing more than 270 days from the date the computation is made. If the fair value totals more than one percent of the balance of the LGIP in terms of unrealized gain or loss, the amount is required to be distributed to the pool participants. Fifty percent of the LGIP portfolio must mature within 93 days. Up to 25% of the LGIP portfolio may mature in over one year and no investment may mature in over three years. At June 30, 2020, the district's share of the amount of unrealized gain reported by the LGIP was considered immaterial.

A. Credit risk

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

B. Concentration of credit risk

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

In accordance with GASB Statement No. 40, the district is required to report all individual non-federal investments, which exceed 5% of total invested funds. As of June 30, 2020, the district did not hold any non-federal investments exceeding 5% of invested funds.

C. Custodial credit risk – deposits

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. The combined total bank balance is \$1,280,091. Of these deposits, \$250,000 is covered by federal depository insurance. As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer.

D. Custodial credit risk – investments

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

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

B. Capital assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance 6/30/19	Increases	Decreases	Transfers	Ending Balance 6/30/20
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 112,531,746	\$ 6,125,867	\$ -	\$ 7,136	\$ 118,664,749
Construction in progress	19,456,416	4,873,407	-	(12,681,314)	11,648,509
Total capital assets, not being depreciated	<u>131,988,162</u>	<u>10,999,274</u>	<u>-</u>	<u>(12,674,178)</u>	<u>130,313,258</u>
Capital assets, being depreciated					
Parks, sites and planning development	109,988,652	3,340,734	-	12,589,639	125,919,025
Buildings and improvements	76,596,288	1,266,223	-	84,539	77,947,050
Equipment and furnishings	8,422,839	238,915	(20,428)	-	8,641,326
Intangible assets	341,762	-	-	-	341,762
Total capital assets being depreciated	<u>195,349,541</u>	<u>4,845,872</u>	<u>(20,428)</u>	<u>12,674,178</u>	<u>212,849,163</u>
Less accumulated depreciation for:					
Parks, sites and planning development	(42,272,684)	(4,364,056)	-	-	(46,636,740)
Buildings and improvements	(32,279,064)	(1,985,296)	-	-	(34,264,360)
Equipment and furnishings	(7,164,501)	(456,814)	20,428	-	(7,600,887)
Intangible assets	(283,125)	(21,731)	-	-	(304,856)
Total depreciation	<u>(81,999,374)</u>	<u>(6,827,897)</u>	<u>20,428</u>	<u>-</u>	<u>(88,806,843)</u>
Total capital assets being depreciated, net	<u>113,350,167</u>	<u>(1,982,025)</u>	<u>-</u>	<u>12,674,178</u>	<u>124,042,320</u>
Governmental activities capital assets, net	<u>\$ 245,338,329</u>	<u>\$ 9,017,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 254,355,578</u>

Depreciation expense of \$6,827,897 for governmental activities was charged to the business and facilities function.

The district has the following significant construction commitments related to projects begun prior to June 30, 2020:

	Commitments made before 6/30/20	Commitments made after 6/30/20	Total Commitments
Crowell Woods Park	\$ 67,209	\$ -	\$ 67,209
Southwest Quadrant Neighborhood Park	277,249	-	277,249
Bethany Creek Trail	482,684	54,455	537,139
Bonnie Meadow Neighborhood Park	1,050,660	64,193	1,114,853
Highland Park	58,466	-	58,466
Somerset West Park	962,358	68,544	1,030,902
Youth Athletic Fields - NW Quadrant	689,236	27,750	716,986
Bridges & Boardwalks	13,349	-	13,349
Conestoga Pool Tank and Deck	60,214	-	60,214
	<u>\$ 3,661,425</u>	<u>\$ 214,942</u>	<u>\$ 3,876,367</u>

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Notes to Basic Financial Statements (continued)
June 30, 2020

C. Accrued compensated absences

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

	Beginning Balance 6/30/19	Increase	Repayments	Ending Balance 6/30/20	Due within one year
Compensated absences	\$ 1,161,995	\$ 281,928	\$ (586,280)	\$ 857,643	\$ 451,950

D. Long-term debt

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

	Beginning Balance 6/30/19	Increase	Repayments	Ending Balance 6/30/20	Due within one year
General Obligation Bonds					
Series 2011	\$ 19,665,000	\$ -	\$ (1,985,000)	\$ 17,680,000	\$ 2,155,000
Series 2015	35,485,000	-	(3,325,000)	32,160,000	3,645,000
Series 2016	8,710,000	-	-	8,710,000	-
Premium	5,381,413	-	(1,008,620)	4,372,793	927,873
Total General Obligation Bonds	<u>69,241,413</u>	<u>-</u>	<u>(6,318,620)</u>	<u>62,922,793</u>	<u>6,727,873</u>
Full Faith & Credit					
Series 2006	130,000	-	(130,000)	-	-
Series 2010A	1,205,000	-	(60,000)	1,145,000	70,000
Series 2010B	6,820,000	-	(6,820,000)	-	-
Series 2010C	185,000	-	(105,000)	80,000	80,000
Series 2020	-	9,900,000	-	9,900,000	290,000
Premium	9,901	1,294,716	(34,580)	1,270,037	115,613
Total Full Faith & Credit	<u>8,349,901</u>	<u>11,194,716</u>	<u>(7,149,580)</u>	<u>12,395,037</u>	<u>555,613</u>
Direct Borrowing					
Series 2019A	2,775,000	-	(2,775,000)	-	-
Series 2019B	1,225,000	-	(1,225,000)	-	-
Energy Savings Contract	298,613	-	(29,378)	269,235	30,264
Total Direct Borrowing	<u>4,298,613</u>	<u>-</u>	<u>(4,029,378)</u>	<u>269,235</u>	<u>30,264</u>
Total Long-term debt	<u>\$ 81,889,927</u>	<u>\$ 11,194,716</u>	<u>\$ (17,497,578)</u>	<u>\$ 75,587,065</u>	<u>\$ 7,313,750</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 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.

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

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

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

Full Faith and Credit Obligations

On December 21, 2006, the district issued \$2,430,000 in Full Faith and Credit Obligations, Series 2006. Proceeds were used to advance refund the Certificates of Participation, Series 1997, and the Full Faith and Credit Obligations, Series 1997 and Series 2000. The coupon rates on Series 2006 ranged from 4.0% to 5.0% for specific maturities, in accordance with the terms agreed at issuance. These obligations are subject to optional and mandatory redemption prior to the stated maturity dates.

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

On November 30, 2010, the district issued \$7,815,000 in Full Faith and Credit Obligations, to finance the acquisition, construction and renovation of a new maintenance facility and related capital projects, centrally located within district boundaries. The bonds were issued as Series 2010B and 2010C, for \$6,820,000 and \$995,000, respectively. Series 2010B was issued on a taxable basis, with a Recovery Zone Economic Development Bond subsidy associated with the issue. The stated coupon rates on specific maturities range from 5.25% to 6.741%, with a subsidy rate of 45% on the total interest cost, for the term of the bonds. In February 2020, the district advance refunded the Series 2010B bonds, and funds are held in irrevocable trust for future payment of the debt. As a result, this issue is considered defeased, and the liability was removed from the statement of net position. 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, with the final payment due in fiscal year 2021.

Finally, on February 12, 2020, the district issued \$9,900,000 in full faith and credit bonds with interest rates between 3.0% and 4.0%. The proceeds were used to advance refund \$6,820,000 of the Series 2010B full faith and credit issue and \$4,000,000 of the 2019 direct borrowing. The net proceeds of \$11,194,716 (including a \$1,294,716 premium and payment of \$126,325 in closing costs) were deposited in an irrevoc-

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Notes to Basic Financial Statements (continued)
June 30, 2020

able trust fund with an escrow agent to provide funds for future debt service payment on the refunded bonds. As a result, this portion of the Series 2010 bond is considered defeased and the liability was removed from the statement of net position and the 2019 direct borrowing was paid in full. The reacquisition price exceeded the net carrying amount of the old debt by \$398,392. This amount is amortized over the remaining life of the refunding debt. The bonds will be paid annually, with interest payments semi-annually, over a term of twenty years.

Direct Borrowing

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

On February 12, 2019, the district borrowed \$2,775,000 for funding a portion of the construction costs of two major capital improvement projects – Cedar Hills Park and Somerset Park. Additionally, the district borrowed \$1,225,000 for funding a portion of the construction costs of the same major capital improvement projects. These loans were paid in full with a portion of the proceeds of the 2020 full faith and credit bonds.

The district's outstanding notes from direct borrowings and direct placements contain an event of default provision that allows the escrow agent to enforce the financing agreement. Annual principal requirements for all issues are as follows:

Year Ending June 30,	General Obligation Series			Full Faith & Credit			Direct Borrowing	Total
	2011	2015	2016	2010A	2010C	2020	Energy Contract	
2021	\$ 2,155,000	\$ 3,645,000	\$ -	\$ 70,000	\$80,000	\$ 290,000	\$ 30,264	\$ 6,270,264
2022	2,315,000	3,980,000	-	75,000	-	380,000	31,175	6,781,175
2023	2,500,000	4,340,000	-	80,000	-	390,000	32,114	7,342,114
2024	2,675,000	4,725,000	-	85,000	-	395,000	33,082	7,913,082
2025	2,865,000	5,125,000	-	95,000	-	415,000	34,079	8,534,079
2026-2030	5,170,000	10,345,000	8,710,000	610,000	-	2,345,000	108,521	27,288,521
2031-2035	-	-	-	130,000	-	2,740,000	-	2,870,000
2036-2040	-	-	-	-	-	2,945,000	-	2,945,000
	<u>\$ 17,680,000</u>	<u>\$ 32,160,000</u>	<u>\$ 8,710,000</u>	<u>\$ 1,145,000</u>	<u>\$ 80,000</u>	<u>\$ 9,900,000</u>	<u>\$ 269,235</u>	<u>\$ 69,944,235</u>

Annual interest requirements for all issues are as follows:

Year Ending June 30,	General Obligation Series			Full Faith & Credit			Direct Borrowing	Total
	2011	2015	2016	2010A	2010C	2020	Energy Contract	
2021	\$ 615,756	\$ 1,502,000	\$ 292,550	\$ 45,670	\$ 3,978	328,550	\$ 7,826	\$ 2,796,330
2022	551,106	1,319,750	292,550	42,770	-	319,850	6,914	2,532,940
2023	458,506	1,120,750	292,550	39,670	-	308,450	5,975	2,225,901
2024	383,506	903,750	292,550	36,370	-	296,750	5,007	1,917,933
2025	299,912	667,500	292,550	32,770	-	280,950	4,011	1,577,693
2026-2030	773,600	565,250	527,000	94,395	-	1,140,350	5,749	3,106,344
2031-2035	-	-	-	2,730	-	693,000	-	695,730
2036-2040	-	-	-	-	-	255,600	-	255,600
	<u>\$ 3,082,386</u>	<u>\$ 6,079,000</u>	<u>\$ 1,989,750</u>	<u>\$ 294,375</u>	<u>\$ 3,978</u>	<u>\$ 3,623,500</u>	<u>\$ 35,482</u>	<u>\$ 15,108,471</u>

Short-term Debt

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

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

V. Other information

A. Defined benefit pension plan

The district maintains a single-employer defined benefit pension plan (“plan”) trusted by The Standard Insurance Company. The plan provides retirement and death benefits (pre-retirement) to plan members and beneficiaries. The plan does not issue a publicly available financial statement. Financial statements for the plan are included as Trust Funds in the Basic Financial Statements, and combining statements are included in the Supplemental Information. The plan’s authority for vesting and benefit provisions is provided by the Plan Agreement (last restatement July 1, 2016) and is governed by the district’s Board of Directors. Amendments to the plan require approval of the Board of Directors.

General Information About the Pension Plan

Plan Description

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

Membership in the Plan as of June 30, 2020 was:

Active members	164
Vested inactive members	34
Nonvested inactive members entitled to account balances	30
Retirees	18
Total	246

Benefits Provided

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

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

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

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

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

to receive a vested monthly benefit starting at normal retirement date. A participant is always 100% vested in mandatory/IAP and voluntary employee accounts.

Benefit terms allow the plan administrator to periodically apply a cost of living adjustment (COLA) up to 2% (or negative 2%) to amounts being distributed to retirees. In no event shall the amount of any participant's monthly benefit be less than would have been paid had no COLA been applied.

Contributions

The plan is funded by a combination of employer and employee contributions. Employer contributions used to liquidate the net pension liability are funded by the General Fund. The terms of the plan dictate that employee contributions are made on a pre-tax basis at a rate of 6% of eligible earnings for Tier I. Tier II employees are required to participate in the Individual Account Program Pension Plan, a defined contribution plan (see Note V.B. below). Per board direction, the employer contributions are based on an actuarially determined rate to contribute whatever amounts are required in addition to employee contributions, to provide benefits and pay expenses of the plan. Contributions are funded by the General Fund for the district. Total actual contributions to the plan for the year ended June 30, 2020 totaled \$10,909,278 which is 92.2% of annual covered payroll of \$11,833,548. Pension expense (benefit) for the fiscal year ended June 30, 2020 was (\$901,233).

Tier I participants 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.

Net Pension Liability

Actuarial Valuation Assumptions

The total pension liability reported as of June 30, 2020, with a measurement date of June 30, 2020, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Mortality assumptions	2019 adopted assumption for Oregon PERS General Service retirees (Pub-2010 retiree tables generationally projected).
Discount rate	6.0%
Salary growth assumption	4.0%
Inflation (post retirement COLA)	2.0%
Investment rate of return (net of expenses)	6.0%
Likelihood of a member selecting lump sum form of payment	50%

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

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

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

Changes in Net Pension Liability

The following table presents the changes in the net pension liability for the fiscal year ended June 30, 2020 based on the measurement date of June 30, 2020:

	Increases (Decreases)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances @ 6/30/2019	\$ 68,561,884	\$ 11,245,290	\$ 57,316,594
Changes for the year:			
Service cost	3,160,771	-	3,160,771
Interest	2,158,354	-	2,158,354
Effect of plan changes	(3,594,865)	-	(3,594,865)
Effect of economic/demographic gains	(4,650,603)	-	(4,650,603)
Effect of changes in assumptions or inputs	(12,963,571)	-	(12,963,571)
Benefit payments	(20,285,282)	(20,285,282)	-
Employer contributions	-	(195,260)	195,260
Member contributions	-	909,054	(909,054)
Net investment income	-	191,472	(191,472)
Administration expense	-	10,000,223	(10,000,223)
Net changes	(36,175,196)	(9,379,793)	(26,795,403)
Balances @ 6/30/2020	<u>\$ 32,386,688</u>	<u>\$ 1,865,497</u>	<u>\$ 30,521,191</u>

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

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

	1% Decrease (5.00%)	Discount rate (6.00%)	1% Increase (7.00%)
Total pension liability	\$ 36,912,749	\$ 32,386,688	\$ 28,692,110
Fiduciary net position	1,865,497	1,865,497	1,865,497
Net pension liability	35,047,252	30,521,191	26,826,613

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

For the year ended June 30, 2020, the district recognized pension expense of (\$901,233). The following table presents the components of deferred inflows and outflows of resources for the fiscal year ended June 30, 2020:

	Inflows of Resources	Outflows of Resources
Differences between expected and actual experience	\$ 4,166,165	\$ -
Change of assumptions or inputs	11,613,199	1,295,705
Net difference between projected and actual earnings	-	193,752
Total	<u>\$ 15,779,364</u>	<u>\$ 1,489,457</u>

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

The following table, presents the future amortization of deferred outflows and inflows of resources to be recognized in pension expense:

Fiscal Years Ended June 30,	Deferred Outflows (Inflows) of Resources
2021	\$ (1,585,798)
2022	(1,585,798)
2023	(1,585,800)
2024	(1,614,536)
2025	(1,641,421)
Thereafter	(6,276,554)
	\$ (14,289,907)

B. Individual account program pension

Effective July 1, 2020, the district transitioned the Individual Account Program (IAP), a single employer defined contribution plan, to a separate trust. At June 30, 2020, the assets of the IAP are co-mingled with the defined benefit trust, but are tracked separately. Standard Insurance is the administrator of the trust. Funding of the IAP occurs on a perpetual basis as part of the District's normal payroll processes.

Plan Description

The IAP is a defined contribution plan funded by mandatory pre-tax contributions from Tier II participants of the district defined benefit pension plan. Effective July 1, 2020, the district adopted the IAP, allowing for segregation of funds invested in participant directed accounts. Participants are eligible for the plan upon hire, and are fully vested at all times. The IAP is governed by the district's Board of Directors. Amendments to the plan require approval of the Board of Directors.

Plan Investments

Plan investments are reported at fair value. The district categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets. Investments in the IAP are valued using quoted market prices (Level 1 inputs).

As of June 30, 2020, there were 85 active employees, respectively, covered by the IAP.

C. Deferred compensation plan

The district offers all employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457(b). The plan permits employees to defer a portion of their current salary until termination, retirement, death, or financial hardship. All assets and income of the plan are in a trust for the exclusive benefit of the participants and their beneficiaries. Plan participant investments are determined by the employee participants. A committee performs the administrative and fiduciary responsibilities of the employer under the plan.

**Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020**

D. Other post-employment benefits (OPEB)

General Information About OPEB

Plan Description

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

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

Funding Policy

The net OPEB liability is liquidated via employer contributions from the General Fund. 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, 2020, 146 retirees were receiving post-employment healthcare benefits.

Net OPEB Liability

Actuarial Valuation Assumptions

The total OPEB liability reported as of June 30, 2020, with a measurement date of June 30, 2020, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Mortality assumptions	Pub-2010 General Employees table
Discount rate	7.0%
Salary growth assumption	3.5%
Inflation (post retirement COLA)	2.0%
Investment rate of return (net of expenses)	7.0%
Healthcare cost trend rates	6.8% in 2020/21, declining annual by 0.1% until 2038, 5.0% thereafter

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

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Notes to Basic Financial Statements (continued)
June 30, 2020

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	65%	9.2%
Fixed income	35	3.0

Changes in Net OPEB Liability

The following table presents the changes in the net OPEB liability for the fiscal year ended June 30, 2020 based on the measurement date of June 30, 2020:

	Increases (Decreases)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balances @ 6/30/2019	\$ 3,109,837	\$ 1,794,116	\$ 1,315,721
Changes for the year:			
Service cost	76,153	-	76,153
Interest	214,629	-	214,629
Differences between expected and actual experience	43,893	-	43,893
Changes of assumptions or other input	(836,714)	-	(836,714)
Employer contributions	-	91,389	(91,389)
Net investment income	-	82,265	(82,265)
Benefit payments	(163,574)	(163,574)	-
Administration expense	-	(4,323)	4,323
Net changes	(665,613)	5,757	(671,370)
Balances @ 6/30/2020	<u>\$ 2,444,224</u>	<u>\$ 1,799,873</u>	<u>\$ 644,351</u>

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

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

	1% Decrease (6.00%)	Discount rate (7.00%)	1% Increase (8.00%)
Net OPEB liability	\$ 854,789	\$ 644,351	\$ 457,909

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

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

	1% Decrease	Current trend rate	1% Increase
Net OPEB liability	\$ 535,987	\$ 644,351	\$ 769,044

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

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

For the year ended June 30, 2020, the district recognized OPEB expense of \$94,323. The following table presents the components of deferred outflows and deferred inflows of resources for the fiscal year ended June 30, 2020:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 743,746
Changes in assumptions or other inputs	39,016	-
Differences between expected and actual earnings on investments	38,786	-
	\$ 77,802	\$ 743,746

The following table presents the future amortization of deferred outflows and inflows of resources to be recognized in other post-employment benefits expense:

Fiscal Years Ended June 30,	Deferred Outflows (Inflows) of Resources
2021	\$ (77,872)
2022	(77,872)
2023	(77,872)
2024	(79,962)
2025	(88,091)
Thereafter	(264,275)
	\$ (665,944)

E. Risk management

The district is a member of the Special Districts Insurance Services (SDIS). The Special Districts Association of Oregon created SDIS in 1984 for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. SDIS has over 800 members, and is governed by a five member board of directors who are elected to three-year terms. In-house services of SDIS include risk management consultation, claims and litigation administration, investigation and loss analyses. SDIS contracts for specialists in land use problems and lobbyist services. SDIS is fully funded by its members, who pay annual assessments on an experience rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. New members initially contract for a one-year term, and thereafter automatically renew on an annual basis. Termination does not relieve a former member from its unresolved loss history incurred during membership. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

F. Commitments and contingencies

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

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

On January 21, 2011, the district entered into an operating lease agreement with Peregrine Sports, LLC, doing business as the Portland Timbers (the Timbers), a professional soccer team, to lease a portion of the Fanno Creek Service Center facility for an initial term beginning July 1, 2011 and ending June 30, 2021. The Timbers initially occupied 6,000 square feet of the facility for a locker room, training area and office space, along with land underlying the Timbers practice field. The contract was amended on January 2, 2013 to add an additional 900 square feet of the facility. On September 23, 2014, the district entered into the third amendment of the operating lease agreement to add an additional 2,400 square feet of interior space and expand usage of the synthetic turf field located at the Fanno Creek Service Center facility. Then, on June 7, 2017, the contract was amended to add an additional 12,833 square feet of interior space for expanded locker rooms, training and maintenance equipment space. Peregrine will pay \$143,290 per year for interior space and \$67,500 for field space for the balance of the initial term, due by December 31 of each year.

The Fanno Creek Service Center facility contains 90,000 square feet of interior space and was purchased and renovated at a cost of \$8.9 million in 2011-2012. Total annual depreciation expense for the facility is \$184,100 and the net carrying value as of June 30, 2020 approximates \$7.3 million. The synthetic turf practice field was purchased and constructed at a cost of \$2.1 million in 2011. Total annual depreciation for the constructed field approximates \$57,000 and the carrying value of the land and the constructed field approximates \$1.6 million.

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

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

G. Tax abatements

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

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

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

Tualatin Hills Park & Recreation District
Notes to Basic Financial Statements (continued)
June 30, 2020

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

The amount of tax abated during the year ended June 30, 2020 is:

Abatement Category	Abatement
Enterprise zone	\$ 9,000
Vertical housing	14,000
Nonprofit corporations low income housing	121,000
	\$ 144,000

H. Subsequent events

The district issued a Tax and Revenue Anticipation Note, Series 2020 in the amount of \$10,000,000 on July 1, 2020 to continue operations of the general government prior to receipt of annual tax revenue. This note matures December 31, 2020 and bears interest at a rate of 0.97%.



Required Supplementary Information





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

Schedule of Changes in Net Pension Liability and Related Ratios

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:						
Service cost	\$ 3,160,771	\$ 3,516,445	\$ 1,387,648	\$ 1,489,089	\$ 1,440,139	\$ 1,212,449
Interest	2,158,354	2,596,664	2,246,552	2,408,620	2,319,600	2,114,196
Effect of plan changes	(3,594,865)	-	-	-	-	-
Effect of changes in assumptions or inputs	(12,963,571)	1,682,483	-	-	-	-
Effect of economic/demographic gains	(4,650,603)	-	-	-	-	-
Benefit payments	(20,285,282)	(5,576,144)	(5,348,750)	(9,378,957)	(1,920,016)	(4,052,930)
Difference between expected and actual experience	-	-	1,252,327	3,112,507	-	2,366,480
Net change in total pension liability	(36,175,196)	2,219,448	(462,223)	(2,368,741)	1,839,723	1,640,195
Total pension liability, beginning	68,561,884	31,665,774	32,127,997	34,496,738	32,657,015	31,016,820
Restatement of total pension liability, beginning	-	34,676,662	-	-	-	-
Restated total pension liability, beginning	<u>68,561,884</u>	<u>66,342,436</u>	<u>32,127,997</u>	<u>34,496,738</u>	<u>32,657,015</u>	<u>31,016,820</u>
Total pension liability, ending	<u>32,386,688</u>	<u>68,561,884</u>	<u>31,665,774</u>	<u>32,127,997</u>	<u>34,496,738</u>	<u>32,657,015</u>
Plan fiduciary net position:						
Total contributions	10,909,277	4,848,951	3,385,841	3,288,096	3,103,438	3,191,093
Net investment income	191,472	418,421	1,986,626	(73,994)	(471,679)	2,972,365
Benefit payments	(20,285,282)	(5,576,144)	(5,348,750)	(9,378,957)	(1,920,016)	(3,999,039)
Administrative expense	(195,260)	(93,204)	(84,431)	(111,684)	(111,881)	(104,035)
Net change in plan net position	(9,379,793)	(401,976)	(60,714)	(6,276,539)	599,862	2,060,384
Plan net position, beginning	11,245,290	17,190,301	17,251,015	23,527,554	22,927,692	20,867,308
Restatement of plan net position, beginning	-	(5,543,035)	-	-	-	-
Restated plan net position, beginning	<u>11,245,290</u>	<u>11,647,266</u>	<u>17,251,015</u>	<u>23,527,554</u>	<u>22,927,692</u>	<u>20,867,308</u>
Plan net position, ending	<u>1,865,497</u>	<u>11,245,290</u>	<u>17,190,301</u>	<u>17,251,015</u>	<u>23,527,554</u>	<u>22,927,692</u>
Net pension liability	<u>\$ 30,521,191</u>	<u>\$ 57,316,594</u>	<u>\$ 14,475,473</u>	<u>\$ 14,876,982</u>	<u>\$ 10,969,184</u>	<u>\$ 9,729,323</u>
Plan fiduciary net position as a percent of						
total pension liability	5.8%	16.4%	54.3%	53.7%	68.2%	70.2%
Covered payroll	\$ 11,833,548	\$ 13,759,095	\$ 13,159,789	\$ 12,331,990	\$ 13,874,307	\$ 12,442,910
Net pension liability as a percent						
of covered payroll	257.9%	416.6%	110.0%	120.6%	79.1%	78.2%
Annual money-weighted return on pension plan						
investments	3.7%	3.7%	12.2%	-0.4%	-0.1%	2.2%

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

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

	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 10,000,223	\$ 4,022,258	\$ 3,590,968	\$ 3,384,945	\$ 3,286,864	\$ 3,098,289	\$ 3,191,093
Contributions recognized by the plan	10,000,223	4,022,258	3,590,968	3,384,945	3,286,864	3,098,289	3,191,093
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 11,833,548	\$ 13,759,095	\$ 13,613,440	\$ 13,159,789	\$ 12,331,990	\$ 13,874,307	\$ 12,442,910
Contributions as a percent of covered payroll	84.5%	29.2%	26.4%	25.7%	26.7%	22.3%	25.6%

Notes to Schedule

Valuation date:	June 30, 2020
Measurement Date:	June 30, 2020
Actuarial determined contribution method:	Aggregate cost
Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Inflation (post retirement COLA)	2.0%
Discount rate	6.0%
Salary growth assumption:	4.0%
Investment rate of return (net of expenses):	6.0%
Mortality assumptions:	2019 adopted assumptions for Oregon PERS General Service retirees (Pub-2010 retiree tables generationally projected)

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:			
Service cost	\$ 76,153	\$ 73,577	\$ 71,089
Interest	214,629	205,773	195,921
Differences between expected and actual experience	43,893	-	-
Changes of assumptions or other input	(836,714)	-	-
Benefit payments	(163,574)	(144,672)	(110,357)
Net change in total OPEB liability	(665,613)	134,678	156,653
Total OPEB liability, beginning	<u>3,109,837</u>	<u>2,975,159</u>	<u>2,818,506</u>
Total OPEB liability, ending	<u>2,444,224</u>	<u>3,109,837</u>	<u>2,975,159</u>
Plan fiduciary net position:			
Total contributions	91,389	101,524	60,016
Net investment income	82,265	109,441	136,475
Benefit payments	(163,574)	(144,672)	(110,357)
Administrative expense	(4,323)	(6,483)	(5,410)
Net change in plan net position	5,757	59,810	80,724
Plan net position, beginning	<u>1,794,116</u>	<u>1,734,306</u>	<u>1,653,582</u>
Plan net position, ending	<u>1,799,873</u>	<u>1,794,116</u>	<u>1,734,306</u>
Net OPEB liability	<u>\$ 644,351</u>	<u>\$ 1,315,721</u>	<u>\$ 1,240,853</u>
Plan fiduciary net position as a percent of total OPEB liability	73.6%	57.7%	58.3%
Covered payroll	\$14,434,641	\$ 13,759,095	\$ 13,613,440
Net OPEB liability as a percent of covered payroll	4.5%	9.6%	9.1%
Average Money-weighted return on OPEB investments	4.6%	6.2%	8.4%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 91,389	\$ 101,524	\$ 60,016
Contributions recognized by the plan	91,389	101,524	60,016
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,434,641	\$ 13,759,095	\$ 13,613,440
Contributions as a percent of covered payroll	0.6%	0.7%	0.4%

Notes to Schedule

Valuation date:	July 1, 2020	July 1, 2017	July 1, 2017
Measurement Date:	June 30, 2020	June 30, 2019	June 30, 2018
Actuarial determined contribution method:	Aggregate cost	Aggregate cost	Aggregate cost
Actuarial cost method:	Entry age normal	Entry age normal	Entry age normal
Amortization method:	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Inflation (post retirement COLA)	2.0%	2.0%	2.5%
Discount rate	7.0%	7.0%	7.0%
Salary growth assumption:	3.5%	3.5%	3.5%
Investment rate of return (net of expenses):	7.0%	7.0%	7.0%
Mortality assumptions:	Pub-2010 General employees table	RP-2014, adjusted to 2006	RP-2014, adjusted to 2006
Medical inflation rate:	6.8% in 2020-21, declining annually by 0.1% until 2038; 5.0% thereafter	6.8% in 2019-20, declining annually by 0.1% until 2037; 5.0% thereafter	6.9% in 2018-19, declining annually by 0.1% until 2037; 5.0% thereafter

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

Supplemental Information





**Tualatin Hills Park & Recreation District
General Fund
Schedule of Expenditures – Budget and Actual
For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BOARD OF DIRECTORS				
Part time salaries	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Payroll taxes	300	300	258	42
Personnel services	<u>3,300</u>	<u>3,300</u>	<u>3,258</u>	<u>42</u>
Professional services	210,500	210,500	202,120	8,380
Technical services	7,500	7,500	1,013	6,487
Office supplies	5,031	5,031	3,439	1,592
Dues and memberships	3,300	3,300	1,200	2,100
Conferences	25,000	25,000	28,295	(3,295)
Other travel	13,325	13,325	-	13,325
Materials and services	<u>264,656</u>	<u>264,656</u>	<u>236,067</u>	<u>28,589</u>
Elections	-	-	-	-
Total Board of Directors	<u>267,956</u>	<u>267,956</u>	<u>239,325</u>	<u>28,631</u>
ADMINISTRATION				
General Manager				
Full time salaries	375,891	375,891	372,181	3,710
Employee benefits	226,603	347,995	307,254	40,741
Payroll taxes	28,261	28,261	26,184	2,077
Personnel services	<u>630,755</u>	<u>752,147</u>	<u>705,619</u>	<u>46,528</u>
Telecommunications	2,400	2,400	4,310	(1,910)
Office supplies	4,603	4,603	1,323	3,280
Program supplies	4,000	4,000	164	3,836
Dues and memberships	22,000	22,000	14,390	7,610
Conferences	22,500	22,500	9,610	12,890
Other travel	7,000	7,000	-	7,000
Technical training	9,600	9,600	13,626	(4,026)
Staff transportation	8,000	8,000	6,175	1,825
Small furniture & equipment	1,000	1,000	-	1,000
Materials and services	<u>81,103</u>	<u>81,103</u>	<u>49,597</u>	<u>31,506</u>
Total General Manager	<u>711,858</u>	<u>833,250</u>	<u>755,216</u>	<u>78,034</u>
Community Partnerships				
Full time salaries	155,448	155,448	143,240	12,208
Employee benefits	64,583	114,755	121,472	(6,717)
Payroll taxes	12,659	12,659	11,742	917
Personnel services	<u>232,690</u>	<u>282,862</u>	<u>276,454</u>	<u>6,408</u>
Professional services	33,620	33,620	18,586	15,034
Technical services	1,200	1,200	-	1,200
Staff transportation	3,600	3,600	2,850	750
Materials and services	<u>38,420</u>	<u>38,420</u>	<u>21,436</u>	<u>16,984</u>
Total Community Partnerships	<u>271,110</u>	<u>321,282</u>	<u>297,891</u>	<u>23,391</u>

Tualatin Hills Park & Recreation District
General Fund
Schedule of Expenditures – Budget and Actual (continued)
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Communications				
Full time salaries	\$ 519,925	\$ 519,925	\$ 476,922	\$ 43,003
Part time salaries	30,106	30,106	16,460	13,646
Employee benefits	293,636	461,445	469,491	(8,046)
Payroll taxes	48,480	48,480	45,123	3,357
Personnel services	<u>892,147</u>	<u>1,059,956</u>	<u>1,007,997</u>	<u>51,959</u>
Professional services	157,500	157,500	78,758	78,742
Technical services	20,800	20,800	11,349	9,451
Telecommunications	3,000	3,000	1,815	1,185
Printing and publications	159,874	159,874	146,455	13,419
Postage	110,750	110,750	90,339	20,411
Advertising	62,800	62,800	49,371	13,429
Office supplies	19,901	19,901	9,931	9,970
Program supplies	19,000	19,000	6,984	12,016
Dues and memberships	5,690	5,690	3,605	2,085
Conferences	8,000	8,000	-	8,000
Staff transportation	4,900	4,900	3,155	1,745
Small furniture and equipment	2,000	2,000	398	1,602
Materials and services	<u>574,215</u>	<u>574,215</u>	<u>402,160</u>	<u>172,055</u>
Total Communications	<u>1,466,362</u>	<u>1,634,171</u>	<u>1,410,157</u>	<u>224,014</u>
Security Operations				
Full time salaries	101,088	101,088	101,088	-
Part time salaries	143,154	143,154	139,126	4,028
Employee benefits	49,660	82,287	85,279	(2,992)
Payroll taxes	25,524	25,524	24,778	746
Personnel services	<u>319,426</u>	<u>352,053</u>	<u>350,271</u>	<u>1,782</u>
Technical services	97,595	97,595	82,187	15,408
Maintenance services	11,648	11,648	16,883	(5,235)
Printing and publications	165	165	401	(236)
Telecommunications	3,200	3,200	3,120	80
Office supplies	500	500	242	258
Program supplies	8,000	8,000	6,260	1,740
Dues and memberships	100	100	-	100
Conferences	225	225	-	225
Technical training	1,000	1,000	611	389
Staff transportation	150	150	-	150
Small furniture and equipment	350	350	35	315
Materials and services	<u>122,933</u>	<u>122,933</u>	<u>109,740</u>	<u>13,193</u>
Total Security Operations	<u>442,359</u>	<u>474,986</u>	<u>460,011</u>	<u>14,975</u>
 Total Administration	 <u>2,891,689</u>	 <u>3,263,689</u>	 <u>2,923,275</u>	 <u>340,414</u>

Tualatin Hills Park & Recreation District
General Fund
Schedule of Expenditures – Budget and Actual (continued)
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUSINESS AND FACILITIES				
Director of Business and Facilities				
Full time salaries	\$ 412,560	\$ 412,560	\$ 449,229	\$ (36,669)
Employee benefits	178,740	311,905	329,283	(17,378)
Payroll taxes	31,965	31,965	34,462	(2,497)
Personnel services	<u>623,265</u>	<u>756,430</u>	<u>812,974</u>	<u>(56,544)</u>
Professional services	7,000	7,000	74,050	(67,050)
Technical services	174,000	174,000	57,450	116,550
Other miscellaneous services	80,113	80,113	38,719	41,394
Rental equipment	48,600	48,600	42,799	5,801
Bank charges and fees	6,250	6,250	4,550	1,700
Printing and publications	5,350	5,350	4,051	1,299
Postage	46,800	46,800	13,104	33,696
Advertising	3,900	3,900	-	3,900
Telecommunications	6,780	6,780	3,671	3,109
Office supplies	46,800	46,800	12,717	34,083
Dues and memberships	3,955	3,955	2,795	1,160
Conferences	18,250	18,250	3,533	14,717
Technical training	2,600	2,600	75	2,525
Staff transportation	7,680	7,680	5,831	1,849
Other travel	3,200	3,200	462	2,738
Small furniture and equipment	2,000	2,000	-	2,000
Materials and services	<u>463,278</u>	<u>463,278</u>	<u>263,805</u>	<u>199,473</u>
Debt principal	624,378	474,379	474,379	-
Debt interest	1,525,147	972,146	460,997	511,149
Debt service	<u>2,149,525</u>	<u>1,446,525</u>	<u>935,376</u>	<u>511,149</u>
Total Director of Business and Facilities	<u>3,236,068</u>	<u>2,666,233</u>	<u>2,012,155</u>	<u>654,077</u>
Operations Analysis				
Full time salaries	170,189	170,189	175,449	(5,260)
Employee benefits	89,970	144,899	149,484	(4,585)
Payroll taxes	14,964	14,964	14,981	(17)
Personnel services	<u>275,123</u>	<u>330,052</u>	<u>339,914</u>	<u>(9,862)</u>
Technical services	32,000	32,000	1,350	30,650
Telecommunications	780	780	768	12
Office supplies	1,800	1,800	-	1,800
Dues and memberships	412	412	190	222
Conferences	10,700	10,700	466	10,234
Technical training	1,010	1,010	-	1,010
Staff transportation	1,200	1,200	244	956
Materials and services	<u>47,902</u>	<u>47,902</u>	<u>3,018</u>	<u>44,884</u>
Total Operations Analysis	<u>323,025</u>	<u>377,954</u>	<u>342,932</u>	<u>35,022</u>

Tualatin Hills Park & Recreation District
General Fund
Schedule of Expenditures – Budget and Actual (continued)
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Finance				
Full time salaries	\$ 548,198	\$ 548,198	\$ 607,201	\$ (59,003)
Part time salaries	274,611	274,611	-	274,611
Employee benefits	301,829	478,763	491,082	(12,319)
Payroll taxes	75,677	75,677	56,046	19,631
Personnel services	<u>1,200,315</u>	<u>1,377,249</u>	<u>1,154,329</u>	<u>222,920</u>
Professional services	14,400	14,400	11,860	2,540
Technical services	249,315	249,315	165,543	83,772
Bank charges and fees	18,000	18,000	14,984	3,016
Printing and publications	4,900	4,900	3,472	1,428
Telecommunications	-	-	1,725	(1,725)
Office supplies	1,250	1,250	185	1,065
Dues and memberships	900	900	1,415	(515)
Conferences	3,500	3,500	3,541	(41)
Technical training	3,910	3,910	679	3,231
Rental facility	-	-	18,725	(18,725)
Staff transportation	600	600	235	366
Small furniture and equipment	1,495	1,495	1,588	(93)
Materials and services	<u>298,270</u>	<u>298,270</u>	<u>223,950</u>	<u>74,320</u>
Total Finance	<u>1,498,585</u>	<u>1,675,519</u>	<u>1,378,280</u>	<u>297,239</u>
Human Resources				
Full time salaries	354,166	354,166	337,109	17,057
Part time salaries	17,820	-	-	-
Employee benefits	184,238	316,367	330,310	(13,943)
Payroll taxes	32,919	32,919	31,684	1,235
Personnel services	<u>589,143</u>	<u>703,452</u>	<u>699,102</u>	<u>4,350</u>
Professional services	29,958	29,958	11,602	18,357
Technical services	65,204	65,204	43,468	21,736
Printing and publications	1,400	1,400	390	1,010
Advertising	9,000	9,000	1,848	7,152
Telecommunications	1,680	1,680	1,815	(135)
Office supplies	4,000	4,000	5,648	(1,648)
Program supplies	-	-	310	(310)
Dues and memberships	1,944	1,944	3,145	(1,201)
Conferences	14,900	14,900	3,368	11,532
Technical training	43,200	43,200	15,922	27,278
Staff transportation	800	800	773	27
Small furniture and equipment	2,000	2,000	408	1,592
Materials and services	<u>174,086</u>	<u>174,086</u>	<u>88,696</u>	<u>85,390</u>
Total Human Resources	<u>763,229</u>	<u>877,538</u>	<u>787,798</u>	<u>89,740</u>

**Tualatin Hills Park & Recreation District
General Fund
Schedule of Expenditures – Budget and Actual (continued)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Information Services				
Full time salaries	\$ 521,699	\$ 521,699	\$ 441,931	\$ 79,768
Employee benefits	272,891	441,272	453,565	(12,293)
Payroll taxes	46,073	46,073	40,460	5,613
Personnel services	<u>840,663</u>	<u>1,009,044</u>	<u>935,956</u>	<u>73,088</u>
Professional services	58,000	58,000	13,740	44,260
Technical services	384,866	384,866	278,513	106,353
Telecommunications	76,000	76,000	13,664	62,336
Office supplies	-	-	31	(31)
Program supplies	39,000	39,000	17,406	21,594
Maintenance supplies	17,000	17,000	190	16,810
Technical training	8,000	8,000	2,474	5,526
Conferences	-	-	851	(851)
Staff transportation	1,000	1,000	26	974
Small furniture and equipment	3,990	3,990	1,402	2,588
Materials and services	<u>587,856</u>	<u>587,856</u>	<u>328,297</u>	<u>259,559</u>
Computer technology replacement	253,838	253,838	190,461	63,377
Computer technology improvement	2,000	2,000	2,000	-
Capital outlay	<u>255,838</u>	<u>255,838</u>	<u>192,461</u>	<u>63,377</u>
Total Information Services	<u>1,684,357</u>	<u>1,852,738</u>	<u>1,456,714</u>	<u>396,024</u>
Risk and Contract Management				
Full time salaries	275,149	275,149	297,404	(22,255)
Part time salaries	6,396	6,396	5,062	1,334
Employee benefits	140,391	229,197	237,734	(8,537)
Payroll taxes	24,828	24,828	26,459	(1,631)
Personnel services	<u>446,764</u>	<u>535,570</u>	<u>566,660</u>	<u>(31,090)</u>
Professional services	3,000	3,000	1,400	1,600
Technical services	8,500	8,500	795	7,705
Miscellaneous other services	5,300	5,300	5,237	63
Insurance	359,189	359,189	380,975	(21,786)
Printing and publications	800	800	59	741
Advertising	400	400	-	400
Telecommunications	1,920	1,920	2,355	(435)
Office supplies	1,475	1,475	1,001	474
Program supplies	12,600	12,600	28,170	(15,570)
Dues and memberships	6,950	6,950	5,015	1,936
Conferences	1,500	1,500	726	774
Technical training	9,300	9,300	2,854	6,446
Staff transportation	1,450	1,450	624	826
Small furniture and equipment	1,000	1,000	60	940
Materials and services	<u>413,384</u>	<u>413,384</u>	<u>429,270</u>	<u>(15,886)</u>
Total Risk and Contract Management	<u>860,148</u>	<u>948,954</u>	<u>995,930</u>	<u>(46,976)</u>

Tualatin Hills Park & Recreation District
General Fund
Schedule of Expenditures – Budget and Actual (continued)
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Maintenance Operations				
Full time salaries	\$ 3,905,518	\$ 3,905,518	\$ 3,655,973	\$ 249,545
Part time salaries	1,528,134	1,528,134	980,137	547,997
Employee benefits	2,279,600	3,540,127	3,606,720	(66,593)
Payroll taxes	573,015	573,015	490,685	82,330
Personnel services	<u>8,286,267</u>	<u>9,546,794</u>	<u>8,733,514</u>	<u>813,280</u>
Advertising	-	-	45	(45)
Professional services	3,000	3,000	-	3,000
Technical services	40,437	40,437	26,725	13,712
Heat	333,752	333,752	266,121	67,631
Electricity	622,248	622,248	476,996	145,252
Water and sewer	1,112,480	1,112,480	715,208	397,272
Refuse services	65,500	65,500	85,405	(19,905)
Rental equipment	13,000	13,000	11,735	1,265
Maintenance services	701,850	701,850	403,813	298,038
Vehicle and equipment services	32,950	32,950	8,273	24,677
Telecommunications	130,142	130,142	125,407	4,735
Office supplies	5,440	5,440	4,297	1,143
Program supplies	23,115	23,115	17,840	5,275
Maintenance supplies	942,487	942,487	668,925	273,562
Gas & oil (vehicles)	171,274	171,274	120,196	51,078
Dues and memberships	3,272	3,272	949	2,323
Conferences	2,950	2,950	1,902	1,048
Technical training	23,782	23,782	10,864	12,918
Staff transportation	8,576	8,576	4,922	3,654
Small furniture and equipment	500	500	979	(479)
Materials and services	<u>4,236,755</u>	<u>4,236,755</u>	<u>2,950,602</u>	<u>1,286,153</u>
Fleet capital replacement	234,750	234,750	180,080	54,670
Capital outlay	<u>234,750</u>	<u>234,750</u>	<u>180,080</u>	<u>54,670</u>
Total Maintenance Operations	<u>12,757,772</u>	<u>14,018,299</u>	<u>11,864,196</u>	<u>2,154,103</u>

Tualatin Hills Park & Recreation District
General Fund
Schedule of Expenditures – Budget and Actual (continued)
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Planning				
Full time salaries	\$ 389,084	\$ 389,084	\$ 349,101	\$ 39,983
Employee benefits	193,560	319,139	330,740	(11,601)
Payroll taxes	33,978	33,978	32,627	1,351
Personnel services	<u>616,622</u>	<u>742,201</u>	<u>712,468</u>	<u>29,733</u>
Telecommunications	4,000	4,000	1,685	2,315
Office supplies	300	300	2,062	(1,762)
Program supplies	-	-	188	(188)
Professional services	43,497	43,497	24,718	18,779
Dues and memberships	1,965	1,965	859	1,106
Conferences	2,410	2,410	165	2,245
Technical training	1,200	1,200	124	1,076
Staff transportation	4,500	4,500	2,035	2,465
Materials and services	<u>57,872</u>	<u>57,872</u>	<u>31,836</u>	<u>26,036</u>
Total Planning	<u>674,494</u>	<u>800,073</u>	<u>744,304</u>	<u>55,769</u>
Design and Development				
Full time salaries	604,390	604,390	599,263	5,128
Part time salaries	10,752	10,752	7,359	3,393
Employee benefits	317,145	512,215	529,278	(17,063)
Payroll taxes	54,163	54,163	51,939	2,224
Personnel services	<u>986,450</u>	<u>1,181,520</u>	<u>1,187,838</u>	<u>(6,318)</u>
Professional services	30,660	30,660	20,000	10,660
Telecommunications	2,000	2,000	1,996	4
Office supplies	8,000	8,000	5,030	2,970
Program supplies	10,000	10,000	8,785	1,215
Dues and memberships	2,020	2,020	1,015	1,005
Conferences	8,400	8,400	2,228	6,172
Technical training	2,500	2,500	1,242	1,258
Staff transportation	4,000	4,000	2,147	1,853
Small furniture and equipment	1,500	1,500	-	1,500
Materials and services	<u>69,080</u>	<u>69,080</u>	<u>42,443</u>	<u>26,637</u>
Total Design and Development	<u>1,055,530</u>	<u>1,250,600</u>	<u>1,230,281</u>	<u>20,319</u>
Total Business and Facilities	<u>22,853,208</u>	<u>24,467,908</u>	<u>20,812,591</u>	<u>3,655,317</u>

Tualatin Hills Park & Recreation District
General Fund
Schedule of Expenditures – Budget and Actual (continued)
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARK AND RECREATION SERVICES				
Director of Park and Recreation				
Full time salaries	\$ 225,939	\$ 225,939	\$ 227,091	\$ (1,152)
Employee benefits	105,368	178,211	186,472	(8,261)
Part time salaries	29,924	29,924	14,175	15,749
Payroll taxes	21,173	21,173	19,306	1,867
Personnel services	<u>382,404</u>	<u>455,247</u>	<u>447,043</u>	<u>8,204</u>
Professional services	68,000	68,000	15,285	52,715
Fee reductions-family assistance	300,002	300,002	187,741	112,261
Printing and publications	1,000	1,000	-	1,000
Telecommunications	5,000	5,000	1,878	3,122
Office supplies	20,000	20,000	5,455	14,545
Dues and memberships	3,500	3,500	5,150	(1,650)
Conferences	25,500	25,500	3,619	21,881
Technical training	2,000	2,000	-	2,000
Staff transportation	6,720	6,720	3,708	3,012
Materials and services	<u>431,722</u>	<u>431,722</u>	<u>222,837</u>	<u>208,885</u>
Total Director of Park and Recreation	<u>814,126</u>	<u>886,969</u>	<u>669,880</u>	<u>217,089</u>
Aquatics				
Full time salaries	1,701,423	1,701,423	1,583,615	117,808
Part time salaries	1,694,777	1,694,777	1,084,341	610,437
Employee benefits	963,232	1,512,377	1,546,872	(34,495)
Payroll taxes	350,485	350,485	265,736	84,749
Personnel services	<u>4,709,917</u>	<u>5,259,062</u>	<u>4,480,563</u>	<u>778,499</u>
Advertising	1,500	1,500	18	1,482
Bank fees	40,951	40,951	36,222	4,729
Telecommunications	5,000	5,000	5,069	(69)
Office supplies	6,078	6,078	1,551	4,527
Program supplies	79,850	79,850	56,463	23,387
Dues and memberships	200	200	290	(90)
Conferences	15,000	15,000	2,270	12,730
Technical training	18,100	18,100	10,914	7,186
Staff transportation	2,000	2,000	1,358	642
Small furniture and equipment	750	750	648	102
Materials and services	<u>169,429</u>	<u>169,429</u>	<u>114,803</u>	<u>54,626</u>
Total Aquatics	<u>4,879,346</u>	<u>5,428,491</u>	<u>4,595,366</u>	<u>833,125</u>
Sports				
Full time salaries	1,068,069	1,068,069	1,159,629	(91,560)
Part time salaries	1,572,512	1,572,512	1,095,011	477,501
Employee benefits	803,294	1,268,874	1,302,634	(33,760)
Payroll taxes	269,662	269,662	250,144	19,518
Personnel services	<u>3,713,537</u>	<u>4,179,117</u>	<u>3,807,418</u>	<u>371,699</u>

Tualatin Hills Park & Recreation District
General Fund
Schedule of Expenditures – Budget and Actual (continued)
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Sports				
Instructional services	\$ 78,210	\$ 78,210	\$ 61,781	\$ 16,429
Program services	-	-	166	(166)
Rental equipment	30,000	30,000	36,000	(6,000)
Printing and publications	350	350	31	319
Telecommunications	8,500	8,500	7,126	1,374
Heat	29,667	29,667	40,987	(11,320)
Electricity	140,981	140,981	106,231	34,750
Water & sewer	2,604	2,604	-	2,604
Bank fees	39,414	39,414	33,709	5,705
Rental equipment	1,845	1,845	793	1,052
Maintenance services	44,585	44,585	30,020	14,565
Maintenance supplies	31,539	31,539	23,937	7,602
Office supplies	11,341	11,341	6,471	4,870
Program supplies	324,015	324,015	190,694	133,321
Dues and memberships	400	400	-	400
Conferences	8,550	8,550	3,710	4,840
Technical services	5,200	5,200	705	4,496
Staff transportation	3,434	3,434	2,939	495
Small furniture and equipment	5,150	5,150	-	5,150
Materials and services	765,785	765,785	545,302	220,483
Total Sports	4,479,322	4,944,902	4,352,720	592,182
Recreation				
Full time salaries	1,883,489	1,883,489	1,820,778	62,711
Part time salaries	4,096,448	4,096,448	2,929,146	1,167,302
Employee benefits	1,349,306	2,066,801	2,104,638	(37,837)
Payroll taxes	599,998	599,998	520,938	79,060
Personnel services	7,929,241	8,646,736	7,375,501	1,271,235
Technical services	138	138	-	138
Instructional services	-	-	140	(140)
Maintenance services	56,435	56,435	30,234	26,201
Bank fees	113,980	113,980	91,898	22,082
Printing and publications	800	800	-	800
Postage	1,000	1,000	591	409
Advertising	9,200	9,200	2,153	7,047
Telecommunications	12,612	12,612	15,684	(3,072)
Heat	30,477	30,477	26,920	3,557
Electricity	64,489	64,489	51,860	12,629
Maintenance supplies	23,538	23,538	24,389	(851)
Office supplies	56,722	56,722	26,288	30,434
Program supplies	553,104	553,104	304,906	248,198
Dues and memberships	1,035	1,035	1,664	(629)
Conferences	15,000	15,000	5,582	9,418
Technical training	19,609	19,609	14,348	5,261

Tualatin Hills Park & Recreation District
General Fund
Schedule of Expenditures – Budget and Actual (continued)
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Staff transportation	\$ 7,369	\$ 7,369	\$ 1,530	\$ 5,839
Water and sewer	100,369	100,369	88,101	12,268
Small furniture and equipment	14,100	14,100	2,073	12,027
Materials and services	<u>1,079,977</u>	<u>1,079,977</u>	<u>688,361</u>	<u>391,616</u>
Total Recreation	<u>9,009,218</u>	<u>9,726,713</u>	<u>8,063,861</u>	<u>1,662,852</u>
Community Programs				
Full time salaries	322,901	322,901	305,968	16,933
Part time salaries	95,905	95,905	54,866	41,039
Employee benefits	174,905	279,123	286,550	(7,427)
Payroll taxes	40,928	40,928	34,010	6,918
Personnel services	<u>634,639</u>	<u>738,857</u>	<u>681,394</u>	<u>57,463</u>
Technical services	64,584	64,584	43,748	20,836
Rental facility	2,400	2,400	3,000	(600)
Telecommunications	1,500	1,500	1,488	12
Office supplies	8,550	8,550	3,517	5,033
Program supplies	39,000	39,000	9,749	29,251
Dues and memberships	1,100	1,100	163	937
Conferences	7,500	7,500	2,271	5,229
Technical training	1,500	1,500	90	1,410
Staff transportation	2,900	2,900	1,316	1,584
Small furniture and equipment	-	-	360	(360)
Materials and services	<u>129,034</u>	<u>129,034</u>	<u>65,702</u>	<u>63,332</u>
Total Community Programs	<u>763,673</u>	<u>867,891</u>	<u>747,096</u>	<u>120,795</u>
Nature and Trails				
Full time salaries	1,096,859	1,096,859	1,087,270	9,589
Part time salaries	980,802	980,802	650,149	330,653
Employee benefits	383,622	737,641	756,438	(18,797)
Payroll taxes	191,798	191,798	162,728	29,070
Personnel services	<u>2,653,081</u>	<u>3,007,100</u>	<u>2,656,585</u>	<u>350,515</u>
Instructional services	3,460	3,460	1,753	1,707
Professional services	-	-	485	(485)
Technical services	85,300	85,300	60,866	24,434
Rental equipment	20,151	20,151	16,138	4,013
Maintenance services	33,187	33,187	10,821	22,366
Bank fees	6,375	6,375	4,176	2,199
Printing and publications	1,000	1,000	49	951
Advertising	600	600	552	48
Telecommunications	9,165	9,165	11,705	(2,540)
Office supplies	12,430	12,430	10,878	1,552
Program supplies	58,559	58,559	31,749	26,810
Heat	5,796	5,796	2,755	3,041
Electricity	13,186	13,186	8,723	4,463
Water and sewer	2,577	2,577	2,417	160
Refuse services	3,900	3,900	1,967	1,933

Tualatin Hills Park & Recreation District
General Fund
Schedule of Expenditures – Budget and Actual (continued)
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Maintenance supplies	\$ 86,580	\$ 86,580	\$ 18,651	\$ 67,929
Dues and memberships	1,700	1,700	1,452	248
Conferences	4,500	4,500	1,048	3,452
Technical training	47,500	47,500	45,627	1,873
Staff transportation	2,390	2,390	2,121	269
Small furniture and equipment	4,500	4,500	3,228	1,272
Materials and services	<u>402,856</u>	<u>402,856</u>	<u>237,159</u>	<u>165,697</u>
Total Nature and Trails	<u>3,055,937</u>	<u>3,409,956</u>	<u>2,893,743</u>	<u>516,213</u>
Total Park and Recreation Services	<u>23,001,621</u>	<u>25,264,921</u>	<u>21,322,667</u>	<u>3,942,254</u>
CAPITAL OUTLAY				
Carryforward projects	7,099,593	7,099,593	471,491	6,628,102
Athletic facility replacements	23,000	23,000	450	22,550
Athletic facility improvement	64,812	64,812	38,812	26,000
Park and trail replacement	690,000	690,000	142,163	547,837
Park and trail improvements	3,069,784	3,069,784	1,407,923	1,661,861
Building replacement	975,638	975,638	1,483,321	(507,683)
Building improvements	7,829,400	7,829,400	135,849	7,693,551
ADA projects	190,000	190,000	75,975	114,025
Program facility challenge grants	75,000	75,000	20,117	54,883
Total Capital Outlay	<u>20,017,227</u>	<u>20,017,227</u>	<u>3,776,100</u>	<u>16,241,127</u>
TRANSFERS TO OTHER FUNDS				
Transfers	4,768,000	2,518,000	-	2,518,000
CONTINGENCY				
Contingency	2,600,000	600,000	-	600,000
Total General Fund Expenditures	<u><u>\$ 76,399,701</u></u>	<u><u>\$ 76,399,701</u></u>	<u><u>\$ 49,073,958</u></u>	<u><u>\$ 27,325,743</u></u>

Tualatin Hills Park & Recreation District
Bonded Debt Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
For the Year Ended June 30, 2020

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget-Positive (Negative)</u>
Revenues			
Property taxes	\$ 7,935,956	\$ 8,096,466	\$ 160,510
Interest earned	30,000	87,245	57,245
Total Revenues	<u>7,965,956</u>	<u>8,183,711</u>	<u>217,755</u>
Expenditures			
Debt service	<u>7,965,956</u>	<u>7,965,873</u>	<u>83</u>
Total Expenditures	<u>7,965,956</u>	<u>7,965,873</u>	<u>83</u>
Excess of revenues over expenditures	-	217,838	217,838
Fund balance at beginning of year	<u>-</u>	<u>509,991</u>	<u>509,991</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 727,829</u>	<u>\$ 727,829</u>

Tualatin Hills Park & Recreation District
Bond Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
For the Year Ended June 30, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues			
Interest earned	\$ 200,000	\$ 150,747	\$ (49,253)
Total Revenues	<u>200,000</u>	<u>150,747</u>	<u>(49,253)</u>
Expenditures			
Capital outlay	9,835,626	4,381,427	5,454,199
Total Expenditures	<u>9,835,626</u>	<u>4,381,427</u>	<u>5,454,199</u>
Deficiency of revenues under expenditures	(9,635,626)	(4,230,680)	5,404,946
Fund balance at beginning of year	<u>9,635,626</u>	<u>9,488,405</u>	<u>(147,221)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 5,257,725</u>	<u>\$ 5,257,725</u>

Tualatin Hills Park & Recreation District
System Development Charges Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
For the Year Ended June 30, 2020

	<u>Original Budgeted Amount</u>	<u>Final Budgeted Amount</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues				
System development charges	\$ 7,404,694	\$ 7,404,694	\$ 12,716,580	\$ 5,311,886
Interest earned	139,800	139,800	466,563	326,763
Total Revenues	<u>7,544,494</u>	<u>7,544,494</u>	<u>13,183,143</u>	<u>5,638,649</u>
Expenditures				
Materials and services	-	90,000	-	90,000
Capital outlay	31,413,770	31,323,770	6,407,692	24,916,078
Total Expenditures	<u>31,413,770</u>	<u>31,413,770</u>	<u>6,407,692</u>	<u>25,006,078</u>
Excess (deficiency) of revenues over (under) expenditures	(23,869,276)	(23,869,276)	6,775,451	30,644,727
Other financing sources				
Transfers in	108,000	108,000	-	(108,000)
Total other financial sources	<u>108,000</u>	<u>108,000</u>	<u>-</u>	<u>(108,000)</u>
Net change in fund balance	(23,761,276)	(23,761,276)	6,775,451	30,536,727
Fund balance at beginning of year	<u>23,761,276</u>	<u>23,761,276</u>	<u>21,797,191</u>	<u>(1,964,085)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,572,642</u>	<u>\$ 28,572,642</u>

**Tualatin Hills Park & Recreation District
Mitigation Maintenance Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
For the Year Ended June 30, 2020**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues			
Interest earned	\$ 3,000	\$ 3,814	\$ 814
Miscellaneous income	-	2,467	2,467
Total Revenues	<u>3,000</u>	<u>6,281</u>	<u>3,281</u>
Expenditures			
Materials and services	175,000	-	175,000
Total Expenditures	<u>175,000</u>	<u>-</u>	<u>175,000</u>
Excess (deficiency) of revenues over (under) expenditures	(172,000)	6,281	178,281
Fund balance at beginning of year	<u>172,000</u>	<u>178,481</u>	<u>6,481</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 184,762</u>	<u>\$ 184,762</u>

**Capital Replacement Reserve
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
For the Year Ended June 30, 2020**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget-Positive (Negative)
Other financing sources			
Transfers from general fund	\$ 4,660,000	\$ -	\$ (4,660,000)
Total Other Financing Sources	<u>4,660,000</u>	<u>-</u>	<u>(4,660,000)</u>
Expenditures			
Capital outlay	410,000	-	410,000
Total Expenditures	<u>410,000</u>	<u>-</u>	<u>410,000</u>
Excess of other financing sources over expenditures	4,250,000	-	(4,250,000)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 4,250,000</u>	<u>\$ -</u>	<u>\$ (4,250,000)</u>

Tualatin Hills Park & Recreation District
Trust Funds
Combining Balance Sheet
June 30, 2020

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total Trust Funds</u>
Assets			
Cash and investments	<u>\$20,201,404</u>	<u>\$1,799,873</u>	<u>\$22,001,277</u>
Total assets	<u>20,201,404</u>	<u>1,799,873</u>	<u>22,001,277</u>
Liabilities			
Accounts payable	142,018	-	142,018
Benefits payable	<u>18,193,889</u>	<u>-</u>	<u>18,193,889</u>
Total liabilities	<u>18,335,907</u>	<u>-</u>	<u>18,335,907</u>
Net Position			
Net position restricted for pension	1,865,497	-	1,865,497
Net position restricted for other post-employment benefits	<u>-</u>	<u>1,799,873</u>	<u>1,799,873</u>
Total net position	<u>\$ 1,865,497</u>	<u>\$1,799,873</u>	<u>\$ 3,665,370</u>

Tualatin Hills Park & Recreation District
Trust Funds
Statement of Changes in Net Position
For the Year Ended June 30, 2020

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total Trust Funds</u>
Additions			
Contributions			
Employer	\$ 10,000,223	\$ -	\$ 10,000,223
Employee	909,055	-	909,055
	<u>10,909,278</u>	<u>-</u>	<u>10,909,278</u>
Total contributions			
Investment earnings	173,211	82,265	255,476
	<u>11,082,489</u>	<u>82,265</u>	<u>11,164,754</u>
Total additions			
Deductions			
Benefits paid	20,285,282	72,185	20,357,467
Administrative expenses	177,000	4,323	181,323
	<u>20,462,282</u>	<u>76,508</u>	<u>20,538,790</u>
Total deductions			
Change in net position	(9,379,793)	5,757	(9,374,036)
Net position at beginning of year	11,245,290	1,794,116	13,039,406
Net position at end of year	<u>\$ 1,865,497</u>	<u>\$ 1,799,873</u>	<u>\$ 3,665,370</u>



Other Financial Schedules





Tualatin Hills Park & Recreation District
Schedule of Property Tax Transactions and Outstanding Balances
For the Year Ended June 30, 2020

	Taxes Uncollected June 30, 2019	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, 2020
2019-2020	\$ -	\$43,274,691	\$(1,173,470)	\$ 9,570	\$ (143,597)	\$ (41,517,202)	\$ 449,992
2018-2019	419,009	-	216	15,570	(3,802)	(275,860)	155,133
2017-2018	112,852	-	54	8,565	(5,499)	(53,488)	62,484
2016-2017	62,305	-	(40)	11,023	(5,574)	(47,394)	20,320
2015-2016	26,338	-	(63)	5,982	(2,495)	(24,094)	5,668
2014-2015	10,048	-	(70)	1,113	(1,908)	(4,852)	4,331
Prior Years	33,793	-	(782)	2,564	(1,778)	(17,604)	16,193
	<u>\$ 664,345</u>	<u>\$43,274,691</u>	<u>\$(1,174,155)</u>	<u>\$54,387</u>	<u>\$ (164,653)</u>	<u>\$ (41,940,494)</u>	714,121
							June property tax receivable collected by the County 109,876
							Less allowance for uncollectibility (20,000)
							<u>\$ 803,997</u>
General Fund							
	\$ 532,783						\$ 574,636
							June property tax receivable collected by the County 88,736
							Less allowance for uncollectibility (15,000)
							<u>648,372</u>
Debt Service Fund							
	131,562						139,485
							June property tax receivable collected by the County 21,140
							Less allowance for uncollectibility (5,000)
							<u>155,625</u>
	<u>\$ 664,345</u>						<u>\$ 803,997</u>

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

Fiscal Year	Actuarially Determined Contribution (ADC)	District Contributions	District Contributions as a Percentage of ADC	Contribution Deficiency (Excess)
2011	\$ 2,411,109	\$ 2,440,915	101.24%	\$ (29,806)
2012	2,164,122	2,140,583	98.91	23,539
2013	2,294,355	2,198,333	95.81	96,022
2014	2,331,957	2,423,313	103.92	(91,356)
2015	2,321,835	2,318,042	99.84	3,793
2016	2,491,300	2,491,219	100.00	81
2017	2,582,219	2,582,762	100.02	(543)
2018	2,773,861	2,774,158	100.01	(297)
2019	4,022,258	4,022,258	100.00	-
2020	10,000,223	10,000,223	100.00	-

Source: The Standard Tualatin Hills Park & Recreation District Retirement Plan Actuarial Valuations (2011-2018);
Milliman Actuarial Valuations (2019-2020)

Statistical Section



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

CONTENTS	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.</i>	76
Revenue Capacity <i>These schedules contain information to help the reader assess the district's most significant local revenue source, property tax revenue.</i>	80
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</i>	87
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</i>	91
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</i>	94

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



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

	Fiscal Year									
	2011	2012	2013	2014	2015 (as restated)	2016	2017 (as restated)	2018 (as restated)	2019	2020
Governmental activities										
Net investment in capital assets	\$ 102,325,244	\$ 111,753,935	\$ 115,214,103	\$ 120,178,588	\$ 118,443,566	\$ 135,202,585	\$ 152,863,521	\$ 161,615,483	\$ 174,412,777	\$ 185,215,804
Restricted	4,966,711	3,393,951	5,506,718	8,113,102	13,104,560	12,350,287	9,760,567	17,307,632	22,307,182	29,300,471
Unrestricted	6,419,121	6,270,492	7,578,867	7,413,183	9,444,786	6,814,560	6,307,713	(40,874,234)	(40,145,774)	(32,400,756)
Total primary government net position	\$ 113,711,076	\$ 121,418,378	\$ 128,299,688	\$ 135,704,873	\$ 140,992,912	\$ 154,367,432	\$ 168,931,801	\$ 138,048,881	\$ 156,574,185	\$ 182,115,519

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
Board of Directors	\$ 212,527	\$ 229,942	\$ 200,248	\$ 154,475	\$ 218,847	\$ 178,381	\$ 209,412	\$ 183,678	\$ 287,244	\$ 239,325
Administration	1,603,306	1,678,446	1,717,417	1,963,226	1,860,162	2,048,290	2,210,239	2,313,893	2,465,436	2,090,232
Business and facilities	14,061,469	14,337,163	14,917,033	15,126,974	14,575,963	16,447,289	23,818,025	24,953,742	25,269,252	21,184,639
Planning and development	571,594	640,871	800,198	897,304	554,465	550,044	-	-	-	-
Park and recreation services	17,750,967	18,210,409	19,536,037	19,758,250	19,188,743	21,180,758	15,186,213	16,186,439	20,303,450	16,108,177
Interest on long-term debt	3,106,160	4,085,516	4,124,974	3,946,193	3,853,264	3,334,042	3,074,328	2,965,355	2,878,707	2,673,373
Total governmental activities expenses	\$ 37,306,023	\$ 39,182,347	\$ 41,295,907	\$ 41,846,422	\$ 40,251,444	\$ 43,738,804	\$ 44,498,217	\$ 46,603,107	\$ 51,204,089	\$ 42,296,286
Program Revenues										
Governmental activities:										
Park and recreation services:										
Charges for services	\$ 9,087,924	\$ 9,622,209	\$ 10,248,497	\$ 10,244,780	\$ 10,633,560	\$ 10,485,707	\$ 10,641,932	\$ 11,830,934	\$ 12,141,602	\$ 8,716,600
Operating grants and contributions	155,727	195,890	173,616	214,865	91,112	32,385	161,744	56,719	87,829	67,081
Capital grants and contributions	3,522,996	3,621,810	3,925,320	4,685,175	7,096,827	9,994,883	10,276,395	13,795,425	14,485,201	15,073,128
Rents and leases	-	-	-	-	-	648,897	635,913	591,040	548,759	573,847
Total governmental program revenues	\$ 12,766,647	\$ 13,439,909	\$ 14,347,433	\$ 15,144,820	\$ 17,821,499	\$ 21,161,672	\$ 21,715,984	\$ 26,274,118	\$ 27,263,391	\$ 24,430,656
Net revenue/(expense)	(24,539,376)	(25,742,438)	(26,948,474)	(26,701,602)	(22,429,945)	(22,577,132)	(22,782,233)	(20,328,989)	(23,940,698)	(17,865,630)
Governmental activities	\$ (24,539,376)	\$ (25,742,438)	\$ (26,948,474)	\$ (26,701,602)	\$ (22,429,945)	\$ (22,577,132)	\$ (22,782,233)	\$ (20,328,989)	\$ (23,940,698)	\$ (17,865,630)
Total primary government net expense	\$ (24,539,376)	\$ (25,742,438)	\$ (26,948,474)	\$ (26,701,602)	\$ (22,429,945)	\$ (22,577,132)	\$ (22,782,233)	\$ (20,328,989)	\$ (23,940,698)	\$ (17,865,630)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 31,633,996	\$ 32,536,833	\$ 32,998,488	\$ 34,325,378	\$ 35,389,201	\$ 35,118,802	\$ 36,692,351	\$ 37,548,487	\$ 40,631,613	\$ 42,020,224
Unrestricted grants and contributions	197,632	233,515	245,112	237,636	281,528	185,805	183,894	184,024	184,637	92,506
Investment earnings	445,603	507,727	447,101	365,782	380,671	458,566	516,989	872,511	1,391,423	1,160,881
Gain on sale of capital assets	-	-	-	-	-	-	945,760	-	-	-
Miscellaneous	204,308	171,665	139,083	159,819	203,731	188,479	172,235	289,943	258,329	133,353
Total governmental activities	\$ 32,481,539	\$ 33,449,740	\$ 33,829,784	\$ 35,088,615	\$ 36,235,131	\$ 35,951,652	\$ 38,511,229	\$ 38,694,965	\$ 42,466,002	\$ 43,406,964
Change in Net Position	\$ 7,942,163	\$ 7,707,302	\$ 6,881,310	\$ 8,387,013	\$ 13,805,186	\$ 13,374,520	\$ 15,728,996	\$ 18,565,976	\$ 18,525,304	\$ 25,541,334
Governmental activities	\$ 7,942,163	\$ 7,707,302	\$ 6,881,310	\$ 8,387,013	\$ 13,805,186	\$ 13,374,520	\$ 15,728,996	\$ 18,565,976	\$ 18,525,304	\$ 25,541,334
Total primary government	\$ 7,942,163	\$ 7,707,302	\$ 6,881,310	\$ 8,387,013	\$ 13,805,186	\$ 13,374,520	\$ 15,728,996	\$ 18,565,976	\$ 18,525,304	\$ 25,541,334

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

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

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

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Nonspendable	\$ 93,642	\$ 64,728	\$ 211,223	\$ 225,668	\$ 172,449	\$ 316,161	\$ 179,842	\$ 182,432	\$ 383,337	\$ 250,319
Unassigned	5,302,475	3,773,265	4,895,327	5,302,635	8,284,609	8,955,176	9,740,569	12,401,382	14,456,882	10,884,501
Total general fund	\$ 5,396,117	\$ 3,837,993	\$ 5,106,550	\$ 5,528,303	\$ 8,437,058	\$ 9,271,337	\$ 9,920,411	\$12,583,814	\$14,840,219	\$11,134,820
All other governmental funds										
Restricted, reported in:										
Debt service fund	\$ 303,177	\$ 413,134	\$ 440,064	\$ 477,206	\$ 450,745	\$ 286,350	\$ 153,507	\$ -	\$ 509,991	\$ 727,829
Capital project funds	43,383,093	70,061,111	56,750,162	42,117,723	42,833,171	39,290,859	25,899,989	31,956,484	31,285,596	33,830,367
Committed, reported in:										
Special revenue fund	182,820	183,657	182,071	163,989	166,364	164,356	166,052	168,952	178,481	184,762
Unassigned, reported in:										
Debt service fund	-	-	-	-	-	-	-	(44,480)	-	-
Total all other governmental funds	\$43,869,090	\$70,657,902	\$57,372,297	\$42,758,918	\$43,450,280	\$39,741,565	\$26,219,548	\$32,080,956	\$31,974,068	\$34,742,958

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Property taxes	\$ 31,656,648	\$ 32,122,160	\$ 33,076,378	\$ 34,203,849	\$ 35,471,678	\$ 34,952,393	\$ 36,541,016	\$ 38,014,442	\$ 41,267,126	\$ 41,990,380
Aquatic programs	2,542,840	2,604,415	2,680,571	2,567,782	2,761,776	2,450,847	2,732,311	3,028,311	3,207,755	2,086,197
Tennis center	869,498	853,427	881,620	952,762	1,025,969	1,017,285	978,178	1,062,214	1,061,398	886,052
Sports programs	1,233,700	1,287,406	1,338,838	1,424,626	1,423,992	1,565,716	1,631,316	1,840,300	1,913,715	1,280,082
Recreation programs	4,555,062	4,770,489	5,295,594	5,177,432	5,060,475	5,451,861	5,300,127	5,900,109	5,958,734	4,464,269
Grants and sponsorships	1,441,320	1,742,561	1,608,261	1,275,106	1,300,759	279,707	806,995	1,718,491	611,325	1,264,767
Rents and leases	-	-	-	-	-	648,896	635,913	591,040	548,759	573,847
System development charges	1,939,855	1,897,759	2,676,196	3,858,370	5,855,512	5,367,366	9,631,364	12,287,677	8,500,336	12,716,580
Interest earned	445,603	507,727	447,101	365,782	380,671	458,566	516,988	872,511	1,391,423	1,160,881
Charges for services	712,478	799,091	689,931	579,099	511,362	328,170	367,696	337,469	294,820	312,357
Miscellaneous	192,203	278,137	190,957	281,997	565,079	188,479	172,235	289,943	258,329	157,029
Total revenues	45,589,207	46,863,172	48,885,447	50,686,805	54,357,273	52,709,286	59,314,139	65,942,507	65,013,720	66,892,441
Expenditures										
Board of Directors	212,527	229,942	200,248	154,475	218,847	178,381	274,731	226,289	287,244	239,325
Administration	1,590,784	1,675,574	1,713,305	1,953,992	2,028,622	2,104,826	2,193,086	2,334,048	2,379,832	2,923,275
Business and facilities	13,796,771	14,018,655	14,590,241	14,901,004	15,621,414	16,074,842	17,489,302	18,502,519	17,816,512	19,480,998
Planning and development	1,282,382	1,430,176	1,503,184	1,497,804	1,211,690	1,262,721	-	-	-	-
Park and recreation services	14,201,551	13,996,776	14,476,812	14,593,069	14,725,729	15,501,975	15,022,217	16,152,894	19,625,019	21,322,667
Capital outlay	28,607,214	22,534,645	19,924,569	22,563,320	9,421,194	12,539,440	30,504,743	11,841,833	18,141,926	14,937,760
Debt service										
Principal	5,695,000	5,100,000	4,605,000	5,018,988	5,390,327	3,961,090	4,436,876	4,817,686	5,208,520	5,784,379
Interest	3,298,121	4,566,274	4,346,236	4,195,779	4,225,622	3,960,447	3,789,741	3,542,427	3,405,150	3,116,870
Total expenditures	68,684,350	63,552,042	61,359,595	64,878,431	52,843,445	55,583,722	73,710,696	57,417,696	66,864,203	67,805,274
Excess of revenues over (under) expenditures	(23,095,143)	(16,688,870)	(12,474,148)	(14,191,626)	1,513,828	(2,874,436)	(14,396,557)	8,524,811	(1,850,483)	(912,833)
Other financing sources (uses)										
Proceeds from debt issuance	9,510,000	40,060,000	-	-	37,880,000	-	8,710,000	-	4,000,000	9,900,000
Premiums on debt issuance	22,166	1,859,558	-	-	6,987,825	-	1,283,919	-	-	1,294,716
Proceeds from sale of capital assets	-	-	-	-	399,283	-	1,404,391	-	-	-
Payment to escrow	-	-	-	-	(43,180,819)	-	(9,874,696)	-	-	(11,218,392)
Loan proceeds	-	-	457,100	-	-	-	-	-	-	-
Total other financing sources (uses)	9,532,166	41,919,558	457,100	-	2,086,289	-	1,523,614	-	4,000,000	(23,676)
Net change in fund balances	\$(13,562,977)	\$ 25,230,688	\$(12,017,048)	\$(14,191,626)	\$ 3,600,117	\$(2,874,436)	\$(12,872,943)	\$ 8,524,811	\$ 2,149,517	\$ (936,509)
Debt service as a percentage of noncapital expenditures	22.4%	23.3%	21.2%	21.5%	21.9%	18.0%	18.8%	18.1%	17.4%	16.9%

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

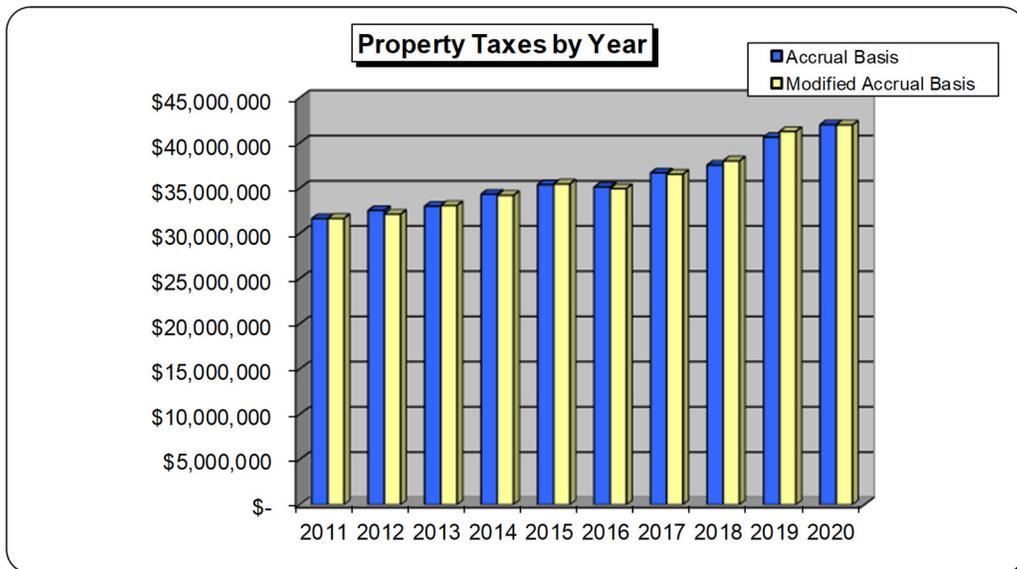
2) In FY 2017, Planning and Development expenditures were moved to Business and Facilities.

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

<u>Fiscal Year</u>	<u>Property Tax</u>
2011	\$ 31,633,996
2012	32,536,833
2013	32,998,488
2014	34,325,378
2015	35,389,201
2016	35,118,802
2017	36,692,351
2018	37,548,487
2019	40,631,613
2020	42,020,224

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

<u>Fiscal Year</u>	<u>Property Tax</u>
2011	\$ 31,656,648
2012	32,122,160
2013	33,076,378
2014	34,203,849
2015	35,471,678
2016	34,952,393
2017	36,541,016
2018	38,014,442
2019	41,267,126
2020	41,990,380



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

Fiscal Year Ended June 30	Real Property		Personal Property and Manufactured Structures		Public Utilities			Total		Assessed Value as a Percentage of Market Value		Direct Tax Rate per \$1,000
	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Percentage of Market Value	
2011	\$ 25,415,795,100	\$ 17,588,772,400	\$ 576,119,940	\$ 568,963,800	\$ 562,879,594	\$ 560,660,160	\$ 26,554,794,634	\$ 18,718,396,360	70.49%	\$ 1,7428		
2012	24,106,665,298	18,012,341,620	587,010,937	580,369,457	578,886,050	555,788,140	25,272,562,285	19,148,499,217	75.77	1,7372		
2013	23,607,540,340	18,581,040,050	617,142,106	610,830,076	624,892,048	559,899,100	24,849,574,494	19,751,769,226	79.49	1,7298		
2014	25,100,916,650	19,261,563,030	607,228,905	600,748,735	637,019,227	565,666,850	26,345,164,782	20,427,978,615	77.54	1,7282		
2015	27,933,899,694	20,049,326,753	610,281,231	603,605,791	647,433,574	592,184,300	29,191,614,499	21,245,116,844	72.78	1,7167		
2016	30,055,910,584	21,034,184,283	661,326,115	652,465,905	701,056,667	598,739,300	31,418,293,366	22,285,389,488	70.93	1,6246		
2017	33,870,049,729	22,045,761,923	697,114,641	683,052,351	721,904,470	704,324,200	35,289,068,840	23,433,138,474	66.40	1,6192		
2018	37,964,311,493	23,143,902,554	736,600,520	712,522,070	736,796,581	712,342,161	39,437,708,594	24,568,766,785	62.30	1,6111		
2019	42,018,755,716	24,394,680,474	788,727,155	746,681,555	643,170,899	642,837,559	43,450,653,770	25,784,199,588	59.34	1,6241		
2020	43,446,117,853	25,553,688,704	913,544,961	859,280,751	617,118,119	616,705,600	44,976,780,933	27,029,675,055	60.10	1,6141		

Source: Washington County, Department of Assessment and Taxation

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Direct Government:										
Tualatin Hills Park and Recreation District										
Permanent Tax Rate	\$ 1.3073	\$ 1.3073	\$ 1.3073	\$ 1.3073	\$ 1.3073	\$ 1.3073	\$ 1.3073	\$ 1.3073	\$ 1.3073	\$ 1.3073
Bond Levy Tax Rate	0.4355	0.4299	0.4225	0.4209	0.4094	0.3173	0.3119	0.3038	0.3168	0.3068
Total Tax Rate	1.7428	1.7372	1.7298	1.7282	1.7167	1.6246	1.6192	1.6111	1.6241	1.6141
Overlapping Government:										
Washington County	2.9798	2.9744	2.9670	2.9605	2.8254	2.8235	2.9354	2.9584	2.9583	2.8918
Washington County - Enhanced Patrol	1.2660	1.2477	1.2285	1.3165	1.3165	1.3165	1.3165	1.3165	1.3165	1.3165
Washington County - Road Maintenance	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456
Washington County - RFPD #2	1.6919	1.6919	1.6919	1.6919	1.6919	1.6919	1.6919	1.6919	-	-
Washington County - North Bethany SD	-	-	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
Northwest Regional ESD	0.1538	0.1538	0.1536	0.1534	0.1530	0.1528	0.1523	0.1538	0.1538	0.1494
Multnomah ESD	0.4576	0.4134	0.4576	0.4576	0.4576	0.4576	0.4576	0.4576	0.4576	0.4576
Portland Community College	0.6359	0.5981	0.6646	0.7329	0.7199	0.5837	0.6756	0.6756	0.6874	0.6769
School District No. 48, Beaverton	6.7841	6.8603	6.7749	8.0537	8.0368	7.9571	7.9205	8.0527	8.0205	7.9075
School District No. 1J, Hillsboro	7.5846	7.4663	7.4881	7.3794	7.3812	7.1812	7.1268	7.1512	7.1388	7.0178
School District No. 1J, Portland	6.5281	6.5166	7.2681	8.3571	8.3535	8.3632	8.3304	8.8052	9.7571	9.6734
Tualatin Valley Fire and Rescue District	1.8828	1.9302	1.9145	1.9061	1.8911	2.1078	2.0978	2.0457	2.0839	2.0725
Port of Portland	0.0701	0.0701	0.0701	0.0699	0.0697	0.0697	0.0694	0.0693	0.0701	0.0681
City of Beaverton	4.2034	4.1791	4.2350	4.3662	4.3517	4.3279	4.3109	4.2851	4.3196	4.3037
Urban Renewal - Beaverton	-	-	0.0113	0.0361	0.0929	0.1731	0.2233	0.2961	0.3718	0.4052
City of Hillsboro	5.3865	5.3827	5.3815	5.3755	5.3652	5.3621	5.3485	5.3387	5.3147	5.2823
Urban Renewal - Hillsboro	-	0.0141	0.0187	0.0415	0.0776	0.0867	0.1374	0.0856	0.1296	0.3514
City of Portland	7.0527	6.9497	7.0558	7.2043	7.1759	7.0455	6.9712	4.7097	4.7353	4.6867
Urban Renewal - Portland	1.1722	1.1314	1.1529	1.1727	1.0878	1.0608	1.1069	3.5073	3.5890	3.5492
Metro Service District	0.4088	0.3154	0.4043	0.4667	0.4575	0.3876	0.3960	0.3777	0.4342	0.6601
TriMet	0.0878	0.0583	-	-	-	-	-	-	-	-

Rate per \$1,000 of assessed valuation

Source: Washington County, Department of Assessment and Taxation

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

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Nike, Inc.	\$ 952,914,492	1	3.53 %	\$ 368,435,652	1	1.97 %
Nike IHM	216,673,430	2	0.80			
Portland General Electric	154,412,343	3	0.57	127,560,523	4	0.68
Comcast Corporation	152,204,000	4	0.56	118,667,000	5	0.63
Northwest Natural Gas Co.	133,604,000	5	0.49	83,887,000	9	0.45
Maxim Integrated Products, Inc.	120,005,560	6	0.44	99,825,420	7	0.53
Beaverton LLC	105,280,660	7	0.39			
Harsch Investment Corp	82,088,060	8	0.30			
Portland 2 LLC	69,325,260	9	0.26			
LaSalle Owner LLC	64,012,130	10	0.24			
Frontier Communications				148,704,100	2	0.79
Tektronix, Inc.				128,168,075	3	0.68
PS Business Parks LP				107,572,166	6	0.57
ERP Operating LP				80,435,660	8	0.43
Bernard Properties Partnership				57,821,473	10	0.31
All other taxpayers	24,979,155,120		92.42	17,397,319,261		92.96
Totals	<u>\$ 27,029,675,055</u>		<u>100.00 %</u>	<u>\$18,718,396,360</u>		<u>100.00 %</u>

Source: Washington County, Department of Assessment and Taxation

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

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Intel	\$ 1,970,829,308	1	2.90 %	\$ 1,086,959,550	1	2.32 %
Nike Inc.	1,011,210,140	2	1.49	431,605,315	2	0.92
Portland General Electric	616,308,814	3	0.91	390,952,730	3	0.84
Pacific Realty Associates	405,106,164	4	0.60	301,956,704	5	0.65
Northwest Natural Gas Co.	368,707,300	5	0.54	282,171,220	6	0.60
Genentech Inc.	274,026,540	6	0.40	231,546,750	7	0.49
Comcast Corporation	254,049,000	7	0.37	213,072,700	8	0.46
Verizon Communications	241,357,000	8	0.35			
Nike IHM	216,673,430	9	0.32			
Lam Research Corporation	190,462,687	10	0.28			
Frontier Communications				371,640,200	4	0.79
Maxim Integrated Products Inc.				137,021,824	9	0.29
Tektronix Inc.				128,237,247	10	0.27
All other taxpayers	62,483,625,744		91.84	43,226,703,997		92.36
Totals	\$68,032,356,127		100.00 %	\$46,801,868,237		100.00 %

Source: Washington County, Department of Assessment and Taxation

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 32,641,290	\$ 30,901,476	94.7 %	\$ 693,337	\$ 31,594,813	96.8 %
2012	33,334,482	31,713,114	95.1	584,847	32,297,961	96.9
2013	34,166,612	32,623,087	95.5	730,946	33,354,033	97.6
2014	35,308,500	33,590,906	95.1	719,005	34,309,911	97.2
2015	36,433,185	34,828,560	95.6	582,747	35,411,307	97.2
2016	36,088,203	34,488,930	95.6	461,022	34,949,952	96.8
2017	37,804,820	36,089,763	95.5	419,860	36,509,623	96.6
2018	39,400,040	37,551,090	95.3	430,425	37,981,515	96.4
2019	41,606,766	39,939,463	96.0	260,290	40,199,753	96.6
2020	43,274,691	41,507,632	95.9	-	41,507,632	95.9

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

Fiscal Year Ended June 30	Rate per Type of Dwelling Unit		
	Single Family	Multi-Family	Non-residential
2011	\$ 5,551	\$ 4,151	\$ 144
2012	5,299	3,963	137
2013	5,247	3,924	136
2014	5,524	4,131	143
2015	6,450	4,824	167
2016	6,450	4,824	167
2017	10,800	8,619	360
2018	10,800	8,619	360
2019	11,545	9,214	385
2020	11,895	9,494	397

Source: Tualatin Hills Park and Recreation District

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income ^{a)}	Per Capita ^{b)}
	General Obligation Bonds	Full Faith & Credit Obligations	Direct Borrowing			
2011	\$ 60,577,893	\$ 10,755,454	\$ 100,000	\$ 71,433,347	0.310%	\$ 315.01
2012	97,915,383	10,059,107	60,000	108,034,490	0.444	470.77
2013	93,313,622	9,851,204	477,100	103,641,926	0.417	446.27
2014	88,345,559	9,634,002	433,112	98,412,673	0.374	418.73
2015	89,388,275	9,407,542	407,785	99,203,602	0.333	417.09
2016	84,691,847	9,161,865	381,695	94,235,407	0.298	391.50
2017	80,802,769	8,907,017	354,819	90,064,605	0.267	369.74
2018	75,200,647	8,633,003	327,133	84,160,783	0.231	341.41
2019	69,241,413	8,349,901	4,298,613	81,889,927	n/a	328.26
2020	62,922,793	12,395,037	269,235	75,587,065	n/a	299.40

n/a - not available at time of printing

^{a)} based on Washington County total population

^{b)} based on estimated population of district

Sources: State of Oregon, OLMIS
Portland State University Center for Population Research and Census
U.S. Department of Commerce, Bureau of Economic Analysis

**Tualatin Hills Park & Recreation District
Ratios Of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Assessed Taxable Value of Property	Per Capita ^{a)}
2011	\$ 60,577,893	\$ 303,177	\$ 60,274,716	0.32%	\$ 265.80
2012	97,915,383	413,134	97,502,249	0.51	424.87
2013	93,313,622	440,064	92,873,558	0.47	399.90
2014	88,345,559	477,206	87,868,353	0.43	373.87
2015	89,388,275	450,745	88,937,530	0.42	373.93
2016	84,691,847	286,350	84,405,497	0.38	350.67
2017	80,802,769	153,507	80,649,262	0.34	331.09
2018	75,200,647	-	75,200,647	0.31	305.06
2019	69,241,413	509,991	68,731,422	0.27	275.51
2020	62,922,793	727,829	62,194,964	0.23	246.35

^{a)} per capita based on estimated district population

Source: Portland State University Center for Population Research and Census

Tualatin Hills Park & Recreation District
Direct And Overlapping Governmental Activities Debt
June 30, 2020

<u>Overlapping Government</u>	<u>Overlapping Debt</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Overlapping Net Direct Debt</u>
Debt repaid with property taxes:			
Tualatin Hills Park & Recreation District Direct debt	\$ 62,922,793 <u>62,922,793</u>	100.00 %	\$ 62,922,793 <u>62,922,793</u>
City of Beaverton	34,857,325	98.93	34,484,108
City of Hillsboro	79,819,407	0.12	96,182
City of Portland	838,525,454	0.01	61,212
Metro	979,745,000	13.06	127,968,413
Multnomah County SD 1J, Portland	1,191,001,582	0.40	4,728,276
Multnomah ESD	25,230,000	0.30	75,135
Northwest Regional ESD	2,643,426	32.73	865,093
Port of Portland	56,255,000	12.03	6,764,776
Portland Community College	644,797,061	16.44	105,974,976
Tualatin Valley Fire & Rescue	34,195,000	43.28	14,798,639
Washington County	213,232,118	40.92	87,263,965
Washington County SD 1J Hillsboro 7 Bd	777,521	3.18	24,731
Washington County SD 1J Hillsboro	576,809,671	3.17	18,307,362
Washington County SD 23J Tigard Tualatin	332,910,939	0.03	103,535
Washington County SD 48J Beaverton	955,103,871	82.62	789,087,716
Overlapping debt	<u>5,965,903,375</u>		<u>1,190,604,119</u>
Other Debt:			
Tualatin Hills Park & Recreation District Direct debt	12,664,272 <u>12,664,272</u>	100.00	12,664,272 <u>12,664,272</u>
City of Beaverton	133,542,645	98.93	132,112,805
City of Hillsboro	347,646,711	0.12	418,913
City of Portland	1,944,845,642	0.01	141,973
Clean Water Services	165,315,000	42.65	70,506,848
HFA Hillsboro	13,590,000	0.12	16,376
Home Forward	160,551,959	0.01	11,720
Metro	50,670,000	13.06	6,618,211
Port of Portland	1,093,606,826	12.03	131,508,403
TriMet	853,820,001	13.71	117,050,184
Tualatin Valley Water District	450,359,551	63.63	286,563,782
Washington County Housing Authority	37,194,085	40.92	15,221,456
Washington County SD 1J Hillsboro	2,164,679	3.18	68,853
West Slope Water District	2,460,000	100.00	2,460,000
Overlapping debt	<u>5,255,767,099</u>		<u>762,699,524</u>
Total Tualatin Hills Park & Recreation District	75,587,065		75,587,065
Total overlapping debt	11,221,670,474		1,953,303,643
Total direct and overlapping debt	<u>\$ 11,297,257,539</u>		<u>\$ 2,028,890,708</u>

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

Source: Oregon State Treasury, Municipal Debt Information System

Tualatin Hills Park & Recreation District
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 663,869,866	\$ 631,814,057	\$ 621,239,362	\$ 658,629,120	\$ 729,790,362	\$ 785,457,334	\$ 882,226,721	\$ 985,942,715	\$ 1,086,266,344	\$ 1,124,419,523
Total net debt application to limit	60,577,893	97,915,383	93,313,622	88,345,559	89,388,275	84,691,847	80,802,769	75,200,647	69,241,413	62,922,793
Legal debt margin	<u>\$603,291,973</u>	<u>\$533,898,674</u>	<u>\$527,925,740</u>	<u>\$570,283,561</u>	<u>\$640,402,087</u>	<u>\$700,765,487</u>	<u>\$801,423,952</u>	<u>\$910,742,068</u>	<u>\$1,017,024,931</u>	<u>\$ 1,061,496,730</u>
Total net debt applicable to the limit as a percentage of debt limit	9.12%	15.50%	15.02%	13.41%	12.25%	10.78%	9.16%	7.63%	6.37%	5.60%

Legal Debt Margin Calculation for Fiscal Year 2020

Real market value (2019/20)	\$44,976,780,933
General obligation debt capacity (2.5% of Real market value)	1,124,419,523
Less: Outstanding debt	62,922,793
Remaining legal debt capacity	<u>\$ 1,061,496,730</u>

Source: Tualatin Hills Park and Recreation District

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

Washington County

Fiscal Year	District Population (estimated)	Population (estimated) ^{a)}	Personal Income (amounts expressed in thousands) ^{b)}	Per Capita Personal Income ^{b)}	Unemployment Rate ^{c)}	School Enrollment ^{d)}
2011	226,764	540,410	\$ 23,042,656	\$ 42,639	7.9 %	38,571
2012	229,486	547,672	24,314,346	44,396	7.3	39,054
2013	232,239	554,996	25,919,173	46,735	6.6	38,775
2014	235,026	562,998	28,387,146	50,542	5.8	39,088
2015	237,847	574,326	30,840,797	53,878	5.0	40,725
2016	240,701	582,779	32,076,558	55,044	4.6	40,715
2017	243,589	589,957	33,765,596	57,331	3.7	40,912
2018	246,512	597,695	36,442,209	60,971	3.6	41,016
2019	249,470	601,592	n/a	n/a	3.4	40,860
2020	252,464	n/a	n/a	n/a	10.4	41,215

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

n/a data not available at time of printing

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

Industry	2020		2011	
	Annual Average	Percentage of Total County Employment	Annual Average	Percentage of Total County Employment
Mining and logging	400	0.1 %	325	0.1 %
Construction	17,408	5.9	11,367	4.7
Manufacturing:				
Computer and electronic products	28,817		25,325	
Other durable goods	14,650		11,400	
Non-durable goods	8,083		5,308	
	51,550	17.3	42,033	17.5
Trade, transportation and utilities:				
Wholesale trade	13,758		16,158	
Retail trade	31,667		28,058	
Transportation, warehousing and utilities	6,267		3,283	
	51,692	17.3	47,499	19.8
Information	7,533	2.5	7,967	3.3
Financial activities	17,717	5.9	15,292	6.4
Professional and business services:				
Professional and technical services	16,350		11,350	
Management of companies and enterprises	17,367		5,700	
Administrative and waste services	23,150		18,650	
	56,867	19.1	35,700	14.9
Educational and health services	38,333	12.8	29,867	12.5
Leisure and hospitality	24,658	8.3	19,800	8.3
Other services	9,167	3.1	7,058	2.9
Government:				
Federal government	908		842	
State government	2,092		2,708	
Local government	8,842		7,567	
Local education	11,233		11,950	
	23,075	7.7	23,067	9.6
Total non-farm employment	298,400	100.0 %	239,975	100.0 %

Source: Oregon Labor Market Information System

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

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration										
Office of the General Manager	2	2	2	2	3	3	3	3	3	3
Communications	6	6	6	7	7	7	8	8	8	8
Security operations	4	4	4	4	4	4	4	5	5	5
Community partnerships	-	-	-	-	1	1	1	1	1	1
Business and facilities										
Director	4	4	4	4	4	4	3	3	3	3
Finance services	7	7	7	7	7	7	6	7	7	10
Information services	5	5	5	5	5	5	5	6	6	6
Human resources	3	3	3	3	4	4	4	4	4	5
Risk and contract management	2	2	2	2	2	2	2	2	2	3
Operations analysis	-	-	-	-	-	-	2	2	2	2
Maintenance										
Operations Manager	3	3	5	5	6	7	7	7	7	5
Park maintenance	46	46	43	43	45	45	46	-	-	-
Fleet maintenance	6	6	6	6	6	6	6	6	6	6
Athletic facilities	23	23	25	25	26	26	27	-	-	-
Building and pool maintenance	49	49	50	51	49	48	48	27	27	25
Park and athletic facilities north	-	-	-	-	-	-	-	35	35	36
Park and athletic facilities south	-	-	-	-	-	-	-	31	31	31
Planning	2	2	3	3	3	3	3	4	4	4
Design and development	10	10	11	9	8	7	6	7	7	7
Park and recreation										
Director	3	3	3	3	3	3	4	3	3	3
Aquatics	81	73	74	77	79	83	78	78	78	80
Sports	32	31	31	29	30	45	58	62	62	63
Community programs	42	41	42	42	38	23	14	18	4	7
Recreation	106	105	102	100	100	101	108	130	144	151
Nature and trails	24	23	25	25	27	29	29	38	38	38
Total full-time equivalent employees	460	448	453	452	457	463	472	487	487	502

Source: Tualatin Hills Park and Recreation District

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

	2011 actual	2012 actual	2013 actual	2014 actual	2015 actual	2016 actual	2017 actual	2018 actual	2019 actual	2020 estimate
Parks and Recreation										
Cultural and recreational activities:										
Aquatics										
Attendance at open/drop-in programs and classes	462,982	472,057	558,152	531,824	539,836	511,251	481,665	524,137	496,844	359,091
Number of classes held	5,740	5,123	5,282	4,823	5,029	5,237	4,289	4,128	5,347	4,630
Sports										
Attendance at open/drop-in programs and classes	710,364	679,600	650,623	607,130	781,490	792,878	652,680	750,272	755,094	564,850
Number of classes held	583	700	527	537	1,985	2,205	2,030	2,331	2,177	1,615
Recreation										
Attendance at open/drop-in programs and classes	947,841	944,324	945,676	1,022,117	929,397	983,487	984,343	995,770	973,541	751,765
Number of classes held	4,794	3,972	4,236	4,199	4,184	3,919	4,111	4,379	3,611	2,494
Community programs										
Attendance at open/drop-in programs and classes	375,255	284,232	285,698	265,174	140,440	141,000	143,000	145,000	148,198	114,153
Number of classes held	1,798	1,954	1,819	2,283	575	580	580	591	575	418
Nature and trails										
Attendance at open/drop-in programs and classes	171,449	180,704	198,997	197,877	233,790	234,967	249,189	250,310	249,407	250,693
Number of classes held	580	643	647	707	664	720	678	711	691	560
Maintenance activities:										
Buildings maintained (shown per 1,000 sq. ft.)	368	450	461	461	461	461	461	461	461	461
Cost per sq. ft. of buildings	\$8.20	\$6.30	\$6.52	\$6.61	\$6.63	\$7.07	\$7.00	\$6.55	\$6.52	\$8.83
Pool facilities maintained (shown per 1,000 sq. ft.)	152	117	117	117	117	125	125	125	125	125
Cost per sq. ft. of pools	\$12.57	\$17.01	\$16.15	\$16.29	\$17.28	\$15.35	\$15.34	\$16.66	\$16.42	\$18.49
Parks maintained - developed acres	1,083	1,026	1,024	1,052	1,062	1,067	1,089	1,089	1,098	1,118
Cost per developed acre	\$2,765	\$2,879	\$2,720	\$2,740	\$2,892	\$3,133	\$3,288	\$3,288	\$2,737	\$2,929
Parks maintained - undeveloped acres	900	1,186	1,233	1,236	1,244	1,276	1,290	1,290	1,308	1,347
Cost per undeveloped acre	\$175	\$131	\$254	\$260	\$274	\$293	\$308	\$308	\$255	\$275
Vehicle and equipment units maintained	436	436	472	490	490	502	514	530	540	653
Cost per vehicle and equipment unit	\$1,937	\$1,990	\$1,757	\$1,801	\$1,768	\$1,653	\$1,720	\$1,709	\$1,677	\$1,477

Source: Tualatin Hills Park & Recreation District

**Tualatin Hills Park & Recreation District
Capital Asset Statistics By Function
June 30, 2020**

Parks and Recreation:

Number of parks	305
Park acreage:	
Developed sites (neighborhood, community and regional parks)	1,118
Undeveloped sites (wetlands and natural areas)	1,371
Pathways and trails mileage	52
Lakes	3
Stream corridor mileage	27

Facilities:

Swim Centers:	
Indoor	5
Outdoor	2
Recreation Centers	2
Combined Recreation/Aquatic Center	1
Athletic Center	1
Senior Center	1
Historical Facilities (weddings, meetings, community events)	3
Interpretive Centers/Nature Parks	2
Tennis Center	1
Camp Rivendale (developmentally disabled patrons)	1

Fields and courts:

Tennis:	
Indoor	6
Outdoor ¹⁾	108
Basketball:	
Indoor	6
Outdoor ¹⁾	52
Volleyball ¹⁾	6
Sports fields: ¹⁾	
Soccer/football/lacrosse	147
Softball/baseball	99
Bocce	4
Hockey	1
Indoor running track	1
Skate park	3

¹⁾ these facilities are maintained either through direct ownership or joint use agreement

Source: Tualatin Hills Park and Recreation District

Audit Comments and Disclosures Section







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

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

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Tualatin Hills Park & Recreation District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

COMPLIANCE

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

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

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

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



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

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

PURPOSE OF THIS REPORT

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

Talbot, Kowala & Warwick, LLP

Portland, Oregon
December 4, 2020