



**WASHINGTON COUNTY CONSOLIDATED
COMMUNICATIONS AGENCY**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2020

**Prepared by:
WCCCA Finance Department**

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Kelly Dutra, Director

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Washington County Consolidated Communications Agency

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Introductory Section

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Washington County Consolidated Communications Agency

December 11, 2020

**Mayor Dennis Doyle, Chair and
Members of the Board of Commissioners**

We are pleased to submit the Comprehensive Annual Financial Report of Washington County Consolidated Communications Agency (WCCCA or Agency) for the fiscal year ended June 30, 2020. State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Talbot, Korvola and Warwick, LLP has issued an unmodified (“clean”) opinion on the Agency’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.

Management’s Discussion and Analysis (MD&A) immediately follows the Independent Auditor’s Report and 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 Agency is a local government established to provide countywide dispatch operations for 9-1-1 call answering and all fire, emergency medical services (EMS) and law enforcement dispatching. The Agency is an Oregon Revised Statutes (ORS) Chapter 190 Intergovernmental Agency established to provide 9-1-1 service and public safety communications for police, fire, and EMS in Washington County, Oregon. The Agency operates under the authority of ORS 190.010 and is established as a 9-1-1 jurisdiction in accordance with ORS 401.710 to 401.790

As a Chapter 190 organization, the Agency is effectively a partnership established and governed by the following governments: Washington County; City of Hillsboro; City of Beaverton; Tualatin Valley Fire and Rescue; City of Tigard; City of Tualatin; City of Forest Grove; City of Sherwood; City of Cornelius; City of King City; City of Gaston; City of North Plains; Banks Fire District Number 13; City of Durham; City of Banks; Cornelius Rural Fire District; and Gaston Rural Fire District. The Agency's Board of Commissioners is comprised of one representative from each of these participating jurisdictions.

The Agency dispatches emergency services personnel to an area encompassing over 900 square miles. The area includes all of Washington County, a portion of northwest Clackamas County, a portion of Yamhill County surrounding the Cities of Newberg & Dundee and portions of the western area of Multnomah County contiguous with the boundaries of Tualatin Valley Fire and Rescue.

The Board of Commissioners of the Agency is responsible for the appointment of the Director, strategic planning, establishment of Agency service levels and performance standards, adoption of the annual budget, and approval of all contracts over \$100,000.

The Chief Executive Officers (CEO) Board's function is to provide oversight of and assistance to the Director in Agency operational matters; consider and make recommendations to the full Board on budgetary issues; contracts over \$50,000 and up to \$100,000; salary levels, labor negotiations; approve policies and strategies to meet established Agency service levels; serve as the Local Contract Review Board; and provide for an annual audit of the Agency's finances. The CEO Board is comprised of the Chair of the Board of Commissioners, whom shall be the Chair of the Board and the CEO Board, the Chief Administrative Officers or their designees from the two (2) largest Agency members (as determined by the user fee contribution schedule) and two additional Chief Administrative Officer members who shall be appointed at-large by the Voting Board.

On an annual basis, the Agency prepares a budget for its funds, all of which conduct governmental activities. Although not subject to the State of Oregon budget law, the Agency chooses to follow the defined processes established in that law. Anticipated revenues and planned expenditures are estimated by management, reviewed by the CEO Board and proposed to the Budget Committee. Once the Budget Committee has approved the appropriations for the upcoming fiscal year, a public hearing is held before the Board of Commissioners (the Board). The Board may make changes within defined limits and adopts the budget for all funds by resolution. Upon adoption, the Agency is required to operate within the established category levels of appropriations as stated in the resolution: personnel services, materials and services, capital outlay. Any changes that are necessary at the category level of the budget must be approved by the Board by resolution.

WCCCA's Board of Commissioners has established a mission statement for the Agency, which reflects WCCCA's commitment to providing quality services to all of its customers: *"WCCCA is committed to providing timely, efficient and compassionate communication services to all citizens through innovation, employee excellence, and partnerships with public-safety providers."* With this mission in mind, and as a high-reliability, learning organization, WCCCA strives to achieve excellence in emergency communications through support of employees, strategic involvement of member agencies, the efficiency of partnerships, comprehensive training, in-depth attention to quality assurance programs and vision toward the future.

Local Economy

Washington County (the County) has the second largest population of Oregon counties with a July 1, 2019 population estimate of 613,410. The County's population growth was the tied with Jefferson County for the fifth fastest growing county in Oregon at 1.2% behind Columbia County at 1.6%, Deschutes County at 2.1%, Crook County at 3.2% and Morrow County with a growth rate of 6.7%. The County's population includes two of the state's largest cities, Hillsboro and Beaverton. If the population of Washington County's unincorporated area was ranked among cities, it would be Oregon's second largest city.

The Washington County area serves as the home to internationally recognized companies such as Intel, Nike, Genentech, Mentor Graphics, In Focus, and Tektronix. Top metropolitan area employers include Intel, Nike, Providence St. Vincent Hospital, Target Stores, Tektronix, Home Depot, Kaiser Permanente, Rite Aid Corporation, Xerox Office Business Group and Tuality Healthcare, exclusive of large government employers. The top taxpayers within Washington County are Intel, Nike Inc., Portland General Electric, Pacific Realty Associates, NW Natural Gas, Comcast Corporation, Verizon Communications, Genentech, Inc., LAM Research Corporation, and PPR Washington Square LLC.

As an ORS 190 organization, the Agency is funded primarily by user fees from the participating jurisdictions and the State of Oregon levied 9-1-1 telephone excise taxes. Beginning January 1, 2020, the state mandated 9-1-1 excise tax was raised by \$.25 on all devices with access to 9-1-1 services, including contract cellular phone lines, pre-paid wireless devices and voice over internet protocol (VoIP) devices, resulting in a total tax of \$1.00 per month per device/line. In 2019, HB2449 ensured not only the 2020 increase to the 9-1-1 excise tax, but an additional \$.25 increase in January, 2021 as well. It is anticipated that we will see a resulting 9-1-1 tax revenue increase around the first quarter of Fiscal Year 20/21. These upcoming increases will provide some relief to the budgets of our member agencies while allowing WCCCA to create a more financially sustainable long-term financial plan providing for the needs of our internal and external stakeholders and customers. The tax as it is defined in HB2449 will sunset on December 31, 2029.

The strength of our Agency resides in its committed partnership base of all participating jurisdictions. Member agencies include municipalities, fire districts, and the County, which are supported by property taxes and a number of other sources of revenue. The Agency annually updates its financial plan and five year forecast to project expenditures and to allow members to plan for the future needs of the Agency. Annual cost increases to our members continues to be in the Agency's focus and a driver in everything that we plan and execute in our commitment to excellence.

Fiscal Year 19/20 saw a shift in fiscal considerations with the evolution of COVID-19 which closed businesses, resulted in many people without work and all but shut down commerce as we know it. Given potential financial impacts to government entities reliant upon property taxes and other tax-based revenues, we will be watching closely for changes to governmental revenues on the horizon which could affect our Members, and consequently could also impact WCCCA.

Long-term Financial Planning

Unassigned fund balance in the General Fund at year end was 54% of general fund operating expenditures. This percentage is above the minimum target fund balance set by the Board of 12%, which is representative of approximately 45 days' operating expense. This is primarily due to vacancies in staffing.

On an annual basis, the Agency develops a long-range financial forecast which is part of the budgeting process and approved by the Board of Commissioners. The forecast includes only the General Fund which encompasses all of the operations of the Agency. The first year of the adopted forecast provides a plan for the Agency to use in developing the ensuing year's budget. This annual financial forecasting provides the Board and management with a long-term view of the financial health of the Agency, and offers

strategic approaches to planning for service levels and predictability of the cost to the member governments that direct the Agency.

“WCCCA’s mission is to support the public safety of our community through:

- Rapid dispatch of appropriate first responders aided with the best information available;*
- Ongoing communications innovations and problem-solving partnerships with public safety providers, and*
- Outstanding assistance to every citizen.”*

With the advent of the current Director announcing plans to retire late in 2020, discussions about strategic planning have occurred with the Executive Boards, who desire WCCCA to engage in a strategic planning process to set a clear course for WCCCA’s approach to its financial and business future. Staff has taken early steps to begin a vision of internal culture. In looking ahead at the budget, funds have been approved to pursue a strategic plan led by a consultant. Over the next year, with a new Executive Director in place and much of the work on our capital projects completed, the timing will be right to begin this process. The plan will include a business model that encompasses technological and operational changes ahead which could change how and what type of service is provided; capital needs; the operation of a successful organization with limited revenues; cost controls and the financial impacts to our members.

In 2021, we look forward to moving into a new facility at a new location, thanks to the \$77 million bond placed on the ballot on our behalf by Washington County and approved by the citizens of Washington County in 2016, which will provide stability in continuity of operation. Additional emphasis will be on long-term capital planning to address needs for the next 10 to 20 years, including life cycle plans, procurement and maintenance of the critical systems relied upon by our citizens and our member agencies and with an eye on the technological horizon. As we create this new plan, we continue to strive to achieve the following goals:

Real Time Public Safety Response Goals

- 1. Answer 9-1-1 calls quickly and effectively:** *Meet or exceed benchmarks for the speed of emergency call answering and the quality of assistance provided to the caller.*
- 2. Optimal timeliness in Fire & EMS dispatch:** *Meet or exceed benchmarks for providing triage, dispatching the right fire/EMS resource efficiently and following through with quality event and location information support. Saving lives is our business.*

3. **Effective police dispatch:** *Meet or exceed benchmarks for effective police dispatch timeliness, resource management, and information quality. Provide reliable data for members records management systems.*
4. **Safe, efficient radio management:** *Maintain a robust and current emergency communications system that provides airwaves for what matters most.*

Ongoing Public Safety Partner Support Goals

5. **Partner with our member agencies in public safety problem solving, excellent service and efficiencies:** *Enhance police and fire responders' ability to perform their duties, protecting and preserving life, controlling disorder, providing for the needs of our citizens, calming and soothing their fears.*
6. **Preparedness which connects all necessary responders during a major emergency:** *Ensure preparedness for catastrophic events within WCCCA, within our communities, working with local and regional response partners.*
7. **Lead the community of users in a robust technology vision:** *Ensure core public-safety grade interoperability enhanced by emerging innovations in voice and data communications.*

Administrative & Structural Support Goals

8. **Support our employees in a culture of excellence:** *Maintain full staffing in an environment respectful of diversity and supportive of employee needs, innovation, and skill development.*
9. **Build on WCCCA's position as an agency providing consolidated cost efficiencies:** *Meet or exceed targets for financial management, efficiency partnerships, and user confidence in WCCCA as a value-added element to the public safety response and service efforts of our members.*

Relevant Financial Policies

The Agency has adopted a comprehensive set of financial policies. During the current year, two of these policies were particularly relevant. The Agency has a policy that requires the adoption of a balanced annual operating budget (i.e., estimated revenues equal to or in excess of appropriations). In an effort to control user fee increases, the Agency's estimated revenues for the General Fund were less than appropriations (\$15,261,867 v. \$19,247,571). In such cases, the policy allows for the appropriation of fund balance to close the gap.

Major Initiatives

As anticipated, technology remains at the forefront of our initiatives now, and will continue to drive planning in the future.

In May 2016, the citizens of Washington County voted to approve general obligation bond funds in the amount of \$77,000,000 for the purposes of replacing and upgrading WCCCA's emergency communications systems, including seismic upgrades, where needed. In addition, the bond funds the design and the construction of a new 9-1-1 Dispatch Facility. An agreement between WCCCA and Washington County is in place that guides the project and ensures accountability for expenditures. The Emergency Communication System Upgrade project is at last winding down, currently approximately 70% complete in the radio site upgrade and construction processes, with an anticipated go live timeline of January 2021. Work on preparing new Subscriber Radios for full function has been all but completed with subscriber radios distributed to WCCCA's Users. Dispatch Center personnel training and equipment upgrades have been in our focus and are expected to be complete by the end of 2020.

The new WCCCA 9-1-1 Dispatch Facility construction is underway with weekly updates and photos of progress facilitated by our Project Manager. A monthly newsletter is published by Washington County to ensure stakeholders are kept apprised of the progression as well. It will be necessary to fully fit up and make ready the new 9-1-1 Dispatch Facility as well as operate it in parallel with the existing facility for a period of time to insure emergency and non-emergency calls and police, fire, and medical dispatch services are uninterrupted during the transition between the old and new buildings. The current timeline for moving into the new Facility is around September, 2021.

The coming year will bring a number of changes in staffing at WCCCA, including a new Executive Director and several key Operations positions, primarily due to retirements. While these transitions can create discomfort and even risk, WCCCA staff is committed to ensuring that excellence in emergency communications continues and that those selected to fill these important roles will bring energy, experience, vision and a desire to achieve the highest level of service to WCCCA's stakeholders and citizens. It is anticipated that WCCCA will also reach its goal of staffing the 9-1-1 Center with the fully allocated compliment of 67 dispatch staff before the end of Fiscal Year 20/21.

Other Information

Independent Audit

State of Oregon Revised Statutes, ORS 297.405 to 297.555, require an annual audit of the fiscal affairs of the Agency by independent public accountants selected by the Board of Commissioners. The Agency has complied with this requirement and the auditor's opinion has been included in this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Washington County Consolidated Communications Agency for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. This was the twenty-second year that the Agency has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

As we see our major capital initiatives come closer to fruition, we are reminded of the generous support of the citizens of Washington County through their approval of the general obligation bond in May 2016. Because of their faith and trust in us, we have been able to work forward toward providing continued communications and excellent public safety service to our public and to our member agencies. As we evolve into digital radio communications in early 2021 and move to the new 9-1-1 Facility in late 2021, we understand how fortunate we are to have the modern technology and seismic structure that we need to provide continuous care for our communities in Washington County.

Washington County has provided WCCCA with the financial opportunity to address our capital needs through their work with us on the bond, and they continue beside us, shoulder to shoulder, not only through the administration of the bond, but also in their presence, guidance, support and staff, to ensure that WCCCA accomplishes its capital projects goals which are so critical to our members and our public. We extend our sincere appreciation to Washington County for their partnership with us.

WCCCA's membership is quite unique in how its agencies and stakeholders come together with each other to strategize in the many business and operational functions shared through this Agency. The operational and communication needs of our public safety agencies are critical to their care of the public and WCCCA is able to provide the best service possible with their input and planning alongside us. It goes without saying that their financial support is of utmost importance to the continued operation of WCCCA, given that they fund approximately 67% of our operating budget. We recognize their contributions to the Agency's success in its mission and we are grateful for the relationship with them and the resulting success that we share because of it.

This will be my final year as the Executive Director of WCCCA. It has been my privilege and my honor to work with the remarkable WCCCA team. It is their commitment to the care and success of our Agency, our members, partners and our citizens that makes WCCCA such a special place to work and provides a 9-1-1 Center that truly does strive each day for "Excellence in Emergency Communications." WCCCA is a high reliability organization because of our people. We grow and change successfully because of our people. We save lives and protect the well-being of all we serve because of this capable and compassionate team. We hold ourselves accountable, financially, operationally and ethically. Each individual on the WCCCA team is to be commended in his/her contributions toward providing critical public safety services to the citizens of Washington County. My special thanks to the men and women who "answer the call" in the 9-1-1 Center – they put in long hours, handle the worst days in the lives of many, miss holidays and time with their loved ones – it takes a special sort of compassionate, strong, adaptable person to come to work each day in a round the clock environment and take care of everyone else the way they do. The spirit of WCCCA is its people and this exceptional group of unique and talented individuals brings that spirit to our Agency every day.

Respectfully submitted,

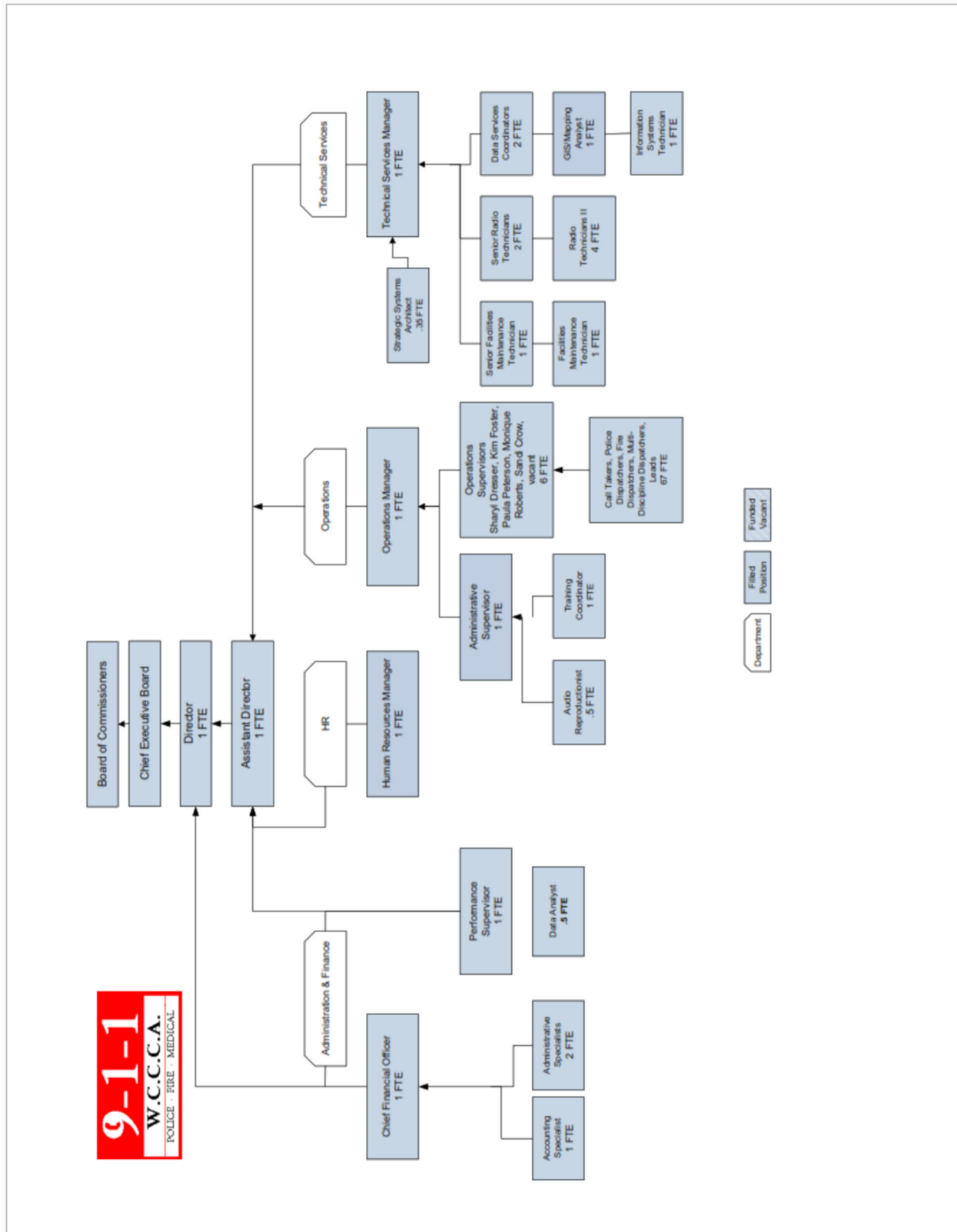
A handwritten signature in blue ink that reads "Kelly Dutra". The signature is fluid and cursive, with the first name "Kelly" and last name "Dutra" clearly visible.

Kelly Dutra, Director

HOLD FOR GFOA CERTIFICATE

Washington County Consolidated Communications Agency

Organizational Chart June 30, 2020



Washington County Consolidated Communications Agency

Board of Commissioners
June 30, 2020

BOARD OF COMMISSIONERS

Participating Agency

Board Representative

Voting Member Representatives

City of Beaverton	Mayor Dennis Doyle, Board Chair
City of Cornelius	Fire Chief Michael Kinkade
Washington County	Sia Lindstrom, Interim County Administrator
Tualatin Valley Fire and Rescue	Director Bob Wyffels
City of Hillsboro	Fire Chief David Downey
City of Tualatin	Councilor Maria Reyes
City of Tigard	Police Chief Kathy McAlpine
City of Sherwood	Commander Ty Hanlon
City of Forest Grove	Mayor Pete Truax
Small City Voting Member	Councilor Mark Gregg, City of Banks
Rural Fire Districts Voting Member	Chief Rodney Linz, Banks Fire Protection District #13

Small City Non-Voting Member Representatives

City of Gaston	Mayor Jerry Spaulding
City of King City	Police Chief Ernie Happala
City of North Plains	Councilor Robert Kindel, Jr.
City of Durham	Councilor Chuck Van Meter
City of Banks	Council Mark Gregg

Rural Fire Districts Non-Voting Member Representatives

Banks Fire Protection District #13	Chief Rodney Linz
Cornelius Rural Fire District	Vacant
Gaston Rural Fire District	Vacant

CHIEF EXECUTIVE OFFICERS BOARD

Participating Agency

Board Representative

City of Beaverton	Mayor Dennis Doyle, Board Chair
Washington County	Erin Calvert, Deputy County Administrator
Tualatin Valley Fire and Rescue	Fire Chief Deric Weiss
City of Tigard	Marty Wine, City Manager
City of Forest Grove	Fire Chief Michael Kinkade

BOARD OF COMMISSIONERS

Participating Agency

City of Beaverton
City of Cornelius
Washington County
Tualatin Valley Fire and Rescue
City of Hillsboro
City of Tualatin
City of Tigard
City of Sherwood
City of Forest Grove
Small City Voting Member
Rural Fire Districts Voting Member
City of Gaston
City of King City
City of North Plains
City of Durham
City of Banks
Banks Fire Protection District #13
Cornelius Rural Fire District
Gaston Rural Fire District

Board Representative

Mayor Dennis Doyle, Board Chair
Fire Chief Michael Kinkade
Don Bohn, Assistant County Administrator
Director Bob Wyffels
Police Chief Lee Dobrowolski
Councilor Joelle Davis
Chief Kathy McAlpine
Commander Ty Hanlon
Councilor Tom Johnston
Councilor Mark Gregg, City of Banks
Chief Rodney Linz, Banks Fire Protection District #13
Mayor Jerry Spaulding
Police Chief Ernie Happala
Councilor Robert Kindel, Jr.
Councilor Chuck Van Meter
Councilor Mark Gregg
Chief Rodney Linz
Vacant
Vacant

CITIZEN REPRESENTATIVES

Appointing Agency

City of Sherwood
City of Forest Grove
Tualatin Valley Fire and Rescue
City of Beaverton
City of North Plains
Banks Fire District #13
City of Cornelius

Representative

TBD
TBD
TBD
Abigail Elder
Michele McCall Wallace
Tonya Witham
Ralph Brown

Term

1/2019 - 12/2021
1/2019 - 12/2021
1/2019 - 12/2021
1/2019 - 12/2021

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Financial Section

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT (Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

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Management's Discussion and Analysis

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Washington County Consolidated Communications Agency

Management's Discussion and Analysis Year Ended June 30, 2020

As management of Washington County Consolidated Communications Agency (WCCCA or the Agency), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2020. Please read it in conjunction with the accompanying Basic Financial statements and the Notes to the Basic Financial Statements.

Financial Highlights

- The assets and deferred outflows of resources of the Agency exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$24,444,864.
- The Agency's total net position decreased by \$13,472,897 due primarily to the bond funded Emergency Communications System project radios being released to participating governments.
- At the close of the fiscal year, the Agency reported a combined fund balance of \$8,431,971, an increase of \$1,438,040 in comparison with the prior year. Approximately 89% (\$7,476,537) is available for spending at the Agency's discretion (unassigned fund balance).
- At the end of the fiscal year, the General Fund unassigned fund balance was \$7,476,537, or approximately 54% of total General Fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided are intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements consist of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) the Notes to the Basic Financial Statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents financial information on all the Agency's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the Agency is improving or deteriorating.

The *Statement of Activities* presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected 9-1-1 telephone excise taxes and earned but unused vacation leave).

In the government-wide financial statements, the Agency's activities are shown in one category: *Governmental Activities*. The governmental activities of the Agency include emergency communications and dispatch operations and are primarily supported through charges for services to other governments and 9-1-1 telephone excise taxes. The Agency has no business-type activities.

The government-wide financial statements can be found on pages 33 and 34 of this report.

Washington County Consolidated Communications Agency

Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2020

Overview of the Financial Statements (Continued)

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 Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Agency are governmental funds. The Agency has no proprietary funds or fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing the Agency's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the 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 Agency's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, other financing sources (uses), and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Agency maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, other financing sources (uses), and changes in fund balances for the General Fund and the Capital Projects Fund, both of which are considered to be major funds.

The Agency adopts annual appropriated budgets for both funds. Budgetary information has been provided for each fund of the Agency to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 35 and 37 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 40 - 60 of this report.

Required Supplementary Information. The required supplementary information provides additional information of the Agency's net pension (asset)/liability, contributions to Oregon Public Employees Retirement System (PERS) and changes in total Postemployment Benefits Other Than Pensions (OPEB) liability and can be found beginning on page 63.

Other Supplementary Information. The other supplementary information provides additional information of the Agency's Capital Projects Fund budget to actual schedule on page 71.

Other Information. The Statistical Section of this report offers information regarding the Agency's economic condition and can be found beginning on page 73.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial assets. In the case of the Agency, assets and deferred outflows exceeded liabilities and deferred inflows by \$24,444,864 as of the end of the most recent fiscal year.

Washington County Consolidated Communications Agency

Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2020

Government-wide Financial Analysis (Continued)

Government-wide Financial Analysis

	Governmental Activities		Increase (Decrease) from 2019
	June 30, 2020	2019	
Assets			
Current and other assets	\$ 14,696,080	\$ 11,542,509	\$ 3,153,571
Capital assets	25,149,526	39,949,800	(14,800,274)
Total assets	39,845,606	51,492,309	(11,646,703)
Deferred outflows of resources	4,252,034	4,527,886	(275,852)
Liabilities			
Current liabilities	4,740,984	4,406,139	334,845
Noncurrent liabilities	13,782,618	12,256,941	1,525,677
Total Liabilities	18,523,602	16,663,080	1,860,522
Deferred inflows of resources	1,129,174	1,439,354	(310,180)
Net position			
Investment in capital assets	25,149,526	39,949,800	(14,800,274)
Restricted	868,098	928,539	(60,441)
Unrestricted	(1,572,760)	(2,960,578)	1,387,818
Total net position	\$ 24,444,864	\$ 37,917,761	\$ (13,472,897)

The largest portion of the Agency's net position reflects its investment in capital assets (e.g. communications towers and equipment, leasehold improvements, and furniture, fixtures and computer equipment). Investment in capital assets decreased by approximately \$14.8 million as \$22.0 million in radios that were included in the infrastructure improvement project were distributed to participating agencies; this was offset by \$9.3 million in additions to work in progress on infrastructure. The Agency uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Investment in capital assets is to be reported net of related debt. The Agency, however, has no debt.

Unrestricted net position is a negative \$1.6 million, a \$1.4 million change from fiscal year 2019. Negative net position is a result of GASB 68 net pension and GASB 75 OPEB liabilities, which will be paid through future contributions.

Current and other assets consist mainly of cash and investments, and 9-1-1 taxes and accounts receivable, which are used to meet the Agency's ongoing obligations to its participating governments. Taxes receivable increased \$630,000 due to an increase in the tax rate. Cash increased due to timing of capital outlays.

Deferred outflows of resources consist of amounts recorded for pension and OPEB under Governmental Accounting Standards Board (GASB) Statement No. 68 and 75, respectively.

Washington County Consolidated Communications Agency

Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2020

Government-wide Financial Analysis (Continued)

Liabilities of the Agency consist of accounts payable, accrued salaries and benefits payable, transition liability, net pension liability, total other postemployment benefits liability and unearned revenue. The Agency's unearned revenue accounts for 15% of total liabilities and is the amount of the Agency's first quarter billing to participating governments for the ensuing fiscal year (\$2,831,726); this was slightly decreased compared to fiscal year 2019. The net pension liability is 70% of the total liabilities in the amount of \$12,927,261, an increase of \$1.5 million due to decreased funding status of the plan as a whole.

Deferred inflows of resources consist of amounts recorded for pension and OPEB under GASB Statement No. 68 and 75, respectively.

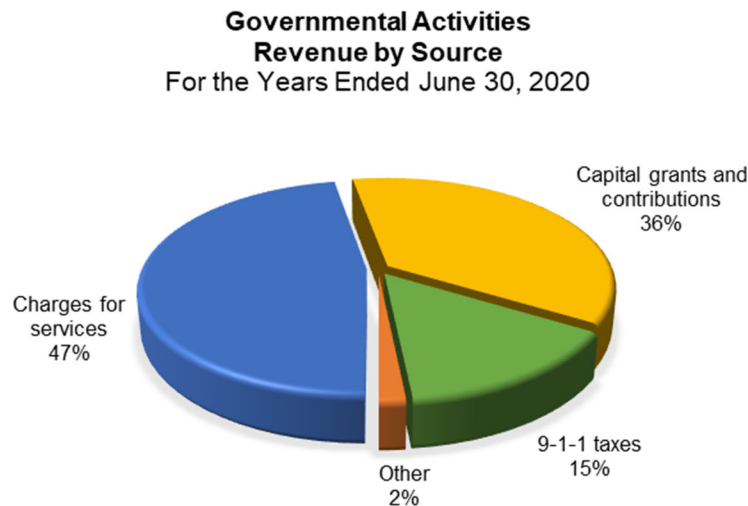
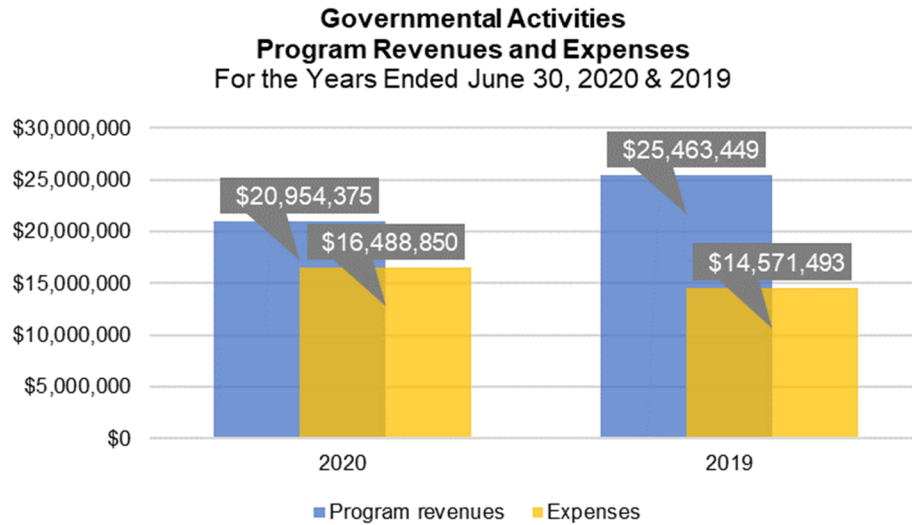
Governmental Activities. Governmental program activities, which represent all the Agency's activities, decreased net position by \$13,472,897. Key elements of the increase in net position for the Agency are as follows:

	Governmental Activities		Increase
	For the Year Ended June 30,		(Decrease) from
	2020	2019	2019
Revenues			
Program revenues			
Charges for services	\$ 11,825,201	\$ 11,239,496	\$ 585,705
Capital grants and contributions	9,129,174	14,223,953	(5,094,779)
General revenues			
9-1-1 taxes	3,691,750	3,116,690	575,060
Earnings on investments	161,375	165,151	(3,776)
Miscellaneous	244,553	203,285	41,268
Total revenues	25,052,053	28,948,575	(3,896,522)
Expenses			
Public safety	16,488,850	14,571,493	1,917,357
Excess of revenues over expenditures before contributions	8,563,203	14,377,082	(5,813,879)
Contribution of capital assets	(22,036,100)	-	(22,036,100)
Increase (decrease) in net position	(13,472,897)	14,377,082	(27,849,979)
Net position, beginning	37,917,761	23,540,679	14,377,082
Net position, ending	\$ 24,444,864	\$ 37,917,761	\$ (13,472,897)

Washington County Consolidated Communications Agency

Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2020

Government-wide Financial Analysis (Continued)



Capital grants consist of bond proceeds from the County paid as needed for capital projects; these decreased \$5.1 million as capital spending decreased compared to the prior year. Charges for services increased by approximately \$585,000 due to increased rates to members, and tax revenue increased approximately \$575,000 due to increased tax rate. Public safety expense increased \$1.9 million compared to the prior year, due to increased pension expense as the PERS liability increased and purchase of radios related to infrastructure improvements.

Washington County Consolidated Communications Agency

Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2020

Financial Analysis of the Agency's Funds

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

Governmental Funds. The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. Unassigned fund balance in particular may serve as a useful measure of the Agency's net resources available for spending at the end of the fiscal year.

At June 30, 2020, the Agency's governmental funds reported ending fund balance by category of:

Fund balances:	
Non-spendable	\$ 215,344
Restricted	740,090
Unassigned	<u>7,476,537</u>
Total fund balance	<u>\$ 8,431,971</u>

At June 30, 2020, the Agency's governmental funds reported combined ending fund balances of \$8,431,971, an increase of \$1,438,040 in comparison with the prior year, primarily due to savings from vacant positions.

General Fund. The General Fund is the operating fund of the Agency. At the end of the current fiscal year, 97% of the General Fund balance was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. Total, unassigned fund balance represents 54% of total General Fund expenditures.

During the current fiscal year, the fund balance of the Agency's General Fund increased by \$1,626,489. Included in the increase in the fund balance is unrealized personnel expenditures and capital purchases postponed.

Capital Projects Fund. The fund balance decreased by \$188,449 primarily due to timing differences between intergovernmental revenues and capital outlay expenditures for the Emergency Communication System Project.

General Fund Budgetary Highlights

Actual results of operations of the General Fund varied in comparison to budget for reasons as follows:

- Revenues exceeded budget by \$317,468 primarily due to tax revenue and investment earnings coming in above budget by \$264,750 and \$44,831, respectively;
- Personnel services actual expenditures were \$1,630,966 less than budget because the Agency experienced significant vacancy savings in budgeted positions;
- Materials and services actual expenditures were \$558,736 less than budget due primarily to delayed technology and hardware expenses which relate to the planned relocation of the Agency to a new facility;
- Capital outlay appropriations were under spent by \$852,390 also due to expenditures planned for the relocation being delayed into the next fiscal period.

Washington County Consolidated Communications Agency

Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2020

Capital Assets

The Agency's investment in capital assets includes leasehold improvements, vehicles, furniture, fixtures, equipment, and work in progress. As of June 30, 2020, the Agency had invested \$25,149,526 in capital assets, net of accumulated depreciation, as shown in the following table:

Capital assets, net of accumulated depreciation	Governmental Activities		Increase (Decrease) from 2019
	June 30, 2020	2019	
Leasehold improvements	\$ 731,362	\$ 912,855	\$ (181,493)
Vehicles	114,320	64,432	49,888
Furniture, fixtures, and equipment	1,040,855	1,374,478	(333,623)
Work in progress	23,262,989	37,598,035	(14,335,046)
Total capital assets, net of accumulated depreciation	\$ 25,149,526	\$ 39,949,800	\$ (14,800,274)

During the year, the Agency's investment in capital assets decreased by \$14.8 million due to depreciation (\$0.6 million), contribution of radios to participating governments (\$22.0 million), transfer of radios to Agency inventory (\$1.0 million) and radios expensed as placed in service (\$0.6 million), offset by additions of \$9.4 million to capital project assets. These capital projects consist primarily of the new CAD system and Emergency Communication System.

Additional information on the Agency's capital assets can be found in Footnote III. B on page 47 of this report.

Economic Factors; Next Year's Budget and Participating Governments Rates

As always, the economic environment of the nation, the State of Oregon, and the local economy influence and inform the Agency's financial health. In the past year, the member fees made up 43% of the Agency's revenues for the fiscal year ending June 30, 2020. The Agency also recognize the inherent challenge of supporting WCCCA's budget while each member faces their own increased costs for funding a primary agency budget.

Washington County's assessed (property) value increased 4.7% over the prior fiscal year with total property taxes levied in the County increasing by 5.6%.

9-1-1 revenues increased 18% over the prior fiscal year. This increase may be attributed to the tax revenue on pre-paid wireless voice devices/cell phones which have not historically paid 9-1-1 taxes. Beginning January 1, 2015, under HB 4055, 9-1-1 taxes are collected on pre-paid devices. As the only other major revenue source to the Agency, the recognized increased revenue will help offset the annual increase of operational costs.

Due largely to communication and planning efforts amongst the members, the Agency continues to experience stable funding from its partners. Commitment to quality dispatching services to the partners, and commitment to economy, efficiency and cost effectiveness by the Agency have been demonstrated.

An annual financial planning process is conducted before the Board at their direction. While the plan requires consideration of the financial stresses of the partners, it also addresses the upward pressures on program expenses of the Agency. For partners and the Agency alike, the Oregon Public Employees

Washington County Consolidated Communications Agency

Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2020

Economic Factors; Next Year's Budget and Participating Governments Rates (Continued)

Retirement System employer rates have continued to increase over time. The Agency health plan was changed, and the annual cost did not increase.

The financial plan envisions utilizing fund balance to level the rate of increases to the partners, targeting ending fund balance at 12 percent of operating expenditures, per Board policy. In the coming year, large capital expenditures have been included in the Washington County bond to continue the emergency communication system upgrade. This will relieve pressure for capital planning.

In the spring of 2020, the governor of the State of Oregon declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, colleges and universities, cancelling public events, and limiting gathering sizes. The Agency is considered an essential service and needed to remain open to serve the community, so management implemented safety protocols to protect staff as they reported to work. The length of time these measures will be in place, and the full extent of the financial impact on the Agency, is unknown at this time.

For the fiscal year ending June 30, 2021, the budget implements a 2.7 percent decrease in member/partner rates. The financial planning process has become dynamic, with the tendency to spend down the beginning fund balance and look to capital replacement reserves. Staff will prepare the life cycle replacement schedule for Board discussion and direction in future budget considerations.

Requests for Information

This financial report is designed to provide a general overview of Washington County Consolidated Communications Agency's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Administration, Washington County Consolidated Communications Agency at 17911 NW Evergreen Place, Beaverton, Oregon, 97006

Basic Financial Statements

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Washington County Consolidated Communications Agency

Statement of Net Position June 30, 2020

	Governmental Activities
ASSETS	
Cash and investments	\$ 7,957,762
Receivables:	
9-1-1 taxes receivable	2,173,565
Accounts receivable	3,178,521
Prepays	215,344
Inventory	1,042,880
OPEB-RHIA	128,008
Capital assets not being depreciated:	
Work in progress	23,262,989
Capital assets, net of accumulated depreciation:	
Leasehold improvements	731,362
Vehicles	114,320
Furniture, fixtures, and equipment	1,040,855
Total assets	<u>39,845,606</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pension	4,196,301
Deferred amounts related to OPEB	55,733
Total deferred outflows of resources	<u>4,252,034</u>
LIABILITIES	
Accounts payable	707,221
Accrued salaries and benefits payable	1,202,037
Unearned revenue	2,831,726
Due within one year	
Transition liability	31,306
Total OPEB liability	39,347
Due in more than one year	
Transition liability	322,847
Net pension liability	12,927,261
Total OPEB liability	461,857
Total liabilities	<u>18,523,602</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pension	1,032,501
Deferred amounts related to OPEB	96,673
Total deferred inflows of resources	<u>1,129,174</u>
NET POSITION	
Investment in capital assets	25,149,526
Restricted for capital acquisitions	740,090
Restricted for OPEB	128,008
Unrestricted	(1,572,760)
Total net position	<u>\$ 24,444,864</u>

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

Washington County Consolidated Communications Agency

Statement of Activities For the Year Ended June 30, 2020

	Governmental Activities
EXPENSES	
Public safety - dispatch service	\$ 16,488,850
PROGRAM REVENUES	
Charges for services	11,825,201
Capital grants and contributions	9,129,174
Total program revenues	20,954,375
Net program revenues	4,465,525
GENERAL REVENUES	
9-1-1 taxes	3,691,750
Investment earnings	161,375
Miscellaneous	244,553
CONTRIBUTIONS	
Contribution of capital assets to other agencies	(22,036,100)
Total general revenues and contributions	(17,938,422)
Change in net position	(13,472,897)
NET POSITION, June 30, 2019	37,917,761
NET POSITION, June 30, 2020	\$ 24,444,864

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

Washington County Consolidated Communications Agency

Governmental Funds Balance Sheet June 30, 2020

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and investments	\$ 6,848,306	\$ 1,109,456	\$ 7,957,762
Receivables:			
9-1-1 taxes receivable	2,173,565	-	2,173,565
Accounts receivable	3,090,945	87,576	3,178,521
Prepays	215,344	-	215,344
Total assets	<u>\$ 12,328,160</u>	<u>\$ 1,197,032</u>	<u>\$ 13,525,192</u>
LIABILITIES			
Accounts payable	\$ 250,279	\$ 456,942	\$ 707,221
Accrued salaries and benefits payable	454,274	-	454,274
Unearned revenue	2,831,726	-	2,831,726
Total liabilities	<u>3,536,279</u>	<u>456,942</u>	<u>3,993,221</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>1,100,000</u>	<u>-</u>	<u>1,100,000</u>
FUND BALANCES			
Non-spendable for prepaids	215,344	-	215,344
Restricted for capital acquisitions	-	740,090	740,090
Unassigned	7,476,537	-	7,476,537
Total fund balances	<u>7,691,881</u>	<u>740,090</u>	<u>8,431,971</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,328,160</u>	<u>\$ 1,197,032</u>	<u>\$ 13,525,192</u>

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

Washington County Consolidated Communications Agency

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2020

Total fund balances	\$ 8,431,971
Capital assets are not financial resources and, therefore, are not reported in the governmental funds.	25,149,526
A portion of the Agency's 9-1-1 taxes are a receivable at year end but are not available soon enough to pay for current period expenditures and, therefore, are not reported as revenue in the governmental funds.	1,100,000
Inventory not used in the current year is fully expensed when purchased in the governmental funds.	1,042,880
Other assets (\$128,008), deferred outflows (\$2,759) and deferred inflows (\$25,172) related to PERS OPEB are not reported in the governmental funds.	105,595
Compensated absences not payable in the current year are not recorded as governmental fund liabilities.	(747,763)
The transition liability amounts are not recorded as governmental fund liabilities.	(354,153)
The net pension liability and deferred amounts related to pension do not provide (use) current resources and, therefore, are not reported in the governmental funds.	(9,763,461)
The total OPEB liability and deferred amounts related to OPEB do not provide (use) current resources and, therefore, are not reported in the governmental funds.	(519,731)
Total net position	<u>\$ 24,444,864</u>

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

Washington County Consolidated Communications Agency

Governmental Funds Statement of Revenues, Expenditures, Other Financing Sources (Uses), and Changes in Fund Balances For Year Ended June 30, 2020

	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUES			
Taxes	\$ 3,364,750	\$ -	\$ 3,364,750
Investment earnings	144,831	16,544	161,375
Charges for services	11,825,201	-	11,825,201
Intergovernmental	-	9,129,174	9,129,174
Miscellaneous	244,553	-	244,553
Total revenues	15,579,335	9,145,718	24,725,053
EXPENDITURES			
Current - Public Safety			
Personnel services	12,266,413	-	12,266,413
Materials and services	1,595,823	-	1,595,823
Capital outlay	90,610	9,334,167	9,424,777
Total expenditures	13,952,846	9,334,167	23,287,013
Excess of revenues over expenditures	1,626,489	(188,449)	1,438,040
Changes in fund balances	1,626,489	(188,449)	1,438,040
Fund balances, June 30, 2019	6,065,392	928,539	6,993,931
Fund balances, June 30, 2020	\$ 7,691,881	\$ 740,090	\$ 8,431,971

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

Washington County Consolidated Communications Agency

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities For Year Ended June 30, 2020

Net change in fund balances	\$ 1,438,040
Governmental funds report capital additions as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which outlays for capital acquisitions (\$9,424,777) exceeded depreciation expense (\$578,074) and radio contributions (\$23,646,977) in the current period.	(14,800,274)
Governmental funds report inventory purchases as expenditures. However, in the Statement of Activities, the cost of inventory is expensed as it is used. This is the amount of inventory purchases that were capitalized and therefore not reported as expense on the Statement of Activities.	1,042,880
Miscellaneous expense adjustments are reported in the Statement of Activities, but do not provide current financial resources and are not reported in the governmental funds.	19,517
9-1-1 taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities, these are recognized as revenue when assessed.	327,000
Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities, compensated absences are recognized as an expense when incurred.	(31,124)
Transition liability expenditures are recognized in the governmental funds when they are paid. In the Statement of Activities, expense is recognized as the transition liability is amortized.	30,252
Pension expenditures are recognized in the governmental funds when they are paid. In the Statement of Activities, OPEB is recognized as an expense when incurred.	(1,507,879)
Postemployment Benefits Other Than Pensions (OPEB) expenditures are recognized in the governmental funds when they are paid. In the Statement of Activities, OPEB is recognized as an expense when incurred.	<u>8,691</u>
Change in net position	<u>\$ (13,472,897)</u>

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

Washington County Consolidated Communications Agency

General Fund Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual For Year Ended June 30, 2020

	Original and Final Budget Amounts	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 3,100,000	\$ 3,364,750	\$ 264,750
Investment earnings	100,000	144,831	44,831
Charges for services	11,849,697	11,825,201	(24,496)
Miscellaneous	212,170	244,553	32,383
Total revenues	15,261,867	15,579,335	317,468
EXPENDITURES			
Personnel services	13,897,379	12,266,413	1,630,966
Materials and services	2,154,559	1,595,823	558,736
Capital outlay	943,000	90,610	852,390
Operating contingency	2,272,632	-	2,272,632
Total expenditures	19,267,570	13,952,846	5,314,724
Changes in fund balances	(4,005,703)	1,626,489	5,632,192
Fund balances, June 30, 2019	4,605,704	6,065,392	1,459,688
Fund balances, June 30, 2020	\$ 600,001	\$ 7,691,881	\$ 7,091,880

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

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements

For Year Ended June 30, 2020

I. Summary of significant accounting policies

A. Reporting Entity

Washington County Consolidated Communications Agency (Agency) was formed in 1985, under the authority of Oregon Revised Statutes (ORS) Chapter 190 by the execution of an intergovernmental agreement between Washington County, the cities of Beaverton, Hillsboro, Cornelius, and North Plains, and Tualatin Valley Fire and Rescue. The Agency subsequently entered into intergovernmental agreements with the cities of Durham, King City, Sherwood, Tigard, Gaston, Tualatin, Forest Grove, and Banks; and the Fire Districts of Cornelius Rural Fire, Gaston Rural Fire, and Banks Fire Protection District #13.

The Agency is a municipal corporation that is recognized by the participating governments as the "9-1-1 Jurisdiction" defined in ORS 403.100 to 403.250 for purposes of operating as the public safety answering point of the emergency 9-1-1 telephone system. The agreement obligates the participating governments to contribute emergency 9-1-1 telephone system excise tax revenues received by the State of Oregon to the Agency. The Agency provides consolidated public safety communications for the participating governments and for other governments under contract.

The agreement also obligates the participating governments to fund any capital and operating expenses/expenditures in excess of emergency telephone system excise tax proceeds, contract revenues, and other revenues. The Agency may be terminated by mutual agreement of the parties. Any participant may terminate its participation upon notification to all other participants at least one year prior to the fiscal year end. A termination is effective as of the end of the fiscal year. Upon dissolution or termination of the Agency, the assets the Agency has purchased, or to which it has taken legal title, are to be distributed or sold, and the proceeds distributed to the participating governments in proportion to their financial support averaged over the preceding three years. Any equipment on loan from participants is to be returned.

The Agency is the primary, special purpose government responsible for emergency communications within its boundaries. The Agency is not considered a component unit of any of the participating governments. All significant activities and funds of the Agency have been included in the basic financial statements. The Agency's financial statements represent those of a stand-alone government with no component units. The power and authority given to the Agency by the participating governments are vested in a Board of Commissioners made up of appointed officials from the participating governments. The Board has authority to select a Director who is responsible for conducting the affairs of the Agency, and works directly under the guidance of a Chief Executive Officers Board (CEO). The Agency has a two-tiered board, in which the CEO is a separate authority comprised of representatives who are elected by the participating governments and whose duties include guidance and approval of a number of Agency business elements, as well as review and recommendation of key issues to the Board of Commissioners.

B. 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 Agency. All activities are governmental activities which are financed primarily through 9-1-1 taxes and charges for services to other governments. There are no internal activities and therefore no eliminations are necessary to present the government-wide financial statements.

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

I. Summary of significant accounting policies (Continued)

B. Government-Wide Financial Statements (Continued)

The statement of activities presents the degree to which direct expenses of the Agency's public safety program are offset by program revenues. Direct expenses are those that are clearly identifiable with the public safety function of the Agency. Program revenues include: (1) charges to other governments for emergency communications and services provided; (2) operating grants and contributions and (3) capital grants and contributions. 9-1-1 taxes, investment earnings and other items not properly included as program revenues are reported instead as general revenues.

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 the related cash flows. 9-1-1 taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue as soon as all eligibility requirements have been met. The Agency's contract with its participating governments calls for quarterly user fees to be paid in advance of each quarter. The full amount of the first quarter user participation fees for the ensuing fiscal year has been recorded as unearned revenue.

The governmental fund financial statements are reported using the current financial resources measurement focus and 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 enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within two months of the end of the current fiscal period. Significant revenues that are measurable and available under the modified accrual basis of accounting are user participation fees, 9-1-1 tax revenues, intergovernmental revenue and interest, and therefore have been recognized in the current fiscal period. In the current fiscal year, the first quarter user participation fees for the ensuing fiscal year (as noted above) were recorded as unearned revenue in the governmental fund financial statements as the revenue is unearned at fiscal yearend.

Under the modified accrual basis of accounting, expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, the transition liability, and pension and OPEB contributions are recorded only when payment is due.

Major individual governmental funds are reported as separate columns in the fund financial statements.

The Agency reports the following major governmental funds:

- The General Fund is the Agency's primary operating fund. It accounts for all financial resources of the Agency, except those required to be accounted for in another fund, either legally or by Board direction.
- The Capital Projects Fund, a capital projects fund type, accounts for the restricted revenue of the shared local option levy tax funds accumulated for Agency equipment.

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

I. Summary of significant accounting policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Investments

The Agency's cash and investments are considered to be cash on hand, demand deposits, and short-term highly liquid investments with original maturities of three months or less from the date of acquisition. The Agency invests all available cash solely with the Oregon State Treasurer's Local Government Investment Pool. These investments are classified as a cash equivalent and are carried at cost, which approximates fair value.

2. Receivables

Receivables include member fees for 9-1-1 call taking, dispatch and maintenance services and emergency telephone system excise taxes (9-1-1). Management has determined that all receivables are fully collectible and therefore no allowance is deemed necessary.

3. Prepaids

In both government-wide and fund financial statements, certain payments are presented as a prepaid asset. These payments reflect costs applicable to future accounting periods which are recorded as prepaid expenses. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Inventory

Inventory consists of radios purchased as part of the radio infrastructure upgrade, held as future replacements for radios currently in service. Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed (consumption method) rather than when purchased.

5. Other Assets

Other assets consist of assets exceeding liabilities related to PERS Retiree Health Insurance Account (RHIA) benefits. Deferred outflows and inflows related to RHIA are included in deferred amounts related to OPEB on the statement of net position.

6. Unearned Revenue

Participating governments pay quarterly user fees for services in advance of each quarter. Unearned revenue includes the amount of prepaid user fees outstanding at year-end.

7. Capital Assets

Capital assets are stated at cost. Donated assets are recorded at acquisition value at the date of donation. The Agency defines capital assets as assets with an initial cost of more than \$5,000 and an estimated useful life of greater than one year. Replacements which improve or extend the lives

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

I. Summary of significant accounting policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

of property are capitalized. Maintenance, repairs and equipment replacements of a routine nature are charged to expenses/expenditures as incurred and are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

Leasehold improvements	15 years
Vehicles	5 years
Furniture, fixtures, and equipment	5 - 10 years

8. *Compensated Absences*

Vacation. The Agency's policy permits employees to accumulate earned but unused vacation benefits. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related taxes and benefits, where applicable.

Sick Leave. Accumulated sick leave lapses when employees leave the employment of the Agency and, upon separation from service, no monetary obligation exists.

9. *Transition Liability*

The transition liability is an actuarially determined liability recorded in the statement of net position based on the Agency's entry into the OPERS State and Local Government Rate Pool. The transition liability is reduced each year by contributions to OPERS and increased for interest charged by OPERS.

10. *Net Pension Liability*

The Agency's net pension liability, deferred inflows and outflows related to pensions, and pension expense have been determined on the basis reported by Oregon Public Employees Retirement System (OPERS). Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

11. *Other Postemployment Benefits (OPEB) Liability*

The Agency's OPEB obligation is recognized as a liability and the related deferred outflow and inflow of resources and expense are actuarially determined. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

12. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency has items that

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

I. Summary of significant accounting policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

12. Deferred Outflows/Inflows of Resources (continued)

qualify for reporting in this category related to the Agency's participation in OPERS and the Agency's Implicit Rate Subsidy Plan (OPEB).

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has one item that qualifies for reporting in this category under a modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The major source of unavailable revenues is 9-1-1 taxes. In the Statement of Net Position, deferred inflows of resources relate to the Agency's participation in OPERS and the Agency's Implicit Rate Subsidy Plan (OPEB).

13. Restricted vs. Unrestricted Net Position

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Participation Fees

The Agency generally charges the participating governments of the intergovernmental agreement an amount sufficient to cover budgeted expenditures less anticipated revenues from other sources. The Board of Commissioners sets the participating governments' fees for the ensuing fiscal year during the budget process.

II. Stewardship, compliance, and accountability

A. Budgetary Information

The Agency budgets all funds on the modified accrual basis of accounting. As an organization formed by intergovernmental agreement pursuant to Oregon Revised Statutes (ORS) Chapter 190, the Agency does not levy property taxes and is exempt from State of Oregon Local Budget Law. The Agency, however, chooses to follow the local budget law process as outlined in ORS Chapter 294.

The Board of Commissioners adopts the original budget by resolution prior to the beginning of the Agency's fiscal year (July 1 through June 30), authorizing appropriation levels for each fund. Total personnel services, materials and services, capital outlay, and other expenditures for each fund are the levels of control established by the resolution. For instances of unexpected resources from grant funds or other governments, for which the revenues are dedicated to a specific purpose, an appropriation resolution of the Board is used to increase the budget. Unexpected additional resources may be added to the budget using a supplemental budget and appropriation resolution.

Budgets may be modified by resolution of the Board of Commissioners transferring appropriation between categories. Appropriations lapse at fiscal year-end.

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

III. Detailed notes on all activities and funds

A. Cash and Investments

The Agency maintains separate accountability by fund for cash and investment accounts. The types of investments in which the Agency may invest are restricted by State of Oregon statutes and a Board adopted investment policy.

Cash and investments at June 30, 2020, were comprised of the following:

Deposits with financial institutions	\$ 1,299,798
Oregon Local Government Investment Pool	6,657,964
Total cash and investments	<u>\$ 7,957,762</u>

1. Deposits with Financial Institutions

Deposits with financial institutions are in a public funds checking account that is insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). The total carrying amount of deposits at June 30, 2020, was \$1,299,798. The total bank balance per the bank statement was \$1,994,780 of which \$1,744,780 was not insured by the FDIC as of June 30, 2020. The uninsured cash deposits are part of the Public Funds Collateralization Program. Oregon Revised Statutes (ORS) 295 governs the collateralization process for bank depositories and local governments.

ORS 295 created a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100 percent protected. In general, bank depositories are required to pledge collateral valued at least 10 percent of their quarter-end public fund deposits if they are well capitalized or 110 percent of their quarter-end public fund deposits if they are adequately capitalized, undercapitalized or assigned to pledge that amount by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

2. Interest Rate Risk

To limit exposure, the Agency's investment policy designates maturity limitations dependent upon whether the funds being invested are considered short-term operating funds or long-term funds. All operating funds are to have maturities not to exceed 18 months.

The Agency did not have any investments other than with the Oregon State Treasurer's Local Government Investment Pool as of June 30, 2020, which has a weighted average maturity of less than 90 days as relates to the underlying investments.

3. Credit Risk

The Oregon State Treasurer's Local Government Investment Pool (LGIP) is subject to regulatory oversight by the Oregon Secretary of State and is not required to be categorized by risk. The LGIP is not rated. Cost of pool shares approximates the Agency's fair value position in the LGIP. The Agency's investment in the LGIP made up 100% of the portfolio at June 30, 2020.

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

III. Detailed notes on all activities and funds (Continued)

A. Cash and Investments (continued)

3. Credit Risk (continued)

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board which is not registered with the U.S. Securities and Exchange Commission as an investment company. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Other permissible investments include general obligations of the United States Government and its agencies, obligations of the State of Oregon and local government securities that have a rating of A or better by Moody's Investor Service, Oregon and local commercial paper rated A-2 and P-2 or better, corporate commercial paper that are rated A-1 or P-1 or better, guaranteed banker's acceptances, certificates of deposits, and repurchase agreements. The Agency had none of these investments as of June 30, 2020.

4. Custodial Credit Risk

Custodial credit risk is the risk that, in the event of failure of the counterparty, the Agency will not be able to recover the value of its investments that are in the possession of an outside party. State statutes govern the Agency's investment policies. At June 30, 2020, the Agency did not have any investments exposed to custodial credit risk.

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

III. Detailed notes on all activities and funds (Continued)

B. Capital Assets

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

	Balance, June 30, 2019	Increases	Decreases	Balance, June 30, 2020
Governmental activities:				
Capital assets, not being depreciated:				
Work in progress	\$ 37,598,035	\$ 9,347,719	\$ 23,682,765	\$ 23,262,989
Capital assets, being depreciated:				
Leasehold improvements	2,808,739	-	-	2,808,739
Vehicles	270,419	77,058	-	347,477
Furniture, fixtures and equipment	13,563,901	35,788	-	13,599,689
Total capital assets, being depreciated	16,643,059	112,846	-	16,755,905
Less accumulated depreciation for:				
Leasehold improvements	(1,895,884)	(181,493)	-	(2,077,377)
Vehicles	(205,987)	(27,170)	-	(233,157)
Furniture, fixtures and equipment	(12,189,423)	(369,411)	-	(12,558,834)
Total accumulated depreciation	(14,291,294)	(578,074)	-	(14,869,368)
Total capital assets being depreciated, net	2,351,765	(465,228)	-	1,886,537
Total capital assets, net of depreciation	\$ 39,949,800	\$ 8,882,491	\$ 23,682,765	\$ 25,149,526

Decreases in capital assets include disbursement of radios that are part of the infrastructure upgrade to participating members during FY2020, totaling \$23,646,977. Of this amount, \$1.6 million belongs to the Agency of which \$567,997 were expensed as they were placed in service and \$1,042,880 were recorded as inventory.

Depreciation expense in the amount of \$578,074 was charged to the public safety function.

Capital assets do not include items provided by the participating governments that are currently being used by the Agency, but to which the Agency has not taken legal title under the terms of the intergovernmental agreement or other contract. The building which houses the Agency and the radio system's central electronic controller are the only two assets of this type.

On July 21, 2016, Washington County issued \$77 million of general obligation bonds to fund the replacement of the emergency communications system, including capital equipment and facilities. For the year ended June 30, 2020, related distributions received from the County were approximately \$9.1 million. In addition to distributions to the Agency, the bonds are funding the Agency's building replacement which falls under Washington County, who owns the building in which the Agency operates and is in the process of planning to construct a new facility for the Agency.

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

III. Detailed notes on all activities and funds (Continued)

C. Compensated Absences

Compensated absences activity for the year ended June 30, 2020, was as follows:

	Balance, June 30, 2019	Increases	Decreases	Balance, June 30, 2020
Governmental activities:				
Compensated absences	\$ 716,639	\$ 1,032,904	\$ 1,001,780	\$ 747,763

The balance is liquidated by the General Fund generally within one year and is reported on the Statement of Net Position.

IV. Other information

A. Risk Management

The Agency is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Agency, through its General Fund, purchases commercial insurance. Deductibles are generally at \$2,500 or less with the exception of natural disasters which have different deductibles. Settled claims have not exceeded commercial coverage in any of the last three fiscal years.

B. Deferred Compensation Plan

The Agency offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Agency employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan are held in trust by the plan administrator for the sole benefit of the participants. As such, these amounts are not reflected in the Agency's financial statements.

C. Participation in Public Employees' Retirement System

Aggregate Pension Amounts - OPERS	
Net pension liability	\$ 12,927,261
Deferred outflows of resources	4,196,301
Deferred inflows of resources	1,032,501
Pension expense/expenditures	3,055,980

1. Pension Plan

The Oregon Public Employees Retirement System (OPERS) is a cost-sharing, multiple-employer defined benefit plan that provides statewide defined benefit and defined contribution retirement plans for units of state government, political subdivisions, community colleges and school districts. The Agency has joined this pool.

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

IV. Other information (continued)

C. Participation in Public Employees' Retirement System (continued)

1. Pension Plan (continued)

The system provides retirement and disability benefits, post-employment healthcare benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

Plan Description. Employees of the Agency are provided with pensions through OPERS. All benefits of OPERS are established by the legislature pursuant to ORS Chapters 238 and 238A. The authority to establish and amend the benefit provisions of the plan rests with the Oregon Legislature. OPERS produces an independently audited CAFR that can be obtained at <https://www.oregon.gov/pers/documents/financials/cafr/2019-cafr.pdf>

2. Description of Benefit Terms

Benefits provided under Chapter 238-Tier One/Tier Two.

- a. Pension Benefits.** The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalence of benefits to which he or she is entitled.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General Service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

- b. Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- Member was employed by an OPERS employer at the time of death,
- Member died within 120 days after termination of OPERS-covered employment,
- Member died as a result of injury sustained while employed in an OPERS-covered job, or
- Member was on an official leave of absence from an OPERS-covered job at the time of death.

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

IV. Other information (continued)

C. Participation in Public Employees' Retirement System (continued)

2. Description of Benefit Terms (Continued)

Benefits provided under Chapter 238-Tier One/Tier Two. (Continued)

- c. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- d. **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 on the annual benefits above \$60,000.

Benefits provided under Chapter 238A – OPSRP. OPSRP pension program provides benefits to members hired on or after August 29, 2003. This portion of the OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age.

- a. **General Service.** 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. Employees of the Agency are considered to be in the General Service category. A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- b. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- c. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- d. **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

IV. Other information (continued)

C. Participation in Public Employees' Retirement System (continued)

3. Actuarial Valuations

The basis for the Agency's proportion is actuarially determined by comparing the Agency's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employers. The contribution rate for every employer has at least two major components; Normal Cost rate and Unfunded Actuarial Liability (UAL) Rate. The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal credit actuarial cost method.

For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions

	Pension
Valuation date	December 31, 2017
Measurement date	June 30, 2019
Experience Study	2016, published July 26, 2017
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled members: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

IV. Other information (Continued)

C. Participation in Public Employees' Retirement System (Continued)

3. Actuarial Valuations (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study, which reviewed experience for the four-year period ended on December 31, 2016.

Discount Rate. The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. 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 for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Depletion Date Projection. GASB Statement No. 68 generally requires that a blended discount rate be used to measure the total pension liability. The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. GASB Statement No. 68 does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB Statement No. 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is PERS' independent actuary's opinion that the detailed depletion date projections outlined in GASB Statement No. 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

IV. Other information (Continued)

C. Participation in Public Employees' Retirement System (Continued)

3. Actuarial Valuations (Continued)

Assumed Asset Allocation.

OIC Target and Actual Investment Allocation as of June 30, 2019

Asset Class/Strategy	OIC Policy Range		OIC Target Allocation	Actual Allocation
	Low	High		
Debt Securities	15.0%	25.0%	20.0%	20.1%
Public Equity	32.5	42.5	37.5	36.4
Real Estate	9.5	15.5	12.5	11.1
Private Equity	14.0	21.0	17.5	21.4
Alternative Investments	-	12.5	12.5	8.9
Opportunity Portfolio ¹	-	3.0	-	2.1
Total			100.0%	100.0%

¹ Opportunity Portfolio is an investment strategy and it may be invested up to 3% of total plan net assets.

Long-Term Expected Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the OPERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. See PERS' audited financial statements at: <https://www.oregon.gov/pers/documents/financials/cafr/2019-cafr.pdf>

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

IV. Other information (Continued)

C. Participation in Public Employees' Retirement System (Continued)

3. Actuarial Valuations (Continued)

Long-Term Expected Rate of Return (Continued).

Long-Term Expected Rate of Return

Asset Class	Target Allocation*	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Core Fixed Income	8.00%	3.59%	3.49%	4.55%
Short-Term Bonds	8.00	3.42	3.38	2.70
Bank/Leveraged Loans	3.00	5.34	5.09	7.50
High Yield Bonds	1.00	6.90	6.45	10.00
Large/Mid Cap US Equities	15.75	7.45	6.30	16.25
Small Cap US Equities	1.31	8.49	6.69	20.55
Micro Cap US Equities	1.31	9.01	6.80	22.90
Developed Foreign Equities	13.13	8.21	6.71	18.70
Emerging Market Equities	4.13	10.53	7.45	27.35
Non-US Small Cap Equities	1.88	8.67	7.01	19.75
Private Equity	17.50	11.45	7.82	30.00
Real Estate (Property)	10.00	6.15	5.51	12.00
Real Estate (REITS)	2.50	8.26	6.37	21.00
Hedge Fund of Funds - Diversified	2.50	4.36	4.09	7.80
Hedge Fund - Event-driven	0.63	6.21	5.86	8.90
Timber	1.88	6.37	5.62	13.00
Farmland	1.88	6.90	6.15	13.00
Infrastructure	3.75	7.54	6.60	14.65
Commodities	1.88	5.43	3.84	18.95
Assumed Inflation - Mean			2.50%	1.85%

* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of June 7, 2017.

4. Contributions

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plan.

Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The rates in effect for the fiscal year ended June 30, 2020 were: (1) Tier One/Tier Two – 25.22% and (2) OPSRP general service – 19.29%. The Agency's contributions for the year ended June 30, 2020 were \$1,561,389.

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

IV. Other information (Continued)

C. Participation in Public Employees' Retirement System (Continued)

5. Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2020, the Agency reported a liability of \$12,927,261 for its proportionate share of the plan net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The Agency's proportionate share was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating members of the cost sharing pool, actuarially determined. At June 30, 2020 and 2019, the Agency's proportion was 0.07473440 percent and 0.07519957 percent, respectively.

For the year ended June 30, 2020, the Agency recognized pension expense of \$3,055,980 for the defined benefit portion of the pension plan. At June 30, 2020, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 712,900	\$ -
Changes in assumptions	1,753,731	-
Net differences between projected and actual earnings on investments	-	366,475
Changes in proportionate share	-	583,552
Differences between employer contributions and employer's proportionate share of system contributions	168,281	82,474
	2,634,912	1,032,501
Contributions after measurement date	1,561,389	-
Total	\$ 4,196,301	\$ 1,032,501

Deferred outflows of resources related to pensions of \$1,561,389 resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense / (income) as follows:

Year ending June 30,	Amount
2021	\$ 1,034,555
2022	(24,610)
2023	296,837
2024	277,843
2025	17,786
Total	\$ 1,602,411

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

IV. Other information (Continued)

C. Participation in Public Employees' Retirement System (Continued)

6. Sensitivity of the Agency's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.2 percent, as well as what the Agency's share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Agency's proportionate share of net pension liability	\$ 20,701,862	\$ 12,927,261	\$ 6,420,992

7. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report. This report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS website at www.oregon.gov/pers.

8. OPSRP Individual Account Program (IAP)

Pension Benefits. Participants in OPERS defined benefit pension plans also participated in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of the five previous calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Death Benefits. Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions. The Agency has chosen to pay the employees contributions to the plan. Six percent of covered payroll is paid for general service employees. For fiscal year June 30, 2020, the Agency paid \$444,670.

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

IV. Other information (Continued)

D. Other Postemployment Benefits (OPEB)—Single Employer Plan (Implicit Subsidy)

1. Plan Description

As required by ORS 243.303, the Agency provides eligible retirees under age 65 and their dependents the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the full amount of the premiums. The Implicit Rate Subsidy Plan has no assets accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The single-employer plan is administered by City/County Insurance Services (CIS) and does not issue a separately available financial report.

As of the valuation date of July 1, 2018, the following employees were covered by the benefits terms:

Active employees	89
Inactive employees entitled to, but not yet receiving benefits	0
Inactive employees (or their beneficiaries) currently receiving benefits	5
	<u>94</u>

2. Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Agency's total OPEB liability of \$501,204 was determined by an actuarial valuation as of July 1, 2018 and procedures were used to roll forward to the measurement date of June 30, 2019.

For the fiscal year ended June 30, 2020, the Agency recognized OPEB expense from this plan of \$30,656. At June 30, 2020, the Agency reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,598
Changes in assumptions	13,627	65,903
	<u>13,627</u>	<u>71,501</u>
Contributions after measurement date	39,347	-
Total	<u>\$ 52,974</u>	<u>\$ 71,501</u>

In addition to deferred outflows and inflows related to the single employer OPEB plan, deferred outflows and inflows have been recorded related to the PERS RHIA Other Assets, as explained in Other Assets Note I.D.4. The total deferred outflows and inflows related to the RHIA plan at June 30, 2020 were \$2,759 and \$25,172, respectively.

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

IV. Other information (Continued)

D. Other Postemployment Benefits (OPEB) (Continued)

3. Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Deferred outflows of resources related to OPEB of \$39,347 resulting from the Agency's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2021	\$ (9,432)
2022	(9,432)
2023	(9,432)
2024	(9,432)
2025	(9,432)
Thereafter	(10,714)
Total	<u>\$ (57,874)</u>

4. Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2018 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2018
Measurement date	June 30, 2019
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Discount rate	3.50 percent
Projected salary increases	3.50 percent
Withdrawal, retirement, and mortality rates	December 31, 2017 Oregon PERS valuation
Election	40% of eligible employees, 60% of male members and 35% of females members will elect spouse coverage; 5% annual lapse rate

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

IV. Other information (Continued)

D. Other Postemployment Benefits (OPEB) (Continued)

5. Changes in the Total OPEB Liability

Balance as of June 30, 2019	\$ 480,792
Changes for the year:	
Service cost	21,329
Interest on total OPEB liability	18,759
Effect of assumptions changes or inputs	15,444
Benefit payments	<u>(35,120)</u>
Balance as of June 30, 2020	<u>\$ 501,204</u>

6. Sensitivity of the Total OPEB Liability

The following presents the Agency's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 544,605	\$ 501,204	\$ 461,304

<u>Healthcare Cost Trend</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 449,093	\$ 501,204	\$ 563,080

E. Related Party Transactions

The Agency has a lease agreement with Washington County for the central dispatch facility. The lease requires payment of one dollar per year and renews automatically unless one of the parties takes action to terminate it.

The Agency is dependent on participating governments, which are all Oregon municipal corporations, for most of its revenues. The Agency also is involved in various transactions for goods and services provided to these participating governments. These transactions are summarized as follows:

Washington County Consolidated Communications Agency

Notes to the Basic Financial Statements (Continued)

For Year Ended June 30, 2020

V. Other information (Continued)

E. Related Party Transactions (continued)

	State 9-1-1 Excise Taxes	Charges for Services		
		Fees	Maintenance	Total
Participants:				
Washington County	\$ 1,579,051	\$ 2,737,104	\$ 3,777	\$ 2,740,881
City of Hillsboro	623,005	1,918,659	1,079	1,919,738
Tualatin Valley Fire and Rescue	-	2,379,498	2,874	2,382,372
City of Beaverton	592,739	1,488,897	630	1,489,527
City of Tigard	322,542	715,576	314	715,890
City of Forest Grove	148,554	511,123	-	511,123
City of Tualatin	164,912	378,512	-	378,512
City of Sherwood	118,941	231,125	293	231,418
City of Cornelius	73,138	200,761	-	200,761
City of King City	23,284	23,908	-	23,908
City of Gaston	3,990	26,085	-	26,085
City of North Plains	19,141	14,399	-	14,399
City of Durham	11,459	11,384	-	11,384
City of Banks	10,994	41,480	-	41,480
Subtotal related party transactions	3,691,750	10,678,511	8,967	10,687,478
Non-related parties:				
Clackamas County 800 Radio Group	-	889,024	3,282	892,306
Miscellaneous other contracts	-	240,825	4,592	245,417
Subtotal non-related party transactions	-	1,129,849	7,874	1,137,723
Total	\$ 3,691,750	\$ 11,808,360	\$ 16,841	\$ 11,825,201

Required Supplementary Information

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Washington County Consolidated Communications Agency

Schedule of the Agency's Proportionate Share of the Net Pension (Asset)/Liability Last Ten Fiscal Years

Oregon Public Employee Retirement Pension Plan (OPERS)

Fiscal Year¹ Ending June 30,	Agency's proportion of the net pension (asset)/ liability (percent)	Agency's proportionate share of the net pension (asset)/ liability	Agency's covered payroll	Agency's proportionate share of the net pension (asset)/ liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.07473440	\$ 12,927,261	\$ 7,380,533	175.15%	80.23%
2019	0.07519957	11,391,744	7,503,657	151.82	82.07
2018	0.07828842	10,553,309	7,151,402	147.57	83.12
2017	0.08516355	12,785,026	6,941,076	184.19	80.53
2016	0.09080452	5,213,506	6,761,313	77.11	91.90
2015	0.09330689	(2,115,001)	6,342,592	(33.35)	103.57
2014	0.09330689	4,761,587	6,284,821	75.76	N/A ²
2013	N/A ²	N/A ²	6,331,521	N/A ²	N/A ²
2012	N/A ²	N/A ²	6,269,826	N/A ²	N/A ²
2011	N/A ²	N/A ²	6,018,958	N/A ²	N/A ²

¹ Measurement date is one year in arrears.

² Actuarial information for these earlier fiscal years is not available.

Washington County Consolidated Communications Agency**Schedule of the Agency's Pension Plan Contributions
Last Ten Fiscal Years****Oregon Public Employee Retirement Pension Plan (OPERS)**

Fiscal Year Ending June 30,	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Agency's covered payroll	Contributions as a percentage of covered payroll
2020	\$ 1,561,389	\$ 1,561,389	\$ -	\$ 7,430,472	21.01%
2019	1,215,215	1,215,215	-	7,380,533	16.47
2018	1,188,166	1,188,166	-	7,503,657	15.83
2017	949,904	949,904	-	7,151,402	13.28
2016	924,640	924,640	-	6,941,076	13.32
2015	820,785	820,785	-	6,761,313	12.14
2014	762,490	762,490	-	6,342,592	12.02
2013	N/A ¹	N/A ¹	N/A ¹	6,284,821	N/A ¹
2012	N/A ¹	N/A ¹	N/A ¹	6,331,521	N/A ¹
2011	N/A ¹	N/A ¹	N/A ¹	6,269,826	N/A ¹

¹ Actuarial information for these earlier fiscal years is not available.

Washington County Consolidated Communications Agency
Schedule of the Changes in the Agency's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years

Implicit Rate Subsidy Plan

Fiscal Year¹ Ending June 30,	Beginning Total OPEB Liability	Service cost	Interest	Assumption changes	Economic/ demographic (gains) or losses	Benefit payments	Ending Total OPEB Liability	Covered Payroll	Total OPEB Liability as a percentage of Covered Payroll
2020	\$ 480,792	\$ 21,329	\$ 18,759	\$ 15,444	\$ -	\$ (35,120)	\$ 501,204	\$ 7,380,533	6.79%
2019	520,009	25,257	19,123	(53,890)	(7,320)	(22,387)	480,792	7,503,657	6.41
2018	532,549	27,546	15,695	(36,837)	-	(18,944)	520,009	7,151,402	7.27
2017	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	532,549	6,941,076	7.67
2016	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	6,761,313	N/A ²
2015	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	6,342,592	N/A ²
2014	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	6,284,821	N/A ²
2013	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	6,331,521	N/A ²
2012	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	6,269,826	N/A ²
2011	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	6,018,958	N/A ²

¹ Measurement date is one year in arrears.

² Actuarial information for these earlier fiscal years is not available.

Washington County Consolidated Communications Agency

Notes to the Required Supplementary Information For the Year Ended June 30, 2020

I. Oregon Public Employee Retirement Pension Plan (OPERS)

Changes in Assumptions

A summary of key changes implemented with the December 31, 2017 actuarial valuation which was used in the pension calculations and amounts reported for fiscal year ended June 30, 2020, along with additional detail and a comprehensive list of changes in methods and assumptions from the December 31, 2017 actuarial valuation can be found at: www.oregon.gov/pers.

Changes in Plan Provisions Subsequent to Measurement Date

In June 2019, the Senate Bill (SB) 1049 was enacted by the State of Oregon. The bill made certain changes to PERS pension plans, including a one-time 22-year re-amortization of the unamortized actuarial liability for Tier 1 and Tier 2 employees and contribution rate adjustments for both Tier 1/Tier 2 and OPSRP plans. The overall impact to the Agency's net pension liability and related balances is expected to be an increase in the next valuation.

II. Single Employer OPEB plan

Changes in Assumptions

1. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used during each period:

FY 2019	3.87%
FY 2020	3.50%

2. There are no assets accumulated in a trust that meets the criteria of GASB 75, to pay related benefits.

Other Supplementary Information

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Major Governmental Fund

Capital Projects Fund

Capital Projects Fund – Accounts for the restricted revenue of the shared local option levy tax funds accumulated to replace Agency equipment.

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Washington County Consolidated Communications Agency

Capital Projects Fund
Schedule of Revenues, Expenditures, Other Financing Sources,
and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020

	Original and Final Budget Amounts	Actual	Variance with Final Budget
REVENUES			
Investment earnings	\$ 9,000	\$ 16,544	\$ 7,544
Intergovernmental	19,175,000	9,129,174	(10,045,826)
Total revenues	19,184,000	9,145,718	(10,038,282)
EXPENDITURES			
Capital outlay	19,000,000	9,334,167	9,665,833
Operating contingency	1,039,024	-	1,039,024
Total expenditures	20,039,024	9,334,167	10,704,857
Excess (deficiency) of revenues over expenditures	(855,024)	(188,449)	666,575
OTHER FINANCING SOURCES			
	-	-	-
Changes in fund balances	(855,024)	(188,449)	666,575
Fund balances, June 30, 2019	1,039,024	928,539	(110,485)
Fund balances, June 30, 2020	\$ 184,000	\$ 740,090	\$ 556,090

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Statistical Section

This part of the Agency's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information says about the Agency's overall financial health.

Financial Trends – These schedules contain trend information to help the reader understand how the Agency's financial performance and well-being have changed over time.

Revenue Capacity – This schedule contains information to help the reader assess the Agency's most significant local revenue sources, charges for services, which are paid through contracts with participating governments.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the Agency's financial activities take place.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the Agency's financial report relates to the services the Agency provides and the activities it performs.

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

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Washington County Consolidated Communications Agency

Net Position by Component Last Ten Fiscal Years

	As of June 30,									
	2011	2012	2013	Restated 2014	2015	2016	Restated 2017	2018	2019	2020
Government Activities:										
Investment in capital assets	\$ 9,412,723	\$ 8,294,363	\$ 6,744,329	\$ 5,113,490	\$ 3,949,524	\$ 3,616,090	\$ 4,304,180	\$ 26,423,619	\$ 39,949,800	\$ 25,149,526
Restricted	300,442	526,393	425,192	370,219	635,915	352,190	600,779	770,890	928,539	868,098
Unrestricted	3,900,192	3,419,368	3,944,454	(399,030)	2,211,473	(1,793,752)	(3,650,752)	(3,653,830)	(2,960,578)	(1,572,760)
Total net position	\$ 13,613,357	\$ 12,240,124	\$ 11,113,975	\$ 5,084,679	\$ 6,796,912	\$ 2,174,528	\$ 1,254,207	\$ 23,540,679	\$ 37,917,761	\$ 24,444,864

Washington County Consolidated Communications Agency

Changes in Net Position Last Ten Fiscal Years

	For the Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES										
Public safety - dispatch service	\$ 12,366,711	\$ 13,301,959	\$ 12,922,456	\$ 13,607,448	\$ 11,063,282	\$ 18,152,021	\$ 15,054,499	\$ 14,993,832	\$ 14,571,493	\$ 16,488,850
PROGRAM REVENUES										
Charges for services	7,737,346	8,356,790	8,637,749	9,048,027	9,461,175	9,828,236	10,265,973	11,015,612	11,239,496	11,825,201
Operating grants and contributions	500	3,500	-	-	-	-	-	-	-	-
Capital grants and contributions	125,000	752,641	-	-	194,400	350,000	1,072,717	22,812,685	14,223,953	9,129,174
Total program revenues	7,862,846	9,112,931	8,637,749	9,048,027	9,655,575	10,178,236	11,338,690	33,828,297	25,463,449	20,954,375
Net program revenues (expense)	(4,503,865)	(4,189,028)	(4,284,707)	(4,559,421)	(1,407,707)	(7,973,785)	(3,715,809)	18,834,465	10,891,956	4,465,525
GENERAL REVENUES AND CONTRIBUTIONS										
9-11 taxes	2,674,076	2,587,085	2,585,911	2,558,815	2,556,776	2,818,260	2,905,401	3,025,198	3,116,690	3,691,750
Investment earnings	22,632	20,561	24,534	27,074	24,939	32,529	53,106	92,571	165,151	161,375
Miscellaneous	456,601	208,149	548,113	423,333	538,225	500,612	350,586	334,238	203,285	244,553
Total general revenues	3,153,309	2,815,795	3,158,558	3,009,222	3,119,940	3,351,401	3,309,093	3,452,007	3,485,126	4,097,678
CONTRIBUTIONS OF CAPITAL ASSETS										
	-	-	-	-	-	-	-	-	-	(22,036,100)
CHANGE IN NET POSITION	\$ (1,350,556)	\$ (1,373,233)	\$ (1,126,149)	\$ (1,550,199)	\$ 1,712,233	\$ (4,622,384)	\$ (406,716)	\$ 22,286,472	\$ 14,377,082	\$ (13,472,897)

Washington County Consolidated Communications Agency

Fund Balances, Governmental Funds Last Ten Fiscal Years

	As of June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL FUND										
Non-spendable	\$ -	\$ -	\$ -	\$ 294,240	\$ 39,839	\$ 40,541	\$ 150,876	\$ 58,276	\$ 207,192	\$ 215,344
Unassigned	3,555,784	3,200,219	3,920,958	3,831,148	3,884,566	3,965,856	3,750,943	4,508,904	5,858,200	7,476,537
Total general fund	<u>\$ 3,555,784</u>	<u>\$ 3,200,219</u>	<u>\$ 3,920,958</u>	<u>\$ 4,125,388</u>	<u>\$ 3,924,405</u>	<u>\$ 4,006,397</u>	<u>\$ 3,901,819</u>	<u>\$ 4,567,180</u>	<u>\$ 6,065,392</u>	<u>\$ 7,691,881</u>
ALL OTHER GOVERNMENTAL FUNDS										
Restricted, reported in:										
Capital projects fund	\$ 300,442	\$ 526,393	\$ 425,192	\$ 370,219	\$ 635,915	\$ 352,190	\$ 600,777	\$ 770,890	\$ 928,539	\$ 740,090
Total all other governmental funds	<u>\$ 300,442</u>	<u>\$ 526,393</u>	<u>\$ 425,192</u>	<u>\$ 370,219</u>	<u>\$ 635,915</u>	<u>\$ 352,190</u>	<u>\$ 600,777</u>	<u>\$ 770,890</u>	<u>\$ 928,539</u>	<u>\$ 740,090</u>

Washington County Consolidated Communications Agency

Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

	For the Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Taxes	\$ 2,708,898	\$ 2,605,085	\$ 2,591,911	\$ 2,560,815	\$ 2,566,276	\$ 2,760,760	\$ 2,876,401	\$ 2,995,198	\$ 3,092,690	\$ 3,364,750
Intergovernmental	125,000	655,741	353,727	218,688	288,432	568,688	1,072,717	22,812,685	14,223,953	9,129,174
Investment earnings	22,632	20,561	24,534	27,075	24,939	32,529	53,106	92,571	165,151	161,375
Charges for services	7,737,346	8,356,789	8,637,749	9,048,027	9,461,175	9,828,236	10,265,973	11,015,612	11,239,496	11,825,201
Grants	-	-	-	-	194,400	-	-	-	-	-
Miscellaneous	307,694	177,408	371,289	204,645	249,793	305,570	350,586	334,238	203,285	244,553
Total revenues	10,901,570	11,815,584	11,979,210	12,059,250	12,785,015	13,495,783	14,618,783	37,250,304	28,924,575	24,725,053
EXPENDITURES										
Public safety	10,447,067	11,095,277	11,108,128	11,872,734	12,445,635	12,567,944	12,835,884	13,642,441	13,139,234	13,862,236
Capital outlay	915,041	849,921	251,544	37,059	274,667	1,129,572	1,638,890	22,772,391	14,129,480	9,424,777
Total expenditures	11,362,108	11,945,198	11,359,672	11,909,793	12,720,302	13,697,516	14,474,774	36,414,832	27,268,714	23,287,013
Excess (deficiency) of revenues over expenditures	(460,538)	(129,614)	619,538	149,457	64,713	(201,733)	144,009	835,472	1,655,861	1,438,040
OTHER FINANCING SOURCES (USES)										
Transfers in	95,028	599,093	-	-	250,000	250,000	250,000	150,000	150,000	-
Transfers out	(95,028)	(599,093)	-	-	(250,000)	(250,000)	(250,000)	(150,000)	(150,000)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (460,538)	\$ (129,614)	\$ 619,538	\$ 149,457	\$ 64,713	\$ (201,733)	\$ 144,009	\$ 835,472	\$ 1,655,861	\$ 1,438,040

Washington County Consolidated Communications Agency

Principal Contract Revenue Payers Last Ten Fiscal Years

	For the Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Washington County	\$ 1,746,085	\$ 1,914,591	\$ 1,963,089	\$ 2,028,264	\$ 2,143,902	\$ 2,350,589	\$ 2,461,901	\$ 2,645,367	\$ 2,676,852	\$ 2,740,881
Tualatin Valley Fire & Rescue	1,387,626	1,517,951	1,556,622	1,587,534	1,666,547	1,797,370	2,055,447	2,205,483	2,258,691	2,382,372
City of Hillsboro	1,349,420	1,479,089	1,516,296	1,567,470	1,661,963	1,628,101	1,723,938	1,843,349	1,854,519	1,919,738
City of Beaverton	983,774	1,083,679	1,109,671	1,147,549	1,203,975	1,262,403	1,303,350	1,363,927	1,383,543	1,489,527
City of Tigard	498,398	550,021	562,661	572,358	602,656	583,600	585,839	640,830	661,408	715,890
City of Forest Grove	289,104	326,996	338,812	357,190	372,361	424,425	438,674	489,089	490,214	511,123
City of Tualatin	274,253	302,873	304,149	312,673	327,794	329,417	331,967	362,766	370,828	378,512
City of Sherwood	177,638	196,069	214,977	221,105	235,088	198,587	205,461	226,514	217,654	231,418
City of Cornelius	129,982	137,336	148,115	152,213	153,695	151,343	165,127	167,811	196,940	200,761
Washington County Fire District #2	55,546	58,783	59,850	62,179	64,340	64,873	-	-	-	-
City of Banks & Banks FD# 13	32,022	32,870	33,728	34,740	35,994	36,856	39,233	40,775	40,272	41,480
City of Gaston	22,760	23,357	24,024	24,192	24,916	25,664	26,634	27,648	25,324	26,085
City of King City	18,323	19,234	20,335	20,024	21,072	21,314	22,044	22,907	23,212	23,908
City of North Plains	11,507	12,077	11,708	12,270	12,624	12,923	15,776	13,572	13,980	14,399
City of Durham	11,670	12,052	12,412	12,784	13,168	13,564	14,076	14,388	11,384	11,384
C800 Radio Group	572,991	481,626	518,404	672,133	630,756	610,952	620,474	706,030	750,898	892,306
Total	\$ 7,561,099	\$ 8,148,604	\$ 8,394,853	\$ 8,784,678	\$ 9,170,851	\$ 9,511,981	\$ 10,009,941	\$ 10,770,456	\$ 10,975,719	\$ 11,579,784

Source: The Agency's basic financial statements, current and prior.

Washington County Consolidated Communications Agency

Demographic and Economic Statistics Last Ten Fiscal Years

For the Year Ended June 30,	Population ⁽¹⁾	Per Capita Income (Washington County) ⁽³⁾	Total Personal Income (Washington County) (in thousands) ⁽³⁾	Unemployment Rate (%) (Washington County) ⁽²⁾
2020	(A)	(A)	(A)	(A)
2019	613,410	(A)	(A)	3.4%
2018	606,280	\$60,971	\$36,442,209	3.6
2017	595,860	57,787	34,161,728	3.7
2016	583,595	55,017	32,175,890	4.5
2015	507,510	53,899	30,877,272	5.0
2014	560,465	50,569	28,446,967	5.8
2013	550,990	46,757	25,969,097	6.6
2012	542,845	47,008	25,788,385	7.3
2011	536,370	44,414	24,026,099	7.9

(A) Information is not available at the time of this report.

Notes: Information regarding the median age and education level of the Agency's population is not available.

Sources: Estimated information provided by:

- (1) Portland State University Population Research Center as of July 1st of each year.
- (2) State of Oregon Employment Department as of June 30th of each year.
- (3) U.S. Department of Commerce, Bureau of Economic Analysis

Washington County Consolidated Communications Agency

Major Employment Sectors Current Year and Nine Years Ago

	As of June 2020		As of June 2011	
	Sector Total	% of Total	Sector Total	% of Total
Total nonfarm employment				
Total private	258,900		219,783	
Mining, logging and construction	17,100	6%	11,708	5%
Mining and logging	400			
Construction	16,700			
Manufacturing	50,800	18%	42,815	18%
Durable goods	43,000			
Nondurable goods	7,800			
Trade, transportation and utilities	48,700	17%	47,566	20%
Wholesale trade	13,400		16,471	
Retail trade	29,500		27,789	
Transportation, warehousing and utilities	5,800		3,306	
Information	7,200	3%	7,989	3%
Financial activities	17,000	6%	13,527	5%
Professional and business services	54,000	19%	35,783	15%
Professional and technical services	15,400		N/A	
Management of companies and enterprises	16,700		N/A	
Administration and waste services	21,900		N/A	
Education and health services	36,400	13%	29,598	12%
Leisure and hospitality	19,100	7%	20,246	8%
Other Services	8,600	3%	10,551	4%
Government	22,300	8%	23,421	10%
Federal government	900			
State government	2,100			
Local government	19,300			
Local education	10,800			
Local government excl education	8,500			
Total nonfarm employment	281,200	100%	243,204	100%

Source: State of Oregon Employment Department, Oregon Labor Market Information System

Washington County Consolidated Communications Agency

Principal Taxpayers Within the County Current Year and Nine Years Ago

	For year ending June 30, 2020			For year ending June 30, 2011		
	Rank	Assessed Value (in thousands)	% of Total	Rank	Assessed Value (in thousands)	% of Total
Intel	1	\$ 1,970,829	35.5%	1	\$ 1,086,959	30.4%
Nike, Inc.	2	1,011,210	18.2%	2	431,605	12.1%
Portland General Electric	3	616,308	11.1%	3	390,952	10.9%
Pacific Realty Associates	4	405,106	7.3%	5	301,956	8.4%
Northwest Natural Gas Co	5	368,707	6.7%	6	282,171	7.9%
Comcast Corporation	6	274,026	4.9%	7	231,546	6.5%
Verizon Communications	7	254,049	4.6%	8	213,072	6.0%
Genentech, Inc.	8	241,357	4.4%			
Lam Research Corporation	9	216,673	3.9%			
PPR Washington Square LLC	10	190,462	3.4%			
Maxim Integrated Products, Inc				4	371,640	10.4%
Tektronix Inc				9	137,021	3.8%
PS Business Parks				10	128,237	3.6%
Total		\$ 5,548,727	100%		\$ 3,575,159	100%

Source: Washington County, Oregon

Washington County Consolidated Communications Agency

Full-time Equivalent Agency Employees by Function Last Ten Fiscal Years

For the Year Ended June 30,										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Dispatchers	61.0	63.0	55.0	62.0	60.0	58.0	63.0	59.0	59.0	56.0
Operations Supervisors	6.0	6.0	6.0	6.0	6.0	7.0	6.0	6.0	5.0	5.0
Logistics	11.5	11.9	10.5	10.5	10.5	11.9	12.9	12.9	11.5	12.5
Performance Management	4.0	4.4	5.0	4.5	4.5	4.5	4.5	4.5	3.5	-
Administration and Other	6.0	6.0	6.1	5.1	6.1	6.1	6.1	5.1	6.0	11.8
Total	88.5	91.3	82.6	88.1	87.1	87.5	92.5	87.5	85.0	85.3

Source: The Agency's Administration/Human Resources

Washington County Consolidated Communications Agency

Operating Indicator by Function Last Ten Fiscal Years

		For the Year Ended June 30,									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety											
	Dispatch service calls	372,735	360,478	469,326	457,858	493,688	505,794	507,291	515,690	514,466	480,541

Source: The Agency's Information Technology

Washington County Consolidated Communications Agency

Capital Asset Statistics by Function Last Ten Fiscal Years

	For the Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Communications Network	3	3	3	3	3	3	3	3	4	5
Radio Towers	13	13	13	13	13	13	13	13	16	22
Radios, Mobile and Portable	7,995	7,735	7,638	7,830	7,688	7,812	7,884	7,777	7,171	11,226

Source: The Agency's Radio Services

**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**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
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