

TUALATIN HILLS PARK AND RECREATION DISTRICT BEAVERTON, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2008



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

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**PREPARED BY THE
BUSINESS SERVICES DIVISION
FINANCE DEPARTMENT**

**TUALATIN HILLS PARK AND RECREATION DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2008**

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Administration Office
503/645-6433
Fax 503/629-6301

November 24, 2008

Honorable Members of the Board of Directors
and the Citizens of the
Tualatin Hills Park and Recreation District,
Beaverton, Oregon

Members of the Board:

In accordance with state statutes, the Comprehensive Annual Financial Report (CAFR) of the Tualatin Hills Park and Recreation District (District) for the fiscal year ended June 30, 2008 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with Management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activities have been included.

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

Merina and Company, Certified Public Accountants, have issued an unqualified opinion on the District's financial statements for the year ended June 30, 2008. The independent auditor's report is located at the front of the financial section of this report. Immediately following, the reader will find Management's discussion and analysis (MD&A) that provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Tualatin Hills Park and Recreation District is a special service district formed in 1955, operating under Oregon Revised Statutes Chapter 266 as a separate municipal corporation. The District is governed by a five member Board of Directors, elected to four-year terms of office, with daily operations administered by a General Manager. The District provides year-round park and recreation services to a diverse population of over 200,000 residents within 55 square miles of east Washington County, Oregon, including the City of Beaverton.

- District facilities include: five indoor and two outdoor swim centers; a combined recreation/aquatic center, two recreation centers; an athletic center with six indoor multi-purpose athletic courts; a senior center; historic sites (Jenkins Estate, Fanno Farmhouse and John Quincy Adams Young House); a 220-acre Nature Park and Interpretive Center; a tennis center with six indoor and eight outdoor courts (covered by two air structures for fall and winter season usage); and a camp for developmentally disabled youth.
- The District maintains, either through direct ownership or joint use agreement (including school sites): 123 outdoor basketball goals; 111 outdoor tennis courts; 184 soccer/football/lacrosse fields and 128 softball/baseball fields, two skate parks, three bocce courts, five volleyball courts and a outdoor hockey rink.
- The District has 284 park and recreation facility sites totaling over 2,000 acres, consisting of 940 acres of wetland/natural areas, and 1,087 acres of developed sites, including neighborhood, community and regional parks. THPRD sites include three lakes, 27 miles of stream corridor, and 32 miles of off-street pathways.
- District programs include: aquatics instruction, leagues and drop-in programs; youth and adult sports leagues and fitness programs; youth and adult general and specialized recreation programs; youth after-school and day camps; senior fitness and recreation programs; developmentally disabled and special needs recreation programs; and natural resource education programs.

Certain services for the patrons of the District are provided by the legally separate Tualatin Hills Park Foundation, which is reported in a separate column in the government-wide financial statements. The District is considered to be financially accountable for the Foundation, according to criteria developed by generally accepted accounting principles (GAAP), due to the nature of the relationship. The District has no other potential component units. Further information on the Tualatin Hills Park Foundation can be found in the notes to the financial statements (see Note 1.A).

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

FACTORS AFFECTING FINANCIAL CONDITIONS

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

Local economy – the District has been able to maintain a relatively stable revenue base within these volatile economic conditions. Both the City of Beaverton and Washington County had experienced a higher rate of growth than the state as a whole for several years, resulting in a strong property tax base that has increased at a rate of approximately 5.0 percent annually. Even though hi-tech manufacturing and construction

have seen significant growth declines over previous years, other sectors – information; leisure and hospitality; professional and business services; and educational and health services saw positive growth over the past year. This is reflected in the lower unemployment rate of 4.9% within the county, in comparison to the statewide rate of 5.9% (Sept, 2008 non seasonally adjusted). Within the District, the significant revenues received from the assessment of system development charges (SDC's) has dropped for three years, due to the decline in the construction industry. SDC revenues are statutorily restricted to use for purchase or construction of new, or expansion of existing, facilities, improvements and land within the District.

Due to Ballot Measure 50, passed by voters in May 1997, the District has a permanent tax rate of \$1.3073 per \$1,000 of assessed value. An annual 3% increase is allowed on maximum assessed valuation, along with increases due to new construction, land partitions, zoning changes, etc. Passage of this measure resulted in an estimated \$3.5 million reduction in property taxes received per year, which has been partially offset through increased program revenues, alternative revenues, and fiscal restraint.

Long term financial planning – to address the ongoing implications of our funding constraints, the District developed a long-term financial plan two years ago, which includes a scenario development tool that helps establish viable long-term financial strategies for the District. The plan is a critical element in balancing the demands on capital and operating funds to ensure that the District does not over commit financially, and that adequate general fund resources exist to operate and maintain newly constructed facilities.

In conjunction with the long-term financial plan developed the previous year, the District finalized the comprehensive plan and trails plan update in November 2006. The original plans had been adopted in 1997 and 1998, respectively, and were in need of updating. Extensive outreach was conducted with the citizens of the District, along with a thorough inventory of existing Park facilities, resulting in the identification of future needs and priorities. Eight implementation goals were included in the Comprehensive Plan, which comprise the foundation of our annual budget process.

Finally, the District has completed two separate fee studies. Initially, a comprehensive program user fee study was completed to review the fee structures of all program-generated revenues, plus other ancillary activities. A committee comprised of staff, advisory committee members and District patrons determined the following goals and objectives: 1) development of a fair fee structure for all patrons, 2) provision of financial stability for the District, 3) position the District competitively in the market, 4) develop a reasonably administered fee structure, and 5) base fees on a full variable cost recovery. The Fee Study was completed and adopted in June 2007, implemented in January 2008, and will complete the phase in process over the next three years.

The second fee study consisted of a review of the System Development Charge methodology; the first since inception of SDC's in 1998. With the assistance of the Citizen Advisory Committee, the new methodology was completed in October 2007 and approved by the Board of Directors during their November 2007 meeting. Implementation was also in January 2008.

By proactively undertaking and implementing these two studies, the District has been able to maintain strong revenues within the program areas, and lessened the impact of the reduced amount of SDC revenues, due to the economy.

The District is actively monitoring deferred and projected maintenance replacements. Major replacement items (those specifically identified and critical to District operations) have been effectively addressed; however, funding for routine replacements (all non-major items) is not keeping up with replacement needs (other than safety related items). The five-year funding projection, prepared during the annual budget process, illustrates the importance of addressing this long-term need, to avoid a decline in District assets.

Cash management policies and practices – the District’s investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. The District has adopted an investment policy that was approved by the Board of Directors, incorporating all applicable State statutes. The District maintains a daily cash portfolio of investable funds and maximizes its earnings by investing in short-term/low risk investments. The majority of funds are invested in five accounts in the Oregon State Treasurer’s Local Government Investment Pool (LGIP), along with interest bearing money market savings and highly liquid U.S. Agency securities. Interest earned on these investments during the 2007/08 Fiscal Year was \$632,735, a decrease (41.1 percent) over the previous year due to reduced rates in the markets, and lower available cash balances for investment.

Risk management – risk management is vital to controlling property, causality, and workers compensation losses through the coordination of safety, loss prevention, and insurance and claims administration. Since 1982, the District has purchased insurance through Special Districts Association of Oregon (SDAO), which has established a self-insurance pool for property and general liability. In order to protect the SDAO funds in the event of adverse claims experience, reinsurance has been secured through American Re-Insurance Company. The Park District is insured for workers compensation with SDAO as well.

MAJOR INITIATIVES

To facilitate the long-term vision of the District, a bond measure was developed for the November 2008 ballot, in the amount of \$100 million, payable by a dedicated property tax increase over the next 20 years. The measure will provide funding for natural areas, trail expansions, athletic field additions, park additions and upgrades, building expansions and facility replacements and upgrades. As of the date of this report, the ballot measure has passed with a comfortable margin, and the Washington County Elections Division has confirmed election results. The District anticipates the sale of bonds in the spring of 2009.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a *Certificate of Achievement for Excellence* in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2007. This was the third year of submission, and subsequent receipt, of this prestigious award. In order to

be awarded the Certificate of Achievement, the District had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

The District's Adopted Budget Document for the 2007/08 Fiscal Year received the *Distinguished Budget Presentation* award from GFOA. This is the fourth year that the District has received such an award. In order to qualify, the budget document must be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

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

In closing, the dedication, commitment and professional contribution to the financial stability of the District made by the Board of Directors and General Manager must be acknowledged. Their guidance and leadership are of invaluable assistance to the financial management of the District.

Respectfully submitted,

Keith D. Hobson
Director of Business and Facilities

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Tualatin Hills Park
and Recreation District
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

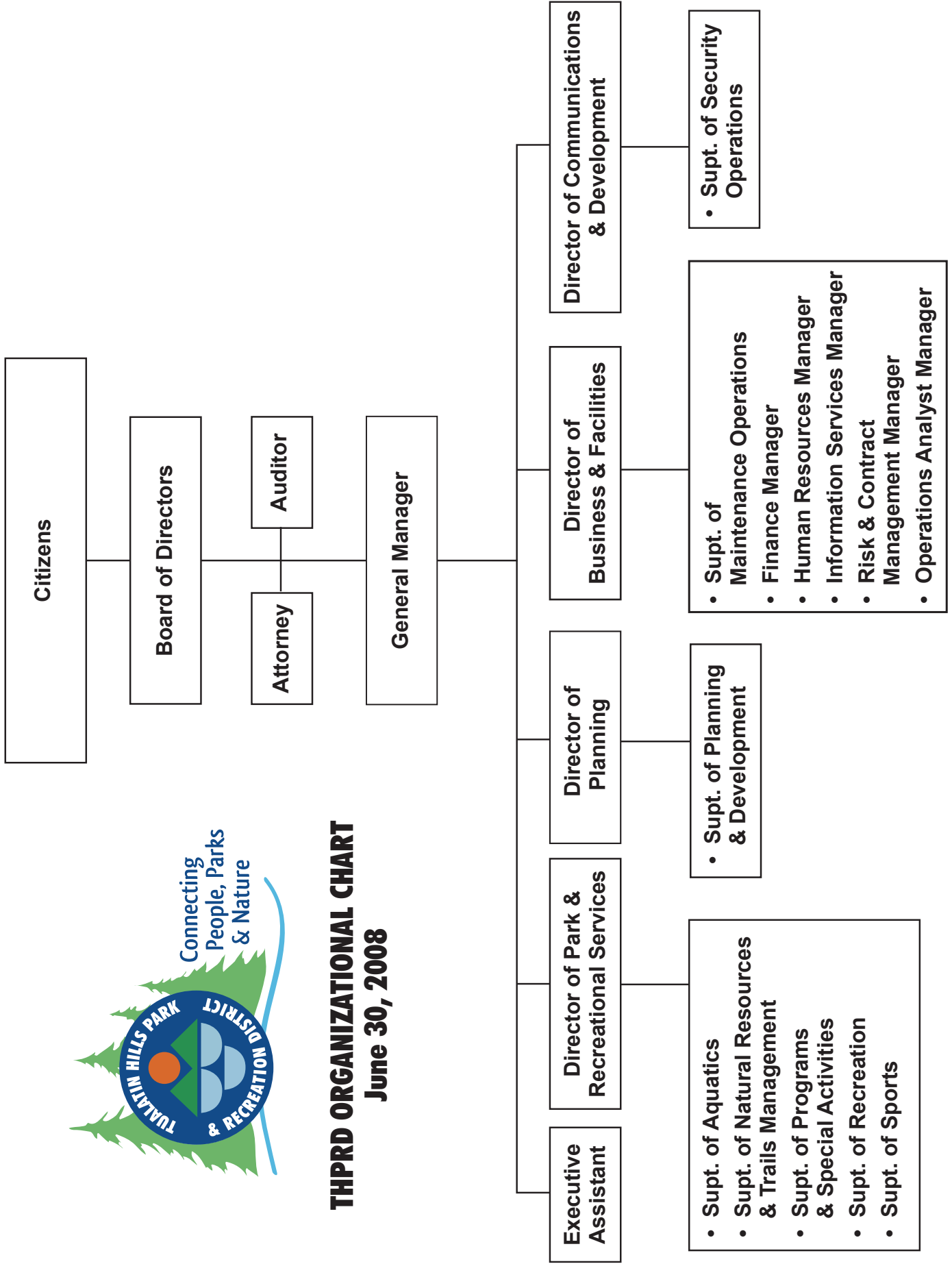
President

Jeffrey R. Emer

Executive Director



**THPRD ORGANIZATIONAL CHART
June 30, 2008**



TUALATIN HILLS PARK AND RECREATION DISTRICT

Administrative Office
15707 SW Walker Road
Beaverton, Oregon 97006

Board of Directors
as of June 30, 2008

<u>Name</u>	<u>Term Expires</u>
Joe Blowers, President 2050 SW 78 th Ave. Portland, Oregon 97225	June 30, 2011
Larry Pelatt, Secretary 7655 SW 140 th Ave. Beaverton, OR 97008	June 30, 2009
Bill Kanable, Secretary Pro-Tempore 8130 SW Sorrento Rd. Beaverton, OR 97008	June 30, 2009
John Griffiths 10245 SW 153 rd Ave. Beaverton, OR 97007	June 30, 2011
Bob Scott 21302 NW Cannes Dr. Portland, Oregon 97229	June 30, 2009

Register Agent and Office

Doug Menke
15707 SW Walker Road
Beaverton, Oregon 97006

General Manager
Doug Menke

Director of Business and Facilities
Keith D. Hobson

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, discretely presented component unit, each major fund, and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund of Tualatin Hills Park and Recreation District (the District), Oregon as of and for the year ended June 30, 2008, which collectively comprises the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, the major funds and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund of the Tualatin Hills Park and Recreation District as of June 30, 2008, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Financial Highlights

- The assets of the District exceeded its liabilities at June 30, 2008 by \$95,540,553.
- Capital assets (net of accumulated depreciation and related debt) account for most of this amount, with a value of \$86,885,092.
- Of the remaining net assets, \$4,566,014 may be used to meet the District's ongoing obligations to patrons and creditors, without legal restriction.
- The District's total net assets increased by \$4,880,652, or 5.4 percent over the previous year. Acquisitions of park property and improvements contributed to this increase.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$8,912,052, a decrease of \$742,276 (7.7 percent), due to capital outlay for the acquisition of park property, subsequent improvements and reduced interest earnings on investments.
- As of June 30, 2008, fund balance for the General Fund was \$4,660,919 or 15.9 percent of total General Fund expenditures.

Overview of the Financial Statements

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

Government-wide financial statements

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

The **statement of net assets** presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as one indicator of whether the financial

position of the District is improving or deteriorating. Other indicators include the condition of the District's assets, changes in the property tax base, and general economic conditions within the area.

The **statement of activities** presents information showing how the District's net assets changed during the current fiscal year. On this statement, program revenue (revenue generated by specific programs through charges for services, grants and contributions) is shown separate from general revenue (revenue provided by taxes and other sources not tied to a particular program). This shows the extent each program relies on taxes for funding. All changes in net assets are reported using the accrual basis of accounting, which requires that revenues be reported when they are earned and expenses be reported when goods and services are received. Items such as uncollected taxes, unpaid vendor invoices for items received by June 30, 2008, and earned but unused vacation leave are included in the statement of activities as revenue and expense. However, the cash associated with these items was not received or distributed until after June 30, 2008.

The government-wide financial statements include not only the District itself (known as the Primary Government), but also a legally separate foundation, Tualatin Hills Park Foundation, for which the District is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the District itself.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting for compliance with finance-related legal requirements. All of the funds of the District fall into the governmental fund category, which accounts for most, if not all, of a government's tax-supported activities.

Governmental funds

The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances present separate columns of financial data for the General Fund, the Maintenance Mitigation Fund, the Bonded Debt Fund, the System Development Charges Fund and the Metro Natural Areas Bond Fund. A comparison of budget to actual is also presented for the General Fund and the Maintenance Mitigation Fund. A detailed comparison of budget to actual for General Fund expenditures and other funds are presented in the Supplementary Data portion of this report.

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

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements accrual focus, it is useful to compare information presented for **governmental funds** with similar information presented for **governmental activities** in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

Notes to the basic financial statements

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

Government-wide Financial Analysis

Statement of Net Assets

As noted earlier, net assets may serve over time as an indicator of the District’s financial position. As of June 30, 2008, the District’s assets exceeded liabilities by \$95,540,553.

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

**Tualatin Hills Park and Recreation District
Net Assets**

	Governmental Activities	
	2008	2007
Cash and investments	\$ 9,717,681	\$ 11,659,308
Other assets	2,272,400	1,428,267
Capital assets	102,580,554	99,015,119
Total assets	114,570,635	112,102,694
Other liabilities	2,513,626	3,015,607
Long-term liabilities, outstanding	16,516,456	18,427,186
Total liabilities	19,030,082	21,442,793
Net assets:		
Invested in capital assets, net of debt	86,885,092	81,461,139
Restricted	4,089,447	5,233,264
Unrestricted	4,566,014	3,965,498
Total net assets	\$ 95,540,553	\$ 90,659,901

The largest portion of the District’s net assets, \$86,885,092 or 90.9 percent, reflects its investment in capital assets, less any related debt used to acquire these assets still outstanding. The District’s assets (recorded at cost) are used to provide services to patrons. Consequently, these assets are not available for future spending, and debt repayment must be provided from other sources.

An additional portion of the District’s net assets, \$4,089,447 or 4.3 percent, represents resources that are subject to external restrictions on how they may be used. The

remaining balance of \$4,566,014, or 4.8 percent, is unrestricted and may be used to meet the District's ongoing obligations.

For the year ended June 30, 2008, the District had positive balances in all three categories of net assets.

Statement of Activities

Governmental activities increased the District's net assets by \$4,880,652 in this fiscal year. Key elements of this increase are as follows:

**Tualatin Hills Park and Recreation District
Changes in Net Assets**

	Governmental Activities	
	2008	2007
Revenues:		
Program revenues:		
Charges for services	\$ 7,461,551	\$ 6,720,311
Operating grants and contributions	27,599	35,185
Capital grants and contributions	2,372,111	2,283,436
General revenues:		
Property taxes	23,201,119	22,162,377
Grants and contributions not restricted to specific programs	232,743	186,127
Other	2,517,684	5,612,128
Total revenues	<u>35,812,807</u>	<u>36,999,564</u>
Expenses:		
Board of Directors	151,139	187,210
Administration	1,620,813	1,148,393
Business services	2,963,834	2,942,845
Park and recreation services	25,260,805	22,854,097
Interest on long-term debt	935,564	1,063,732
Total expenses	<u>30,932,155</u>	<u>28,196,277</u>
Change in net assets	4,880,652	8,803,287
Net assets - beginning balance	90,659,901	81,856,614
Net assets - ending	<u>\$ 95,540,553</u>	<u>\$ 90,659,901</u>

Property taxes increased by \$1,038,742 over the prior year, largely due to statutorily allowable increases in assessed value on existing property, and new construction within the District boundaries. Charges for services increased by \$741,240, or 11.0 percent due to a program fee increase implemented during the year. Other revenues reflect a decrease of \$3,094,444, or 55.0 percent, due to the decreased developer projects recorded as system development charge credit projects. These are unpredictable revenues, and will vary greatly from year to year.

Expenses for the District reflect an increase of 9.7 percent over last year, largely due to increased part-time payroll, utilities and energy costs over the previous year. Park and recreation services carried the largest increase at 10.5 percent due to these factors.

Financial Analysis of the District's Funds

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

Governmental funds analysis

As of June 30, 2008, the District had five funds, classified into four different fund types, with each serving a unique purpose.

During Fiscal Year 2007/08, the District's governmental funds reported a decrease in combined ending fund balances of \$742,276, due largely to the decrease in system development charge revenues, and the spend down of resources within that fund. The previous fiscal year had a decrease of \$7,744,509 due largely to construction costs on a major sports facility project.

The **General Fund** is the chief operating fund of the District. At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$4,548,093. A reserve for inventory, in the amount of \$112,826 was also included in total fund balance. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 15.5 percent of total General Fund expenditures. There was a net increase of \$286,812 for the year, before inventory change, to fund balance, due largely to an increase in program revenues of \$731,791 or 10.9 percent over last year.

The **Mitigation Maintenance Fund** accounts for funds received from developer impact on park properties. The fund balance, in the amount of \$161,686 is intended for natural area restoration projects.

The **Bonded Debt Fund** has a total fund balance of \$338,212 that is reserved for the payment of debt service on general obligation debt.

The **System Development Charges Fund** accounts for development impact fees assessed on new construction within the District boundaries. The net decrease to fund balance before inventory change of \$1,063,116 reflects expenditures for park improvements, both under construction and completed, in the amount of \$3,011,588 within the year. Revenues have decreased over the previous year by \$804,356 due to reduced new development activity and interest earnings. This fund balance is entirely reserved for parks acquisition and development and improvements related to capacity expansion, and is fully available for appropriation.

The **Metro Natural Areas Bond Fund** accounts for funds received from the Metro 2006 Natural Areas Bond Measure, based on the Local Share Project. Funds are reimbursed at the time of expenditure, resulting in the elimination of fund balance at the end of the year.

General Fund Budgetary Highlights

The District prepares and adopts its budget on an annual basis. General Fund revenues were slightly more than budgeted by 3.9 percent, due to steady property collections and

an increase in program revenues. Expenditures stayed well under budget by 8.9 percent, primarily due to non-expenditure of contingency funds and capital expenditures at less than budgeted amounts. The difference between the original budget and final amended budget consisted of the following adjustment:

- o \$25,000 appropriation for restoration at the Nature Park
- o \$72,500 appropriation for emergency boiler repair at Conestoga Recreation and Aquatic Center.

Contingency funds were transferred to materials and services for the Nature Park restoration, and to capital outlay for the boiler repair.

Capital Asset and Debt Administration

Capital assets

The District's investment in capital assets as of June 30, 2008, amounts to \$102,580,554 (net of accumulated depreciation). This investment in capital assets includes land, park sites and development, buildings and improvements, plus machinery, equipment and furnishings. The net increase in the District's capital assets for the current fiscal year was \$3,565,435 or 3.6 percent.

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

	June 30	
	2008	2007
Land	\$ 47,123,678	\$ 44,560,333
Buildings and improvements	25,423,449	25,849,997
Parks and site improvements	28,262,701	17,594,591
Equipment and furnishings	1,033,272	1,034,118
Construction in progress	737,454	9,976,080
Total	\$ 102,580,554	\$ 99,015,119

As shown by the \$9,238,626 decrease in Construction in progress, there was significant completion of new projects this year with funds provided by the System Development Charge Fund, and closed to Parks and site improvements. In Buildings and Equipment, there was a net decrease in values after the recording of depreciation.

Additional information on the District's capital assets can be found in Note IV.B on page 34 of this report.

Long-term debt and other long-term obligations

At June 30, 2008 the District had \$16.5 million in debt outstanding compared to \$18.4 million last year. Approximately \$2.7 million of the debt outstanding at June 30, 2008 is due within one year.

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

	June 30	
	2008	2007
General obligation bonds	\$ 12,495,000	\$ 13,935,000
Refunding premiums	274,463	324,341
Lease contracts/certificates of participation	2,580,000	2,935,000
Loans	346,000	509,000
Compensated absences	820,993	723,845
Net pension obligation	-	-
Total	\$ 16,516,456	\$ 18,427,186

The District's most recent credit ratings were "A+" from Standard & Poor's and "Aa2" from Moody's for general obligation debt. The outstanding general obligation bonds have bond insurance provided by Financial Guaranty Insurance Company, which equates to a rating of "AAA" from Standard & Poor's and "Aaa" from Moody's.

Due to the national economic situation, the bond insurance ratings on several of our issues have been downgraded during the past year. Material event notices have been filed, as necessary for compliance with our continuing disclosure requirements.

Additional information on the District's long-term obligations can be found in Note IV.C on pages 35 - 37.

Economic Factors and Next Year's Budget and Rates

Some of the factors considered during the preparation of the 2008/09 budget were:

- Assessed value on property was estimated to increase by approximately 4.5 percent over the previous year.
- Absorbing an overall increase of Personnel Service costs of 9.5 percent.
- An increase to Materials and Services of 8.5 percent largely due to rate increases in energy costs district-wide, for both facilities, vehicles and equipment. The increase also reflects service level increases, in various program areas, at all centers within the District.
- A significant reduction in interest earnings, due to current rates and decreased available cash in the System Development Charges Fund.
- A significant reduction in system development charges revenue, due to the economic downturn in the construction industry.

In November 2006 the District adopted an updated comprehensive plan. Stated goals, a review of both user and system development fees, have been accomplished this past year. A user fee increase, phased in over four years, was implemented during early 2008, resulting in an average 15 percent increase to program revenues. System development charge methodology was reviewed, and adopted increases were effective January 2008. Deferred maintenance is being funded at the maximum level available, and will continue to be a critical component of future budgetary plans. The District continues to actively research alternative revenue sources, and has seen an increase in grants, sponsorships and various rental incomes.

Due to factors such as:

- increased patron participation in programs,
- increased offerings in targeted program areas,
- steady property tax collections,
- strong budgetary controls, and
- capital funding carryforwards into the following year,

the ending June 30, 2008 General Fund balance was \$822,919 higher than the planned beginning fund balance in the 2008/09 Budget.

The District has been fortunate in this volatile economic environment. Even though interest earnings and construction related revenues have declined, property tax collections have remained strong and patron participation continues to grow, regardless of the implemented fee increases. Local parks and recreation programs offer an affordable alternative for families of all sizes and economic backgrounds, as reflected by our residents' involvement.

Furthermore, recognizing the needs of our changing community, the District prepared a parks bond measure, in the amount of \$100 million, which was placed on the November 4, 2008 ballot. Repayment will come in the form of property taxes, over a 20-year term. The measure was created following an extensive public outreach process, and will provide funding for a wide variety of improvements and additions throughout the Park District. As of the date of this report, the ballot measure has passed with a comfortable margin, and the Washington County Elections Division has confirmed election results. The District anticipates the sale of bonds in the spring of 2009.

Requests for Information

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

Tualatin Hills Park and Recreation District
Statement of Net Assets
June 30, 2008

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Tualatin Hills Park Foundation</u>
Assets:		
Cash and cash equivalents	\$ 9,717,681	\$ 407,762
Due from other governments	1,026,297	-
Receivables	934,130	34,051
Inventories	112,826	-
Deferred charges	199,147	-
Capital assets (net of accumulated depreciation):		
Land	47,123,678	-
Park sites and planning development	28,262,701	-
Buildings and improvements	25,423,449	-
Equipment and furnishings	1,033,272	-
Construction in progress	737,454	-
Total assets	114,570,635	441,813
Liabilities:		
Accounts payable and other current liabilities	2,234,275	31,731
Accrued interest payable	252,852	-
Deferred revenue	26,499	-
Noncurrent liabilities:		
Due within one year	2,656,180	-
Due in more than one year	13,860,276	-
Total liabilities	19,030,082	31,731
Net Assets:		
Invested in capital assets, net of related debt	86,885,092	-
Restricted for:		
Debt service	338,212	
Parks development	3,751,235	83,718
Unrestricted	4,566,014	326,364
Total net assets	\$ 95,540,553	\$ 410,082

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

Tualatin Hills Park and Recreation District
Statement of Activities
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit Tualatin Hills Park Foundation
Primary government:						
Governmental activities:						
Board of Directors	\$ 151,139	\$ -	\$ -	\$ -	\$ (151,139)	\$ -
Administration	1,620,813	-	-	-	(1,620,813)	-
Business services	2,963,834	-	-	-	(2,963,834)	-
Park and recreation services	25,260,805	7,461,551	27,599	2,372,111	(15,399,544)	-
Interest on long-term debt	935,564	-	-	-	(935,564)	-
Total Primary government	<u>\$ 30,932,155</u>	<u>\$ 7,461,551</u>	<u>\$ 27,599</u>	<u>\$ 2,372,111</u>	<u>(21,070,894)</u>	<u>-</u>
Component unit:						
Park foundation	<u>\$ 267,632</u>	<u>\$ 250,549</u>	<u>\$ 79,775</u>	<u>\$ -</u>		<u>62,692</u>
General revenues:						
Property taxes levied for general purposes					21,144,665	-
Property taxes levied for debt service					2,056,454	-
Grants and contributions not restricted to specific programs					232,743	36,275
Unrestricted investment earnings					637,812	14,365
Miscellaneous					1,879,872	-
Total general revenues					<u>25,951,546</u>	<u>50,640</u>
Change in net assets					4,880,652	113,332
Net assets - beginning balance					<u>90,659,901</u>	<u>296,750</u>
Net assets - ending					<u>\$ 95,540,553</u>	<u>\$ 410,082</u>

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

Tualatin Hills Park and Recreation District
Balance Sheet
Governmental Funds
June 30, 2008

	<u>General Fund</u>	<u>Maintenance Mitigation Fund</u>	<u>Bonded Debt Fund</u>	<u>System Development Charges Fund</u>	<u>Metro Natural Areas Bond Fund</u>	<u>Total Governmental Funds</u>
Assets						
Assets:						
Cash and cash equivalents	\$ 5,704,757	\$ 161,686	\$ 311,731	\$ 3,539,507	\$ -	\$ 9,717,681
Receivables:						
Interest	1,102	-	693	-	-	1,795
Property taxes	739,573	-	73,676	-	-	813,249
Accounts receivable	109,395	-	-	9,691	-	119,086
Intergovernmental	296,804	-	8,233	721,260	-	1,026,297
Inventories	112,826	-	-	-	-	112,826
	<u>\$ 6,964,457</u>	<u>\$ 161,686</u>	<u>\$ 394,333</u>	<u>\$ 4,270,458</u>	<u>\$ -</u>	<u>\$ 11,790,934</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 830,580	\$ -	\$ -	\$ 136,539	\$ -	\$ 967,119
Salaries payable	437,925	-	-	-	-	437,925
Retainages payable	-	-	-	382,684	-	382,684
Other current liabilities payable	446,547	-	-	-	-	446,547
Deferred revenue	588,486	-	56,121	-	-	644,607
	<u>2,303,538</u>	<u>-</u>	<u>56,121</u>	<u>519,223</u>	<u>-</u>	<u>2,878,882</u>
Fund balances:						
Reserved for inventory	112,826	-	-	-	-	112,826
Reserved for parks development	-	-	-	3,751,235	-	3,751,235
Reserved for debt service	-	-	338,212	-	-	338,212
Unreserved	4,548,093	161,686	-	-	-	4,709,779
	<u>4,660,919</u>	<u>161,686</u>	<u>338,212</u>	<u>3,751,235</u>	<u>-</u>	<u>8,912,052</u>
Total liabilities and fund balances	<u>\$ 6,964,457</u>	<u>\$ 161,686</u>	<u>\$ 394,333</u>	<u>\$ 4,270,458</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	102,580,554
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(16,570,161)
Reduction of deferred revenues for those amounts that were not available to pay current period expenditures.	618,108
Net assets of governmental activities	<u>\$ 95,540,553</u>

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

Tualatin Hills Park and Recreation District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2008

	General Fund	Maintenance Mitigation Fund	Bonded Debt Fund	System Development Charges Fund	Metro Natural Areas Bond Fund	Total Governmental Funds
Revenues:						
Property taxes	\$ 21,018,343	\$ -	\$ 2,046,608	\$ -	\$ -	\$ 23,064,951
Aquatic programs	2,070,276	-	-	-	-	2,070,276
Tennis center	779,947	-	-	-	-	779,947
Sports programs	756,520	-	-	-	-	756,520
Recreation programs	3,824,758	-	-	-	-	3,824,758
Grants and sponsorships	435,343	-	-	21,869	400,000	857,212
System development charges	-	-	-	1,775,241	-	1,775,241
Interest earned	439,237	6,140	35,996	151,362	-	632,735
Miscellaneous revenues	268,318	73,843	-	-	-	342,161
Total revenues	29,592,742	\$ 79,983	2,082,604	1,948,472	400,000	34,103,801
Expenditures:						
Current:						
Board of Directors	151,139	-	-	-	-	151,139
Administration	1,599,223	-	-	-	-	1,599,223
Business services	2,643,563	-	-	-	-	2,643,563
Park and recreation services	22,203,333	2,240	-	-	-	22,205,573
Capital outlay	1,923,016	-	-	3,011,588	400,000	5,334,604
Debt service	785,656	-	2,163,305	-	-	2,948,961
Total expenditures	29,305,930	2,240	2,163,305	3,011,588	400,000	34,883,063
Net change in fund balance before inventory change	286,812	77,743	(80,701)	(1,063,116)	-	(779,262)
Fund balances at beginning of year	4,261,281	83,943	418,913	4,814,351	-	9,578,488
Reserve for inventory	75,840	-	-	-	-	75,840
Total fund balances at beginning of year	4,337,121	83,943	418,913	4,814,351	-	9,654,328
Inventory reserve change	36,986	-	-	-	-	36,986
Fund balances at end of year	\$ 4,660,919	\$ 161,686	\$ 338,212	\$ 3,751,235	\$ -	\$ 8,912,052

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

Tualatin Hills Park and Recreation District
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance of Governmental Funds
To the Statement of Activities
For the fiscal year ended June 30, 2008

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

Net changes in fund balances - total governmental funds	\$ (779,262)
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,997,672
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets	1,567,761
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds - interest and property tax income	141,245
The issuance of long-term debt (e.g., bond, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,958,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(4,764)
Change in net assets of governmental activities	\$ 4,880,652

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

Tualatin Hills Park and Recreation District
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the fiscal year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 20,633,443	\$ 20,633,443	\$ 21,018,343	\$ 384,900
Aquatic programs	2,047,808	2,047,808	2,070,276	22,468
Tennis center	738,743	738,743	779,947	41,204
Sports programs	654,752	630,252	756,520	126,268
Recreation programs	3,245,010	3,269,510	3,824,758	555,248
Grants and sponsorships	439,750	439,750	435,343	(4,407)
Interest earned	450,000	450,000	439,237	(10,763)
Miscellaneous revenues	280,000	280,000	268,318	(11,682)
Total revenues	28,489,506	28,489,506	29,592,742	1,103,236
Expenditures:				
Board of directors and contingency	1,667,374	1,569,874	151,139	1,418,735
Administration	1,721,724	1,721,724	1,599,223	122,501
Business services	3,935,200	3,935,200	3,559,188	376,012
Park and recreational services	22,828,207	22,853,207	22,585,383	267,824
Capital outlay	2,026,401	2,098,901	1,410,997	687,904
Total expenditures	32,178,906	32,178,906	29,305,930	2,872,976
Net change in fund balance before inventory change	(3,689,400)	(3,689,400)	286,812	3,976,212
Fund balances at beginning of year	3,689,400	3,689,400	4,261,281	571,881
Reserve for inventory	-	-	75,840	75,840
Total fund balances at beginning of year	3,689,400	3,689,400	4,337,121	647,721
Inventory reserve change	-	-	36,986	36,986
Fund balances at end of year	\$ -	\$ -	\$ 4,660,919	\$ 4,660,919

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

Tualatin Hills Park and Recreation District
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Mitigation Maintenance Fund
For the fiscal year ended June 30, 2008

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Interest earned	\$ 2,500	\$ 6,140	\$ 3,640
Miscellaneous income	-	73,843	73,843
Total revenues	<u>2,500</u>	<u>79,983</u>	<u>77,483</u>
Expenditures:			
Materials and services	5,000	2,240	2,760
Contingency	67,500	-	67,500
Total expenditures	<u>72,500</u>	<u>2,240</u>	<u>70,260</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(70,000)</u>	<u>77,743</u>	<u>147,743</u>
Fund balance at beginning of year	<u>70,000</u>	<u>83,943</u>	<u>13,943</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 161,686</u>	<u>\$ 161,686</u>

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

Tualatin Hills Park and Recreation District

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2008

I. Summary of significant accounting policies

A. Reporting Entity

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

Discretely Presented Component Unit. Tualatin Hills Park Foundation, formed in 1958, is a publicly supported non-profit, tax-exempt organization dedicated to enhance the recreational opportunities within the community. The District Board of Directors appoints the members of the Foundation Board of Trustees. In addition, the nature and significance of the relationship is such that the exclusion of the Foundation statement would cause the District's financial statements to be misleading or incomplete. The Foundation has a June 30 year-end. The complete financial statements of the Tualatin Hills Park Foundation may be obtained at the District's administrative office.

B. Government-wide and fund financial statements

The government wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all activities of the District and its component units.

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

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified as governmental, proprietary or fiduciary funds. Currently, the District has only governmental funds.

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

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

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

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

As of the year ended June 30, 2008 there was no interfund activity within the various funds of the District.

The District reports the following governmental funds, all of which are major funds:

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

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

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

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

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

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

D. Assets, liabilities and net assets or equity

1. Deposits and investments

The cash and cash equivalents of both the District and Foundation are cash on hand, demand deposits and funds invested with the Oregon State Treasury's Local Government Investment Pool, with interest accruing to the benefit of each individual fund.

State statutes, and the District's Investment Policy, authorize the District to invest in obligations of the U.S. Treasury, commercial paper, repurchase agreements, bankers acceptances, municipal bonds, mutual funds and the State Treasurer's investment pool. The Foundation follows the same policy.

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

2. Receivables

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

3. Inventory

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

4. *Capital assets*

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Facilities improvements	20–50
Vehicles	5
Office Equipment	5
Computer Equipment	5

5. *Compensated Absences*

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

6. *Long-term obligations*

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

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

7. Fund equity

In the fund financial statements, funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$16,570,161 difference are as follows:

Bonds payable	\$ 12,495,000
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(199,147)
Plus: Issuance premium (to be amortized as interest expense)	274,463
Capital leases payable	2,580,000
Loans payable	346,000
Accrued interest payable	252,852
Compensated absences	<u>820,993</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 16,570,161</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$1,997,672 difference are as follows:

Capital outlay (for capitalized assets)	\$ 4,995,685
Depreciation expense	<u>(2,998,013)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 1,997,672</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net assets.” The details of this \$1,567,761 difference are as follows:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>1,567,761</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 1,567,761</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$1,958,000 difference are as follows:

Debt issued or incurred:	\$ -
Principal repayments:	
General obligation debt	1,440,000
Other long-term debt	<u>518,000</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 1,958,000</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this (\$4,764) difference are as follows:

Compensated absences	\$ (97,148)
Net pension obligation	-
Accrued interest	26,349
Amortization of interest costs (refunding premium)	49,878
Amortization of deferred charges (issuance costs)	(20,829)
Inventory reserve change	<u>36,986</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (4,764)</u>

III. Stewardship, compliance and accountability

A. Budgetary information

Annual budgets are prepared for each fund in accordance with the modified accrual basis of accounting and with the legal requirements set forth in the Oregon Local Budget Law. The District budgets each governmental fund type on a modified accrual (GAAP) basis. The resolution authorizing appropriations for each fund set the level by which expenditures cannot legally exceed appropriations. All annual appropriations lapse at

year-end. On or before the third week of February, departmental budgets are submitted to management for compilation of the proposed budget document. Initial budget review meetings begin in April, with the final public hearing and adoption completed by June 29.

Organization units are the levels of control for all funds established by the resolution. The detail budget document, however, is required to contain more specific information for the above mentioned appropriation levels. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the Board of Directors. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the Board of Directors.

IV. Detailed notes on all funds

A. Cash and cash equivalents

At June 30, 2008 investments included in cash and cash equivalents consist of the following:

	Weighted Average <u>Maturity (Years)</u>	District Fair Value	Foundation Fair Value
Investments in the State Treasurer's Local Government Investment Pool	.00	<u>8,763,329</u>	<u>385,794</u>
Total cash equivalents	.00	<u>\$8,763,329</u>	<u>\$385,794</u>

1. Interest rate risk

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

2. Credit risk

As incorporated into the District's investment policy, State statute allows the District to invest in general obligations of the U.S. Government and its agencies, bank repurchase agreements, bankers' acceptances, municipal bonds, commercial paper of at least an A1/P1 rating, and the State Treasurer's Oregon Local Government Investment Pool, (LGIP) among others.

3. Concentration of credit risk

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

4. Custodial credit risk – deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned. Oregon Revised Statutes require the depository institution to maintain on deposit with a collateral pool manager security having a value of not less than 25% of the outstanding certificates of participation issued by the pool manager. However, in accordance with State statutes, the State Treasurer allows certain depository banks to be the custodian with respect to their own pledged collateral securities. For these institutions, the State Treasurer is the collateral pool manager.

5. Custodial credit risk – investments

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

B. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 44,560,333	\$ 2,563,345	\$ -	\$ 47,123,678
Construction in Progress	9,976,080	327,437	(9,566,063)	737,454
Total capital assets, not being depreciated	<u>54,536,413</u>	<u>2,890,782</u>	<u>(9,566,063)</u>	<u>47,861,132</u>
Capital assets, being depreciated:				
Buildings	40,443,263	569,608	-	41,012,871
Park sites and planning development	27,143,783	12,263,750	-	39,407,533
Machinery, equipment and furnishings	4,148,166	405,371	(98,658)	4,454,879
Total capital assets being depreciated	<u>71,735,212</u>	<u>13,238,729</u>	<u>(98,658)</u>	<u>84,875,283</u>
Less accumulated depreciation for:				
Buildings	(14,593,266)	(996,156)	-	(15,589,422)
Park sites and planning development	(9,549,192)	(1,595,640)	-	(11,144,832)
Machinery, equipment and furnishings	(3,114,048)	(406,217)	98,658	(3,421,607)
	<u>(27,256,506)</u>	<u>(2,998,013)</u>	<u>98,658</u>	<u>(30,155,861)</u>
Total capital assets, being depreciated, net	<u>44,478,706</u>	<u>10,240,716</u>	<u>-</u>	<u>54,719,422</u>
Governmental activities capital assets, net	<u>\$ 99,015,119</u>	<u>\$ 13,131,498</u>	<u>\$ (9,566,063)</u>	<u>\$ 102,580,554</u>

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

Business Services	\$ 168,240
Parks and recreation services	2,829,773
Total depreciation expense – governmental activities	<u>\$ 2,998,013</u>

C. Long-term debt

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

	Beginning Balance	Increase	Amortization/ Repayments	Ending Balance	Due Within One Year
General obligation bonds:					
Series 1998	\$ 13,935,000	-	\$ (1,440,000)	\$ 12,495,000	\$ 1,510,000
plus refunding premium	238,958		(49,878)	189,080	44,724
Lease contracts/Certificates of participation:					
Series 1997	185,000	-	(185,000)	-	-
Series 1997	100,000	-	(100,000)	-	-
Series 2000	220,000	-	(70,000)	150,000	75,000
Series 2006	2,430,000	-	-	2,430,000	310,000
plus refunding premium	85,383	-	-	85,383	17,421
Loans:					
Stadium turf #2 project	260,000	-	(40,000)	220,000	40,000
Technology funding	249,000	-	(123,000)	126,000	126,000
Compensated Absences	723,845	820,993	(723,845)	820,993	533,035
	<u>\$ 18,427,186</u>	<u>\$ 820,993</u>	<u>\$ (2,731,723)</u>	<u>\$ 16,516,456</u>	<u>\$ 2,656,180</u>

General obligations bonds

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

General obligation bonds, Series 1995, were issued on March 1, 1995 in the amount of \$25,900,000 with interest rates ranging from 4.75 to 5.75% to finance building construction, land acquisition and park improvements. The general obligation advance refunding bonds, Series 1998 were issued to refund \$15,350,000 principal of these bonds.

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

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 1,510,000	\$ 660,665
2010	1,585,000	593,470
2011	1,665,000	521,352
2012	1,755,000	444,762
2013	1,870,000	343,850
2014-2018	<u>4,110,000</u>	<u>358,225</u>
Total	<u>\$ 12,495,000</u>	<u>\$ 2,922,324</u>

Lease contracts/Certificates of participation

On December 1, 1997, the District issued \$1,300,000 Full Faith and Credit Obligations, Series 1997. The proceeds from the Series 1997 Obligations were used to provide funding for park land acquisition. The coupon rates range from 3.85 to 4.90%. The obligations are subject to optional redemption prior to their stated maturity dates. Payment of principal and interest on the Obligations Series 1997, when due, is insured by a policy issued by MBIA. The full faith and credit advance refunding obligations, Series 2006, were issued to refund \$460,000 of this obligation.

On May 1, 1997, the District issued \$2,495,000 Certificates of Participation, Series 1997. The proceeds from the Series 1997 COP were used to prepay the remaining \$2,320,000 principal plus interest and a 1% prepayment penalty on COP Series 1992D. The coupon rates on Series 1997 COP range from 3.6 to 5.5%. This COP is subject to optional and mandatory redemption prior to the stated maturity dates. Payment of the principal and interest on the COP Series 1997, when due, is insured by a policy issued by MBIA. The full faith and credit advance refunding obligations, Series 2006, were issued to refund \$860,000 of this obligation.

On April 1, 2000, the District issued \$1,670,000 Full Faith and Credit Obligations, Series 2000, with the proceeds to provide funding for park land acquisition. The coupon rates on Series 2000 Obligations range from 4.40 to 5.75%. The obligations are subject to optional and mandatory redemption prior to their maturity dates. Payment of principal and interest on Series 2000 Obligations, when due, is insured by a policy issued by MBIA. The full faith and credit advance refunding obligations, Series 2006, were issued to refund \$1,040,000 of this obligation. Due to a rating downgrade of MBIA insurance by Standard and Poor's Ratings Service, a material event notice was filed in compliance with continuing disclosure requirements.

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

Annual lease debt service requirements to maturity for the two lease contracts/certificates of participation are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 385,000	\$ 109,813
2010	415,000	93,550
2011	435,000	76,050
2012	450,000	58,650
2013	95,000	40,650
2014-2018	545,000	141,350
2019-2023	<u>255,000</u>	<u>19,250</u>
Total	<u>\$ 2,580,000</u>	<u>\$ 539,313</u>

Loan Payable

On May 5, 2004 the District borrowed \$600,000 from a bank to fund specific technology related improvements. This loan bears interest at 3.05%, and is payable annually, with semi-annual interest payments, over five years. The proceeds were used to install updated telephone, automated time keeping and security systems throughout District facilities. This loan is not collateralized.

On May 4, 2005 the District borrowed \$340,000, for construction of an additional Synthetic Turf Project on District property. \$140,000 of the proceeds was used to prepay the previous Synthetic Turf Loan, and the balance of \$200,000 will fund a portion of the construction costs. This loan bears an interest rate of 4.5%, and is payable in seven annual installments of \$40,000, followed by three annual installments of \$20,000, plus interest, over ten years. This loan is not collateralized.

Maturities of principal and interest for the two remaining loans are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 166,000	\$ 13,743
2010	40,000	8,100
2011	40,000	6,300
2012	40,000	4,500
2013	20,000	2,700
2014-2018	<u>40,000</u>	<u>2,700</u>
Total	<u>\$ 346,000</u>	<u>\$ 38,043</u>

Compensated Absences and Net Pension Obligations

The District's compensated absences and net pension obligations are liquidated by the general fund. As of June 30, 2008 the District had no net pension obligation due and payable.

V. Other information

A. Risk management

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

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

B. Contingent Liabilities

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

In addition, the District has a contract with an employee union defining compensation and other considerations that expires at June 30, 2010.

C. Subsequent Events

The District issued Tax and Revenue Anticipation Notes, Series 2008, in the amount of \$5,000,000 on July 1, 2008. These notes mature on June 30, 2009 and bear interest at a rate equal to 63.5% of Prime Rate, minus 1.60%. At the time of closing, the all-in rate was initially 1.575%.

In September 2007, the District purchased a home and property for future park development. By partitioning the property and selling the home, funds would be available for the actual park development at a later time. The sale of the house occurred later than anticipated, in July 2008, resulting in an unplanned resource of \$494,950. A supplemental budget resolution was submitted for approval at the November 3, 2008 Board of Directors meeting for allocation of these resources.

On the November 2008 ballot, the District requested approval for a parks bond measure, in the amount of \$100 million, to be repaid by property taxes over a period of 20 years. The funding will provide a wide variety of improvements and additions throughout the District. As of the date of this report, the ballot measure has passed with a comfortable margin, and the Washington County Elections Division has confirmed election results. The District anticipates the sale of bonds in the spring of 2009.

D. Defined Benefit Pension Plan

Plan Description

The District maintains a single-employer, defined benefit pension plan ("Plan") trusted by Standard Insurance Company which covers substantially all employees of the District. The plan provides retirement, disability and death benefits to plan members and beneficiaries. The Plan does not issue a publicly available financial statement.

Membership in the Plan as of July 1, 2008 was:

<u>Group</u>	<u>Number of Participants</u>
Active participants	160
Terminated	21
Retired receiving medical premium benefits	<u>11</u>
Total	<u>192</u>

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

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

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

Funding Policy

Participants are required to contribute 6% of salary to the retirement plan. Employee contributions are withheld on a pre-tax basis. The District is required to contribute at an actuarially determined rate; the current rate is 20.8% of annual covered payroll. A participant may make voluntary contributions up to a maximum of 10% of monthly salary. Benefits derived from such contributions are in addition to other Plan benefits. Both mandatory and voluntary contributions are fully vested at all times.

Annual Pension Cost and Net Pension Obligation

The District's annual pension cost and net pension obligation to the Plan for the year ended June 30, 2008 were as follows:

Annual required contribution	\$ 1,249,866
Interest on net pension obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual pension cost	1,249,866
Contributions made	<u>(1,249,866)</u>
Increase (decrease) in Net Pension Obligation	-
Net pension obligation beginning of year	<u>-</u>
Net pension obligation end of year	<u>\$ -</u>

For 2008, the District's annual pension cost was equal to the required contribution. The annual required contribution was determined as of the July 1, 2007 actuarial valuation using the aggregate actuarial cost method. The actuarial assumptions included (a) an investment rate of return (net of expenses) of 7.75% pre-retirement and 6% post-retirement, and (b) projected salary based on a graded salary scale (S-4, set back 8 years, plus 3%) and post-retirement benefit increases of 2% a year.

Annual Pension Cost Historical Trend

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/08	\$ 1,249,866	100.0%	\$ -
06/30/07	1,225,781	112.2%	-
06/30/06	1,114,086	91.4%	150,051
06/30/05	1,002,876	106.4%	54,493
06/30/04	888,329	100.9%	118,802
06/30/03	1,205,260	100.6%	126,395

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2008	\$ 1,249,866	100.0%
2007	1,236,139	111.3%
2006	1,117,361	91.2%
2005	1,010,013	105.7%
2004	895,922	100.0%
2003	1,212,291	100.0%

The Aggregate Cost Method is the method used to determine actuarial cost of the plan. Unfunded actuarial accrued liability (UAAL) is not developed under the Aggregate Cost Method and is not required to be shown on this table.

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BOARD OF DIRECTORS:				
Part time salaries	-	-	1,500	(1,500)
Payroll taxes	-	-	131	(131)
Personal services	-	-	1,631	(1,631)
Professional services	130,174	130,174	130,857	(683)
Elections	22,500	22,500	-	22,500
Other Miscellaneous Services	-	-	1,000	(1,000)
Office supplies	10,200	10,200	4,530	5,670
Dues and memberships	-	-	510	(510)
Conferences	4,500	4,500	11,787	(7,287)
Small Furniture and Equipment	-	-	824	(824)
Materials and services	167,374	167,374	149,508	17,866
Contingency	1,500,000	1,402,500	-	1,402,500
Total Board of Directors	1,667,374	1,569,874	151,139	1,418,735
ADMINISTRATION:				
Full time salaries	732,030	732,030	697,038	34,992
Part time salaries	120,214	120,214	116,155	4,059
Employee benefits	256,938	256,938	232,036	24,902
Payroll taxes	72,345	72,345	74,674	(2,329)
Personal services	1,181,527	1,181,527	1,119,903	61,624
Professional services	35,188	55,188	83,399	(28,211)
Technical services	59,187	56,687	60,132	(3,445)
Other Technical Services	30,500	30,500	15,573	14,927
Rental facility	2,400	2,400	2,400	-
Maintenance Services	7,482	7,482	5,513	1,969
Printing and publications	171,300	171,300	131,439	39,861
Postage	139,000	119,000	85,775	33,225
Advertising	15,450	17,950	21,423	(3,473)
Telecommunications	8,600	8,600	6,241	2,359
Office supplies	6,310	6,310	4,396	1,914
Program supplies	4,400	5,250	6,650	(1,400)
Dues and memberships	4,660	4,660	5,806	(1,146)
Conferences	29,200	28,050	22,444	5,606
Technical training	11,500	11,800	14,500	(2,700)
Staff transportation	14,720	14,720	13,629	1,091
Small furniture and equipment	300	300	-	300
Materials and services	540,197	540,197	479,320	60,877
Total Administration	1,721,724	1,721,724	1,599,223	122,501
BUSINESS SERVICES AND PLANNING:				
Full time salaries	1,241,246	1,241,246	1,297,256	(56,010)
Employee benefits	468,018	468,018	438,218	29,800
Payroll taxes	108,506	108,506	119,433	(10,927)
Personal services	1,817,770	1,817,770	1,854,907	(37,137)
Professional services	265,310	265,310	177,237	88,073
Technical services	151,863	151,863	137,142	14,721
Rental equipment	48,000	48,000	35,877	12,123
Bank charges and fees	12,650	12,650	5,453	7,197
Other miscellaneous services	10,230	10,230	10,227	3
Insurance	260,200	260,200	239,561	20,639

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
BUSINESS SERVICES AND PLANNING (continued)				
Printing and publications	11,950	11,950	8,907	3,043
Postage	60,000	60,000	44,799	15,201
Advertising	980	980	2,660	(1,680)
Telecommunications	3,140	3,140	3,038	102
Office supplies	75,373	75,373	44,629	30,744
Program supplies	45,170	45,170	36,002	9,168
Maintenance supplies	4,000	4,000	3,451	549
Dues and memberships	6,577	6,577	5,980	597
Conferences	12,700	12,700	10,705	1,995
Technical training	38,385	38,385	16,194	22,191
Staff transportation	11,960	11,960	5,341	6,619
Small furniture and equipment	650	650	1,453	(803)
Materials and services	<u>1,019,138</u>	<u>1,019,138</u>	<u>788,656</u>	<u>230,482</u>
Debt principal	518,000	518,000	518,000	-
Debt interest	371,392	371,392	267,656	103,736
Debt service	<u>889,392</u>	<u>889,392</u>	<u>785,656</u>	<u>103,736</u>
Computer technology replacement	124,000	124,000	110,147	13,853
Computer technology improvement	84,900	84,900	19,822	65,078
Capital outlay	<u>208,900</u>	<u>208,900</u>	<u>129,969</u>	<u>78,931</u>
Total Business Services and Planning	<u>3,935,200</u>	<u>3,935,200</u>	<u>3,559,188</u>	<u>376,012</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
PARK AND RECREATION SERVICES:				
Director of Park and Recreation:				
Full time salaries	145,210	145,210	148,468	(3,258)
Employee benefits	47,661	47,661	53,297	(5,636)
Payroll taxes	12,325	12,325	13,011	(686)
Personal services	205,196	205,196	214,776	(9,580)
Professional services	9,000	9,000	-	9,000
Fee reductions-family assistance	-	-	92,335	(92,335)
Printing and publications	12,000	12,000	-	12,000
Telecommunications	900	900	884	16
Office supplies	8,595	8,595	854	7,741
Dues and memberships	-	-	120	(120)
Conferences	8,400	8,400	7,173	1,227
Technical training	1,500	1,500	20	1,480
Staff transportation	2,400	2,400	4,054	(1,654)
Materials and services	42,795	42,795	105,440	(62,645)
Total Director of Park and Recreation	247,991	247,991	320,216	(72,225)
PARK AND RECREATION SERVICES (continued)				
Aquatics:				
Superintendent of Aquatics:				
Full time salaries	88,009	88,009	90,252	(2,243)
Part time salaries	1,860	1,860	1,125	735
Employee benefits	24,236	24,236	22,545	1,691
Payroll taxes	7,876	7,876	8,172	(296)
Personal services	121,981	121,981	122,094	(113)
Advertising	-	-	113	(113)
Telecommunications	3,500	3,500	2,468	1,032
Office supplies	1,150	1,150	1,102	48
Program supplies	15,055	15,055	16,396	(1,341)
Dues and memberships	1,485	1,485	930	555
Conferences	7,200	7,200	3,408	3,792
Technical training	3,700	3,700	4,817	(1,117)
Staff transportation	9,600	9,600	4,771	4,829
Materials and services	41,690	41,690	34,005	7,685
Total Superintendent of Aquatics	163,671	163,671	156,099	7,572
Aloha Swim Center				
Full time salaries	114,201	114,201	114,864	(663)
Part time salaries	228,806	228,806	228,658	148
Part time salaries - cashiers	12,375	12,375	9,789	2,586
Employee benefits	60,309	60,309	62,843	(2,534)
Payroll taxes	34,839	34,839	38,383	(3,544)
Personal services	450,530	450,530	454,537	(4,007)
Program supplies	4,735	4,735	4,519	216
Small furniture and equipment	-	-	90	(90)
Materials and services	4,735	4,735	4,609	126
Total Aloha Swim Center	455,265	455,265	459,146	(3,881)

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARK AND RECREATION SERVICES (continued)				
Aquatics (continued)				
Beaverton Swim Center				
Full time salaries	216,634	216,634	196,619	20,015
Part time salaries	285,344	285,344	285,047	297
Part time salaries - cashiers	24,675	24,675	30,989	(6,314)
Employee benefits	83,407	83,407	81,525	1,882
Payroll taxes	51,568	51,568	55,801	(4,233)
Personal services	661,628	661,628	649,981	11,647
Program supplies	6,336	6,336	5,989	347
Total Beaverton Swim Center	667,964	667,964	655,970	11,994
Aquatic Swim Center				
Full time salaries	291,719	291,719	290,501	1,218
Part time salaries	260,422	260,422	246,620	13,802
Part time salaries - cashiers	32,740	32,740	25,086	7,654
Employee benefits	118,924	118,924	95,822	23,102
Payroll taxes	56,977	56,977	61,131	(4,154)
Personal services	760,782	760,782	719,160	41,622
Program supplies	13,031	13,031	11,146	1,885
Small Furniture & Equipment	-	-	-	-
Materials and services	13,031	13,031	11,146	1,885
Total Aquatic Swim Center	773,813	773,813	730,306	43,507
Harman Swim Center				
Full time salaries	214,408	214,408	214,288	120
Part time salaries	206,576	206,576	217,835	(11,259)
Part time salaries - cashiers	9,100	9,100	5,900	3,200
Employee benefits	98,552	98,552	92,170	6,382
Payroll taxes	41,929	41,929	47,121	(5,192)
Personal services	570,565	570,565	577,314	(6,749)
Program supplies	5,100	5,100	5,150	(50)
Materials and services	5,100	5,100	5,150	(50)
Total Harman Swim Center	575,665	575,665	582,464	(6,799)
Sunset Swim Center				
Full time salaries	108,108	108,108	106,873	1,235
Part time salaries	204,854	204,854	219,193	(14,339)
Part time salaries - cashiers	15,850	15,850	11,553	4,297
Employee benefits	45,782	45,782	51,250	(5,468)
Payroll taxes	32,186	32,186	36,627	(4,441)
Personal services	406,780	406,780	425,496	(18,716)
Program supplies	4,720	4,720	4,829	(109)
Materials and services	4,720	4,720	4,829	(109)
Total Sunset Swim Center	411,500	411,500	430,325	(18,825)

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARK AND RECREATION SERVICES (continued)				
Aquatics (continued)				
Somerset West Swim Center				
Part time salaries	46,242	46,242	38,114	8,128
Part time salaries - cashiers	5,808	5,808	3,765	2,043
Payroll taxes	5,205	5,205	4,394	811
Personal services	<u>57,255</u>	<u>57,255</u>	<u>46,273</u>	<u>10,982</u>
Program supplies	536	536	596	(60)
Materials and services	<u>536</u>	<u>536</u>	<u>596</u>	<u>(60)</u>
Total Somerset West Swim Center	<u>57,791</u>	<u>57,791</u>	<u>46,869</u>	<u>10,922</u>
Raleigh Swim Center				
Part time salaries	38,360	38,360	35,620	2,740
Part time salaries - cashiers	7,315	7,315	3,255	4,060
Payroll taxes	4,567	4,567	4,140	427
Personal services	<u>50,242</u>	<u>50,242</u>	<u>43,015</u>	<u>7,227</u>
Office supplies	150	150	-	150
Program supplies	605	605	630	(25)
Small furniture and equipment	150	150	137	13
Materials and services	<u>905</u>	<u>905</u>	<u>767</u>	<u>138</u>
Total Raleigh Swim Center	<u>51,147</u>	<u>51,147</u>	<u>43,782</u>	<u>7,365</u>
Total Aquatics	<u>3,156,816</u>	<u>3,156,816</u>	<u>3,104,961</u>	<u>51,855</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARK AND RECREATION SERVICES (continued)				
Sports:				
Superintendent of Sports				
Full time salaries	117,508	117,508	113,085	4,423
Employee benefits	39,936	39,936	37,923	2,013
Payroll taxes	10,277	10,277	10,309	(32)
Personal services	<u>167,721</u>	<u>167,721</u>	<u>161,317</u>	<u>6,404</u>
Rental facility	45,153	45,153	46,587	(1,434)
Advertising	-	-	113	(113)
Telecommunications	1,200	1,200	621	579
Program supplies	-	-	8,766	(8,766)
Dues and memberships	960	960	395	565
Conferences	4,800	4,800	2,405	2,395
Technical training	-	-	255	(255)
Staff transportation	600	600	379	221
Small furniture and equipment	110	110	280	(170)
Materials and services	<u>52,823</u>	<u>52,823</u>	<u>59,801</u>	<u>(6,978)</u>
Total Superintendent of Sports	<u>220,544</u>	<u>220,544</u>	<u>221,118</u>	<u>(574)</u>
Athletic Center				
Full time salaries	303,878	303,878	290,103	13,775
Part time salaries	579,022	579,022	534,170	44,852
Employee benefits	124,904	124,904	129,988	(5,084)
Payroll taxes	84,090	84,090	88,310	(4,220)
Personal services	<u>1,091,894</u>	<u>1,091,894</u>	<u>1,042,571</u>	<u>49,323</u>
Instructional services	148,560	148,560	98,746	49,814
Printing and publications	2,000	2,000	4,876	(2,876)
Advertising	900	900	460	440
Office supplies	6,725	6,725	2,171	4,554
Program supplies	105,600	105,600	97,577	8,023
Conferences	-	-	80	(80)
Staff transportation	983	983	1,203	(220)
Small furniture and equipment	-	-	1,400	(1,400)
Materials and services	<u>264,768</u>	<u>264,768</u>	<u>206,513</u>	<u>58,255</u>
Total Athletic Center	<u>1,356,662</u>	<u>1,356,662</u>	<u>1,249,084</u>	<u>107,578</u>
Total Sports	<u>1,577,206</u>	<u>1,577,206</u>	<u>1,470,202</u>	<u>107,004</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARK AND RECREATION SERVICES (continued)				
Recreation:				
Superintendent of Recreation				
Full time salaries	83,596	83,596	85,636	(2,040)
Part time salaries	6,000	6,000	-	6,000
Employee benefits	24,200	24,200	19,868	4,332
Payroll taxes	7,906	7,906	7,828	78
Personal services	<u>121,702</u>	<u>121,702</u>	<u>113,332</u>	<u>8,370</u>
Advertising	-	-	338	(338)
Telecommunications	2,200	2,200	4,094	(1,894)
Program supplies	7,383	7,383	1,798	5,585
Dues and memberships	1,200	1,200	410	790
Conferences	7,200	7,200	5,397	1,803
Technical training	750	750	871	(121)
Staff transportation	1,200	1,200	1,515	(315)
Materials and services	<u>19,933</u>	<u>19,933</u>	<u>14,423</u>	<u>5,510</u>
Total Superintendent of Recreation	<u>141,635</u>	<u>141,635</u>	<u>127,755</u>	<u>13,880</u>
Cedar Hills Recreation Center				
Full time salaries	238,439	238,439	240,799	(2,360)
Part time salaries	599,613	599,613	610,847	(11,234)
Employee benefits	102,892	102,892	103,067	(175)
Payroll taxes	80,481	80,481	91,375	(10,894)
Personal services	<u>1,021,425</u>	<u>1,021,425</u>	<u>1,046,088</u>	<u>(24,663)</u>
Instructional services	20,524	20,524	7,192	13,332
Maintenance Services	1,318	1,318	-	1,318
Postage	2,500	2,500	1,886	614
Advertising	-	-	1,479	(1,479)
Office supplies	5,000	5,000	4,797	203
Program supplies	138,688	138,688	91,629	47,059
Staff transportation	4,925	4,925	2,343	2,582
Small furniture and equipment	4,700	4,700	753	3,947
Materials and services	<u>177,655</u>	<u>177,655</u>	<u>110,079</u>	<u>67,576</u>
Total Cedar Hills Recreation Center	<u>1,199,080</u>	<u>1,199,080</u>	<u>1,156,167</u>	<u>42,913</u>
Conestoga Recreation/Aquatic Center				
Full time salaries	375,763	375,763	376,393	(630)
Part time salaries	192,004	192,004	168,676	23,328
Part time salaries - aquatic program	315,700	315,700	259,501	56,199
Part time salaries - recreation program	496,514	496,514	480,538	15,976
Employee benefits	197,967	197,967	182,956	15,011
Payroll taxes	134,287	134,287	137,521	(3,234)
Personal services	<u>1,712,235</u>	<u>1,712,235</u>	<u>1,605,585</u>	<u>106,650</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARK AND RECREATION SERVICES (continued)				
Conestoga Recreation/Aquatic Center (continued)				
Instructional services	55,060	55,060	37,360	17,700
Rental facility	3,650	3,650	1,783	1,867
Rental equipment	21,972	21,972	9,299	12,673
Maintenance Services	1,552	1,552	1,689	(137)
Miscellaneous other services	-	-	1,507	(1,507)
Printing and publications	2,760	2,760	-	2,760
Postage	-	-	19	(19)
Advertising	600	600	-	600
Office supplies	10,800	10,800	13,253	(2,453)
Program supplies	113,405	113,405	91,815	21,590
Technical training	2,400	2,400	777	1,623
Small furniture and equipment	4,500	4,500	1,435	3,065
Materials and services	<u>216,699</u>	<u>216,699</u>	<u>158,937</u>	<u>57,762</u>
Total Conestoga Recreation/Aquatic Center	<u>1,928,934</u>	<u>1,928,934</u>	<u>1,764,522</u>	<u>164,412</u>
Garden Home Recreation Center				
Full time salaries	230,453	230,453	232,538	(2,085)
Part time salaries	522,508	522,508	492,834	29,674
Employee benefits	92,744	92,744	88,114	4,630
Payroll taxes	72,091	72,091	76,373	(4,282)
Personal services	<u>917,796</u>	<u>917,796</u>	<u>889,859</u>	<u>27,937</u>
Instructional services	-	-	21,822	(21,822)
Rental facility	-	-	3,824	(3,824)
Rental equipment	14,000	14,000	7,153	6,847
Postage	3,500	3,500	1,195	2,305
Advertising	1,000	1,000	-	1,000
Office supplies	8,000	8,000	6,883	1,117
Program supplies	104,353	104,353	73,634	30,719
Staff transportation	3,500	3,500	1,863	1,637
Small furniture and equipment	2,000	2,000	-	2,000
Materials and services	<u>136,353</u>	<u>136,353</u>	<u>116,374</u>	<u>19,979</u>
Total Garden Home Recreation Center	<u>1,054,149</u>	<u>1,054,149</u>	<u>1,006,233</u>	<u>47,916</u>
Total Recreation	<u>4,323,798</u>	<u>4,323,798</u>	<u>4,054,677</u>	<u>269,121</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARK AND RECREATION SERVICES (continued)				
Programs and Special Activities:				
Superintendent of Programs and Special Activities:				
Full time salaries	152,418	152,418	152,902	(484)
Part time salaries	-	-	13,931	(13,931)
Employee benefits	49,009	49,009	44,729	4,280
Payroll taxes	13,327	13,327	15,256	(1,929)
Personal services	214,754	214,754	226,818	(12,064)
Technical services	51,500	51,500	56,411	(4,911)
Advertising	-	-	113	(113)
Telecommunications	4,000	4,000	9,495	(5,495)
Office supplies	6,328	6,328	5,227	1,101
Program supplies	4,700	4,700	4,669	31
Dues and memberships	10,105	10,105	2,395	7,710
Conferences	10,000	10,000	9,177	823
Technical training	5,000	5,000	1,036	3,964
Staff transportation	3,800	3,800	2,374	1,426
Small furniture and equipment	-	-	65	(65)
Materials and services	95,433	95,433	90,962	4,471
Total Superintendent of Programs:	310,187	310,187	317,780	(7,593)
Jenkins Estate				
Full time salaries	150,917	150,917	151,494	(577)
Part time salaries	194,932	194,932	167,186	27,746
Employee benefits	54,640	54,640	57,266	(2,626)
Payroll taxes	32,712	32,712	33,295	(583)
Personal services	433,201	433,201	409,241	23,960
Technical services	9,035	9,035	776	8,259
Rental equipment	5,283	5,283	6,477	(1,194)
Maintenance services	2,121	2,121	-	2,121
Postage	-	-	1,631	(1,631)
Advertising	-	-	1,245	(1,245)
Office supplies	-	-	1,577	(1,577)
Program supplies	59,268	59,268	72,296	(13,028)
Maintenance supplies	6,526	6,526	1,661	4,865
Dues & Memberships	-	-	185	(185)
Staff transportation	5,741	5,741	2,905	2,836
Materials and services	87,974	87,974	88,753	(779)
Total Jenkins Estate	521,175	521,175	497,994	23,181
Stuhr Center				
Full time salaries	241,432	241,432	240,110	1,322
Part time salaries	244,628	244,628	264,012	(19,384)
Employee benefits	103,475	103,475	98,000	5,475
Payroll taxes	45,300	45,300	52,739	(7,439)
Personal services	634,835	634,835	654,861	(20,026)

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARK AND RECREATION SERVICES (continued)				
Programs and Special Activities (continued)				
Stuhr Center (continued)				
Instructional services	25,644	25,644	-	25,644
Technical services	1,000	1,000	225	775
Maintenance services	3,324	3,324	1,644	1,680
Postage	1,554	1,554	1,586	(32)
Advertising	2,700	2,700	1,894	806
Office supplies	7,214	7,214	4,302	2,912
Program supplies	60,431	60,431	57,713	2,718
Dues and memberships	-	-	333	(333)
Staff transportation	3,468	3,468	2,033	1,435
Small furniture and equipment	-	-	728	(728)
Materials and services	105,335	105,335	70,458	34,877
Total Stuhr Center	740,170	740,170	725,319	14,851
Tennis Center				
Full time salaries	257,483	257,483	254,447	3,036
Part time salaries	345,455	345,455	324,019	21,436
Employee benefits	133,032	133,032	123,546	9,486
Payroll taxes	58,101	58,101	60,305	(2,204)
Personal services	794,071	794,071	762,317	31,754
Office supplies	3,519	3,519	2,391	1,128
Program supplies	30,532	30,532	23,025	7,507
Dues and memberships	-	-	525	(525)
Technical training	-	-	1,726	(1,726)
Staff transportation	1,170	1,170	539	631
Small furniture and equipment	-	-	680	(680)
Materials and services	35,221	35,221	28,886	6,335
Total Tennis Center	829,292	829,292	791,203	38,089
Total Programs and Special Activities	2,400,824	2,400,824	2,332,296	68,528

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARK AND RECREATION SERVICES (continued)				
Natural Resources and Trails:				
Natural Resources:				
Full time salaries	193,158	193,158	212,234	(19,076)
Part time salaries	23,825	23,825	19,063	4,762
Employee benefits	74,739	74,739	66,265	8,474
Payroll taxes	21,213	21,213	23,284	(2,071)
Personal services	<u>312,935</u>	<u>312,935</u>	<u>320,846</u>	<u>(7,911)</u>
Technical services	49,200	64,200	42,669	21,531
Rental equipment	-	3,750	5,063	(1,313)
Maintenance Services	-	-	2,017	(2,017)
Miscellaneous other services	250	250	-	250
Office supplies	2,003	2,003	1,831	172
Program supplies	21,650	27,900	15,938	11,962
Dues and memberships	800	800	770	30
Conferences	3,400	3,400	3,871	(471)
Staff transportation	2,400	2,400	1,256	1,144
Small furniture and equipment	500	500	1,194	(694)
Materials and services	<u>80,203</u>	<u>105,203</u>	<u>74,609</u>	<u>30,594</u>
Total Natural Resources	<u>393,138</u>	<u>418,138</u>	<u>395,455</u>	<u>22,683</u>
Nature Park				
Full time salaries	105,305	105,305	108,190	(2,885)
Part time salaries	220,821	220,821	228,171	(7,350)
Employee benefits	47,703	47,703	59,999	(12,296)
Payroll taxes	30,716	30,716	34,875	(4,159)
Personal services	<u>404,545</u>	<u>404,545</u>	<u>431,235</u>	<u>(26,690)</u>
Instructional services	8,608	8,608	2,305	6,303
Rental equipment	3,000	3,000	2,206	794
Printing and publications	700	700	155	545
Postage	273	273	8	265
Advertising	600	600	532	68
Office supplies	5,684	5,684	6,471	(787)
Program supplies	13,313	13,313	13,596	(283)
Maintenance supplies	1,805	1,805	1,683	122
Dues and memberships	50	50	140	(90)
Technical training	750	750	698	52
Staff transportation	3,425	3,425	1,176	2,249
Small Furniture & Equipment	770	770	-	770
Materials and services	<u>38,978</u>	<u>38,978</u>	<u>28,970</u>	<u>10,008</u>
Total Nature Park	<u>443,523</u>	<u>443,523</u>	<u>460,205</u>	<u>(16,682)</u>
Natural Resources and Trails	<u>836,661</u>	<u>861,661</u>	<u>855,660</u>	<u>6,001</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARK AND RECREATION SERVICES (continued)				
Maintenance and Operations:				
Superintendent				
Full time salaries	202,659	202,659	203,565	(906)
Part time salaries	17,160	17,160	10,114	7,046
Employee Benefits	64,326	64,326	56,903	7,423
Payroll taxes	19,127	19,127	19,388	(261)
Personal services	<u>303,272</u>	<u>303,272</u>	<u>289,970</u>	<u>13,302</u>
Instructional services	2,215	2,215	-	2,215
Professional services	9,000	9,000	12,604	(3,604)
Technical services	8,550	8,550	2,393	6,157
Advertising	-	-	113	(113)
Telecommunications	2,160	2,160	938	1,222
Office supplies	3,736	3,736	2,836	900
Maintenance supplies	4,600	4,600	1,747	2,853
Dues and memberships	285	285	390	(105)
Conferences	3,100	3,100	2,716	384
Technical training	1,975	1,975	1,832	143
Staff transportation	500	500	-	500
Materials and services	<u>36,121</u>	<u>36,121</u>	<u>25,569</u>	<u>10,552</u>
Total Superintendent	<u>339,393</u>	<u>339,393</u>	<u>315,539</u>	<u>23,854</u>
Park Maintenance				
Full time salaries	1,020,448	1,020,448	1,016,407	4,041
Part time salaries	505,770	505,770	537,370	(31,600)
Employee benefits	447,658	447,658	401,284	46,374
Payroll taxes	150,048	150,048	166,623	(16,575)
Personal services	<u>2,123,924</u>	<u>2,123,924</u>	<u>2,121,684</u>	<u>2,240</u>
Technical services	82,406	82,406	72,472	9,934
Water and sewer	267,584	267,584	293,712	(26,128)
Electricity	37,842	37,842	40,341	(2,499)
Refuse services	87,464	87,464	100,922	(13,458)
Rental facility	2,000	2,000	-	2,000
Rental equipment	16,955	16,955	18,081	(1,126)
Maintenance services	66,753	66,753	62,784	3,969
Miscellaneous other services	-	-	1,785	(1,785)
Telecommunications	10,910	10,910	8,948	1,962
Office supplies	-	-	473	(473)
Maintenance supplies	194,540	194,540	273,611	(79,071)
Dues and memberships	-	-	155	(155)
Technical training	8,960	8,960	8,460	500
Staff transportation	336	336	81	255
Small furniture and equipment	-	-	96	(96)
Materials and services	<u>775,750</u>	<u>775,750</u>	<u>881,921</u>	<u>(106,171)</u>
Total Park Maintenance	<u>2,899,674</u>	<u>2,899,674</u>	<u>3,003,605</u>	<u>(103,931)</u>
Vehicles and Equipment				
Full time salaries	267,577	267,577	275,988	(8,411)
Part time salaries	26,130	26,130	16,977	9,153
Employee benefits	100,471	100,471	100,378	93
Payroll taxes	28,677	28,677	30,417	(1,740)
Personal services	<u>422,855</u>	<u>422,855</u>	<u>423,760</u>	<u>(905)</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARK AND RECREATION SERVICES (continued)				
Maintenance and Operations (continued)				
Vehicles and Equipment (continued)				
Technical services	7,250	7,250	5,038	2,212
Rental equipment	300	300	-	300
Maintenance services	90,813	90,813	87,989	2,824
Vehicle/equipment services	21,940	21,940	19,836	2,104
Telecommunications	1,284	1,284	1,032	252
Program supplies	17,056	17,056	15,155	1,901
Maintenance supplies	18,240	18,240	18,220	20
Gas and oil - vehicles	143,661	143,661	182,301	(38,640)
Materials and services	<u>300,544</u>	<u>300,544</u>	<u>329,571</u>	<u>(29,027)</u>
Fleet capital replacement	374,100	374,100	369,696	4,404
Capital outlay	<u>374,100</u>	<u>374,100</u>	<u>369,696</u>	<u>4,404</u>
Total Vehicles and Equipment	<u>1,097,499</u>	<u>1,097,499</u>	<u>1,123,027</u>	<u>(25,528)</u>
Athletic Facilities				
Full time salaries	433,374	433,374	427,228	6,146
Part time salaries	314,908	314,908	315,659	(751)
Employee benefits	163,864	163,864	165,280	(1,416)
Payroll taxes	91,330	91,330	80,937	10,393
Personal services	<u>1,003,476</u>	<u>1,003,476</u>	<u>989,104</u>	<u>14,372</u>
Technical services	3,137	3,137	2,009	1,128
Electricity	36,732	36,732	62,527	(25,795)
Rental equipment	2,000	2,000	632	1,368
Maintenance services	72,900	72,900	62,128	10,772
Telecommunications	4,032	4,032	5,487	(1,455)
Maintenance supplies	385,800	385,800	325,387	60,413
Technical training	2,000	2,000	880	1,120
Small Furniture & Equipment	750	750	120	630
Materials and services	<u>507,351</u>	<u>507,351</u>	<u>459,170</u>	<u>48,181</u>
Total Athletic Facilities	<u>1,510,827</u>	<u>1,510,827</u>	<u>1,448,274</u>	<u>62,553</u>
Building Maintenance				
Full time salaries	946,798	946,798	948,576	(1,778)
Part time salaries	466,732	466,732	515,999	(49,267)
Employee benefits	411,858	411,858	414,874	(3,016)
Payroll taxes	137,742	137,742	157,503	(19,761)
Personal services	<u>1,963,130</u>	<u>1,963,130</u>	<u>2,036,952</u>	<u>(73,822)</u>
Technical services	1,155	1,155	1,813	(658)
Heat	224,125	224,125	226,501	(2,376)
Electricity	357,228	357,228	350,751	6,477
Water and sewer	62,870	62,870	58,795	4,075
Rental facility	65,000	65,000	64,200	800
Rental equipment	2,000	2,000	3,698	(1,698)
Maintenance services	81,525	87,525	101,546	(14,021)
Advertising	310	310	-	310
Telecommunications	107,980	107,980	108,549	(569)
Maintenance supplies	185,730	179,730	188,077	(8,347)
Dues and memberships	1,500	1,500	2,024	(524)
Technical training	1,000	1,000	710	290
Staff transportation	11,850	11,850	10,514	1,336
Materials and services	<u>1,102,273</u>	<u>1,102,273</u>	<u>1,117,178</u>	<u>(14,905)</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARK AND RECREATION SERVICES (continued)				
Maintenance and Operations (continued)				
Building replacement	12,500	12,500	12,354	146
Capital outlay	12,500	12,500	12,354	146
Total Building Maintenance	3,077,903	3,077,903	3,166,484	(88,581)
Aquatic Maintenance				
Full time salaries	214,320	214,320	229,242	(14,922)
Part time salaries	104,621	104,621	110,137	(5,516)
Employee benefits	83,210	83,210	91,037	(7,827)
Payroll taxes	31,226	31,226	36,770	(5,544)
Personal services	433,377	433,377	467,186	(33,809)
Technical services	10,320	10,320	14,319	(3,999)
Heat	448,952	448,952	440,098	8,854
Electricity	182,115	182,115	195,899	(13,784)
Water and sewer	68,000	68,000	70,356	(2,356)
Maintenance services	42,646	42,646	53,137	(10,491)
Telecommunications	11,400	11,400	9,097	2,303
Maintenance supplies	156,105	156,105	133,470	22,635
Staff transportation	6,700	6,700	6,880	(180)
Materials and services	926,238	926,238	923,256	2,982
Total Aquatic Maintenance	1,359,615	1,359,615	1,390,442	(30,827)
Total Maintenance and Operations	10,284,911	10,284,911	10,447,371	(162,460)
Total Park and Recreation Services	22,828,207	22,853,207	22,585,383	267,824
CAPITAL OUTLAY				
Carryforward projects	389,400	389,400	124,831	264,569
Athletic facility replacement	315,699	315,699	104,616	211,083
Athletic facility improvement	51,800	51,800	20,107	31,693
Park and trail replacement	326,222	326,222	294,668	31,554
Park and trail improvements	209,000	209,000	213,821	(4,821)
Building replacement	458,850	531,350	454,423	76,927
Building improvements	127,430	127,430	132,562	(5,132)
Equipment and furnishings	-	-	2,000	(2,000)
ADA projects	73,000	73,000	20,727	52,273
Program facility challenge grants	75,000	75,000	43,242	31,758
Total Capital Outlay	2,026,401	2,098,901	1,410,997	687,904
Total General Fund Expenditures	\$ 32,178,906	\$ 32,178,906	\$ 29,305,930	\$ 2,872,976

Tualatin Hills Park and Recreation District
Bonded Debt Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2008

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Property taxes	\$ 2,021,985	\$ 2,046,608	\$ 24,623
Interest earned	60,000	35,996	(24,004)
Total revenues	<u>2,081,985</u>	<u>2,082,604</u>	<u>619</u>
Expenditures:			
Debt service	2,163,305	2,163,305	-
Total expenditures	<u>2,163,305</u>	<u>2,163,305</u>	<u>-</u>
Net change in fund balance	<u>(81,320)</u>	<u>(80,701)</u>	<u>619</u>
Fund balance at beginning of year	<u>411,652</u>	<u>418,913</u>	<u>7,261</u>
Fund balance at end of year	<u><u>\$ 330,332</u></u>	<u><u>\$ 338,212</u></u>	<u><u>\$ 7,880</u></u>

Tualatin Hills Park and Recreation District
System Development Charges Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2008

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
System development charges	\$ 3,082,460	\$ 1,775,241	\$ (1,307,219)
Grants and donations	-	21,869	21,869
Interest earned	35,000	151,362	116,362
Total revenues	<u>3,117,460</u>	<u>1,948,472</u>	<u>(1,168,988)</u>
Expenditures:			
Capital outlay	<u>7,804,277</u>	<u>3,011,588</u>	<u>4,792,689</u>
Total expenditures	<u>7,804,277</u>	<u>3,011,588</u>	<u>4,792,689</u>
Net change in fund balance	(4,686,817)	(1,063,116)	3,623,701
Fund balance at beginning of year	<u>4,686,817</u>	<u>4,814,351</u>	<u>127,534</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 3,751,235</u>	<u>\$ 3,751,235</u>

Tualatin Hills Park and Recreation District
Metro Natural Areas Bond Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2008

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Metro natural areas bond	\$ 4,100,000	\$ 400,000	\$ (3,700,000)
Total revenues	<u>4,100,000</u>	<u>400,000</u>	<u>(3,700,000)</u>
Expenditures:			
Capital outlay	4,100,000	400,000	3,700,000
Total expenditures	<u>4,100,000</u>	<u>400,000</u>	<u>3,700,000</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Tualatin Hills Park and Recreation District
Schedule of Property Tax Transactions and Outstanding Balances
For the fiscal year ended June 30, 2008

	Taxes Uncollected June 30, 2007	Add Levy as Extended by Assessor	Add (Deduct) Discounts Allowed	Add Interest Received	Add (Deduct) Cancellations and Adjustments	Deduct Interest and Tax Collected	Taxes Uncollected June 30, 2008
2007-2008	\$ -	\$ 23,818,049	\$ (604,750)	\$ 7,490	\$ (27,534)	\$ (22,614,565)	\$ 578,690
2006-2007	471,314	-	118	19,029	(14,977)	(333,109)	142,375
2005-2006	108,502	-	260	8,656	(10,969)	(54,410)	52,039
2004-2005	53,677	-	98	8,066	(4,799)	(35,778)	21,264
2003-2004	18,315	-	95	3,930	(3,128)	(13,381)	5,831
2002-2003	6,875	-	-	757	(553)	(1,993)	5,086
Prior years	11,084	-	-	1,981	(776)	(4,325)	7,964
	<u>\$ 669,767</u>	<u>\$ 23,818,049</u>	<u>\$ (604,179)</u>	<u>\$ 49,909</u>	<u>\$ (62,736)</u>	<u>\$ (23,057,561)</u>	<u>\$ 813,249</u>

General Fund	\$ 605,612	\$ 739,573
Debt Service Fund	64,155	73,676
	<u>\$ 669,767</u>	<u>\$ 813,249</u>

Tualatin Hills Park and Recreation District
NET ASSETS BY COMPONENT
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental activities					
Invested in capital assets, net of related debt	\$ 56,189,179	\$ 62,890,110	\$ 65,083,859	\$ 81,461,139	\$ 86,885,092
Restricted	9,346,441	10,406,433	13,392,572	5,233,264	4,089,447
Unrestricted	2,884,929	3,008,933	3,380,183	3,965,498	4,566,014
 Total primary government net assets	 <u>\$ 68,420,549</u>	 <u>\$ 76,305,476</u>	 <u>\$ 81,856,614</u>	 <u>\$ 90,659,901</u>	 <u>\$ 95,540,553</u>

Tualatin Hills Park and Recreation District
CHANGES IN NET ASSETS
Last Five Fiscal Years
(accrual basis of accounting)

Expenses	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental activities:					
Board of Directors	\$ 105,476	\$ 136,597	\$ 170,390	\$ 187,210	\$ 151,139
Administration	1,082,661	1,339,707	1,189,415	1,148,393	1,620,813
Business services	1,822,421	1,924,598	3,047,589	2,942,845	2,963,834
Park and recreation services	20,508,872	21,787,823	21,658,035	22,854,097	25,260,805
Interest on long-term debt	1,199,130	1,111,955	1,130,474	1,063,732	935,564
Total governmental activities expenses	\$ 24,718,560	\$ 26,300,680	\$ 27,195,903	\$ 28,196,277	\$ 30,932,155
Program Revenues					
Governmental activities:					
Charges for services	\$ 5,611,020	\$ 6,040,307	\$ 6,381,080	\$ 6,720,311	\$ 7,461,551
Operating grants and contributions	47,723	26,653	19,078	35,185	27,599
Capital grants and contributions	3,154,087	3,914,526	3,868,580	2,283,436	2,372,111
Total governmental program revenues	\$ 8,812,830	\$ 9,981,486	\$ 10,268,738	\$ 9,038,932	\$ 9,861,261
Net(expense)/revenue					
Governmental activities	<u>\$(15,905,730)</u>	<u>\$(16,319,194)</u>	<u>\$(16,927,165)</u>	<u>\$(19,157,345)</u>	<u>\$(21,070,894)</u>
Total primary government net expense	<u>\$(15,905,730)</u>	<u>\$(16,319,194)</u>	<u>\$(16,927,165)</u>	<u>\$(19,157,345)</u>	<u>\$(21,070,894)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 19,373,497	\$ 20,182,058	\$ 21,097,305	\$ 22,162,377	\$ 23,201,119
Unrestricted grants and contributions	126,878	181,035	161,784	186,127	232,743
Investment earnings	294,270	447,771	935,335	1,059,117	637,812
Gain on sale of capital assets	-	5,988	-	-	-
Miscellaneous	674,976	3,387,269	283,879	4,553,011	1,879,872
Total governmental activities	\$ 20,469,621	\$ 24,204,121	\$ 22,478,303	\$ 27,960,632	\$ 25,951,546
Change in Net Assets					
Governmental activities	<u>\$ 4,563,891</u>	<u>\$ 7,884,927</u>	<u>\$ 5,551,138</u>	<u>\$ 8,803,287</u>	<u>\$ 4,880,652</u>
Total primary government	<u>\$ 4,563,891</u>	<u>\$ 7,884,927</u>	<u>\$ 5,551,138</u>	<u>\$ 8,803,287</u>	<u>\$ 4,880,652</u>

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund										
Reserved	\$ 1,006,473	\$ 63,190	\$ 85,892	\$ 97,385	\$ 79,403	\$ 79,403	\$ 103,878	\$ 120,398	\$ 75,840	\$ 112,826
Unreserved	2,521,136	1,307,427	1,479,102	1,886,055	2,898,542	2,607,151	2,908,752	3,818,904	4,261,281	4,548,093
Total general fund	\$ 3,527,609	\$ 1,370,617	\$ 1,564,994	\$ 1,983,440	\$ 2,977,945	\$ 2,686,554	\$ 3,012,630	\$ 3,939,302	\$ 4,337,121	\$ 4,660,919
All other governmental funds										
Reserved, reported in:										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,963	\$ 83,943	\$ 161,686
Debt service fund	90,684	698,122	762,918	716,921	593,822	540,896	484,716	460,511	418,913	338,212
Capital project fund	725,652	2,568,615	5,227,046	5,907,466	6,961,228	9,346,441	10,406,433	12,932,061	4,814,351	3,751,235
Total all other governmental funds	\$ 816,336	\$ 3,266,737	\$ 5,989,964	\$ 6,624,387	\$ 7,555,050	\$ 9,887,337	\$10,891,149	\$ 13,459,535	\$ 5,317,207	\$ 4,251,133

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

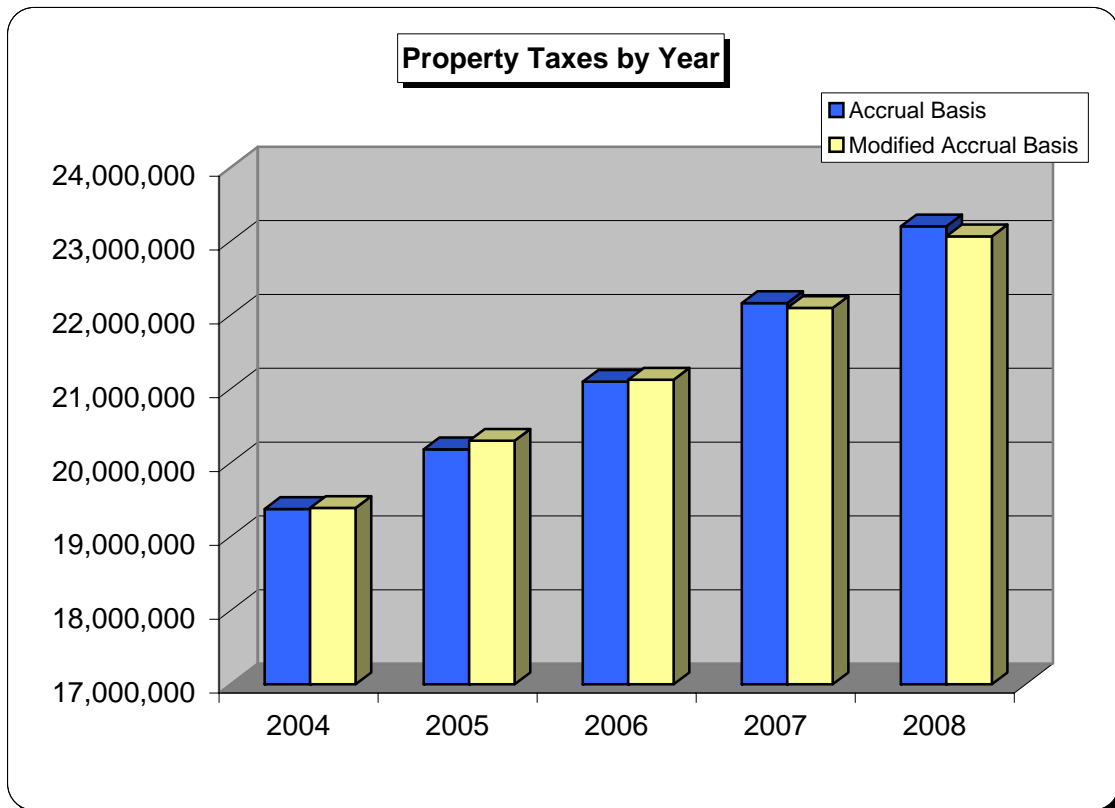
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Property taxes	\$ 15,197,678	\$ 16,789,450	\$ 17,283,357	\$ 18,132,823	\$ 18,764,080	\$ 19,387,604	\$ 20,297,846	\$ 21,124,084	\$ 22,095,939	\$ 23,064,951
Aquatic programs	1,085,733	1,844,093	1,926,237	2,199,690	2,466,690	2,446,928	2,679,791	2,787,489	2,820,884	2,070,276
Tennis center	431,793	478,032	463,812	491,865	520,341	543,968	582,343	594,451	630,856	779,947
Sports programs	713,144	595,598	622,421	685,015	667,529	696,659	644,289	648,302	676,849	756,520
Recreation programs	1,501,211	1,474,748	1,609,693	1,732,083	1,828,324	1,881,185	2,102,083	2,321,238	2,571,571	3,824,758
Grants and sponsorships	152,103	79,375	387,606	449,316	200,536	485,538	354,688	892,183	221,312	857,212
System development charges	262,918	2,085,594	2,519,168	2,344,257	2,140,110	2,843,150	3,767,526	3,165,261	2,283,436	1,775,241
Interest earned	446,898	577,339	738,697	385,934	306,427	294,270	442,698	924,540	1,074,988	632,735
Miscellaneous	587,090	337,451	223,500	127,366	108,984	204,176	181,759	210,989	267,646	342,161
Total revenues	20,378,568	24,261,680	25,774,491	26,548,349	27,003,021	28,783,478	31,053,023	32,668,537	32,643,481	34,103,801
Expenditures										
Board of Directors	\$ 71,111	\$ 72,139	\$ 108,329	\$ 83,586	\$ 92,333	\$ 105,476	\$ 136,597	\$ 170,390	\$ 187,210	\$ 151,139
Administration	299,646	374,170	531,106	863,456	1,001,986	924,767	1,143,146	1,236,566	1,141,833	1,599,223
Business services	1,174,715	1,484,503	1,428,236	1,592,870	1,676,553	1,822,992	1,929,548	2,612,192	2,529,507	2,643,563
Park and recreation services	14,964,934	15,385,302	16,193,801	16,576,381	17,621,854	18,408,515	19,300,473	19,368,313	20,710,852	22,205,573
Capital outlay	2,795,656	4,590,355	1,678,110	3,514,136	3,139,365	3,318,043	4,943,286	2,823,615	12,772,256	5,334,604
Debt service										
Principal	1,169,920	1,226,562	1,343,946	1,426,102	1,512,856	1,493,910	1,672,785	1,782,000	1,880,000	1,958,000
Interest	1,590,449	1,561,957	1,596,061	1,450,442	1,332,050	1,268,879	1,180,270	1,196,923	1,127,798	990,961
Total expenditures	22,066,431	24,694,988	22,879,589	25,506,973	26,376,997	27,342,582	30,306,105	29,189,999	40,349,456	34,883,063
Excess of revenues over (under) expenditures	(1,687,863)	(433,308)	2,894,902	1,041,376	626,024	1,440,896	746,918	3,478,538	(7,705,975)	(779,262)
Other financing sources (uses)										
Loan proceeds	-	1,670,000	-	-	200,000	600,000	340,000	-	2,515,383	-
Sale of capital assets	-	-	-	-	1,117,126	-	358,495	-	-	-
Payment of refunded debt	-	-	-	-	-	-	(140,000)	-	(2,509,360)	-
Total other financing sources (uses)	-	1,670,000	-	-	1,317,126	600,000	558,495	-	6,023	-
Net change in fund balances	\$ (1,687,863)	\$ 1,236,692	\$ 2,894,902	\$ 1,041,376	\$ 1,943,150	\$ 2,040,896	\$ 1,305,413	\$ 3,478,538	\$ (7,699,952)	\$ (779,262)
Debt service as a percentage of noncapital expenditures	16.7%	16.1%	16.1%	15.0%	13.7%	12.8%	12.3%	12.5%	12.1%	10.9%

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

<u>Fiscal Year</u>	<u>Property Tax</u>
2004	19,373,497
2005	20,182,058
2006	21,097,305
2007	22,162,377
2008	23,201,119

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

<u>Fiscal Year</u>	<u>Property Tax</u>
2004	19,387,604
2005	20,297,846
2006	21,124,084
2007	22,095,939
2008	23,064,951



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

Fiscal Year Ended June 30	Real Property		Personal Property		Public Utilities		Total		Total Assessed to Total Market Value
	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	
2004	17,331,674,917	12,643,746,560	623,322,326	621,958,774	401,969,062	401,855,424	18,356,966,305	13,667,560,758	74.45%
2005	18,295,984,830	13,278,625,970	599,475,083	597,803,883	402,148,468	401,939,489	19,297,608,381	14,278,369,342	73.99%
2006	20,177,301,764	13,987,126,670	571,487,358	569,723,772	397,350,279	396,980,470	21,146,139,401	14,953,830,912	70.72%
2007	25,189,449,597	14,767,708,060	571,413,816	569,749,216	401,502,509	399,247,240	26,162,365,922	15,736,704,516	60.15%
2008	27,801,627,008	15,557,016,280	607,128,846	605,124,136	409,574,071	404,696,250	28,818,329,925	16,566,836,666	57.49%

Source: Washington County, Department of Assessment and Taxation

Tualatin Hills Park and Recreation District
PROPERTY TAX RATES
All Direct and Overlapping Governments
Last Five Fiscal Years

	2004	2005	2006	2007	2008
Direct Government:					
Tualatin Hills Park and Recreation District	1.4636	1.4551	1.4505	1.4425	1.4341
Overlapping Government:					
Washington County	2.8953	2.8731	2.8395	2.4493	3.0331
Washington County - Enhanced Patrol	1.1650	1.1424	1.1300	1.1120	1.0920
Washington County - Road Maintenance	0.2456	0.2456	0.2456	0.2456	0.2456
Washington County - RFPD #2	1.1219	1.1219	1.1219	1.1219	1.6919
Northwest Regional ESD	0.1538	0.1538	0.1538	0.1538	0.1538
Multnomah County ESD	0.4576	0.4576	0.4576	0.4576	0.4576
Portland Community College	0.5118	0.5099	0.4950	0.4889	0.5051
School District No. 48, Beaverton	8.0102	6.5968	7.9760	6.2900	6.7358
School District No. 1J, Hillsboro	6.6651	6.7059	6.5835	6.5240	8.0581
School District No. 1-1, Portland	7.1160	7.1792	4.7743	5.2781	6.5281
School District - Hillsboro, Reedville Bonds	0.2985	0.3327	0.2556	0.2268	0.2493
Tualatin Valley Water District - Wolf Creek	0.1439	0.0566	-	-	-
Tualatin Valley Water District - Metzger	0.2214	0.1335	-	-	-
Tualatin Valley Fire and Rescue District	1.8265	1.8259	1.8216	1.8194	1.8692
Port of Portland	0.0701	0.0701	0.0701	0.0701	0.0701
City of Beaverton	3.9736	4.1041	4.0135	4.2117	4.1841
City of Hillsboro	4.7665	4.7665	4.7655	4.7665	4.7665
City of Portland	7.7258	7.4957	7.3741	7.2395	7.2779
Urban Renewal - Portland	0.9233	0.9324	0.9867	1.0022	1.0502
Metro Service District	0.2900	0.2838	0.2841	0.2782	0.4292
Tri Met	0.1080	0.1104	0.1191	0.0973	0.0856

Rate per \$1,000 of assessed valuation

Source: Washington County, Department of Assessment and Taxation

Tualatin Hills Park and Recreation District
PRINCIPAL PROPERTY TAXPAYERS
June 30, 2008

Taxpayer	2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Nike, Inc.	\$ 342,893,089	1	2.07%
Verizon Northwest, Inc.	140,839,764	2	0.85%
Tektronix, Inc.	136,940,413	3	0.83%
Maxim Integrated Products, Inc.	134,951,810	4	0.68%
ERP Operating LP	112,051,390	5	0.83%
Portland General Electric	107,099,250	6	0.65%
PS Business Parks LP	98,541,817	7	0.59%
Northwest Natural Gas Co.	78,115,500	8	0.47%
Bernard Properties Partnership	53,295,450	9	0.32%
EOP-Nimbus Corp.	50,837,730	10	0.31%
All other tax payers	15,311,270,453		92.41%
Totals	\$ 16,566,836,666		100.00%

Source: Washington County, Department of Assessment and Taxation
(information not available for FY 1999)

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$ 15,700,155	\$ 14,776,609	94.1%	\$ 492,322	\$ 15,268,931	97.3%
2000	17,375,448	16,299,804	93.8%	562,138	16,861,942	97.0%
2001	17,780,348	16,809,720	94.5%	450,291	17,260,011	97.1%
2002	18,661,846	17,650,433	94.6%	446,939	18,097,372	97.0%
2003	19,374,729	18,307,900	94.5%	500,872	18,808,772	97.1%
2004	20,039,878	18,939,817	94.5%	510,760	19,450,577	97.1%
2005	20,804,534	19,749,164	94.9%	435,266	20,184,430	97.0%
2006	21,736,219	20,672,358	95.1%	362,986	21,035,344	96.8%
2007	22,775,894	21,687,609	95.2%	333,109	22,020,718	96.7%
2008	23,818,049	22,614,565	94.9%	-	22,614,565	94.9%

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income ^{a)}	Per Capita ^{b)}
	General Obligation Bonds	Lease Contracts and Certificates of Participation	Loans Payable			
2004	\$ 17,830,000	\$ 3,850,000	\$ 763,776	\$ 22,443,776	0.138%	\$ 107
2005	16,605,000	3,540,000	826,000	20,971,000	0.124%	98
2006	15,310,000	3,210,000	669,000	19,189,000	0.103%	89
2007	13,935,000	2,935,000	509,000	17,379,000	n/a	79
2008	12,495,000	2,580,000	346,000	15,421,000	n/a	69

n/a - not available at time of printing

^{a)} based on Washington County total population

^{b)} based on estimated population of District

Source: State of Oregon, OLMIS

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita ^{a)}
2004	\$ 17,830,000	\$ 540,896	\$ 17,289,104	0.13%	\$ 82.41
2005	16,605,000	484,716	16,120,284	0.11%	75.66
2006	15,310,000	460,511	14,849,489	0.10%	68.52
2007	13,935,000	418,913	13,516,087	0.09%	61.32
2008	12,495,000	338,212	12,156,788	0.07%	54.22

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

Source: Portland State University Center for Population Research and Census

Tualatin Hills Park and Recreation District
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2008

<u>Overlapping Government</u>	<u>Overlapping Debt</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Overlapping Net Direct Debt</u>
Debt repaid with property taxes:			
Tualatin Hills Park and Recreation District	\$ 12,495,000	100.00%	\$ 12,495,000
Metro	28,424,186	13.8232%	3,929,132
Tri-Met	6,175,478	13.9103%	859,028
Portland Community College	7,798,895	17.5631%	1,369,728
City of Portland	7,140	0.0075%	1
Washington County	14,880,452	40.4580%	6,020,333
Tualatin Valley Fire & Rescue District	648,677	43.9781%	285,276
School District No. 48, Beaverton	306,891,264	81.3733%	249,727,549
School District No. 1J, Hillsboro	10,351,021	3.7192%	384,975
School District - Hillsboro, Reedville Bonds	12,876	1.0820%	139
School District No. 1J, Portland	79,072	0.5240%	414
City of Beaverton	1,009,024	98.9239%	998,166
Other Debt			
Tualatin Hills Park and Recreation District	\$ 2,926,000	100.00%	\$ 2,926,000
Metro	10,295,519	13.8232%	1,423,170
Portland Community College	34,393,818	17.5631%	6,040,621
City of Portland	46,271	0.0075%	3
Washington County	33,456,744	40.4580%	13,535,929
Tualatin Valley Fire & Rescue District	8,355,839	43.9781%	3,674,739
School District No. 48, Beaverton	149,022,993	81.3733%	121,264,927
School District No. 1J, Hillsboro	3,821,106	3.7192%	142,115
Northwest Regional ESD	2,411,923	30.8233%	743,434
School District No. 1J, Portland	2,490,747	0.5240%	13,052
Multnomah ESD	140,264	0.3768%	529
Port of Portland	9,182,179	12.5618%	1,153,447
City of Beaverton	13,057,955	98.9239%	12,917,438
City of Hillsboro	443,508	1.7624%	7,816
Total direct and overlapping debt	\$ 658,817,951		\$ 439,912,961

Source: Oregon State Treasury, Municipal Debt Information System

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 311,223,964	\$ 327,072,875	\$ 360,631,581	\$ 385,768,952	\$ 413,529,795	\$ 432,893,989	\$ 458,924,158	\$ 482,440,210	\$ 528,653,485	\$ 654,059,148
Total net debt application to limit	23,600,000	23,035,000	22,105,000	21,125,000	20,085,000	18,990,000	17,830,000	16,605,000	15,310,000	13,935,000
Legal debt margin	<u>\$ 287,623,964</u>	<u>\$ 304,037,875</u>	<u>\$ 338,526,581</u>	<u>\$ 364,643,952</u>	<u>\$ 393,444,795</u>	<u>\$ 413,903,989</u>	<u>\$ 441,094,158</u>	<u>\$ 465,835,210</u>	<u>\$ 513,343,485</u>	<u>\$ 640,124,148</u>
 Total net debt applicable to the limit as a percentage of debt limit	 7.58%	 7.04%	 6.13%	 5.48%	 4.86%	 4.39%	 3.89%	 3.44%	 2.90%	 2.13%

Legal Debt Margin Calculation for Fiscal Year 2008

Real market value (2006-07)	\$ 26,162,365,922
General obligation debt capacity (2.5% of Real market value)	654,059,148
Less: Outstanding debt	<u>13,935,000</u>
Remaining legal debt capacity	<u>\$ 640,124,148</u>

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

Washington County						
Fiscal Year	District Population (estimated)	Population (estimated) ^{a)}	Personal Income (amounts expressed in thousands) ^{b)}	Per Capita Personal Income ^{b)}	Unemployment Rate ^{c)}	School Enrollment ^{d)}
2004	209,800	480,200	\$ 16,366,000	\$ 33,546	7.3%	35,329
2005	213,073	489,785	17,338,000	34,626	6.2%	36,502
2006	216,717	500,585	18,607,666	36,259	5.3%	36,646
2007	220,422	511,075	n/a	n/a	4.8%	37,958
2008	224,192	n/a	n/a	n/a	4.9%	37,552

- Source:
- ^{a)} Portland State University Center for Population Research and Census
 - ^{b)} Bureau of Economic Analysis
 - ^{c)} U.S. Dept. of Labor, Metropolitan District
 - ^{d)} Beaverton School District

n/a data not available at time of printing

**Tualatin Hills Park and Recreation District
PRINCIPAL EMPLOYERS IN WASHINGTON COUNTY
June 30, 2008**

2008

Taxpayer	Employees	Rank	Percentage of Total County Employment	Product or Service
Intel Corporation	15,000	1	6.1%	Component manufacturer
Nike, Inc *	7,000	2	2.8%	Athletic footwear and apparel
Beaverton School District *	5,000	3	2.0%	Education
Providence Healthcare System	3,850	4	1.6%	Health care - St. Vincent's Hospital
Target Stores	3,843	5	1.6%	Retail chain
Shari's Restaurants *	3,725	6	1.5%	Restaurant chain
Hillsboro School District	2,400	7	1.0%	Education
Home Depot	2,000	8	0.8%	Home improvement
Tektronix *	1,900	9	0.8%	Test and measurement products
Kaiser Permanente *	1,850	10	0.7%	Health care
Rite Aid Corporation *	1,600	11	0.6%	Drug store chain
Xerox Office Business Group	1,557	12	0.6%	Technology and services enterprise vendor
TriQuint Semiconductor	1,500	13	0.6%	Semiconductors
Tuality Healthcare	1,350	14	0.5%	Health care
Totals	<u>52,575</u>		<u>21.2%</u>	

* Majority of employees within District Boundaries

Source: Westside Economic Alliance
Oregon Employment Department
(information not available for FY 1999)

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

	Fiscal Year				
	2004	2005	2006	2007	2008
Function					
Administration					
Administration	4	6	6	6	6
Communication and development	2	2	2	2	5
Security operations	-	-	-	-	4
Business services:					
Director	2	2	3	3	1
Finance services	6	6	6	6	6
Information services	4	4	4	5	5
Human resources	1	1	1	1	2
Risk and contract management	4	4	4	4	2
Planning and development	-	-	6	6	6
Parks and recreation:					
Director	3	3	3	3	2
Security operations	1	3	3	3	-
Planning and development	6	6	-	-	-
Aquatics	124	126	128	128	81
Sports	-	-	-	-	31
Programs and special activities	57	58	50	51	40
Recreation	63	63	73	72	97
Natural Resources and Trails	-	-	-	-	14
Maintenance:					
Operations	3	3	4	4	4
Park maintenance	35	36	38	44	44
Vehicles and equipment	6	6	8	6	6
Athletic facilities	17	17	17	17	21
Building and pool maintenance	41	43	43	44	44
Total full-time equivalent employees	<u>379</u>	<u>389</u>	<u>399</u>	<u>405</u>	<u>421</u>

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

	<u>2004 actual</u>	<u>2005 actual</u>	<u>2006 actual</u>	<u>2007 actual</u>	<u>2008 estimated</u>
Parks and Recreation					
Cultural and recreational activities:					
Aquatics					
Attendance at open/drop-in programs and classes	832,751	837,572	963,467	531,225	540,709
Number of classes held	6,675	8,195	7,539	5,019	5,187
Sports ¹⁾					
Attendance at open/drop-in programs and classes	n/a	n/a	690,838	814,653	997,290
Number of classes held	365	434	471	522	517
Recreation					
Attendance at open/drop-in programs and classes	361,418	372,290	417,212	731,157	750,000
Number of classes held	1,619	1,615	1,724	4,556	4,857
Programs and special activities					
Attendance at open/drop-in programs and classes	465,589	472,321	516,062	338,275	347,146
Number of classes held	2,099	1,980	2,192	1,366	1,399
Maintenance activities:					
Buildings maintained (shown per 1,000 sq. ft)	326	326	326	326	354
Cost per sq. ft. of buildings	\$6.15	\$6.51	\$7.22	\$7.66	\$7.37
Pool facilities maintained (shown per 1,000 sq. ft.)	152	152	152	152	152
Cost per sq. ft. of pools	\$9.34	\$9.18	\$10.42	\$11.42	\$11.95
Parks maintained - developed acres	915	1,028	1,028	1,041	1,076
Cost per developed acre	\$2,586.00	\$2,290.00	\$2,290.00	\$2,523.00	\$2,560.00
Parks maintained - undeveloped acres	851	749	749	848	859
Cost per undeveloped acre	\$146.00	\$165.00	\$165.00	\$163.00	\$169.00
Vehicle and equipment units maintained	332	340	354	389	413
Cost per vehicle and equipment unit	\$1,901.00	\$1,853.00	\$1,768.00	\$1,800.00	\$1,752.00

Note: due to management reorganization, classifications are comprised of different activity centers as of 2006.

¹⁾ method of computation changed - comparisons to previous years not available

Tualatin Hills Park and Recreation District
CAPITAL ASSET STATISTICS BY FUNCTION
June 30, 2008

Parks and Recreation:

Number of parks	284
Park acreage:	
Developed sites (neighborhood, community and regional parks)	1,076
Undeveloped sites (wetlands and natural areas)	859
Pathways and trails mileage	32
Lakes	3
Stream corridor mileage	27
 Facilities:	
Swim Centers:	
Indoor	6
Outdoor	2
Recreation Centers	2
Athletic Center	1
Senior Center	1
Historical Facilities (weddings, meetings, community events)	3
Nature Park Interpretive Center	1
Tennis Center	1
Camp Rivendale (developmentally disabled patrons)	1
 Fields and courts:	
Tennis:	
Indoor	14
Outdoor ¹⁾	111
Basketball:	
Indoor	6
Outdoor ¹⁾	123
Volleyball ¹⁾	5
Sports fields: ¹⁾	
Soccer/football/lacrosse	154
Softball/baseball	128
Bocce	3
Hockey	1
Indoor running track	1
Skate Park	2

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