

WASHINGTON COUNTY, OREGON

155 North First Avenue
Hillsboro, Oregon 97124-3072

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2008

Prepared by:

Washington County Finance Division

WASHINGTON COUNTY, OREGON
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**WASHINGTON COUNTY,
OREGON**

**INTRODUCTORY
SECTION**

SECTION I

WASHINGTON COUNTY, OREGON
Principal Officials

Commissioners as of June 30, 2008

<u>Name</u>	<u>Term Expires</u>
Tom Brian, Chair Commissioner-At-Large	December 31, 2010
Roy Rogers, Vice Chair District 3	December 31, 2008
Andy Duyck, District 4	December 31, 2010
Dick Schouten District 1	December 31, 2008
Desari Strader District 2	December 31, 2010

Administrative Staff

Robert Davis, County Administrator
Don Bohn, Assistant County Administrator
Mary Gruss, Chief Finance Officer

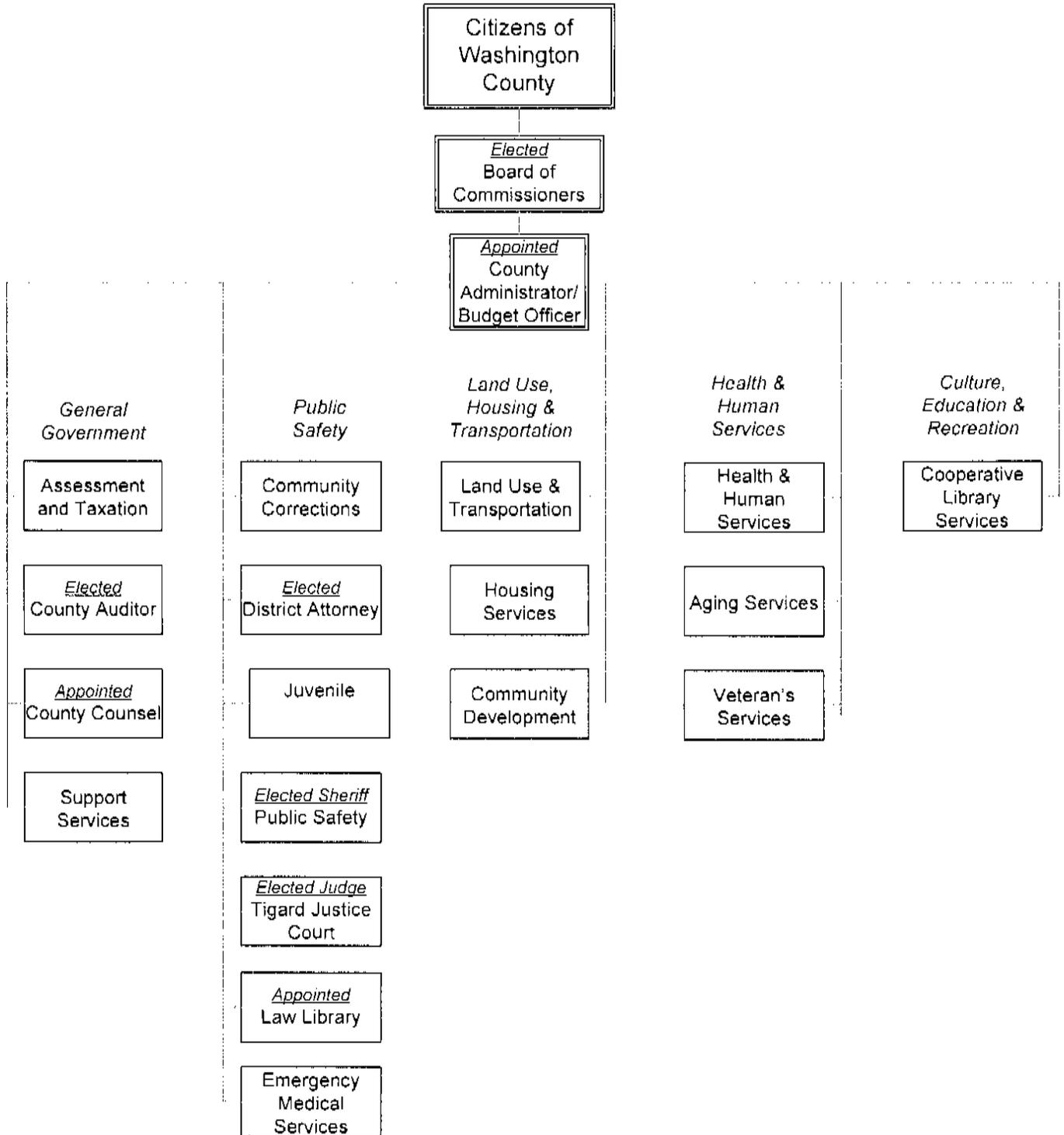
Administrative Offices

Washington County, Oregon
155 North First Avenue
Hillsboro, Oregon 97124-3072



WASHINGTON COUNTY ORGANIZATION CHART

OREGON



January 23, 2009

To the Board of Commissioners and Citizens of
Washington County, Oregon

State law requires that every general-purpose local government publish within six months of the close of each fiscal year, unless extended, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2008.

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

Talbot, Korvola & Warwick, LLP have issued an unqualified (clean) opinion on Washington County's financial statements for the fiscal year ended June 30, 2008. The independent auditor's report is located at the front of the financial section of this report.

In addition, they have issued an annual single audit report in accordance with the Federal Single Audit Act. Information related to the single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, and auditors' reports on the internal controls and statutory and regulatory compliance is presented in a separate report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the County

Washington County was incorporated in 1849 and is located in the northwestern part of Oregon, south of the Columbia River and immediately to the west of Portland, the State's largest city. The County is the second largest in the State and encompasses 727 square miles and serves a population of 511,075. Most local governments, including the County, have permanent authority to levy property taxes for operations at a maximum tax rate (permanent tax rate). All property tax levies exceeding the permanent tax rate require voter approval at a general election; levies funding operating levies are limited to five years, and levies dedicated to capital expenditures are limited to ten years, and levies to pay general obligation bonds are limited by the principal amount of the bonds.

Washington County operates under a home rule charter initially adopted by voters in November 1962; voters approved a general revision and update of the charter in November 2008. The County is governed by a Board of five commissioners elected for

four-year overlapping terms. Four are elected from districts, and the Board Chair is elected at-large. The County Administrator is hired by the Board of County Commissioners and exercises administrative direction, based on Board policy. The Sheriff, Auditor and District Attorney are elected officials.

Washington County provides a full range of County services including general government and administration, public safety and justice, land use and public works, housing, health and human services, and cultural and recreational services. This report includes all funds of the County as well as all of its component units, which are legally separate units for which the County is financially accountable and include Clean Water Services, Washington County Service District for Lighting No. 1, Housing Authority of Washington County, Washington County Enhanced Sheriff Patrol District, and Washington County Urban Road Maintenance Service District. Additional information on all five of these legally separate entities can be found in the notes to the financial statements.

The Board of County Commissioners is required to adopt a budget each year by July 1. This annual budget serves as the foundation for Washington County's financial planning and control. The budget is prepared by fund, organization unit (e.g., public safety), and program (e.g., County-wide law enforcement services) and legally adopted at the organization unit level. Department management may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the governing body.

Local Economy

The County is part of the Portland-Vancouver Metropolitan Statistical Area (the "Portland PMSA"), which includes Clackamas, Columbia, Multnomah, Washington and Yamhill Counties in Oregon and Clark and Skamania Counties in Washington. The economy of the Portland metropolitan area is broad and widely diversified. The Portland PMSA includes the State's largest employers, including Intel, Providence Health System, Safeway, Oregon Health & Sciences University, Fred Meyer, Kaiser Foundation Health Plan, Legacy Health System, and Nike.

Currently, manufacturing accounts for 12.4% of the total non-farm employment in the Portland PMSA, while trade, transportation and utilities accounts for 19.9%, government jobs 14%, professional and business services 13.1%, education and health services 12.2%, and leisure and hospitality 9.2%.

Major employers in the County are shown in the following table.

**Washington County
Largest Employers**

Company	Products/Services	Location	Number of Employees
Intel Corporation	Semiconductor integrated circuits	Hillsboro	16,000
Nike, Inc.	Athletic footwear & apparel	Beaverton	5,000
Beaverton School District	Education	Beaverton	5,000
Providence St. Vincent Hospital	Health Care	Portland	3,850
Target Stores	Retail chain	Tualatin	3,843
Shari's Restaurants	Restaurant chain	Beaverton	3,725
Tektronix	Electronics	Beaverton	2,050
Home Depot	Home improvement	Tigard	2,000
Kaiser Permanente	Health Care	various	1,850
Hillsboro School District	Education	Hillsboro	1,745
Washington County	Government	Hillsboro	1,705
Rite Aid Corporation	Drug store chain	Beaverton	1,600
Xerox Office Business Group	Technology & services enterprise vendor	Wilsonville	1,557
TriQuint Semiconductor	Semiconductors	Hillsboro	1,500
Tuality Healthcare	Health Care	Hillsboro	1,350

Source: *Westside Economic Alliance*

The Strategic Investments Program ("SIP") was authorized by the Legislative Assembly in 1993 to provide tax incentives for capital intensive investments by firms in Oregon's key industries, particularly in the high technology and metals industries. SIP recipients receive a tax break on the assessed value of new construction over \$100 million for 15 years. The \$100 million cap on assessed value increases by 6% per year. SIP recipients pay an annual Community Service Fee which is equal to one-fourth of the value of the tax break and which is allocated to local governments. Allocation is determined by negotiation of the local governments. The Community Service Fee is not considered a property tax and thus is outside of the Constitutional property tax rate limitations. Intel Corporation and Integrated Device Technology are both SIP recipients for properties within the County. The County received \$5,830,379 in SIP revenues in 2005-06, \$5,820,003 in 2006-07, and \$4,914,372 in 2007-08 and budgeted for \$5,679,935 in 2008-09.

Historic personal income and per capita income levels for the County and the State are shown below:

Year	Washington County		State of Oregon	
	Personal Income (\$ 000's omitted)	Per Capita Income	Personal Income (\$ 000's omitted)	Per Capita Income
2006	\$ 18,607,666	36,259	122,909,475	33,299
2005	17,253,965	34,515	114,703,242	31,599
2004	16,120,965	33,069	109,717,646	30,621
2003	15,418,518	32,140	105,160,987	28,565
2002	14,972,521	31,690	101,881,884	28,931

Source: *U.S. Department of Commerce, Bureau of Economic Analysis*

Long term financial planning

The 2007-08 adopted budget included General Fund reserves of \$36 million dollars or 23 percent of the adopted General Fund revenues. In March 2007 the Board adopted a policy to maintain a reserve of 20% or more and not less than 15% of General Fund revenues. Currently the five-year forecast shows a declining fund balance. Executive management will work with departments to reduce operating expenses in an effort to meet the upper reserve amount at each fiscal year end. The Board will be updated on the General Fund forecast, and other funds as deemed appropriate, quarterly.

The County 2020 plan sets forth the strategic direction of the County through fiscal year 2019-20 by describing the County's mission, its guiding principles and a set of core strategies for each department and agency of the County. Over the next several years, a series of enabling plans will be developed to further detail the initiatives to be undertaken by County departments to achieve the County's mission.

Relevant financial policies

Cash Management

Cash not required for current operations is invested according to the County investment policy as authorized by the Board of Commissioners. County funds are pooled for investment purposes; investment instruments may include U.S. Treasury securities, Government Sponsored Enterprises, and the State of Oregon Local Government Investment Pool.

Debt Management

The County has the following outstanding obligations – general obligation (GO) bonds, limited tax bonded indebtedness, notes, contracts, and revenue bonds. The County's current GO rating from Moody's and S&P (Standard & Poor's) are Aa1 and AA+, respectively; and Aa2 by Moody's for limited tax bonded indebtedness (backed by the full faith and credit of the County). The Moody's rating on the revenue bonds issued by the County's component unit – Clean Water Services – was A1 at June 30, 2008. The Finance Division manages the County's debt and is responsible for evaluating funding needs and determining the appropriate means to raise necessary funds.

Independent Audit

Pursuant to the Oregon Municipal Audit Law, ORS 297.405-297.555 all Oregon counties must obtain an audit annually. The required audit may be performed by the State Division of Audits or by independent public accountants certified by the State as capable of auditing municipal corporations. The accounting firm of Talbot, Korvola & Warwick, LLP conducted the audit for fiscal year ending June 30, 2008.

Risk Management

The County is self-insured for liability, workers' compensation, and unemployment. Excess insurance is purchased whenever feasible and reserves are maintained for incurred but not reported claims. The Risk Division takes an active role in identifying, evaluating and reducing risks to the County.

Major initiatives

The County has a Major Streets and Transportation Improvement Program (MSTIP) that is funded from the permanent tax rate. An estimated \$26 million is made available each year to this program from the County's property tax collections. This program currently consists of a number of projects to widen and improve existing roadways to accommodate increased traffic volume and provide additional traffic safety. These projects have projected completion dates through the calendar year 2007. The County has also developed an interim list of projects to continue the program while the next generation of projects are developed through a public process.

At the November 2008 general election voters approved a revision and update of the 1962 Washington County Charter and an increase in County-wide transportation tax on new development. The Charter revisions included numerous substantive and housekeeping changes, including but not limited to the following:

- Removing gender references and outdated language
- Eliminated conflicts with State law
- Restructures Chair and Board's salary; eliminates annual cost of living increases
- Imposes a 2-year residency requirement for commission candidates
- Requires annual reports to the public on County Auditor's performance audits

The transportation tax will be dedicated to road and transit projects that increase the transportation system capacity within the County and will be phased in from July 1, 2009 through July 1, 2012.

In May 2008 voters approved a \$9,500,000 dollar levy for the Enhanced Sheriff's Patrol District; the levy will cover the period July 1, 2008 – June 30, 2013.

Voters renewed a County-wide public safety local option tax in November 2006. The levy generates an estimated \$16.5 million each year for four years. Funds are used for enhanced public safety activities and include continued funding for an estimated 122 positions including patrol, corrections, district attorney and the 911 center. The new levy expires June 30, 2011. In addition, the voters at the same election approved a local option property tax levy for the Countywide Library system. The levy will generate an estimated \$29.5 million over the four period ending June 30, 2011.

The County approved an agreement with Intel in 1999 under the State of Oregon's *Strategic Investment Program*. By the agreement, Intel will invest \$12.5 billion in new capital facilities in the County over the next few years. In exchange, Intel's property values associated with the new investment will be capped at \$100 million and Intel will pay the County a fee of 25% of the tax savings up to \$2 million per year. The County will receive an estimated \$110 million over the life of this agreement. Some of the funds will be split with other jurisdictions. The County entered into a new SIP program with Intel in 2005. The new program covers potential investment of \$25 billion. Although the new agreement is in place, investment is not expected to begin for several years.

Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to Washington County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. This was the twenty-first consecutive year the County received this prestigious award. In order to be awarded a Certificate of Achievement, the government 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 one year only. We believe our current CAFR continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated service of the entire Finance Division and other County staff. We wish to express our appreciation to all members of the County staff who assisted and contributed to the preparation of this report. Credit also must be given to the Board of County Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Washington County's finances.

Respectfully submitted,


Mary E. Gruss
Chief Finance Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Washington County
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.



A handwritten signature in black ink, appearing to read "M. L. R.", written in a cursive style.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", written in a cursive style.

Executive Director

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**WASHINGTON COUNTY,
OREGON**

**FINANCIAL
SECTION**

SECTION II

INDEPENDENT AUDITOR'S REPORT

January 23, 2009

Board of Commissioners
Washington County
Hillsboro, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washington County, Oregon (the County), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2009, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part

INDEPENDENT AUDITOR'S REPORT (Continued)

Board of Commissioners
Washington County
January 23, 2009
Page 2

of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

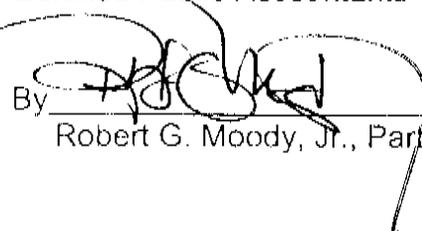
Management's Discussion and Analysis on pages, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries 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.

The budgetary comparison information for the General Fund and major special revenue funds, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. This budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respect in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual major and nonmajor fund financial statements and schedules, and other schedules, listed in the Table of Contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Introductory and Statistical Sections, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

TALBOT, KORVOLA & WARWICK, LLP
Certified Public Accountants

By 

Robert G. Moody, Jr., Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2008

Introduction

Washington County's management discussion and analysis offers readers of the County's financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, and in the financial statements and notes to the basic financial statements (which immediately follow this discussion).

The County has five component units included in this presentation – Clean Water Services, the Housing Authority of Washington County, Washington County Service District for Lighting No. 1, Washington County Enhanced Sheriff Patrol District, and the Washington County Urban Road Maintenance Service District.

Financial Highlights (dollars in thousands)

- The assets of Washington County exceeded its liabilities at June 30, 2008 by \$2,860,186. Net assets invested in capital assets (net of depreciation and related debt) were \$2,531,084 and account for 89% of total net assets. Of the remaining net assets, \$285,923 may be used to meet the County's ongoing obligations to citizens and creditors.
- As of June 30, 2008, Washington County's governmental funds reported combined unreserved ending fund balances of \$191,855.
- Unreserved fund balance for the General Fund was \$41,522 at June 30, 2008, amounting to 38.8% of total General Fund expenditures for 2008.
- Unreserved fund balance for the Major Streets Transportation Improvement Program III Fund (MSTIP III) was \$55,908 at June 30, 2008, amounting to 178.9% of total MSTIP III expenditures. Unreserved fund balance for the Road Fund was \$14,044 at June 30, 2008, amounting to 48.0% of total Road Fund expenditures. Unreserved fund balance for the Human Services Fund was \$2,115 or 11.5% of fund expenditures. Unreserved fund balance for the HOME Fund was \$1 or .03 % of fund expenditures.
- Washington County has issued general obligation bonds for capital construction, capital acquisition, and refunding bonds to refund prior bond issuances with higher interest rates. The bonds are payable through fiscal year 2014. All the general obligation bonds and refunding bonds will be paid with property tax revenues.
- Clean Water Services (the District) has issued sewer revenue bonds for capital expansion of the sewer treatment plants and collection system. The bonds are payable through fiscal year 2028. All the sewer revenue bonds will be paid with the District's net revenue as defined in the bond indenture agreements.
- The Housing Authority has issued revenue bonds for acquiring and rehabilitating low-income housing. The bonds are payable through fiscal year 2034. All the Authority's revenue bonds will be paid from the Trust Estate as defined in the bond indenture agreements.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2008

- Washington County's governmental activities total general obligation debt at June 30, 2008 was \$33,570, with a remaining capacity for voter-approved debt at \$1,504,814. Total non-voter approved full faith and credit debt at June 30, 2008 was \$85,905, with remaining capacity for this type of debt at \$683,287.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

The *Statement of Net Assets* provides information about all the County'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 a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how net assets changed during fiscal year 2008. All changes in net assets are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods, such as uncollected taxes and earned but unused vacation leave.

Because the Statement of Activities separates program revenue from general revenue, it shows to what extent each program has to rely on taxes for funding. All changes in net assets are reported on the accrual basis of accounting similar to the method used by most private-sector companies.

Both of these Government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a portion of their costs through user fees and charges. The governmental activities of the County include general government, public safety and justice, land use, housing and transportation, health and human services, culture education and recreation and other non-operating activities. The business-type activities include housing, sanitation, surface water and street lighting.

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

Fund Financial Statements

Fund financial statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2008

Governmental Funds

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 the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements. Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's long-term financing decisions. The governmental funds' Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances each provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

The County maintains fifty-seven individual governmental funds. Information is presented separately in the governmental funds' Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, HOME Fund, Human Services Fund, Major Streets Transportation Improvement Program III Fund, and Road Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Governmental funds financial statements can be found on pages 35 and 37 of this report.

Proprietary Funds

Proprietary funds are maintained in two ways. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for Clean Water Services' sanitary and surface water programs, Housing Authority's programs and for the District for Lighting. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for self-insurance funds, fleet operations and other functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County's Internal Service funds are combined into a single, aggregated presentation in the Proprietary funds financial statements. Individual fund data for the Internal Service funds is provided in the form of combining statements elsewhere in this report.

The Proprietary funds financial statements can be found on pages 39 through 41 of this report.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2008

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for Fiduciary funds is much like that used for Proprietary funds except for Agency funds.

The Fiduciary fund financial statements can be found on pages 42 and 43 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Basic Financial Statements can be found immediately following the basic financial statements in this report.

Government-wide Financial Analysis (dollars in thousands)

Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Washington County's net assets totaled \$2,860,186 at June 30, 2008. The following table reflects the condensed Government-wide Statement of Net Assets with a comparison to the prior year.

Washington County, Oregon						
Statement of Net Assets						
	Government activities		Business-type activities		Totals	
	2008	2007	2008	2007	2008	2007
Current assets	\$ 161,626	221,872	89,163	101,406	250,789	323,278
Noncurrent assets	139,292	70,282	21,099	20,615	160,391	90,897
Capital assets (net of depreciation)	2,258,583	2,284,150	580,928	565,246	2,839,511	2,849,396
Total assets	2,559,501	2,576,304	691,190	687,267	3,250,691	3,263,571
Current liabilities	59,967	63,411	36,211	35,659	96,178	99,070
Noncurrent liabilities	117,965	124,514	176,362	195,016	294,327	319,530
Total liabilities	177,932	187,925	212,573	230,675	390,505	418,600
Net assets:						
Invested in capital assets, net of related debt	2,135,921	2,151,850	395,163	363,438	2,531,084	2,515,288
Restricted	239	170	27,582	28,948	27,821	29,118
Unrestricted	245,409	236,359	55,872	64,206	301,281	300,565
Total net assets	\$ 2,381,569	2,388,379	478,617	456,592	2,860,186	2,844,971

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2008

Government-wide Financial Analysis (dollars in thousands) (Continued)

Statement of Net Assets (Continued)

The largest portion of the County's net assets (89%) represents investments in capital assets net of related debt. These assets include existing infrastructure assets and current year additions to roads, as well as housing units, sanitary and storm drainage sewer infrastructure and County facilities and parks. These assets are used to provide services to the citizens of the County.

Another significant portion of net assets – \$301,281 – are unrestricted. These assets can be used by the County to meet the ongoing obligations to citizens and creditors. This represents 10 % of net assets. The remaining net assets of \$27,821 are restricted by external authorities and can only be used for the narrow purposes set forth by statute or other regulation.

At the end of the fiscal year, the County reported positive balances in all three categories of net assets, both for the County as a whole as well as for its separate governmental and business-type activities.

Statement of Activities

The County's total net assets increased by \$17,150 in 2008. Clean Water Services has restated its beginning net assets to record a correction for charges to the City of Portland for Fanno Creek overflows that were recorded twice, change in valuation reporting for delinquent utility customer accounts receivable sent to the collection agency, and capital assets that were previously capitalized and determined to be an expense. The net effect of the restatements is a decrease in beginning net assets of (\$1,935).

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2008

**Washington County, Oregon
Changes in Net Assets**

	Government activities		Business-type activities		Totals	
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues						
Charges for services	\$ 96,805	81,433	91,806	84,720	188,611	166,153
Operating grants and contributions	88,512	98,844	19,801	18,920	108,313	117,764
Capital grants and contributions	1,690	71,081	22,442	17,732	24,132	88,813
General Revenues						
Taxes	153,432	122,071	-	-	153,432	122,071
Interest income	10,377	13,031	3,475	4,922	13,852	17,953
Miscellaneous revenue	641	22,645	-	6,236	641	28,881
Gain on disposal of capital assets	-	-	2,724	-	2,724	-
Loss on equity in joint venture	-	-	(82)	-	(82)	-
Total revenues	351,457	409,105	140,166	132,530	491,623	541,635
Program Expenses						
General government	41,833	35,283	-	-	41,833	35,283
Public safety and justice	101,859	107,566	-	-	101,859	107,566
Land use, housing and transportation	111,906	181,858	27,112	25,967	139,018	207,825
Health and human services	51,555	56,507	-	-	51,555	56,507
Culture, education and recreation	23,218	27,854	-	-	23,218	27,854
Sanitation and surface water	-	-	87,319	84,199	87,319	84,199
Street lighting	-	-	1,775	1,726	1,775	1,726
Non-departmental	21,078	5,119	-	-	21,078	5,119
Interest expense	6,818	6,370	-	-	6,818	6,370
Total expenses	358,267	420,557	116,206	111,892	474,473	532,449
Change in net assets	(6,810)	(11,452)	23,960	20,638	17,150	9,186
Net assets beginning of year	2,388,379	2,399,831	456,592	436,147	2,844,971	2,835,978
Restatement - See note 15	-	-	(1,935)	(193)	(1,935)	(193)
Net assets, beginning of year, as restated	2,388,379	2,399,831	454,657	435,954	2,843,036	2,835,785
Net assets end of year	\$ 2,381,569	2,388,379	478,617	456,785	2,860,186	2,844,971

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2008

Government-wide Financial Analysis (dollars in thousands) (Continued)

Key elements of the changes in net assets are as follows:

For governmental activities, revenues decreased by (\$57,618) while at the same time, expenses decreased by (\$62,290) to make up the total increase in the change in net assets from the previous year of \$4,642.

The major causes of the change in revenues was a change in the way miscellaneous revenues were accounted for and reported, causing a decrease of approximately (\$22,000), and an increase in taxes caused by the passage of local option levies for public safety and justice and cooperative library services that increased taxes for fiscal year 2007-08 by about \$34,000. There was a decrease in program revenues with a reduction in donated capital from developers in combination with the way in which bridge retrofit moneys received from the State were reported that caused a decrease of approximately (\$67,000). These activities had a net effect of reducing revenues by about (\$55,000).

Governmental expenses experienced a net decrease of (\$62,290) due primarily to decreases in Public Safety and Justice, (\$5,707); Land Use and Transportation, (\$69,952); and Health and Human Services, (\$4,952). All of these account for a change of (\$80,611) for over 129.0% of the decrease in expenses compared with the previous year.

Public safety expenses decreased due to a change in the accounting for bridging loans by the General Fund in anticipation of revenues to be received from the local option levy.

The primary cause of decreased expense in Land Use and Transportation is the completion and Washington County's subsequent decreased investment in the Commuter Rail project by about (\$41,000).

Health and Human Services expenses decreased by about (\$4,952) because the State started paying providers of certain mental health services directly, rather than passing payments through the County.

Net assets related to business-type activities grew by just over \$3,300. The growth of net assets for business-type activities was primarily the result of Clean Water Services activity attributed to SDC's and developer contributions of about \$21,671 and the Housing Authority's growth of net assets of about \$700 primarily due to increased Housing Choice Voucher receipts.

Financial Analysis of the County's Funds

As noted earlier, Washington County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Following are financial analyses of the County's major governmental and proprietary funds.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

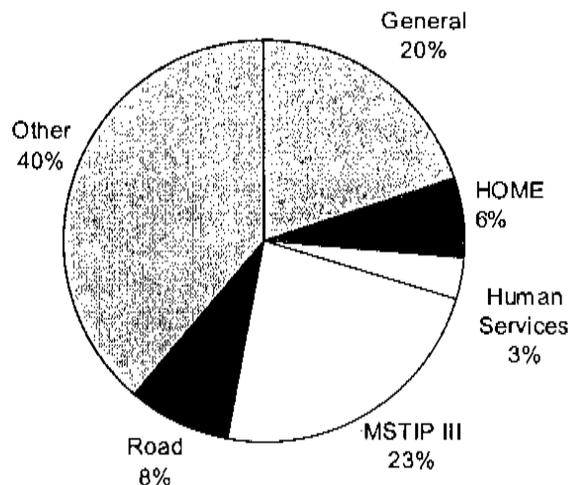
JUNE 30, 2008

Financial Analysis of the County's Funds (Continued)

Governmental Funds Balance Sheet Analysis

The General, Home, Human Services, MSTIP III, and the Road funds are all considered major funds. Together, these five funds account for 61% of the governmental funds assets and 59% of governmental fund balance. The following chart shows the total assets by governmental fund:

Governmental Fund Assets



As of June 30, 2008, the County's governmental funds reported combined fund balances of \$191,855. The majority of this amount is unreserved and available for spending within the designated funds. The General Fund had an unreserved fund balance of \$41,522 or 21.6% of total governmental fund balance.

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances Analysis

The MSTIP III Fund accounts for major streets and transportation improvement projects throughout the County. Such projects are funded through a transfer from the General Fund each year.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2008

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances Analysis (Continued)

Governmental Fund Revenues/Expenditures Analysis

	General Fund	HOME Fund	Human Services Fund	Major Streets Transportation Improvement Program III Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 96,653	—	—	—	943	51,846	149,442
Licenses and permits	5,806	—	—	—	159	3,448	9,213
Intergovernmental revenues	18,104	2,984	16,625	1,609	19,018	27,653	85,993
Charges for services	6,763	—	36	—	880	33,360	41,039
Fines and forfeitures	3,167	—	—	—	—	366	3,533
Special assessments	—	—	—	—	97	127	224
Miscellaneous revenues	6,737	222	462	2,725	1,427	25,496	37,069
Interfund revenues	5,472	—	131	—	7,015	15,665	28,283
Total revenues	142,502	3,206	17,254	4,334	29,539	157,961	354,786
Expenditures:							
Current:							
General government	32,603	—	—	—	—	6	32,609
Public safety and justice	51,722	—	—	—	—	62,694	114,416
Land use, housing and transportation	2,979	3,205	—	27,411	29,580	31,420	94,595
Health and human services	16,265	—	18,402	—	—	17,938	52,605
Culture, education and recreation	955	—	—	—	—	22,126	23,081
Nonoperating	1,469	—	—	—	—	6,433	7,902
Total current	105,993	3,205	18,402	27,411	29,580	140,617	325,208
Capital outlay	585	—	—	3,841	48	4,886	9,360
Debt service:							
Principal	285	—	—	—	26	43,738	44,049
Interest	142	—	—	—	6	6,038	6,186
Total debt service	427	—	—	—	32	49,776	50,235
Total expenditures	107,004	3,205	18,402	31,252	29,660	195,279	384,802
Excess (deficiency) of revenues over (under) expenditures	35,498	1	(1,148)	(26,918)	(121)	(37,318)	(30,003)
Other financing sources (uses):							
Proceeds from debt	—	—	—	—	—	34,125	34,125
Operating transfers in from other funds	12,993	—	1,825	26,203	744	27,459	69,224
Operating transfers out to other funds	(50,449)	—	(24)	(454)	(761)	(17,533)	(69,224)
Total other financing sources (uses)	(37,456)	—	1,801	25,749	(17)	44,051	34,125
Net changes in fund balance	(1,958)	1	653	(1,169)	(138)	6,733	4,122
Fund balances July 1, 2007	43,480	—	1,462	57,077	14,360	71,355	187,733
Fund balances June 30, 2008	\$ 41,522	1	2,115	55,908	14,222	78,088	191,855

The five major funds account for 51.7% of total governmental revenues and other financing sources and 52.7% of total governmental expenditures and other financing uses.

The Human Services fund receives 87.1% of its funding from state and federal grants and programs.

Property taxes are the single largest revenue source and represent 62% of General Fund revenues.

Over 80% of all governmental expenditures are accounted for in the Public Safety and Justice, Land Use, Housing and Transportation, and Health programs.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2008

Enterprise Funds Net Assets Analysis

The County and its component units together include three enterprise funds. The Statement of Net Assets for this fund group indicates that, in total, the enterprise activities of the County ended the year with net assets of \$478,617. This represents an increase of \$23,960 in net assets for the year, or 5.0%.

Enterprise activities include Clean Water Services, the Housing Authority of Washington County and the County Service District for Lighting. Clean Water Services' net assets increased by \$20,170 including restatements of (\$1,935), the Housing Authority's net assets increased by \$1,726 and the Service District for Lighting's net assets increased by \$129.

Net assets for enterprise funds of \$478,617 include investments in capital assets net of related debt in the amount of \$395,163, restricted net assets of \$27,582 and unrestricted net assets of \$55,872. Restricted net assets are mostly cash and cash equivalents dedicated to certain projects or activities by rule or regulation that cannot be spent for other purposes. Unrestricted net assets represent 11.7% of total net assets for the proprietary funds.

Enterprise Funds Revenue and Expense Analysis

Enterprise fund operating revenues increased by \$3,836 over last year, a 3.6% increase. The increase is substantially due to a 3.5% sanitary sewer rate increase by Clean Water Services.

Total operating expenses for enterprise funds increased \$5,450 or 5.5% due to increases in most expense categories. The largest increases were seen in labor and fringe benefits; utilities; supplies; and insurance claims and premiums.

Clean Water Services' major source of revenue is in the form of charges for services. Such revenues totaling \$83,050 for the year are collected from users of the Sanitary and Storm Sewer facilities throughout the County. Most charges are collected by water districts or cities on behalf of the District and remitted to the District on a daily basis. The largest expenses for the District are depreciation and amortization of \$31,620, labor and fringe benefits of \$24,573 and interest expense of \$9,037.

The Housing Authority's major revenue source is in the form of state and federal housing funds amounting to \$19,801. The Authority also received rent from tenants of Housing properties in the amount of \$4,335. Both of these revenue sources are consistent with prior year's levels with an increase of 3.3% for the year. The two largest expenses for the Authority were \$16,640 for housing and assistance payments and \$3,735 for administrative costs. The Authority contracts with the County for all administrative functions. Housing assistance payments increased by \$562, up 3.5% from the prior year.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2008

General Fund Budgetary Highlights

**Washington County, Oregon
General Fund Changes in Budget
2007-08**

	<u>Adopted Budget</u>	<u>Approved Changes</u>	<u>Final Budget</u>	
			<u>2007-08</u>	<u>2006-07</u>
Revenues:				
Taxes	\$ 96,725	-	96,725	93,972
Licenses and permits	4,933	-	4,933	4,746
Intergovernmental	15,599	125	15,724	14,277
Charges for services	8,169	-	8,169	7,966
Fines and forfeitures	3,460	-	3,460	3,031
Miscellaneous	5,329	230	5,559	6,077
Interfund revenues	5,730	-	5,730	4,997
Total revenues	<u>139,945</u>	<u>355</u>	<u>140,300</u>	<u>135,066</u>
Expenditures:				
General government	35,089	20	35,109	33,078
Public safety and justice	53,657	831	54,488	50,134
Land use, housing and transportation	3,062	-	3,062	3,435
Health and human services	16,493	479	16,972	15,094
Culture, education and recreation	1,042	-	1,042	1,003
Non-departmental	1,218	380	1,598	1,278
Operating contingency	28,600	(1,413)	27,187	26,297
Total expenditures	<u>139,161</u>	<u>297</u>	<u>139,458</u>	<u>130,319</u>
Excess of revenues over expenditures	<u>784</u>	<u>58</u>	<u>842</u>	<u>4,747</u>
Other financing sources (uses):				
Transfers in	17,529	-	17,529	23,705
Transfers out	<u>(54,958)</u>	<u>(58)</u>	<u>(55,016)</u>	<u>(67,928)</u>
Total other financing sources (uses)	<u>(37,429)</u>	<u>(58)</u>	<u>(37,487)</u>	<u>(44,223)</u>
Net change in fund balance	(36,645)	-	(36,645)	(39,476)
Fund balance, July 1, 2007	<u>36,645</u>	-	<u>36,645</u>	<u>39,476</u>
Fund balance, June 30, 2008	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

Analysis of Budget Changes

The Fiscal Year 2007-08 County budget was adopted in June of 2008 and took effect July 1, 2008. The budget provides appropriation authority for expenditures for the fiscal year. Oregon Budget Law allows the Board of County Commissioners to adjust the budget under certain circumstances.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2008

General Fund Budgetary Highlights (Continued)

Analysis of Budget Changes (Continued)

Several budget adjustments were approved during the year recognizing additional revenue and increased appropriations in General Fund programs. Others transferred contingency in the General Fund to increase appropriations in other funds. The above table shows the budget changes with the majority of the changes being made to General Fund contingency and transfers out.

The following schedule shows the budget to actual comparison for the General Fund using the revised adopted budget.

**Washington County, Oregon
General Fund Revenues, Expenditures, and Changes
in Fund Balance – Budget and Actual
for the year ended June 30, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:			
Taxes	\$ 96,725	96,653	(72)
Licenses and permits	4,933	5,606	673
Intergovernmental	15,724	18,104	2,380
Charges for services	8,169	6,763	(1,406)
Fines and forfeitures	3,460	3,167	(293)
Miscellaneous	5,559	6,737	1,178
Interfund revenues	5,730	5,472	(258)
Total revenues	<u>140,300</u>	<u>142,502</u>	<u>2,202</u>
Expenditures:			
General government	35,109	32,837	2,272
Public safety and justice	54,488	52,404	2,084
Land use, housing and transportation	3,062	2,979	83
Health and human services	16,972	16,320	652
Cullture, education and recreation	1,042	995	47
Non-departmental	1,598	1,469	129
Operating contingency	27,187	-	27,187
Total expenditures	<u>139,458</u>	<u>107,004</u>	<u>32,454</u>
Excess of revenues over expenditures	<u>842</u>	<u>35,498</u>	<u>34,656</u>
Other financing sources (uses):			
Transfers in	17,529	16,993	(536)
Transfers out	(55,016)	(54,449)	567
Total other financing sources (uses)	<u>(37,487)</u>	<u>(37,456)</u>	<u>31</u>
Net change in fund balance	(36,645)	(1,958)	34,687
Fund balance, July 1, 2007, as restated	36,645	39,480	2,835
Fund balance, June 30, 2008	<u>\$ -</u>	<u>37,522</u>	<u>37,522</u>

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2008

General Fund Budgetary Highlights (Continued)

Analysis of General Fund Budget to Actual

The general fund finished the year with a fund balance of \$37,522, including restatements of (\$8,026) reflecting a decrease in fund balance of (\$1,958) over the previous year. The County's modified budget for the year anticipated an ending fund balance of zero but included a contingency amount of \$27,187. Very little of the contingency is typically appropriated and spent during the year.

The ending fund balance is the result of revenues being greater than anticipated by \$2,201 and expenditures being less than anticipated by \$5,267 in addition to unspent contingency of \$27,187. Net transfers in and out of the General Fund produced another \$31 in net revenue.

The largest revenue contributor to the greater-than-anticipated fund balance was increased intergovernmental revenues in the general government functional area, comprised primarily of state-shared liquor revenue, Oregon and California land grant revenues, video lottery proceeds, an operating grant to law enforcement services, and assistance with jail housing of inmates; collectively totaling about \$2,373. All of these programs' state revenues exceeded budget estimates.

All expenditure categories spent less than anticipated in the budget. When the operating contingency category is ignored, the remaining budget savings is \$5,267. The major contributors to less-than-anticipated expenditures were general government \$2,272 and public safety \$2,084. Savings in the general government functional area were due to less-than-anticipated costs in many budgeted categories. Elections spent less on printing and postage; Assessment and Taxation experienced extensive savings in wages, salaries, benefits, and bilingual pay, as well as copier maintenance, engineering support and the decision to apparently re-evaluate the awarding of a service contract, due to a reduction in demand for recording and mapping services. Human Resources reduced expenditures across the board in almost all categories and ITS Operations also experienced personal services savings.

Public safety expenditures were less than anticipated due to savings in the District Attorney's office, Law Enforcement Services, the Sheriff's Office Administration and Jail operations comprised of the following: wages, salaries, benefits, contracted services related to juries, witnesses, towing, polygraph activity, computer equipment, the OCEM director's salary and OCEM website maintenance, as well as savings on small equipment, ammunition, vehicles and vehicle maintenance.

Capital Assets and Debt Administration

Capital Assets

The County's total investment in capital assets, including construction in progress, for governmental and business type activities net of depreciation, as of June 30, 2008, amounted to \$2,839,511. Of this total investment, 20.5% was made by business-type activities of the County's component units with the balance being made through governmental activities.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2008

Capital Assets and Debt Administration (Continued)

Capital Assets (Continued)

The County's governmental funds account for capital assets, net of depreciation, in the amount of \$2,258,583.

Additional information on Washington' County's capital assets can be found in note 4 on pages 58 and 59 of this report.

Clean Water Services' investment in capital assets, net of depreciation, amounts to \$545.8 million, and these assets, net of related debt, comprise approximately 83.9% of total net assets. These assets include land, sewer lines, treatment plants, buildings, plant and office equipment and automotive equipment.

The Housing Authority's investment in capital assets, net of accumulated depreciation was \$35.1 million. These assets, net of related debt, comprise approximately 37.8%. These assets are comprised of land, buildings, improvements, equipment, vehicles and office equipment.

Long-term Debt

At June 30, 2008, Washington County had total debt outstanding of \$328,743. Outstanding debt included \$133,500 in debt related to governmental activities and \$195,243 related to business-type activities. Debt related to governmental activities is either voter-approved general obligation debt secured by the taxing authority of the County, debt secured by the full faith and credit of the County, or obligations related to vested compensated absences and other post employment benefits. Revenue bonds secured solely by specified enterprise revenue sources amounted to \$192,165.

At June 30, 2008, the County had other post-employment benefits obligation of \$1,895 related to governmental activities and \$226 related to business-type activities.

The County's remaining capacity for voter approved debt is \$1,504,814. Total non-voter approved full faith and credit debt at June 30, 2008 was \$85,905 with remaining capacity for this type of debt at \$683,287. Additional information related to debt can be found in notes 6 and 7 on pages 60 through 67 of this report.

Economic Factors

The County government is funded through a variety of revenue sources including property taxes, state and federal funding, user fees and other revenues. The recessionary economy of the past several years has affected those programs dependent on state funding due to the decreases in income tax revenues to the State of Oregon. State funded programs include public safety, mental health, aging and disability services and other public health programs. Property tax revenues continue to grow.

Over the past several years, the County funded an enhanced level of public safety services through a five-year local option levy approved by the voters. The replacement levy was placed before voters in November 2006 to renew the service level for another four years

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

JUNE 30, 2008

Economic Factors (Continued)

and passed, taking affect on July 1, 2007. A new Library system local option levy also received voter approval in November 2006 and became effective at the same time. It provides an estimated \$13 million in revenue to the Countywide Library system through 2011. Most of the Library funds will be distributed to City libraries in the County. Property tax revenues are still increasing, but the real estate transfer tax rate of growth continued to decline during 2007-08 due to the general slow down in the real estate market, this revenue source has been and is anticipated to grow more slowly during the upcoming year. The transfer tax is a General Fund discretionary revenue source.

Requests for Information

This financial report is designed to provide a general overview of Washington County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Washington County Finance Division, 155 N. First Avenue, Hillsboro, Oregon 97124-3072.

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BASIC FINANCIAL STATEMENTS

WASHINGTON COUNTY, OREGON

Statement of Net Assets

June 30, 2008

(Dollars in thousands)

Assets	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Current assets:			
Cash and investments	\$ 136,948	73,026	209,974
Restricted cash	34	—	34
Property taxes receivable	4,746	—	4,746
Assessments receivable, short-term portion	74	66	140
Accounts receivable	13,500	12,866	26,366
Accrued interest receivable	2,998	—	2,998
Housing Authority Loan receivable, short term portion-internal balance	60	(60)	—
Contract receivable, short-term portion	1,910	9	1,919
Connection charges receivable	—	152	152
Deposits	—	3	3
Inventories	570	569	1,139
Prepaid pension obligation, short-term portion	678	584	1,262
Current portion of receivable from the City of Forest Grove	—	152	152
Prepaid bond issuance costs, short-term portion	57	123	180
Other current assets	51	1,673	1,724
Total current assets	161,826	89,163	250,789
Noncurrent assets:			
Long-term investments	110,570	—	110,570
Long-term assessments receivable	87	1,099	1,166
Contracts receivable, net - long-term portion	14,816	—	14,816
Housing Authority loan receivable, net - internal balance long-term portion	818	(818)	—
Investments in Joint Venture	—	3,088	3,088
Other noncurrent assets	—	2,063	2,063
Prepaid bond issuance costs, net of current year amortization, long-term portion	602	1,373	1,975
Prepaid pension obligation, net	12,419	14,294	26,713
Non-capital assets	139,292	21,099	160,391
Capital assets:			
Land, CIP and other assets not being depreciated	969,070	105,207	1,074,277
Buildings and equipment, infrastructure and other assets net of depreciation	1,289,513	475,721	1,765,234
Capital assets, net	2,258,583	580,928	2,839,511
Total noncurrent assets	2,397,875	602,027	2,999,902
Total assets	2,559,501	691,190	3,250,691
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	15,504	10,543	26,047
Accrued payroll liabilities	7,365	2,805	10,170
Accrued self insurance	3,152	373	3,525
Accrued IBNR reserve	1,770	—	1,770
Amounts held in trust	329	—	329
Unearned revenue	8,327	19	8,346
Tenant and other deposits	7,353	636	7,989
Accrued interest payable	632	2,954	3,586
Long-term obligations, current portion, net of discount	15,535	18,881	34,416
Total current liabilities	59,867	36,211	96,178
Noncurrent liabilities:			
Bond and bond anticipation notes payable, net of discount	28,843	174,111	202,954
Capital lease obligations	1,343	—	1,343
Noncurrent portion of other long term obligations, net of discount	85,884	2,025	87,909
Net other postemployment benefits obligation	1,895	226	2,121
Total noncurrent portion of long-term obligations	117,965	176,362	294,327
Total liabilities	177,932	212,573	390,505
Net assets:			
Investment in capital assets, net of related debt	2,135,921	395,163	2,531,084
Restricted for:			
Capital projects	—	22,773	22,773
Debt service	239	4,809	5,048
Unrestricted	245,409	55,872	301,281
Total net assets	2,381,569	478,617	2,860,186
Total liabilities and net assets	\$ 2,559,501	691,190	3,250,691

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON
Statement of Activities
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	Expenses	Program Income			Net (Expense) Revenue and Changes In Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	
Functions/Programs:							
Primary Government:							
Governmental activities:							
General government	\$ 41,833	24,551	19,516	4	2,238	—	2,238
Public safety and justice	101,859	1,683	14,227	59	(85,890)	—	(85,890)
Land use, housing and transportation	111,906	33,387	32,197	1,603	(44,719)	—	(44,719)
Health and human services	51,555	11,526	22,116	—	(17,913)	—	(17,913)
Culture, education and recreation	23,218	1,030	245	1	(21,942)	—	(21,942)
Non-operating functional area	21,078	24,628	211	23	3,784	—	3,784
Interest expense	6,818	—	—	—	(6,818)	—	(6,818)
Total governmental activities	358,267	96,805	88,512	1,690	(171,260)	—	(171,260)
Business-type activities:							
Housing authority	27,112	5,212	19,801	771	—	(1,328)	(1,328)
Sanitation and surface water	87,319	84,754	—	21,871	—	19,106	19,106
Street lighting	1,775	1,840	—	—	—	65	65
Total business-type activities	116,206	91,806	19,801	22,442	—	17,843	17,843
Total primary government	\$ 474,473	188,611	108,313	24,132	(171,260)	17,843	(153,417)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					135,409	—	135,409
Property taxes, levied for debt service					7,770	—	7,770
Other taxes:							
Transient lodging					5,115	—	5,115
Real property transfer tax					4,168	—	4,168
County fuel tax					943	—	943
Other tax					27	—	27
Interest income					10,377	3,475	13,852
Miscellaneous revenues					641	—	641
Gain on disposal of capital assets					—	2,724	2,724
Loss on equity in joint venture					—	(82)	(82)
Total general revenues					164,450	6,117	170,567
Change in net assets					(6,810)	23,960	17,150
Net assets, beginning of year,					2,388,379	456,592	2,844,971
Restatement - See note 15					—	(1,935)	(1,935)
Net assets, beginning of year, as restated					2,388,379	454,657	2,843,036
Net assets, end of year					\$ 2,381,569	478,617	2,860,186

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Balance Sheet
 Governmental Funds
 June 30, 2008
 (Dollars in thousands)

Assets	General Fund	HOME Fund	Human Services Fund	Major Streets	Road Fund	Other	Total
				Transportation Improvement Program III Fund		Governmental Funds	
Assets:							
Cash and investments	\$ 37,409	—	7,792	59,779	19,557	92,825	217,362
Property taxes receivable	3,229	—	—	—	—	1,517	4,746
Assessments receivable	3	—	—	—	88	50	141
Accounts receivable	5,505	196	1,197	72	1,988	4,504	13,462
Accrued interest receivable	1,807	993	—	—	—	198	2,998
Contracts receivable	—	14,922	—	—	—	1,804	16,726
Due from other funds	4,373	—	—	—	—	—	4,373
Inventory	—	—	—	—	178	2	180
Other assets	21	—	—	—	—	30	51
Total assets	52,348	16,111	8,989	59,851	21,811	100,930	260,039
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	2,707	58	2,717	3,909	1,012	4,649	15,052
Accrued payroll liabilities	4,196	4	171	—	734	2,082	7,189
Deposits payable	113	—	—	—	5,506	1,735	7,354
Amounts held in trust	266	—	—	—	59	4	329
Accrued OHP payable	—	—	—	—	—	1,770	1,770
Due to other funds	6	134	—	—	—	4,233	4,373
Deferred revenue	3,538	15,915	3,986	34	278	8,370	32,120
Total liabilities	10,826	16,111	6,874	3,943	7,589	22,843	68,187
Fund equity							
Fund balances:							
Reserved fund balance:							
Advances	4,000	—	—	—	—	—	4,000
Special Revenue	—	—	—	—	—	2	2
Debt Service	—	—	—	—	—	237	237
Capital Projects	—	—	—	—	178	904	1,082
Total reserved fund balances	4,000	—	—	—	178	1,143	5,321
Unreserved fund balance:							
General Fund	37,522	—	—	—	—	—	37,522
Special Revenue Funds	—	1	2,115	55,908	14,044	76,002	148,070
Capital Projects Funds	—	—	—	—	—	942	942
Total unreserved fund balances	37,522	1	2,115	55,908	14,044	76,944	186,534
Total fund balance	41,522	1	2,115	55,908	14,222	78,088	191,855
Total liabilities and fund balance \$	52,348	16,111	8,989	59,851	21,811	100,930	260,039

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Reconciliation of the Governmental Funds Balance Sheet to the
Government-wide Statement of Net Assets - Governmental Activities

June 30, 2008

(Dollars in thousands)

Fund balances - total governmental funds	\$ 191,855
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 governmental funds.	2,250,979
Prepaid pension obligations are not financial resources in governmental funds, but are reported in the Statement of Net Assets at their net unamortized value.	13,097
Bond issuance costs are recognized in the period paid in governmental funds, but are deferred and amortized in the Statement of Net Assets.	659
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds	2,113
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	22,559
Long-term liabilities, including bonds payable, are not due and payable in the current period, and; therefore, are not reported in the governmental funds.	(134,233)
Internal Service Funds are used by management to charge the costs of activities to individual funds. Net assets of the internal service funds that are reported with governmental activities	<u>34,540</u>
Net assets of governmental activities	<u>\$ 2,381,569</u>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON
Statement of Revenues, Expenditures and Changes
in Fund Balance - Governmental Funds
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	General Fund	HOME Fund	Human Services Fund	Major Streets Transportation Improvement Program III Fund	Road Fund	Other Governmental Funds	Total
Revenues:							
Taxes	\$ 96,653	—	—	—	943	51,846	149,442
Licenses and permits	5,606	—	—	—	159	3,448	9,213
Intergovernmental revenues	18,104	2,984	16,625	1,609	19,018	27,653	85,993
Charges for services	6,763	—	36	—	880	33,360	41,039
Fines and forfeitures	3,167	—	—	—	—	366	3,533
Special assessments	—	—	—	—	97	127	224
Miscellaneous revenues	6,737	222	462	2,725	1,427	25,496	37,069
Interfund revenues	5,472	—	131	—	7,015	15,665	28,283
Total revenues	<u>142,502</u>	<u>3,206</u>	<u>17,254</u>	<u>4,334</u>	<u>29,539</u>	<u>157,961</u>	<u>354,799</u>
Expenditures:							
Current:							
General government	32,603	—	—	—	—	6	32,609
Public safety and justice	51,722	—	—	—	—	62,694	114,416
Land use, housing and transportation	2,979	3,205	—	27,411	29,580	31,420	94,595
Health and human services	16,265	—	18,402	—	—	17,938	52,605
Culture, education and recreation	955	—	—	—	—	22,126	23,081
Nonoperating	1,469	—	—	—	—	6,433	7,902
Total current	<u>105,993</u>	<u>3,205</u>	<u>18,402</u>	<u>27,411</u>	<u>29,580</u>	<u>140,617</u>	<u>325,208</u>
Capital outlay	585	—	—	3,841	48	4,886	9,360
Debt service:							
Principal	285	—	—	—	26	43,738	44,049
Interest	142	—	—	—	6	6,038	6,186
Total debt service	<u>427</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>32</u>	<u>49,776</u>	<u>50,235</u>
Total expenditures	<u>107,004</u>	<u>3,205</u>	<u>18,402</u>	<u>31,252</u>	<u>29,660</u>	<u>195,279</u>	<u>384,802</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,498</u>	<u>1</u>	<u>(1,148)</u>	<u>(26,918)</u>	<u>(121)</u>	<u>(37,319)</u>	<u>(30,003)</u>
Other financing sources (uses):							
Proceeds from debt	—	—	—	—	—	34,125	34,125
Operating transfers in from other funds	12,993	—	1,825	26,203	744	27,459	69,224
Operating transfers out to other funds	(50,449)	—	(24)	(454)	(761)	(17,533)	(69,224)
Total other financing sources (uses)	<u>(37,456)</u>	<u>—</u>	<u>1,801</u>	<u>25,749</u>	<u>(17)</u>	<u>44,051</u>	<u>34,125</u>
Net changes in fund balance	<u>(1,958)</u>	<u>1</u>	<u>653</u>	<u>(1,169)</u>	<u>(138)</u>	<u>6,733</u>	<u>4,122</u>
Fund balances July 1, 2007	43,480	—	1,462	57,077	14,360	71,355	187,733
Fund balances June 30, 2008	<u>\$ 41,522</u>	<u>1</u>	<u>2,115</u>	<u>55,908</u>	<u>14,222</u>	<u>78,088</u>	<u>191,855</u>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON
 Reconciliation of the Governmental Funds Statement of Revenues,
 Expenditures and Changes in Fund Balance to the
 Government-wide Statement of Activities - Governmental Activities
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

Net change in fund balances - Governmental Funds	\$	4,122
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded net additions in the current period.		(30,403)
The issuance of long-term debt provides current financial resources to government 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.		
Issuance of long-term debt	\$ (34,125)	
Repayment of long-term debt	44,049	
Amortization of premiums, discounts and related deferrals	<u>1,532</u>	11,456
Some revenues and expenses, as well as gains and losses, reported in the Statement of Activities do not provide nor require the use of current financial resources and, therefore are not reported as revenues or expenditures in the governmental funds		4,587
Prepaid pension obligation -- current year amortization		(676)
Change in net OPEB obligation		1,895
Internal Service funds are used by management to charge the costs of certain activities to individual funds. These funds are designed to recover all costs. The amount of revenues in excess of expenditures reported in the Statement of Activities		<u>2,211</u>
Change in net assets	\$	<u><u>(6,810)</u></u>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON
Statement of Net Assets - Proprietary Funds
June 30, 2008
(Dollars in thousands)

	Enterprise Funds				Internal Service Funds
	Clean Water Services of Washington County	Housing Authority of Washington County	Washington County Service District for Lighting No. 1	Total	
Assets					
Current assets:					
Cash and investments	\$ 63,489	8,240	1,297	73,026	30,193
Assessments receivable	—	—	66	66	—
Accounts receivable - net of allowance for uncollectibles	12,086	780	—	12,866	37
Accrued interest receivable	—	—	—	—	—
Short-term portion of contracts receivable	—	9	—	9	—
Connection charges receivable	152	—	—	152	—
Deposits	3	—	—	3	—
Supply inventory	569	—	—	569	387
Current portion of prepaid pension obligation	584	—	—	584	—
Current portion of bond issuance costs	123	—	—	123	—
Other current assets	1,709	116	—	1,825	—
Total current assets	<u>78,715</u>	<u>9,145</u>	<u>1,363</u>	<u>89,223</u>	<u>30,617</u>
Noncurrent assets:					
Long-term assessments and contracts receivable	617	482	—	1,099	—
Capital assets:					
Land, artwork, CIP, and other assets not being depreciated	96,781	8,426	—	105,207	—
Buildings and equipment and infrastructure, net of depreciation	449,008	26,713	—	475,721	7,706
Investments in joint venture	3,087	—	—	3,087	—
Bond issuance costs	686	687	—	1,373	—
Other noncurrent assets	2,063	—	—	2,063	—
Prepaid pension obligation	14,294	—	—	14,294	—
Total noncurrent assets	<u>566,536</u>	<u>36,308</u>	<u>—</u>	<u>602,844</u>	<u>7,706</u>
Total assets	<u>645,251</u>	<u>45,453</u>	<u>1,363</u>	<u>692,067</u>	<u>38,323</u>
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	10,087	327	132	10,546	453
Accrued payroll liabilities	2,805	—	—	2,805	175
Accrued self-insurance	373	—	—	373	3,151
Deposits	—	636	—	636	—
Unearned revenue	—	19	—	19	—
Accrued interest payable	2,040	911	—	2,951	—
Current portion of long-term obligations, net of discount	18,256	685	—	18,941	4
Total current liabilities	<u>33,561</u>	<u>2,578</u>	<u>132</u>	<u>36,271</u>	<u>3,783</u>
Noncurrent liabilities:					
Bond and bond anticipation notes payable	145,596	28,515	—	174,111	—
Other long-term obligations	225	2,843	—	3,068	—
Total noncurrent liabilities	<u>145,821</u>	<u>31,358</u>	<u>—</u>	<u>177,179</u>	<u>—</u>
Total liabilities	<u>179,382</u>	<u>33,936</u>	<u>132</u>	<u>213,450</u>	<u>3,783</u>
Net assets:					
Investment in capital assets, net of related debt	390,806	4,357	—	395,163	7,702
Restricted for:					
Capital projects	22,773	—	—	22,773	—
Debt service	481	4,328	—	4,809	—
Unrestricted	51,809	2,632	1,231	55,872	26,838
Total net assets	<u>465,869</u>	<u>11,517</u>	<u>1,231</u>	<u>478,617</u>	<u>34,540</u>
Total liabilities and net assets	<u>\$ 645,251</u>	<u>45,453</u>	<u>1,363</u>	<u>692,067</u>	<u>38,323</u>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds

For the fiscal year ended June 30, 2008

(Dollars in thousands)

	Enterprise Funds				Internal Service Funds
	Clean Water Services of Washington County	Housing Authority of Washington County	Washington County Service District for Lighting No. 1	Total	
Operating revenues:					
Charges for services	\$ 83,050	—	2	83,052	28,411
Intergovernmental revenue	—	19,801	1,838	21,639	—
Rental income	—	4,335	—	4,335	—
Other	1,704	878	—	2,582	2,847
Total operating revenues	84,754	25,014	1,840	111,608	31,258
Operating expenses:					
Labor and fringe benefits	24,573	—	—	24,573	1,731
Housing assistance payments	—	16,640	—	16,640	—
Utilities	5,032	434	1,563	7,029	26
Professional services	7,186	—	—	7,186	310
Supplies	4,127	—	2	4,129	3,099
Administrative costs	2,047	3,735	210	5,992	1,553
Chemicals	2,804	—	—	2,804	—
Depreciation and amortization	31,620	1,737	—	33,357	1,728
Insurance claims and premiums	666	—	—	666	21,073
Repairs and maintenance	228	2,279	—	2,507	759
Other	—	318	—	318	—
Total operating expenses	78,283	25,143	1,775	105,201	30,279
Operating income(loss)	6,471	(129)	65	6,407	979
Nonoperating income (expense):					
Interest income	3,082	329	64	3,475	1,257
Other income	(82)	—	—	(82)	—
Gain (loss) on sale of capital assets	—	2,724	—	2,724	(28)
Interest expense	(9,037)	(1,969)	—	(11,006)	—
Total nonoperating income (expense)	(6,037)	1,084	64	(4,889)	1,229
Income before contributions	434	955	120	1,518	2,208
Capital contributions	21,671	771	—	22,442	—
Change in net assets	22,105	1,726	129	23,960	2,208
Total net assets, July 1, 2007	445,699	9,791	1,102	456,592	32,332
Restatement	(1,935)	—	—	(1,935)	—
Total net assets, July 1, 2007, as restated	443,764	9,791	1,102	454,657	32,332
Total net assets, June 30, 2008	\$ 465,869	11,517	1,231	478,617	34,540

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON
Statement of Cash Flows - Proprietary Funds
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	Enterprise Funds (Component Units)				
	Clean Water Services of Washington County	Housing Authority of Washington County	Washington County Service District for Lighting No. 1	Total	Internal Service Funds
Cash flows from operating activities:					
Cash received for services provided	\$ 80,893	25,218	1,830	107,941	28,417
Cash payments for labor and fringe benefits	(23,471)	(3,474)	—	(26,945)	(1,714)
Cash payments for goods and services	(24,506)	(19,888)	(1,772)	(46,166)	(26,443)
Other operating revenue	1,703	—	—	1,703	2,120
Other receipts	—	—	—	—	71
Net cash from operating activities	<u>34,619</u>	<u>1,856</u>	<u>58</u>	<u>36,533</u>	<u>2,451</u>
Cash flows from noncapital financing activities:					
Interest paid on pension bonds	(956)	—	—	(956)	—
Net cash used in noncapital financing activities	<u>(956)</u>	<u>—</u>	<u>—</u>	<u>(956)</u>	<u>—</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(36,194)	(1,562)	—	(37,756)	(2,138)
Proceeds (loss) from sale of capital assets	—	3,471	—	3,471	135
Decrease in contracts receivable	—	222	—	222	—
Principal paid on notes payable	—	(451)	—	(451)	—
Principal paid on bonds payable	(17,375)	(260)	—	(17,635)	—
Interest paid on bonds and notes payable	(8,167)	(1,923)	—	(10,090)	—
Interest received on assessments and contracts	52	—	—	52	—
Capital contributed by customers and cities	8,072	771	—	8,843	—
Principal payments on capital lease obligations	—	—	—	—	(61)
Net cash from capital and related financing activities	<u>(53,612)</u>	<u>268</u>	<u>—</u>	<u>(53,344)</u>	<u>(2,064)</u>
Cash flows from investing activities:					
Interest on investments	3,028	329	64	3,421	1,253
Net increase (decrease) in cash and investments	<u>(16,921)</u>	<u>2,453</u>	<u>122</u>	<u>(14,346)</u>	<u>1,640</u>
Cash and investments, July 1, 2007	80,410	5,787	1,175	87,372	28,551
Cash and investments, June 30, 2008	<u>63,489</u>	<u>8,240</u>	<u>1,297</u>	<u>73,026</u>	<u>30,192</u>
Reconciliation of operating income to net cash from operating activities:					
Operating income	6,471	(129)	65	6,407	979
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation and amortization	31,620	1,737	—	33,357	1,728
Amortization of prepaid pension obligations	584	—	—	584	—
Postemployment benefit costs other than pensions	225	—	—	225	—
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(2,158)	221	—	(1,937)	2
(Increase) decrease in assessments receivable	—	—	(9)	(9)	—
(Increase) decrease in supply inventory	(52)	—	—	(52)	(34)
(Increase) decrease in other assets	5	(65)	—	(60)	—
Increase (decrease) in accounts payable	(2,435)	59	2	(2,374)	88
Increase (decrease) in deposits	—	50	—	50	—
Increase (decrease) in accrued liabilities	359	—	—	359	(316)
Increase (decrease) in unearned revenue	—	(15)	—	(15)	—
Net cash provided by (used in) operating activities	<u>\$ 34,619</u>	<u>1,856</u>	<u>58</u>	<u>36,533</u>	<u>2,448</u>
Supplemental schedule of noncash capital and related financing activities:					
Contributions of capital assets by developers	12,326	—	—	12,326	—
Amounts previously capitalized, expensed in current year	(913)	—	—	(913)	—
Loss on disposal of capital assets	(536)	—	—	(536)	—
Loss on equity in joint venture	82	—	—	82	—

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Fiduciary Net Assets

June 30, 2008

(Dollars in thousands)

	<u>Private- Purpose Trust Funds</u>	<u>Agency Funds</u>
Assets:		
Cash and investments	\$ 469	3,773
Accounts receivable	—	1,454
Property taxes receivable	—	18,246
Total assets	<u>469</u>	<u>23,473</u>
Liabilities:		
Accounts payable	—	522
Amounts held in trust	—	4,705
Undistributed taxes	—	18,246
Total liabilities	<u>—</u>	<u>23,473</u>
Net assets		
Amounts held in trust and other purposes	<u>\$ 469</u>	<u>—</u>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON
Statement of Changes in Fiduciary Net Assets
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	Private- Purpose Trust Funds
Additions:	
Intergovernmental revenues	\$ 1,692
Contributions	66
Interest earnings	17
Total additions	1,775
Deductions:	
Distributions	2,019
Change in net assets	(244)
Net assets, July 1, 2007	713
Net assets, June 30, 2008	\$ 469

See accompanying notes to basic financial statements.

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WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2008

(Dollars in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Washington County, Oregon (the County) was established in 1849. A Board of County Commissioners consisting of five members governs the County.

The accompanying basic financial statements present the activities of the County and its five blended component units comprised of: Clean Water Services of Washington County (the District), the Housing Authority of Washington County (the Authority), Washington County Enhanced Sheriff Patrol District (ESPD), Washington County Service District for Lighting No. 1 (SDL), and Washington County Urban Road Maintenance Service District (URMD).

The County has included blended component units which are separate legal entities that meet the component unit criteria and whose governing body is the same or substantially the same as the County Board of Commissioners. The Authority, the District, and the SDL are presented as business-type activities while ESPD and URMD are reported as special revenue funds.

A description of the County's blended component units follows:

- **Blended Component Units**

- **Clean Water Services of Washington County**

- The District is a special service district that, in close cooperation with the cities within its service area, provides sanitary sewer and surface water management service for the urbanized portion of Washington County and small parts of the City of Portland and Multnomah and Clackamas Counties.

- **Housing Authority of Washington County**

- The Authority operates housing programs that provide low-income housing for residents of Washington County. The program is funded by grants from the U.S. Department of Housing and Urban Development (HUD), revenue bonds, and rental receipts.

- **Washington County Enhanced Sheriff Patrol District**

- ESPD contracts with the Washington County Sheriff's Office to provide an urban or municipal level of police service to certain unincorporated areas of the County and is funded by voter-approved serial levies.

- **Washington County Service District for Lighting No. 1**

- SDL administers a program to provide street lighting to certain unincorporated areas of Washington County. Property owners are assessed at a rate estimated to cover utility costs plus administrative costs.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Washington County Urban Road Maintenance Service District

URMD provides an enhanced level of maintenance services to local, minor collector and public roads in the urban unincorporated areas of the County.

Complete financial statements for all component units may be obtained from the Washington County Finance Division, 155 North First Avenue, Hillsboro, Oregon 97124-3072.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the County and its component units. These statements include the financial activities of the overall County, except fiduciary activities. These statements distinguish between the governmental and business activities of the County. Governmental activities are financed through charges for services, property taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each activity of the County's governmental programs and business-type activities. Direct expenses are those that are specifically associated with an activity and, therefore, are clearly identifiable to that activity. Indirect expense allocations are included as part of program expenses in the Statement of Activities. Eliminations have been made to minimize the double counting of internal activities. Program revenues include fees, fines, and charges paid by the recipients of goods or services and grants and contributions that are restricted to meeting operational or capital requirements. Revenues that are not classified as program revenues, including property taxes and interest earnings, are presented as general revenues.

Net assets are reported as restricted when constraints placed on net asset use are either externally restricted, imposed by creditors (such as through grantors, contributors or laws), or through constitutional provisions or enabling resolutions.

Fund Financial Statements

The fund financial statements provide information about the County's funds including its fiduciary and blended component units. Separate statements for each fund category -- governmental, proprietary and fiduciary -- are presented. The emphasis of fund financial statements is on major funds; each displayed in a separate column. The County electively added the Human Services Fund, the Road Fund, and the Service District for Lighting No. 1, as major funds that have specific community focus. All remaining nonmajor governmental funds are aggregated and reported as a single column.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Governmental Funds

The County reports the following major governmental funds:

- *General Fund*
The General Fund is the primary operating fund of the County and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. Principal sources of revenue are property taxes and revenues from other governmental agencies. Expenditures cover a wide range of functions including general government, public safety and justice, and public health.
- *HOME Fund*
This fund accounts for the expenditure of HOME funds provided to the County's Community Development Fund by the U.S. Department of Housing and Urban Development (HUD).
- *Human Services Fund*
This fund accounts for the delivery of community mental health services including treatment and rehabilitation services for persons with developmental disabilities, persons with severe emotional disturbances, alcohol and other drug abusers and is responsible for alcohol education and early intervention programs.
- *Major Streets Transportation Improvement Program III (MSTIP III) Fund*
This fund was established to account for the moneys received from a six-year property tax serial levy approved by voters in May 1995. Resources collected are expended to support a comprehensive capital improvement transportation construction program that includes road widening projects, intersection safety improvements, preliminary engineering studies and other related transportation making the levy part of the permanent rate. Consequently, this revenue is transferred from the General Fund.
- *Road Fund*
This fund primarily accounts for revenue provided by state gasoline tax and allocated to the County in accordance with ORS 366.530. Expenditures are used for maintenance, repair and improvement of existing roads as required by ORS Chapter 366.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Governmental Funds (Continued)

Additionally, the County reports non-major funds within the following governmental fund types:

- *Special Revenue Funds*
These are funds that are used to account for revenue derived from specific tax or other earmarked revenue sources, including federal and state grant awards, which are restricted to finance particular functions or activities.
- *Debt Service Funds*
The debt service funds account for the payment of principal and interest on general obligation and Bancroft improvement bonds. Revenue is derived primarily from property taxes, special assessments and interest earned on special assessments.
- *Capital Projects Funds*
These are funds that are used to account for the acquisition or construction of major capital facilities or assets (other than those financed by Proprietary Funds).

Proprietary Funds

The County reports the following proprietary funds (the enterprise funds listed below are also major funds):

- *Enterprise Funds*
 - Clean Water Services of Washington County
This fund accounts for the operations of both sanitary and storm (surface water management) sewer systems in the Tualatin River Drainage Basin. Principal funding sources are charges to users and various types of contributions.
 - Housing Authority of Washington County
This fund accounts for the operation of programs that provide low-income housing for residents of Washington County. The program is funded by grants from the U.S. Department of Housing and Urban Development (HUD), revenue bonds, and rental receipts.
 - Washington County Service District for Lighting No. 1
This fund accounts for the operation of a street lighting district that provides street lighting to certain unincorporated areas of Washington County. Property owners are assessed at a rate estimated to cover utility costs plus administrative costs.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Proprietary Funds (Continued)

- ***Internal Service Funds***

These funds account for activities and services, such as, fleet management, office supplies and insurance, performed for other organizational units within the County. Charges to other County operating departments are made to support these activities. The County accounts for certain expenditures of the Internal Service Funds for budgetary purposes on the modified accrual basis of accounting. For financial reporting purposes, the accrual basis of accounting is used. The differences relate primarily to the methods of accounting for depreciation and capital outlay. Effects of these transactions are substantially eliminated in the government-wide statements, because the net operating income is proportionately distributed back to each of the Internal Service Funds' customers and reported as revenue to the County's other operating departments in the Governmental Fund Statements.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others. The County reports two types of fiduciary funds:

- ***Private-Purpose Trust Funds***

Private purpose trust funds are used to report all trust agreement transactions, under which all principal and income benefit individuals, private organizations, or other governments.

- ***Agency Funds***

Agency funds account for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the applicable legislative enactment for each particular fund. Accordingly, all assets reported in an agency fund are offset by a liability to the party on whose behalf they are held.

As is common practice, the County collects all of the separately levied taxes and uses an agency fund to account for the portion of taxes collected on behalf of other governments until those amounts are remitted to the respective jurisdictions.

Measurement Focus and Basis of Accounting

Government-wide, proprietary and fiduciary fund 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 at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County receives value without giving equal value in exchange, include property taxes, grants, entitlements, donations and contributions.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Under terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general-long term debt and acquisitions under capital leases are reported as other financing sources.

For purposes of the proprietary fund financial statements, the County has elected not to apply private-sector standards of accounting and financial reporting issued after November 30, 1989, unless specifically adopted by Governmental Accounting Standards Board pronouncements.

The proprietary fund types (enterprise funds and internal service funds) distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the funds' ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

The cash balances of substantially all funds and blended component units are pooled and invested by the County Treasurer for the purpose of increasing interest earnings through investment activities. Investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available, otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. Investments in the State Treasurer's Local Government Investment Pool (LGIP) are stated at fair value. The fair value of the County's position in the LGIP is the same as the value of the pool shares. The individual funds' and blended component units' portions of the pool's fair value are presented as "Cash and Investments" in the basic financial statements. Earnings on pooled funds are paid or credited to each fund and component unit monthly based on the average daily balance of each participating fund or component unit.

The LGIP is administered by the Oregon State Treasury. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP.

For purposes of the Statement of Cash Flows, cash and investments include all cash and investments held by the County Treasurer, since it has the general characteristics of a demand deposit (i.e. deposits of additional cash may be made at any time and cash may be withdrawn at any time without prior notice or penalty).

Property Taxes Receivable

The County levies, collects and distributes property taxes for all taxing jurisdictions within its boundaries. Uncollected taxes, including delinquent amounts, are deemed to be substantially collectible or recoverable through liens. All property taxes receivable are from property owners within the County.

Real and personal property taxes are levied, assessed and become a lien against the property as of July 1 each year. Property taxes are payable in three installments on November 15, February 15 and May 15. Discounts are allowed if the amount is paid by November 15 or February 15. Taxes unpaid and outstanding May 15 are considered delinquent.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assessments Receivable

Assessments receivable represent uncollected amounts levied against benefited property for the cost of local improvements. An allowance for uncollectible amounts is not deemed necessary because substantially all amounts, including delinquent assessments, are recoverable through liens. Substantially all assessments are payable over a period of ten to thirty years and bear 4.95% to 10.0% interest.

Supply and Other Inventory

Inventory is stated at cost (first-in, first-out method).

Capital Assets

Purchased or constructed capital assets are recorded at cost. Donated capital assets are recorded at their estimated fair value at the time of donation. Infrastructure (bridges, roads, and drainage systems) acquired during the year has been recorded at cost or fair value, if donated by developers. The County defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life of one year or more. Land and rights-of-ways with an initial cost of less than \$5,000 are also included as capital assets as is software valued at greater than \$25,000. The Housing Authority defines capital assets according to the County guidelines. Clean Water Services defines capital assets as assets with an initial cost of more than \$2,500. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the County and its component units are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	15 - 50
Sewer lines and treatment plants	25 - 50
Office equipment	3 - 10
Machinery and equipment	2 - 20
Automotive equipment	5
Plant equipment	10
Road network, bridge network, culverts and signals	5 - 50

One full month of depreciation is taken in the month the assets are acquired; no depreciation is recorded in the month an asset is retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Leases that meet certain criteria are classified as capital leases and recorded at the lower of the present value of minimum lease payments or the fair value of the leased property.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations.

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

In the fund financial statements, governmental fund types 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' while discounts 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. Principal payments are recorded as expenditures in the governmental fund statements.

Self-Insurance

The County is exposed to various risks of loss up to various policy deductible amounts related to theft of, damage to, and destruction of assets and natural disasters for which the County carries commercial insurance. General liability claims are limited by State statute to \$500 per occurrence.

The County is fully self-insured for unemployment, workers' compensation benefits, and losses resulting from torts and errors and omissions. The County carries excess workers' compensation coverage for individual claims exceeding \$300.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity

In the fund financial statements, governmental 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.

2. CASH AND INVESTMENTS

The County maintains a cash and investment pool for all County funds and blended component units. The County's portfolio is comprised of a combination of both pooled and non-pooled cash and investments. Each fund's or fund type's portion of this pool is displayed on the balance sheet as "Cash and Investments".

The combined amounts for both the primary government and its component units at June 30, 2008 consist of:

Petty cash	\$	49
Deposits		25,937
Investments		<u>298,837</u>
	\$	<u><u>324,823</u></u>

Total County cash and investments are reported as follows:

Governmental Funds	\$	217,362
Internal Service Funds		30,193
Enterprise Funds		<u>73,026</u>
Total reported on balance sheet:		320,581
Fiduciary Funds		<u>4,242</u>
	\$	<u><u>324,823</u></u>

Deposits (Custodial Credit Risk)

Custodial credit risk is the risk that the County would not be able to recover the value of its investments that are in the possession of an outside party, in the event of that party's failure.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

2. CASH AND INVESTMENTS (Continued)

Deposits (Custodial Credit Risk) (Continued)

At June 30, 2008, the carrying amount of the County's deposits was \$25,937 and the bank balance was \$28,385. Of the bank balance, \$435 was covered by the Federal Depository Insurance Corporation (FDIC) or collateral. The balance of the deposits was covered by collateral certificates of participation issued by the depository institutions in compliance with Oregon Revised Statutes. Oregon Revised Statutes require depository institutions to maintain on deposit with a collateral pool manager, securities having a value not less than 25% of the outstanding collateral certificates of participation issued by the pool manager.

Investments

Oregon State Statutes authorize the County to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial paper, and the State Treasurer's Local Government Investment Pool (LGIP), among others. The County's investments are summarized in the tables below:

Disclosures Relating to Interest Rate Risk

Interest rate risk is that risk that would adversely affect the fair value of an investment should market interest rates change. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. County management believes the liquidity in the portfolio is sufficient to meet cash flow requirements and preclude the County from having to sell investments below original cost for that purpose. The County monitors the interest rate risk inherent in its portfolio by comparing the maturity dates of its investments to the minimum maturity dates outlined in the County's investment policy.

The table below outlines the County's investment maturity limitations and the actual maturities at June 30, 2008:

<u>Maturity:</u>	<u>Minimum Allowed</u>	<u>Actual</u>
Less than 30 days	10 %	27 %
Less than 90 days	25 %	35 %
Less than 270 days	50 %	58 %
Less than 1 year	70 %	63 %
Less than 3 years	100 %	100 %

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

2. CASH AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating at year-end for each investment type:

Rating by Standard & Poor's Investment Service:	AAA	AA	A	A-1	Not Rated	Total Invested Value
Commercial paper discounts - amortizing	\$ 29,760	-	4,989	6,944	-	41,693
Federal agency discounts - amortizing	9,936	-	-	-	-	9,936
Strip bonds - amortizing	1,992	-	-	-	-	1,992
Federal agency coupon securities	107,613	-	-	-	-	107,613
Corporate notes	10,254	33,860	5,051	-	-	49,165
Treasury Coupon Securities	5,035	-	-	-	-	5,035
Certificates of Deposit - Bank	-	-	-	-	10,000	10,000
State of Oregon Treasurer's Government Investment Pool (LGIP)	-	-	-	-	73,403	73,403
Total Investments	\$ 164,590	33,860	10,040	6,944	83,403	298,837

The County's invested value of its portfolio is a combination of the fair value and amortized cost of its investments held at June 30, 2008. The County diversifies its portfolio with the goal of minimizing inherent risks associated with over-investing in specific securities, sectors, or maturities. The primary objectives of our investment activity, in priority order, are preservation of principal, liquidity, and yield. Credit Risk is minimized by purchasing only those securities, which are rated by three of the nationally recognized credit rating agencies, at the time of purchase. The short-term ratings must be the top-tier (Standard & Poor's = minimum A-1, Moody's Investors Services = minimum P-1, Fitch Ratings = minimum F1). The long-term ratings must be in the top-tier (Standards and Poor's = minimum AA-, Moody's Investors Services = minimum Aa3, Fitch Ratings = minimum AA-) as well.

Investment in the Oregon State Treasurer's Local Government Investment Pool

The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. Oregon Revised Statutes and the Oregon Investment Council govern the investment policies of the pool. The State Treasurer is the investment officer

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

2. CASH AND INVESTMENTS (Continued)

Investment in the Oregon State Treasurer's Local Government Investment Pool (Continued)

for the Council and is responsible for all the funds of the State Treasury. Additionally, investments in the pool are further governed by guidelines issued by the Oregon Short-Term Fund Board. The State Treasurer mitigates the LGIP's credit risk in a manner similar to the method used by the County to manage the credit risk in its own portfolio; by comparing the maturity dates of its investments to the minimum maturity dates outlined in the LGIP's investment policy.

The table below outlines the LGIP's investment maturity limitations and the actual maturities at June 30, 2008.

<u>LGIP Maturity:</u>	<u>Allowable per Policy</u>	<u>Actual</u>
Less than 93 days	Minimum of 50 %	77 %
Less than 1 year	Maximum of 25 %	3 %
Less than 3 years	Maximum of 25 %	20 %

3. RECEIVABLES

Accounts, property taxes, assessments, grants, notes and contracts receivable are shown net of any allowance for uncollectible accounts.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

4. CAPITAL ASSETS

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

	Balance 06/30/07	Increases	Decreases	Transfers	Balance 06/30/08
Capital assets not being depreciated:					
Land	\$ 912,978	5,696	(285)	-	918,390
Artwork	332	19	-	-	351
Construction in progress	31,472	29,048	(257)	(9,934)	50,329
Total capital assets not being depreciated	944,782	34,763	(542)	(9,934)	969,070
Capital assets being depreciated:					
Land improvements	4,707	-	-	-	4,707
Buildings and improvements	149,745	1,806	(56)	-	151,495
Machinery and equipment	39,400	3,814	(1,749)	-	41,465
Road network	1,651,795	2,501	(2,854)	5,348	1,656,790
Bridge network	78,657	-	(105)	1,075	79,627
Culverts	12,059	-	(35)	986	13,010
Signals	47,599	-	-	2,525	50,124
Total capital assets being depreciated	1,983,962	8,121	(4,799)	9,934	1,997,218
Less accumulated depreciation for:					
Land improvements	(2,518)	(216)	-	-	(2,734)
Building and improvements	(33,852)	(3,841)	29	-	(37,664)
Machinery and equipment	(25,874)	(2,979)	1,575	-	(27,278)
Road network	(524,881)	(55,013)	1,459	-	(578,435)
Bridge network	(23,892)	(1,524)	92	-	(25,324)
Culverts	(4,007)	(248)	19	-	(4,236)
Signals	(29,571)	(2,463)	-	-	(32,034)
Total accumulated depreciation	(644,595)	(66,284)	3,174	-	(707,705)
Governmental activities capital assets, net	\$ 2,284,150	(23,400)	(2,167)	-	2,258,583
Depreciation expense was charged to functions as follows:					
Governmental activities:					
General government	\$ 2,023				
Public safety and justice	3,348				
Land use, housing, & transportation	60,626				
Health and human services	161				
Culture, education, and recreation	126				
Total depreciation expense	\$ 66,284				

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

4. CAPITAL ASSETS (Continued)

	Business-type Activities						Balance 6/30/08
	Balance 7/1/2007	Restatements	Balance 7/1/2007 (as restated)	Increases	Decreases	Transfers	
Capital assets not being depreciated:							
Land and easements	\$ 18,505	-	18,505	-	(368)	-	18,137
Construction in progress	64,649	(1,312)	63,337	37,731	(973)	(13,026)	87,070
Total capital assets not being depreciated	<u>83,154</u>	<u>(1,312)</u>	<u>81,842</u>	<u>37,731</u>	<u>(1,341)</u>	<u>(13,026)</u>	<u>105,207</u>
Capital assets being depreciated:							
Buildings and improvements	210,215	-	210,215	8,786	(1,212)	3,124	220,913
Treatment plants	454,313	-	454,313	-	-	-	454,314
Sewer lines	156,069	-	156,069	4,370	-	5,411	165,850
Plant equipment	33,390	-	33,390	848	-	2,764	37,002
Automotive equipment	8,144	-	8,144	-	(19)	999	9,124
Plans and studies	5,071	-	5,071	-	-	59	5,130
Office equipment	17,296	-	17,296	81	-	669	18,045
Total capital assets being depreciated	<u>884,498</u>	<u>-</u>	<u>884,498</u>	<u>14,085</u>	<u>(1,231)</u>	<u>13,026</u>	<u>910,378</u>
Less accumulated depreciation for:							
Buildings and improvements	(86,001)	-	(86,001)	(8,853)	894	-	(93,960)
Treatment plants	(220,638)	-	(220,638)	(16,441)	-	-	(237,079)
Sewer lines	(48,970)	-	(48,970)	(3,219)	-	-	(52,189)
Plant equipment	(22,338)	-	(22,338)	(1,952)	-	-	(24,291)
Automotive equipment	(6,437)	-	(6,437)	(732)	19	-	(7,150)
Plans and studies	(3,124)	-	(3,124)	(911)	-	-	(4,035)
Office equipment	(14,899)	-	(14,899)	(1,055)	-	-	(15,954)
Total accumulated depreciation	<u>(402,407)</u>	<u>-</u>	<u>(402,407)</u>	<u>(33,163)</u>	<u>913</u>	<u>-</u>	<u>(434,658)</u>
Total assets being depreciated, net	<u>482,091</u>	<u>-</u>	<u>482,091</u>	<u>(19,078)</u>	<u>(318)</u>	<u>13,026</u>	<u>475,720</u>
Business-type activities capital assets, net	<u>\$ 565,245</u>	<u>(1,312)</u>	<u>563,933</u>	<u>18,653</u>	<u>(1,659)</u>	<u>-</u>	<u>580,928</u>
Depreciation expense was charged as follows:							
Business-type activities:							
Sanitation	\$ 25,446						
Surface Water Management	5,980						
Housing	1,737						
Total depreciation expense	<u>\$ 33,163</u>						

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

5. DEFERRED REVENUE

Deferred revenue as presented on the Governmental Funds Balance Sheet is comprised of the following:

	Property Taxes	Assessments	Contracts Receivable	Other	Accounts Receivable	Unearned Revenue	Total
General Fund	\$ 2,689	3	-	-	790	56	3,538
Human Services Fund	-	-	-	-	11	3,975	3,986
MSTIP III	-	-	-	-	34	-	34
Road Fund	-	88	-	-	57	133	278
HOME Fund	-	-	-	15,915	-	-	15,915
Other Governmental Funds	1,302	50	2,046	-	807	4,165	8,370
Total deferred revenue	\$ 3,991	141	2,046	15,915	1,699	8,329	32,120

Unearned revenue as presented on the Statement of Net Assets is primarily comprised of grants.

6. LONG-TERM DEBT

Bonds Payable

Washington County has issued general obligation bonds for capital construction, capital acquisition, and refunding bonds to refund prior bond issuances with higher interest rates. The bonds are payable through fiscal year 2014. All the general obligation bonds and refunding bonds will be paid with property tax revenues.

Clean Water Services has issued sewer revenue bonds for capital expansion of the sewer treatment plants and collection system. The bonds are payable through fiscal year 2028. All the sewer revenue bonds will be paid with the District's net revenue as defined in the bond indenture agreements.

In May 2004, Clean Water Services issued \$15,990 of pension obligation bonds to pay its unfunded pension liability with PERS. The pension obligations are payable from gross sewer revenues.

The Housing Authority has issued revenue bonds for acquiring and rehabilitating low-income housing. The bonds are payable through fiscal year 2034. All the Authority's revenue bonds will be paid from the Trust Estate as defined in the bond indenture agreements.

In prior years, Clean Water Services defeased certain bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service on the defeased bonds. Accordingly, the trust account assets and the related liability for those defeased bonds are not included in the District's financial statements. As of June 30, 2008, prior years' refunded revenue bonds defeased totaled \$98,575.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

6. LONG-TERM DEBT (Continued)

Bonds Payable (Continued)

Bonds payable transactions for the year ended June 30, 2008, are as follows:

	<u>Original amount</u>	<u>Outstanding July 1, 2007</u>	<u>Issued</u>	<u>Decreases</u>	<u>Outstanding June 30, 2008</u>	<u>Due within one year</u>	<u>Long-term portion</u>
Governmental activities:							
Refunding General Obligation Bonds, 1998 Series, interest, 3.500%-5.000%	\$ 50,550	39,110	-	39,110	-	-	-
Refunding General Obligation Bonds, 2001 Series, interest, 3.000%-3.400%	6,390	1,150	-	1,150	-	-	-
Refunding General Obligation Bonds, 2007 Series, interest, 4.000%-5.000%	34,125	-	34,125	555	33,570	5,000	28,570
	91,065	40,260	34,125	40,815	33,570	5,000	28,570
Deferred amount on refunding	-	-	(637)	(75)	(562)	(105)	(457)
Unamortized premium	-	177	918	285	810	152	658
Total governmental activities	<u>91,065</u>	<u>40,437</u>	<u>34,406</u>	<u>41,025</u>	<u>33,818</u>	<u>5,047</u>	<u>28,771</u>
Business-type activities:							
Sewer Revenue Bonds, 1992 Series A, interest 2.850%-6.200%	126,175	10,590		7,590	3,000	3,000	-
Sewer Revenue Bonds, 1996 Issue, interest 3.800%-5.625%	50,000	4,980		2,425	2,555	2,555	-
Sewer Revenue Bonds, 1997 Series A interest 3.800%-5.750%	47,060	41,390		45	41,345	4,875	36,470
Sewer Revenue Bonds, 1997 Series One interest 3.800%-5.750%	45,435	35,785		5,140	30,645	5,445	25,200
Sewer Revenue Bonds, 2001 Series interest 4.000%-5.125%	55,875	46,405		2,155	44,250	2,240	42,010
Sewer 2004 Refunding of 1996 Revenue Bonds, interest 2.000%-5.250%	26,455	26,055		20	26,035	25	26,010
Revenue Pension Bonds, 2004 Series interest 4.596%-6.095%	15,990	15,990		-	15,990	55	15,935
Housing Authority Revenue Bonds, Series 1999 A&B, interest 4.400%-6.125%	15,960	14,465		20	14,445	25	14,420
Housing Authority Revenue Bonds, Series 2001 A, interest 4.250%-6.000%	8,440	8,035		115	7,920	130	7,790
Housing Authority Revenue Bonds, Series 2001 B, interest 4.500%-5.875%	1,560	1,445		30	1,415	30	1,385
Housing Authority Revenue Bonds, Series 2002 A, interest 2.250%-6.125%	5,950	5,595		95	5,500	100	5,400
	399,000	210,735	-	17,635	193,100	18,480	174,620
Unamortized discount		(4,059)		(812)	(3,247)	(636)	(2,611)
Unamortized premium		3,506		730	2,776	674	2,102
Total business-type activities	<u>399,000</u>	<u>210,182</u>	<u>-</u>	<u>17,553</u>	<u>192,629</u>	<u>18,518</u>	<u>174,111</u>
Grand total	<u>\$ 490,065</u>	<u>250,619</u>	<u>34,406</u>	<u>58,578</u>	<u>226,447</u>	<u>23,565</u>	<u>202,882</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

6. LONG-TERM DEBT (Continued)

Bonds Payable (Continued)

Future maturities of governmental activities unmatured bond principal and interest are as follows:

<u>Fiscal Year</u>	<u>Series 2007 General Obligation Bonds</u>		<u>Governmental Activities Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 5,000	1,365	5,000	1,365
2010	5,245	1,109	5,245	1,109
2011	5,480	868	5,480	868
2012	5,705	637	5,705	637
2013	5,945	389	5,945	389
2014	6,195	132	6,195	132
	33,570	4,500	33,570	4,500
Deferred amounts on refunding	(562)	-	(562)	-
Unamortized bond premium	810	-	810	-
	<u>\$ 33,818</u>	<u>4,500</u>	<u>33,818</u>	<u>4,500</u>

Future maturities of business-type activities unmatured bond principal and interest are as follows:

<u>Fiscal Year</u>	<u>Sewer Revenue Bonds</u>		<u>Housing Authority Revenue Bonds</u>		<u>Business-type Activities Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 18,195	8,406	285	1,739	18,480	10,145
2010	19,275	7,377	285	1,726	19,560	9,103
2011	20,415	6,290	435	1,707	20,850	7,997
2012	21,625	5,129	765	1,676	22,390	6,805
2013	22,890	3,895	805	1,632	23,695	5,527
2014-2018	32,605	11,963	4,780	7,372	37,385	19,335
2019-2023	21,050	4,996	6,370	5,722	27,420	10,718
2024-2028	7,765	1,397	8,540	3,490	16,305	4,887
2029-2033			6,615	858	6,615	858
2034			400	12	400	12
	163,820	49,453	29,280	25,934	193,100	75,387
Unamortized bond discount, deferred amount in refunding and bond premium, net	32	-	(503)	-	(471)	-
	<u>\$ 163,852</u>	<u>49,453</u>	<u>28,777</u>	<u>25,934</u>	<u>192,629</u>	<u>75,387</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

6. LONG-TERM DEBT (Continued)

Contracts, Notes, Vested Compensated Absences and Other Long-Term Debt

As of June 30, 2008, the County has two outstanding contracts payable, nine outstanding notes payable, and outstanding vested compensated absences due to its employees, for a total of \$95,516. A brief explanation of the outstanding contracts and notes reported in governmental activities is below.

In February 2006, the County issued \$49,475 worth of Full Faith and Credit Refunding Obligations to purchase certain U.S. Government securities that were placed in an irrevocable trust to provide resources for future debt principal payments of \$48,775. As of June 30, 2008 these bonds were fully defeased.

Contracts Payable

U.S. Department of Interior, Bureau of Reclamation - This contract was established between the County and the Bureau of Reclamation as a means to repay the Federal Government a portion of the development costs incurred during the construction of Hagg Lake Park.

Oregon Economic Development Department - This contract provided loan funding for the County to make improvements to Cornelius Pass Road and Evergreen Parkway. The loan was issued by the Oregon Economic Development Department.

Notes Payable

State of Oregon, Department of Energy - These notes provide funding for various energy conservation projects and improvements throughout County facilities.

State of Oregon, Economic Development Department - This note provided funding to build the Harkins House juvenile shelter.

Full Faith & Credit Obligations Series 2000 - These notes were issued by the County to provide funding for an upgrade to the County's emergency response communication infrastructure and the purchase of a new countywide accounting system from Oracle.

Full Faith & Credit Obligations Series 2001A - These notes were issued to provide funding for various needs throughout the County, including transportation projects, the remodeling of several County buildings, and the refinancing of Land Use & Transportation's Operations Center. Of these notes, \$48,775 was advance refunded through the Full Faith & Credit Obligation Series 2006 (Refunding) bond issue. There is still a \$6,195 unrefunded balance outstanding as of June 30, 2007.

Full Faith & Credit Obligations Series 2001C - The revenue from these notes was used to refinance the 1991 Fair Complex lease-purchase agreement and the 1988 Certificates of Participation for the Tigard Detox Facility.

Full Faith & Credit Obligations Series 2004 - These notes were issued to refinance the 1993 Certificates of Participation issue and take advantage of the available lower interest rates. The 1993 issue was used to refund the Series 1990B Certificates of Participation and to finance several County projects, including the completion of the juvenile justice/law library building, the construction of a new animal shelter, and three information services projects.

Full Faith & Credit Obligations Series 2006 (Refunding) - The revenue from these notes was used for the partial advance refunding of the Full Faith & Credit Obligation Series 2001A bond issue. The County was able to advance refund \$48,775 of the Full Faith & Credit Obligation Series 2001A bond issue.

Full Faith & Credit Obligations Series 2006 (New Money) - These notes were issued to provide funding for various projects throughout the County, including the purchase of Clean Water Services' share of the Public Services Building, upgrades to data and phone systems in several County buildings, and improvements and repairs to several parking lots owned by the County.

\$150 Line of Credit Loan - This is a line of credit opened by the Washington County Fair Complex through Columbia Community Bank, and is used for interim funding of operating expenses as necessary.

WASHINGTON COUNTY, OREGON
Notes to Basic Financial Statements (Continued)
June 30, 2008
(Dollars in thousands)

6. LONG-TERM DEBT (Continued)

Contracts, Notes, Vested Compensated Absences and Other Long-Term Debt (Continued)

Contracts, notes, and vested compensated absences activity for the year ended June 30, 2008, are summarized in the following table:

	Balance July 1, 2007	Additions	Decreases	Balance June 30, 2008	Due within one	Long- term portion
Contracts payable:						
U.S. Department of Interior, Bureau of Reclamation payable by the General Fund through 2029; interest, 3.5%	\$ 490	-	22	468	22	446
Oregon Economic Development Department, payable by the Road Fund through 2012; interest, 5%	113	-	26	87	28	59
	<u>603</u>	<u>-</u>	<u>48</u>	<u>555</u>	<u>50</u>	<u>505</u>
Notes payable:						
State of Oregon, Department of Energy payable by the General Fund through 2018; interest, 4.13%-5.75%	761	-	99	662	103	559
State of Oregon, Economic Development Department, payable by the IS Capital Acquisition Fund through 2021; interest, 5.28%	1,591	-	79	1,512	84	1,428
Full Faith & Credit Obligations Series 2001A, payable by the Miscellaneous Debt Service Fund through 2026; interest, 4.25%-5.5%	6,195	-	1,320	4,875	1,470	3,405
Full Faith & Credit Obligations Series 2001C, payable by the Miscellaneous Debt Service Fund through 2012; interest, 3.0%-4.0%	260	-	60	200	50	150
Full Faith & Credit Obligations Series 2004, payable by the Miscellaneous Debt Service Fund through 2019; interest, 3.0%-4.6%	3,450	-	240	3,210	245	2,965
Full Faith & Credit Obligations, Series 2006 (Refunding) payable by the Miscellaneous Debt Service Fund through 2026; interest, 3.6%-5.0%	48,780	-	85	48,695	85	48,610
Full Faith & Credit Obligations, Series 2006 (New Money) payable by the Miscellaneous Debt Service Fund through 2026; interest, 3.75%-5.0%	30,010	-	1,085	28,925	1,135	27,790
\$150 Line of Credit Loan, payable by the Fair Complex Fund through 2011; interest, 0% - Wall Street Journal prime	61	-	19	42	14	28
	<u>91,108</u>	<u>-</u>	<u>2,987</u>	<u>88,121</u>	<u>3,186</u>	<u>84,935</u>
Vested compensated absences	<u>6,515</u>	<u>6,939</u>	<u>6,515</u>	<u>6,939</u>	<u>6,939</u>	<u>-</u>
	<u>98,226</u>	<u>6,939</u>	<u>9,550</u>	<u>95,615</u>	<u>10,175</u>	<u>85,440</u>
Deferred amounts on refunding	(2,968)	-	(157)	(2,811)	(157)	(2,654)
Unamortized discounts	(33)	-	(9)	(24)	(8)	(16)
Unamortized premiums	2,885	-	149	2,736	153	2,583
	<u>\$ 98,110</u>	<u>6,939</u>	<u>9,533</u>	<u>95,516</u>	<u>10,163</u>	<u>85,353</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

6. LONG-TERM DEBT (Continued)

Contracts, Notes, Vested Compensated Absences and Other Long-Term Debt (Continued)

Future maturities of governmental activities' unmatured contracts, notes and vested compensated absences are as follows:

<u>Fiscal Year</u>	<u>Contracts</u>	<u>Notes</u>	<u>Vested compensated absences</u>	<u>Total</u>	
				<u>Principal</u>	<u>Interest</u>
2009	\$ 50	3,186	6,939	10,175	4,067
2010	51	3,417	-	3,468	3,916
2011	53	3,621	-	3,674	3,752
2012	22	3,748	-	3,770	3,577
2013	22	3,928	-	3,950	3,425
2014-2018	112	23,727	-	23,839	14,240
2019-2023	112	27,979	-	28,091	8,085
2024-2028	111	18,515	-	18,626	1,678
2029	22	-	-	22	1
	555	88,121	6,939	95,615	42,741
Deferred amount on refunding	-	(2,811)	-	(2,811)	-
Unamortized discount	-	(24)	-	(24)	-
Unamortized premium	-	2,736	-	2,736	-
Total	\$ 555	88,022	6,939	95,516	42,741

Contracts and notes payable of business activities for the year ended June 30, 2008 are as follows:

	<u>Balance July 1, 2007</u>	<u>Decreases</u>	<u>Balance June 30, 2008</u>	<u>Due Within One year</u>	<u>Long-term portion</u>
Notes Payable:					
Housing Authority notes payable through 2038; interest 0.0% - 9.5%	\$ 3,717	451	3,266	423	2,843

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

6. LONG-TERM DEBT (Continued)

Contracts, Notes, Vested Compensated Absences and Other Long-Term Debt (Continued)

Future maturities of business activities unmatured contracts and notes payable are as follows:

<u>Fiscal Year</u>	<u>Housing Authority of Washington County Notes payable</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 423	143
2010	453	128
2011	120	107
2012	80	103
2013	84	99
2014-2018	1,083	396
2019-2023	250	225
2024-2028	55	193
2029-2033	589	99
2034-2038	129	45
	<u>\$ 3,266</u>	<u>1,538</u>

7. CAPITAL LEASE OBLIGATIONS

The County has five capital lease agreements. Two are for the purchase of juvenile detention facility space. These are noncancelable lease agreements which end September 2012 and October 2016. The gross amounts of the leases are \$1,180 on the original lease and \$1,862 on the lease for additional beds. The third lease is for the purchase of a forklift. This noncancelable lease agreement ends August 2010. The gross amount of the lease is \$22. The fourth lease is for a high-speed copier and printer. This noncancelable lease agreement ended in May 2008. The gross amount of the lease was \$244.

Changes in the capital lease obligations for the year ended June 30, 2008, are as follows:

<u>Outstanding July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding June 30, 2008</u>
\$ 1,755	-	(230)	1,525

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

7. CAPITAL LEASE OBLIGATIONS (Continued)

The following is a schedule, by fiscal year, of future minimum lease payments under capital leases, together with the present value of the future minimum lease payments as of June 30, 2008:

<u>Fiscal Year</u>	<u>Capital Lease Future Minimum Payments</u>
2009	\$ 266
2010	263
2011	258
2012	256
2013	256
2014-2017	614
Future minimum lease payments	1,913
Less amounts representing interest	(388)
Present value of future minimum lease payments	<u>1,525</u>
Current portion	182
Long-term portion	<u>1,343</u>
	<u>\$ 1,525</u>

8. PENSION PLAN

Pension Plan Description

Substantially all County employees, after six months of employment, are participants in the State of Oregon PERS. The County's policy is to fund pension costs as determined by actuarial valuations.

The County contributes to the Oregon Public Employees Retirement System (PERS) and to the Oregon Public Service Retirement Plan (OPSRP). PERS is a cost sharing multi-employer defined benefit public employee retirement system. OPSRP is a hybrid retirement plan with two components: the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan) and the Individual Account Program (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan). A defined benefit plan is benefit-based and uses predictable criteria such as a pension determined by salary multiplied by length of service multiplied by a factor. A defined contribution plan has no guarantee. OPSRP is administered by PERS. PERS acts as a common investment and administrative agent for political subdivisions in the State of Oregon.

The 2003 Oregon Legislature established OPSRP. Public employees hired on or after August 29, 2003 become part of OPSRP, unless membership was previously established in PERS. The 1995 Oregon Legislature established a different level of benefits for employees who began their six-month waiting period on or after January 1, 1996.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

8. PENSION PLAN (Continued)

Pension Plan Description (Continued)

This level is called Tier Two. Benefits generally vest after five years of continuous service. Retirement is allowed at age fifty-eight with unreduced benefits, but retirement is generally available after age fifty-five with reduced benefits. Retirement benefits based on salary and length of service are calculated using a formula and are payable in a lump sum or monthly using several payment options. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes.

The State of Oregon PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700 or by calling 1-888-320-7377.

Funding Policy

The rate of employer contributions to PERS is determined periodically by PERS based on actuarial valuations performed at least every two years. Contributions to PERS have historically been made based on the annual required contribution and were charged to expenses/expenditures as funded.

In fiscal year 2002, the County contributed \$17,617 in excess of the annual required contribution. In fiscal years 2000 and 2004, Clean Water Services contributed \$2,232 and \$15,278 in excess of the annual required contribution, respectively. Pursuant to the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, these contributions in excess of the annual required contributions were recorded as prepaid pension assets which are reported on the Statement of Net Assets as prepaid pension obligation. These prepaid pension assets are being amortized over 26 years for the County and 30 years for Clean Water Services on a straight-line basis.

The County's annual required contribution rate for fiscal 2008 was 13.09% of covered employees' salaries for PERS and 13.54% for general OPSRP and 16.81% for OPSRP police. Clean Water Services' annual contribution rate for fiscal 2008 was 4.3% for PERS and 7.28% for OPSRP. The employee contribution rate is 6% for both the County and Clean Water Services.

Risk Pooling and Revised PERS Contribution Rates

The County and Clean Water Services participate in the State and Local Government Rate Pool (SLGRP). The SLGRP was created by legislative act of the State of Oregon and provided local governments the option to pool their PERS related assets and liabilities with others that elected to participate in the pool. Contribution rates are determined based on the overall experience of the pool versus the potentially more volatile experience of individual employers.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

8. PENSION PLAN (Continued)

Annual Pension Cost

For fiscal 2008, the County's and Clean Water Services' actual annual pension cost of \$14,451 and \$1,544, respectively, were equal to their annual required contributions plus current fiscal year amortization of prepaid pension assets. The actual pension costs without amortization of the prepaid pension obligation were \$13,773 and \$952, respectively. The required contribution was determined as part of the actuarial valuation at December 31, 2005 using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation included: (a) rate of return on the investment of present and future assets of 8%; (b) projected salary increases which include 4.25% per year in addition to salary increases due to promotions and longevity that may vary by age and service; (c) post-retirement benefit increases of 2% per year (the maximum allowable); (d) consumer price inflation of 3.5% per year; and, (e) thirty-year open amortization of the unfunded actuarial liability as a level percentage of projected annual payroll.

Beginning in 2000, the actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a five-year period. No obligation for retirees is attributed to the County as PERS pools the risk related to retired employees among all employers. PERS assumes the obligation for benefits from the individual entity, as a whole, when benefits become payable.

Three-year trend information for the years ended December 31 is presented as follows:

	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Prepaid pension obligation</u>
County:			
2006	\$ 13,559	100 %	\$ 14,453
2007	14,178	100	13,775
2008	14,451	100	13,097
Clean Water Services:			
2006	1,832	100	16,045
2007	1,797	100	15,462
2008	1,544	100	14,878
Total:			
2006	15,391	100	30,499
2007	15,975	100	29,237
2008	15,995	100	27,750

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

9. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The County is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. Government Accounting Standards Board Statement No. 45 (GASB 45) is applicable to the County due to the resulting implicit rate subsidy. This is not a stand-alone plan and there are no separately issued financial statements.

Funding Policy

The County collects insurance premiums from all retirees each month. The County then pays health and dental insurance premiums for all retirees at the blended rate for each family classification. The required contributions to the plan include the employer's pay-as-you-go amount, an amount paid by retirees and an additional amount calculated to prefund future benefits as determined by the actuary.

For fiscal year 2007-08, the County contributed \$521 and retirees made payments of \$948. The County has elected to not pre-fund the actuarially determined future cost amount of \$2,416.

The required monthly contributions of the plan members were as follows for the year ended June 30, 2008. The rates are established through negotiation with the County's insurance carrier each year and approved by the Board of County Commissioners.

	<u>Health</u>		<u>Dental/Vision</u>		
	<u>Providence</u>	<u>Kaiser</u>	<u>ODS</u>	<u>ODS Vision</u>	<u>Regence</u>
Employee	\$ 353.00	\$ 321.11	\$ 47.63	\$ 7.95	\$ 37.65
Employee + 1	706.00	642.22	87.18	7.95	38.20
Full Family	1,059.00	963.33	131.48	7.95	119.00

Annual OPEB Cost and Net OPEB Obligation

The County's annual other post employment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years. The following schedule shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's OPEB obligation to the plan:

Annual Required Contribution	\$ 2,416
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>2,416</u>
Contributions made	<u>521</u>
Increase in net OPEB obligation	1,895
Net OPEB obligation – beginning of year	-
Net OPEB obligations – end of year	<u>\$ 1,895</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

9. OTHER POST EMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2007-08 is as follows. Information for preceding years is not presented as 2007-08 is the year of implementation of GASB 45:

<u>Fiscal Year Ended</u>	<u>Percentage of Annual OPEB Cost</u>	<u>Net Annual OPEB Cost Contributed</u>	<u>OPEB Obligation</u>
6/30/08	\$ 2,416	21.6%	\$ 1,895

Funding status and Funding progress

As of July 1, 2006, the most recent actuarial valuation date, the plan was funded on a pay-as-you-go basis and therefore had no assets. The actuarial accrued liability for benefits was \$17,999 and also equaled the unfunded actuarial accrued liability (UAAL). The annual payroll of active employees covered by the plan (covered payroll) was \$90,000 and the ratio of the UAAL to the covered payroll was 19.9%.

The actuarial valuation of this plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future such as future employment, mortality and healthcare cost trends. Amounts determined about the funding status of the plan and annual required contributions are subject to periodic revision as actual results for each period are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the health benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions include techniques that are designed to reduce the effects of short-term volatility in actuarial results consistent with the long term perspective of the calculations.

In the July 1, 2006 valuation, the entry age normal actuarial cost method was used. The investment return for the County was assumed to be 5% to reflect the rate of return on the county's investment portfolio. Health care cost trends were assumed to be 11% for Providence and 13% for Kaiser initially, then declining to 5% for each in 2021. The UAAL is being amortized over an initial period of 30 years.

<u>Actuarial Valuation Date</u>	<u>Actuarial value of assets</u>	<u>Actuarial accrued liability</u>	<u>Unfunded liability (UAAL)</u>	<u>Funded ratio</u>	<u>Covered payroll</u>	<u>UAAL percent payroll</u>
7/1/06	-	\$ 17,999	\$ 17,999	0%	\$ 90,000	19.9%

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

10. RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)

Plan Description

As a member of Oregon Public Employees Retirement System (OPERS), the County contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating municipal corporations are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.59% of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The County's contributions to RHIA for the years ended June 30, 2006, 2007, and 2008 were \$547, \$575, and \$609, respectively, which equaled the required contributions each year.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

11. OPERATING LEASES

The County and Clean Water Services lease various equipment, buildings and land for use in their operations under cancelable and noncancelable operating leases. Total costs for such leases were approximately \$721 for the year ended June 30, 2008.

The future minimum lease payments for the noncancelable leases are as follows:

<u>Year Ending June 30,</u>	<u>Clean Water Services</u>	<u>County</u>	<u>Total</u>
2009	\$ 102	354	456
2010	84	199	283
2011	74	67	141
2012	75	67	142
2013	-	34	34
Total	<u>\$ 335</u>	<u>721</u>	<u>1,056</u>

12. DUE TO/FROM OTHER FUNDS

Interfund accounts at June 30, 2008, consist of:

<u>Fund</u>	<u>Due to other funds</u>	<u>Due from other funds</u>
Major governmental funds:		
General Fund	\$ -	4,373
Other governmental funds	4,373	-
	<u>\$ 4,373</u>	<u>4,373</u>

Interfund receivables consist of \$4,000 to the Local Option Levy Fund from the General Fund and \$373 cash advanced to cover negative cash balances at year-end June 30, 2008.

13. INSURED RISKS

It is the policy of the County and Clean Water Services to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. The County is not involved in any risk pools with other governmental entities. For workers' compensation, liability/casualty and unemployment compensation claims, the County funds such liabilities on a pay-as-you-go basis from its own resources.

Clean Water Services is insured under a retrospective plan for workers' compensation and for costs in excess of insurance policy retention (deductible) limits on fire loss, property damage, and all risk coverage (theft, vandalism, etc.). During the past three fiscal years, there were no settlements which exceeded insurance coverage.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

13. INSURED RISKS (Continued)

The County's and the District's liabilities are recorded when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated, based on historical trend analyses of similar injuries and claims. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors. Changes in the balances of the County's and the District's accrued self-insurance liabilities during the current and prior fiscal years were as follows:

<u>Fiscal Year</u>	<u>Beginning of fiscal year liability</u>	<u>Current year claims and changes in estimates</u>	<u>Claims payments</u>	<u>Balance at fiscal year-end</u>
2005-06	\$ 3,777	1,064	(1,230)	3,611
2006-07	3,611	1,156	(972)	3,795
2007-08	3,795	1,156	(685)	4,266

The Housing Authority, URMD, ESPD and SDL component units have no employees and as such are not subject to workers' compensation or unemployment claims. Each of these component units participate fully in the County's liability/casualty coverage, with the exception of the Housing Authority, which is insured through the Housing Authority Risk Retention Pool (HARRP).

14. TRANSFERS

The following schedule reconciles transfers in and out on the Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types:

Transfers in:		
General Fund		\$ 12,993
Human Services Fund		1,825
Major Streets Transportation Improvement Program III Fund		26,203
Road Fund		744
Non-major funds		27,459
	Total	<u>69,224</u>
Transfers out:		
General Fund		50,449
Human Services Fund		24
Major Streets Transportation Improvement Program III Fund		454
Road Fund		761
Non-major funds		17,533
	Total	<u>\$ 69,224</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

14. TRANSFERS (Continued)

The following are the major reasons for the above transfers:

Major streets improvement programs and Cooperative Library Services operated on fixed-rate serial levies until FY 1998-99. With the passage of Measures 47 and 50, those fixed-rate serial levies were combined with the County's permanent tax rate and now receive a majority of their funding directly from the County's General Fund. These transfers comprise approximately \$26,203 major streets improvement programs and \$13,527 to Cooperative Library Services. Combined with a \$4,000 bridging loan to the Local Option Levy Fund for public safety and justice, these transfers are responsible for 57% of all transfers. Transfers between the other operating departments resulted from the normal course of operations.

15. CONDUIT DEBT OBLIGATIONS

The Housing Authority (Authority) has issued multi-family Housing Revenue Bonds to provide financial assistance to private sector entities for the construction, acquisition and rehabilitation of affordable housing. The bonds are fully secured by letters of credit and are payable solely from payments received from the developer on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. The bonds do not constitute a debt or pledge of the faith and credit of Washington County. The Authority, or the State and, accordingly, have not been reported in the accompanying basic financial statements.

As of June 30, 2008, there were nine series of Housing Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$50,446.

16. MEASURE 37

On November 2, 2004, Oregon voters approved citizen initiative petition Measure 37. This measure became effective on December 2, 2004. Measure 37 entitles certain landowners either (a) to compensation for the reduction in the fair market value of their property that results from certain land use regulations (restrictions) that are enacted or enforced against the property, or (b) to have their land released from the restrictions. The governmental body that enacted or enforced the restrictions decides whether to pay the claim or waive the restrictions. In order to file a claim under Measure 37, land ownership must have been established prior to restrictions being placed on the property.

Processing of claims under Measure 37 was temporarily delayed when the Marion County Circuit Court ruled the measure unconstitutional in October of 2005. In February 2006, the Oregon Supreme Court overturned the Marion County Circuit Court ruling and upheld Measure 37. Many questions exist about the meaning of the measure and the effect of its

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

16. MEASURE 37 (Continued)

provisions. The Oregon Legislature has not adopted legislation resolving these questions, and no significant judicial precedents are available that construe its meaning.

The County has received claims under Measure 37. The claims must be processed within 180 days of being filed. County management cannot predict how Measure 37 will affect the financial position or the land use policies of the County.

17. CONTINGENCY

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, could become a liability of the General Fund or other applicable funds.

Various claims and lawsuits against the County are pending. These claims are either covered by insurance or are the type which is normal in view of the County's operations. County management believes the total amount of liability, if any, which may arise from such claims and lawsuits beyond that which is covered by insurance would not have a material effect on the County's financial condition or its ability to carry on its activities substantially as now conducted.

18. COMMITMENTS

The County has committed approximately \$37,800 to fund certain specific road construction projects over the next 3 years; and \$17,200 for jail inmate health care services over the next 5 years; \$6,000 for County-wide library services; \$11,600 over the next 5 years to the continued development and operation of the commuter light rail; dispatch services for the Sheriff's Office through the Washington County Consolidated Communications Agency in the amount of \$1,600.

The Community Corrections Center has contracted for pharmacy and psychiatric nurse practitioner services, batterer treatment for domestic violence offenders, and sex offender treatment services and mentoring to assist in the reintegration of substance abuse offenders in the combined amount of \$2,500.

The County has committed for children and family services through local services providers to school districts throughout the County in the amount of \$650.

Juvenile detention services at the Donald E. Long facility have been contracted for with Multnomah County for approximately \$1,500 a year for each of the next five years. Juvenile school resource services for about \$500 have been committed, and about \$300 have been committed to a juvenile day reporting center.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

19. RESTATEMENTS

Clean Water Services has restated its beginning net assets to record a correction for charges to the City of Portland for Fanno Creek overflows that were double counted, change in valuation and reporting practice for net utility accounts receivable sent to the collection agency, and expense amounts previously capitalized. The effects of these restatements are summarized below:

Increase (decrease) in:		
Revenue accrual	\$	(1,105,654)
Utility Receivables (net)		482,342
Capital Assets		<u>(1,312,099)</u>
Net assets	\$	<u>(1,935,411)</u>

20. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

In accordance with Oregon Revised Statutes, the County budgets all funds except fiduciary funds. All governmental and proprietary fund types are generally budgeted under the modified accrual basis of accounting. The Housing Authority of Washington County is not subject to Oregon Budget Law, but must follow the County's administrative budgeting processes. Expenditure budgets are appropriated by major function or organization unit for each fund except the Local Option Levy Fund, which expenditures are budgeted at the program level. These appropriations establish the legal level of control for each fund. Expenditures appropriations may not be legally overexpended except in the case of reimbursable grant expenditures and trust monies that could not be reasonably estimated at the time the budget was adopted.

After budget approval, the Board of Commissioners may approve supplemental appropriations and appropriation transfers between organizational units or major programs if an occurrence, condition or need exists which was not known at the time the budget was adopted. The County had one supplemental budget during the year ended June 30, 2008. Both the original adopted budget and the revised budget comparisons are presented in the accompanying budgetary schedules. Appropriations lapse at the end of the fiscal year.

B. Deficit Fund Balances

The Sheriff's Office Grants and Donations Fund had a deficit fund balance at year-end because of a timing difference in having been reimbursed for grant expenditures.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (Continued)

June 30, 2008

(Dollars in thousands)

21. SUBSEQUENT EVENT

The Housing Authority (Authority) is in the process of selling forty public housing properties. These properties are single-family dwellings, and have HUD approval to be sold, with the proceeds to be used for other housing purposes. As of June 30, 2008, thirty properties had been sold. As of the date of this report, 5 additional properties had been sold.

The Authority also has HUD approval to sell up to forty public housing properties to Section 8 and Public Housing program participants, under a first-time homebuyer program. Two units were sold during the year.

On October 2, 2007, the Housing Authority Board of Directors authorized the Executive Director to work with bond counsel and a financial advisor to develop documents necessary to prepare a contingent loan agreement supporting the Authority's refinancing of its Affordable Housing portfolio.

REQUIRED SUPPLEMENTARY INFORMATION

WASHINGTON COUNTY, OREGON
 Budgetary Comparison
 General Fund
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:				
Taxes	\$ 96,725	96,725	96,653	(72)
Licenses and permits	4,933	4,933	5,606	673
Intergovernmental revenues	15,599	15,724	18,104	2,380
Charges for services	8,169	8,169	6,763	(1,406)
Fines and forfeitures	3,460	3,460	3,167	(293)
Miscellaneous revenues	5,329	5,559	6,737	1,178
Interfund revenues	5,730	5,730	5,472	(258)
Total revenues	<u>139,946</u>	<u>140,300</u>	<u>142,502</u>	<u>2,201</u>
Expenditures:				
General government:				
Board of County Commissioners	341	356	344	12
County administrative office	1,648	1,648	1,438	210
Community network	590	590	590	—
County counsel	1,607	1,607	1,558	49
County auditor	172	177	164	13
Elections division	1,856	1,856	1,304	552
Assessment and taxation	7,969	7,969	7,078	891
County communications	664	664	426	238
Financial management	1,797	1,797	2,600	(803)
Human resources	1,750	1,750	1,309	441
Information services	8,480	8,480	8,108	372
Purchasing	384	384	374	10
Facilities management	7,831	7,831	7,544	287
Subtotal	<u>35,089</u>	<u>35,109</u>	<u>32,837</u>	<u>2,272</u>
Public safety and justice:				
Law enforcement services	14,846	14,846	14,313	533
Jail operations	18,563	18,563	17,848	715
Sheriff's office administration	2,801	2,801	2,586	215
Jail health care	2,966	3,766	3,718	48
District Attorney	7,633	7,654	7,378	276
Washington County justice court	617	627	594	33
Juvenile	5,080	5,080	4,929	151
Juvenile administration	1,151	1,151	1,038	113
Subtotal	<u>53,657</u>	<u>54,488</u>	<u>52,404</u>	<u>2,084</u>
Land use, housing and transportation				
Planning	2,750	2,750	2,698	52
Water Master	312	312	281	31
Subtotal	<u>3,062</u>	<u>3,062</u>	<u>2,979</u>	<u>83</u>
Health and human services:				
Public health	13,180	13,659	13,146	513
Health and human services administration	928	928	870	58
Animal services	1,823	1,823	1,773	50
Veterans' services	562	562	531	31
Subtotal	<u>16,493</u>	<u>16,972</u>	<u>16,320</u>	<u>652</u>
Subtotal of expenditures carried forward	<u>108,301</u>	<u>109,631</u>	<u>104,540</u>	<u>5,091</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 General Fund
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Subtotal of expenditures brought forward	\$ 108,301	109,631	104,540	5,091
Expenditures, continued:				
Culture, education and recreation:				
Agriculture activities	332	332	332	—
Parks	710	710	663	47
Subtotal	<u>1,042</u>	<u>1,042</u>	<u>995</u>	<u>47</u>
Non-operating:				
Miscellaneous	1,218	1,598	1,469	129
Subtotal	<u>1,218</u>	<u>1,598</u>	<u>1,469</u>	<u>129</u>
Operating contingency	28,600	27,187	—	27,187
Total expenditures	<u>139,161</u>	<u>139,458</u>	<u>107,005</u>	<u>32,454</u>
Excess (deficiency) of revenues over expenditures	<u>785</u>	<u>843</u>	<u>35,497</u>	<u>34,654</u>
Other financing sources (uses):				
Transfers in from other funds	17,529	17,529	16,993	(536)
Transfers out to other funds	(54,958)	(55,016)	(54,449)	567
Total other financing sources (uses)	<u>(37,429)</u>	<u>(37,487)</u>	<u>(37,456)</u>	<u>31</u>
Net change in fund balance	<u>(36,644)</u>	<u>(36,645)</u>	<u>(1,958)</u>	<u>34,687</u>
Fund balance July 1, 2007	36,645	36,645	47,506	10,861
Restatement	—	—	(8,026)	(8,026)
Fund balance July 1, 2007, as restated	<u>36,645</u>	<u>36,645</u>	<u>39,480</u>	<u>2,835</u>
Fund balance June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>37,522</u>	<u>37,522</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison
 Major Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	HOME Fund				Human Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 4,457	4,457	2,984	(1,473)	18,549	18,549	16,625	(1,924)
Charges for services	—	—	—	—	36	36	36	—
Miscellaneous revenues	—	—	222	222	182	182	462	280
Interfund revenues	—	—	—	—	138	138	131	(7)
Total revenues	<u>4,457</u>	<u>4,457</u>	<u>3,206</u>	<u>(1,251)</u>	<u>18,905</u>	<u>18,905</u>	<u>17,254</u>	<u>(1,651)</u>
Expenditures:								
Current:								
Land use, housing and transportation	4,325	4,325	3,205	1,120	—	—	—	—
Health and human services	—	—	—	—	21,019	21,019	18,402	2,617
Operating contingency	131	131	—	131	1,055	1,055	—	1,055
Total current	<u>4,457</u>	<u>4,457</u>	<u>3,205</u>	<u>1,252</u>	<u>22,074</u>	<u>22,074</u>	<u>18,402</u>	<u>3,672</u>
Total expenditures	<u>4,457</u>	<u>4,457</u>	<u>3,205</u>	<u>1,252</u>	<u>22,074</u>	<u>22,074</u>	<u>18,402</u>	<u>3,672</u>
Excess (deficiency) of revenues over expenditures	—	—	1	1	(3,169)	(3,169)	(1,148)	2,021
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	1,825	1,825	1,825	—
Transfers out to other funds	—	—	—	—	(24)	(24)	(24)	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,801</u>	<u>1,801</u>	<u>1,801</u>	<u>—</u>
Net change in fund balance	—	—	1	1	(1,368)	(1,368)	653	2,021
Fund balances July 1, 2007	—	—	—	—	1,368	1,368	1,462	94
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>1</u>	<u>1</u>	<u>—</u>	<u>—</u>	<u>2,115</u>	<u>2,115</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Major Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Major Streets Transportation Improvement Program III Fund				Road Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ —	—	—	—	895	895	943	48
Licenses and permits	—	—	—	—	129	129	159	30
Intergovernmental revenues	1,510	1,510	1,609	99	20,281	20,281	19,018	(1,263)
Charges for services	—	—	—	—	895	895	880	(15)
Special assessments	—	—	—	—	15	15	97	82
Miscellaneous revenues	2,755	2,755	2,725	(30)	677	677	1,427	750
Interfund revenues	—	—	—	—	7,497	7,497	7,015	(482)
Total revenues	4,265	4,265	4,334	69	30,389	30,389	29,539	(850)
Expenditures:								
Current:								
Land use, housing and transportation:								
Administration	65,351	65,351	27,411	37,940	2,897	2,897	2,849	48
Engineering services	—	—	—	—	7,405	7,405	6,149	1,256
Capital projects management	—	—	—	—	4,887	4,887	4,318	569
Operations and maintenance	—	—	—	—	18,366	18,354	16,264	2,090
Operating contingency	—	—	—	—	9,182	9,182	—	9,182
Total current	65,351	65,351	27,411	37,940	42,757	42,725	29,580	13,145
Capital outlay	14,368	14,368	3,841	10,527	157	189	48	141
Debt service:								
Principal	—	—	—	—	26	26	26	—
Interest	—	—	—	—	6	6	6	—
Total debt service	—	—	—	—	32	32	32	—
Total expenditures	79,718	79,718	31,252	48,466	42,945	42,945	29,660	13,286
Excess (deficiency) of revenues over expenditures	(75,453)	(75,453)	(26,918)	48,535	(12,556)	(12,557)	(121)	12,436
Other financing sources (uses):								
Transfers in from other funds	26,210	26,210	26,203	(7)	1,044	1,044	744	(300)
Transfers out to other funds	(3,454)	(3,454)	(454)	3,000	(1,187)	(1,187)	(761)	426
Total other financing sources (uses)	22,755	22,755	25,749	2,994	(143)	(143)	(17)	126
Net change in fund balance	(52,698)	(52,698)	(1,160)	51,529	(12,700)	(12,700)	(138)	12,562
Fund balances July 1, 2007	52,698	52,698	57,077	4,379	12,700	12,700	14,360	1,660
Fund balances June 30, 2008	\$ —	—	55,908	55,908	—	—	14,222	14,222

SUPPLEMENTARY INFORMATION

NON-MAJOR FUND FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

The Special Revenue Funds account for revenue derived from specific tax or other earmarked revenue sources, including federal and state grant awards, which are restricted to finance particular functions or activities. Funds included in this category are:

- Aging, Disability & Veterans' Services Fund - This fund accounts for various services provided for elderly persons in the County in conjunction with the State.
- Animal Services Gifts and Donation Fund - This fund is a new fund added this fiscal year to account for financial contributions from private donors for the animal services program.
- Building/Equipment Replacement Fund - This fund accounts for resources to be used to replace various building and equipment components of the County's buildings.
- Building Services Fund - This fund provides inspection and plan review services related to conformance with the state building, mechanical, electrical, planning and mobile home codes and ordinances.
- Child Abuse Multidisciplinary Intervention Fund - This fund provides education and support to victims of child abuse and their families and serves as a liaison for the victim in dealing with police officers, attorneys and other professionals throughout the investigation and prosecution of the case.
- Children and Youth Services Commission Fund - This fund accounts for the development, administration and evaluation of the annual comprehensive juvenile services of the County.
- Community Corrections Fund - This fund accounts for the custodial and supervisory services for offenders adjudicated through the criminal justice system of the County.
- Commuter Rail Projects Fund - This fund accounts for local and state matching funds on a federal project to establish a commuter rail line between the Cities of Wilsonville and Beaverton. This fund has been deleted effective July 1, 2007.
- Cooperative Library Fund - This fund accounts for the coordination and contracting to provide a full range of library services to all residents of the County.
- Countywide Traffic Impact Fee Fund - This fund accounts for traffic impact fees used to finance extra capacity street facilities required by new development.
- Court Security Fund - This fund accounts for the receipt and expenditure of County fine assessments earmarked for court security programs.

SPECIAL REVENUE FUNDS (Continued)

- Department of Housing Services Fund - This fund accounts for the activities of the County and Housing Authority of Washington County housing programs.
- Development Services Fund - This fund accounts for activities pertaining to land development in the unincorporated areas of the County, and provides for development compliance/code enforcement activities as they relate to enforcement of the County's community development code and related ordinances.
- District Patrol Fund - This fund accounts for the contracted responsibility of providing enhanced patrol and related services to the Enhanced Sheriff Patrol District.
- Emergency Medical Services Fund - This fund accounts for the coordination of ambulance services in the County.
- Enhanced Sheriff Patrol District Fund - This fund accounts for monies from a previously approved levy that has now become part of the permanent tax rate to provide an urban level of police service to the unincorporated areas of the County. This fund contracts with the District Patrol Fund to provide the required police patrol services.
- HOME Fund - This fund accounts for the expenditure of HOME funds provided to the County's Community Development Fund by the U.S. Department of Housing and Urban Development (HUD).
- Human Services HB-2145 Fund - This fund accounts for beer and wine tax revenues designated for alcoholism treatment and rehabilitation services.
- Human Services OHP Fund - This fund accounts for moneys received from the Oregon Health Plan to provide mental health services to County residents enrolled in the plan. OHP Mental Health provides overall management of the program; including administration, reporting, quality assurance, and oversight of the contracted service providers and third-party claims administrators.
- Indirect Cost Reimbursement Fund - This fund accounts for the indirect costs that are allocated to and recovered from operating departments in connection with the County-wide cost allocation plan. Monies received in this fund are in turn expended as reimbursements to the fund or cost center that provided the service.
- Jail Commissary Fund - This fund accounts for the goods, services and moneys associated with the jail commissary.

SPECIAL REVENUE FUNDS (Continued)

- Juvenile Conciliation Services Fund - This fund accounts for custody service fees collected and dedicated to conciliation services by state law. The moneys provide custody studies to circuit court; counseling services concerning marriage and divorce; and mediation services in dissolution proceedings involving child custody issues.
- Juvenile Grants Fund - This fund accounts for grant awards provided to enhance evaluative and diagnostic services to those youth that would be most susceptible to being committed to state training schools.
- Juvenile High Risk Prevention Fund - This fund accounts for grant moneys received from the State and contracted to prevention service providers in schools and private non-profit organizations. The funding is used for drug and alcohol evaluation and treatment services to high-risk youth identified by the Juvenile Crime Prevention Plan.
- Law Library Capital Construction Fund - This fund provides a reserve for future capital needs of the law library.
- Law Library Fund - This fund was established in accordance with state statutes to provide legal research and reference materials.
- Local Option Levy Fund - This fund accounts for funds from a five-year property tax serial levy for public safety and justice programs approved by voters in November 2006. Funds collected are dedicated to improving/restoring service levels in existing county public safety and justice programs.
- Maintenance Improvement District Fund - This fund accounts for the construction of road maintenance improvement activities undertaken through the maintenance improvement district.
- Major Streets Capital Projects Fund - This fund accounts for the activities necessary for installing, constructing, and extending extra capacity street facilities.
- Major Streets Transportation Improvement Program II Fund - This fund accounts for funds from a six-year property tax serial levy for specific road improvements approved by voters in September 1989. Funds collected are expended for a comprehensive capital improvement road construction program that includes road-widening projects, intersection safety improvements, preliminary engineering studies and other related road improvements. This fund has been deleted effective July 1, 2007.

SPECIAL REVENUE FUNDS (Continued)

- Metzger Park Fund - This fund accounts for the maintenance and administration of programs at Metzger Park.
- Office of Community Development Grant Fund - This fund accounts for the management, on behalf of the County and eleven participating city consortium members, of the Urban County Entitlement Grant.
- Oregon & California Title III Fund - This fund accounts for the revenues derived from the federal legislation (Timber Safety Net program PL 106-393) passed in 2000. The County began receiving the payments in 2001 and they are expected to continue through FY 2006-07. Title III expenditures are permissible for a narrow range of local forestry-related projects.
- OTIA Capital Projects Fund - This fund accounts for resources made available to the County under House Bill 2041 for the creation of the Oregon Transportation Investment Act III (OTIA3) State Bridge Delivery Program. OTIA3 was created to maximize ease of traffic movement, while providing expedient project delivery and economic stimulus through the use of Oregon firms and their employees. Funds received are expended to repair or replace selected County bridge facilities.
- Real Property Management Fund - This fund accounts for the County's surplus real property inventory, including sale, disposal, transfer, maintenance, and renting of properties.
- Senate Bill 1145 Fund - This fund is the repository for those funds dedicated exclusively to services for criminal offenders sentenced under the provisions of Senate Bill 1145 (1995 Legislature).
- Sheriff's Office Contract Services Fund - This fund accounts for the contracted responsibility of providing service to Tri-Met Transit Police Division and the Forest Grove School District high school and middle schools, and Elder Abuse Programs. This fund also provides for uniformed law enforcement security and other support services to the Multnomah County Drug and Alcohol Rehabilitation Program housed in space leased from Washington County in the old jail facility.
- Sheriff's Office Forfeitures Fund - This fund accounts for resources derived from asset forfeitures that typically come from the sale of real and/or personal property seized from offenders involved in drug-related criminal activity. Specific and strict guidelines govern the use of all forfeiture proceeds. These laws change periodically so funds accumulated at different times are subject to varying legal requirements for their use and are accounted for in different programs within this fund.

SPECIAL REVENUE FUNDS (Continued)

- Sheriff's Office Grants and Donations Fund - This fund accounts for donations specifically identified for support of the Drug Abuse Resistance Education (DARE) programs and the Local Law Enforcement Block Grant (LLEBG) federal grant awards that require identification and control of related revenues and expenditures.
- Strategic Investment Program Fund – This fund accounts for payments and other contributions/payments from companies receiving property tax exemptions under the State's Strategic Investment Plan (SIP).
- 1999 Strategic Investment Program Fund - This fund accounts for receipt of all fees from the 1999 SIP agreement and the County's payment of a portion of the community service fee to the City of Hillsboro and other administration functions for the fund.
- Survey Fund - This fund encompasses the duties and responsibilities of the County Surveyor which includes monumentation, checking and recording subdivisions and plats, performing court-ordered surveys, right-of-way acquisitions, road and easement vacations, road alignment surveying, construction taking and public assistance.
- Surveyor - Public Land Corner Fund - This fund accounts for activities related to the remonumentation of government survey corners funded through the public land corner preservation fee.
- Transportation Improvement Program Serial Levy Fund - This fund accounts for funds from a three-year serial levy for road improvements. Funds collected are expended to match state and federal funds for widening roads, intersection safety improvements, preliminary engineering studies, and other related road improvements.
- Tourism Dedicated Lodging Tax Fund - This fund accounts for revenues generated by the three-ninths portion of the Washington County lodging tax that is tourism-dedicated. This program area was established in the 2006-07 fiscal year and reflects the evolving County role in tourism.
- Urban Road Maintenance Service District Fund - This fund is a special service district formed to provide an enhanced level of maintenance services to local, minor collector and public roads in the urban unincorporated areas of the County.
- Washington County Fair Fund - This fund accounts for the operation and management of the fairground facilities and provides various services to the public, including the annual County fair.

DEBT SERVICE FUNDS

The Debt Service Funds account for the payment of principal and interest on general obligation, Bancroft improvement bonds, notes and contracts payable. Revenue is derived primarily from property taxes, and interest earned on special assessments. Funds included in this category are:

- Courthouse Improvement Bond Sinking Fund - This fund accounts for the payment of principal and interest on general obligation bonds.
- Criminal Justice Bond Fund - This fund is used to pay principal and interest on the Series 1994 Criminal Justice Facilities Bonds.
- Miscellaneous Debt Service Fund - This fund is an accounting unit for the payment of debt that is not accounted for separately in another debt service fund.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for expenditures on major construction projects. Revenue is derived primarily from issuance of debt and interest income. Funds included in this category are:

- Facilities General Capital Projects Fund - This fund accounts for miscellaneous capital improvement projects.
- Facilities Park (THPRD) SDC Fund - This fund is used to account for system development charges in the northeastern part of the County's urban unincorporated area. The SDC was established by the Board of Commissioners in October 2004. Proceeds are to be used for park capital improvements in the area.
- Information Technology Services Capital Projects Fund - This fund accounts for the purchase of IT-related capital assets (software and hardware) for Special and General Fund organization units.
- Parks and Open Spaces Opportunity Projects Fund - This fund is used to account for resources set aside for greenspace acquisitions.

INTERNAL SERVICE FUNDS

The Internal Service Funds account for activities and services performed for other organizational units within the County. Charges to other County agencies are made to support these activities. The County accounts for certain expenditures of the Internal Service Funds for budgetary purposes on the modified accrual basis of accounting. For financial reporting purposes, the accrual basis of accounting is used. The differences relate primarily to the methods of accounting for depreciation and capital outlay. Funds included in this category are:

- Fleet Management Fund - This fund accounts for maintenance and repair services provided to County users of the fleet. Costs are billed to the user's department based upon a specified hourly rate.
- Fleet Replacement Fund - This fund provides for the purchase and disposition of fleet vehicles and equipment. Replacement costs are billed to other departments at an amount estimated to cover depreciation on the fleet.
- Liability/Casualty Insurance Fund - This fund is a self-insurance fund that provides the funds necessary to cover liability and casualty claims. Costs are billed to user departments at an amount estimated to cover actual and incurred but not reported claims.
- Life Insurance Fund - This fund accounts for collection and payment of life and long-term disability insurance premiums for the various departments of the County.
- Workers' Compensation Insurance Fund - This fund accounts for the paying of workers' compensation costs. Costs are billed to the user department based on actual costs.
- Medical Insurance Fund - This fund accounts for all administrative and claims costs associated with the medical and dental plans. Costs are billed to the departments based on number of employees.
- Unemployment Insurance Fund - This fund accounts for all unemployment claims of departments and centralizes accounting of charges. Costs are billed to the departments based on historical claims.
- Municipal Transfer Liability Fund - This fund was established to provide a reserve for potential liabilities associated with cities providing services on behalf of the County in urban unincorporated areas.

INTERNAL SERVICE FUNDS (Continued)

- Internal Support Services Fund - This fund accounts for all department costs for postage, office supplies, printing, training and other support services costs. Actual costs are billed to user departments as services are used.
- PERS Rate Stabilization Fund - This fund is used to account for moneys set aside to fund future rate increases. The moneys may be used for employer PERS costs, costs of managing and maintaining the fund and costs related to PERS litigation.

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Special Revenue Funds
June 30, 2008
(Dollars in thousands)

Assets	Aging, Disability & Veterans' Services Fund	Animal Services Gifts and Donations Fund	Building/ Equipment Replacement Fund	Building Services Fund	Child Abuse Multidisciplinary Intervention Fund	Children and Youth Services Commission Fund
Cash and investments	\$ 326	176	2,764	12,846	18	750
Accounts receivable	272	1	—	—	120	528
Total assets	<u>598</u>	<u>177</u>	<u>2,764</u>	<u>12,846</u>	<u>138</u>	<u>1,278</u>
Liabilities and Fund Balance						
Liabilities:						
Accounts payable	95	3	146	40	94	352
Accrued payroll liabilities	36	—	—	216	2	22
Deposits payable	—	—	—	212	—	—
Deferred revenue	29	12	—	—	—	497
Total liabilities	<u>160</u>	<u>15</u>	<u>146</u>	<u>468</u>	<u>96</u>	<u>871</u>
Fund balance:						
Special Revenue	<u>438</u>	<u>162</u>	<u>2,618</u>	<u>12,378</u>	<u>42</u>	<u>407</u>
Total fund balance	<u>438</u>	<u>162</u>	<u>2,618</u>	<u>12,378</u>	<u>42</u>	<u>407</u>
Total liabilities and fund balance	<u>\$ 598</u>	<u>177</u>	<u>2,764</u>	<u>12,846</u>	<u>138</u>	<u>1,278</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2008
(Dollars in thousands)

Assets	Community Corrections Fund	Cooperative Library Services Fund	County- wide Traffic Impact Fee Fund	Court Security Fund	Department of Housing Services Fund
Cash and investments	\$ 965	3,915	15,363	281	14
Property taxes receivable	—	172	—	—	—
Assessments receivable	—	—	47	—	—
Accounts receivable	12	1	—	29	238
Other assets	—	—	—	—	10
Total assets	<u>977</u>	<u>4,088</u>	<u>15,410</u>	<u>310</u>	<u>261</u>
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	101	147	129	67	96
Accrued payroll liabilities	292	80	—	—	150
Amounts held in trust	—	—	4	—	—
Deferred revenue	—	141	49	—	15
Total liabilities	<u>393</u>	<u>368</u>	<u>182</u>	<u>67</u>	<u>261</u>
Fund balance:					
Special Revenue	<u>584</u>	<u>3,720</u>	<u>15,228</u>	<u>243</u>	<u>—</u>
Total fund balance	<u>584</u>	<u>3,720</u>	<u>15,228</u>	<u>243</u>	<u>—</u>
Total liabilities and fund balance	<u>\$ 977</u>	<u>4,088</u>	<u>15,410</u>	<u>310</u>	<u>261</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2008
(Dollars in thousands)

Assets	Development Services Fund	District Patrol Fund	Emergency Medical Services Fund	Enhanced Sheriff Patrol District Fund (Component Unit)
Cash and investments	\$ 2,558	518	1,639	8,311
Property taxes receivable	—	—	—	509
Total assets	<u>2,558</u>	<u>518</u>	<u>1,639</u>	<u>8,820</u>
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	33	47	6	—
Accrued payroll liabilities	101	471	8	—
Deposits payable	414	—	—	—
Deferred revenue	—	—	10	429
Total liabilities	<u>548</u>	<u>518</u>	<u>24</u>	<u>429</u>
Fund balance:				
Special Revenue	<u>2,010</u>	<u>—</u>	<u>1,615</u>	<u>8,391</u>
Total fund balance	<u>2,010</u>	<u>—</u>	<u>1,615</u>	<u>8,391</u>
Total liabilities and fund balance	<u>\$ 2,558</u>	<u>518</u>	<u>1,639</u>	<u>8,820</u>

WASHINGTON COUNTY, OREGON
 Combining Balance Sheet, Continued
 Non-major Governmental Funds - Special Revenue Funds
 June 30, 2008
 (Dollars in thousands)

Assets	Human Services HB-2145 Fund	Human Services OHP Fund	Indirect Cost Reimburse- ment Fund	ITS Systems Replacement Fund	Jail Commissary Fund	Juvenile Conciliation Services Fund	Juvenile Grants Fund
Cash and investments	\$ 672	8,614	—	891	321	19	56
Accounts receivable	—	48	—	—	—	39	246
Total assets	<u>672</u>	<u>8,662</u>	<u>—</u>	<u>891</u>	<u>321</u>	<u>58</u>	<u>302</u>
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	—	368	—	—	—	29	33
Accrued payroll liabilities	—	36	—	—	—	14	18
Accrued OHP IBNR Reserve	—	1,770	—	—	—	—	—
Deferred revenue	—	—	—	—	—	—	178
Total liabilities	—	<u>2,174</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>43</u>	<u>229</u>
Fund balance:							
Special Revenue	<u>672</u>	<u>6,488</u>	<u>—</u>	<u>891</u>	<u>321</u>	<u>15</u>	<u>73</u>
Total fund balance	<u>672</u>	<u>6,488</u>	<u>—</u>	<u>891</u>	<u>321</u>	<u>15</u>	<u>73</u>
Total liabilities and fund balance \$	<u>672</u>	<u>8,662</u>	<u>—</u>	<u>891</u>	<u>321</u>	<u>58</u>	<u>302</u>

WASHINGTON COUNTY, OREGON
 Combining Balance Sheet, Continued
 Non-major Governmental Funds - Special Revenue Funds
 June 30, 2008
 (Dollars in thousands)

Assets	Juvenile High Risk Prevention Fund	Law Library Capital Construction Fund	Law Library Fund	Local Option Levy Fund	Maintenance Improvement District Fund	Major Streets Capital Projects Fund
Cash and investments	\$ 295	338	392	5,096	243	5,770
Property taxes receivable	—	—	—	484	—	—
Accounts receivable	475	—	36	184	—	272
Inventory	2	—	—	—	—	—
Total assets	<u>772</u>	<u>338</u>	<u>428</u>	<u>5,764</u>	<u>243</u>	<u>6,042</u>
Liabilities and Fund Balance						
Liabilities:						
Accounts payable	252	—	5	168	—	128
Accrued payroll liabilities	52	—	7	450	—	—
Due to other funds	—	—	—	4,000	—	—
Deferred revenue	133	—	—	544	—	271
Total liabilities	<u>437</u>	<u>—</u>	<u>12</u>	<u>5,162</u>	<u>—</u>	<u>399</u>
Fund balance:						
Reserved fund balance	2	—	—	—	—	—
Unreserved fund balance:						
Special Revenue	333	338	416	602	243	5,643
Total fund balance	<u>335</u>	<u>338</u>	<u>416</u>	<u>602</u>	<u>243</u>	<u>5,643</u>
Total liabilities and fund balance	<u>\$ 772</u>	<u>338</u>	<u>428</u>	<u>5,764</u>	<u>243</u>	<u>6,042</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2008
(Dollars in thousands)

Assets	Metzger Park Fund	Office of Community Development Grant Fund	Oregon & California Title III Fund	OTIA Capital Projects Fund	Real Property Management Fund
Cash and investments	\$ 147	—	133	5,190	—
Assessments receivable	3	—	—	—	—
Accounts receivable	1	592	—	—	—
Investment interest receivable	—	198	—	—	—
Contracts receivable	—	1,804	—	—	—
Total assets	<u>151</u>	<u>2,594</u>	<u>133</u>	<u>5,190</u>	<u>—</u>
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	3	476	15	235	—
Accrued payroll liabilities	3	25	—	—	—
Deposits payable	3	—	—	—	—
Due to other funds	—	47	—	—	—
Deferred revenue	2	2,046	—	3,552	—
Total liabilities	<u>11</u>	<u>2,594</u>	<u>15</u>	<u>3,787</u>	<u>—</u>
Fund balance:					
Special Revenue	<u>140</u>	<u>—</u>	<u>118</u>	<u>1,403</u>	<u>—</u>
Total fund balance	<u>140</u>	<u>—</u>	<u>118</u>	<u>1,403</u>	<u>—</u>
Total liabilities and fund balance	<u>\$ 151</u>	<u>2,594</u>	<u>133</u>	<u>5,190</u>	<u>—</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2008
(Dollars in thousands)

Assets	Senate Bill 1145 Fund	Sheriff's Office Contract Services Fund	Sheriff's Office Forfeitures Fund	Sheriff's Office Grants & Donations Fund	Strategic Investment Program Fund	1999 Strategic Investment Program Fund
Cash and investments	\$ 95	—	404	—	395	1,178
Accounts receivable	—	109	—	167	—	—
Total assets	<u>95</u>	<u>109</u>	<u>404</u>	<u>167</u>	<u>395</u>	<u>1,178</u>
Liabilities and Fund Balance						
Liabilities:						
Accounts payable	—	—	2	37	—	—
Accrued payroll liabilities	—	9	—	—	—	—
Due to other funds	—	62	—	124	—	—
Deferred revenue	—	14	—	36	—	—
Total liabilities	<u>—</u>	<u>85</u>	<u>2</u>	<u>197</u>	<u>—</u>	<u>—</u>
Fund balance:						
Special Revenue	<u>95</u>	<u>24</u>	<u>402</u>	<u>(30)</u>	<u>395</u>	<u>1,178</u>
Total fund balance(deficit)	<u>95</u>	<u>24</u>	<u>402</u>	<u>(30)</u>	<u>395</u>	<u>1,178</u>
Total liabilities and fund balance	<u>\$ 95</u>	<u>109</u>	<u>404</u>	<u>167</u>	<u>395</u>	<u>1,178</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2008
(Dollars in thousands)

Assets	Survey Fund	Surveyor - Public Land Corner Fund	Tourism Dedicated Lodging Tax Fund	Urban Road Maintenance Service District Fund (Component Unit)	Washington County Fair Fund	West Slope Library Fund	Total Special Revenue Funds
Cash and investments	\$ 1,878	3,059	1,135	2,515	894	143	90,317
Property taxes receivable	—	—	—	114	—	—	1,279
Assessments receivable	—	—	—	—	—	—	50
Accounts receivable	371	5	567	—	190	—	4,504
Investment interest receivable	—	—	—	—	—	—	198
Contracts receivable	—	—	—	—	—	—	1,804
Inventory	—	—	—	—	—	—	2
Other assets	—	—	—	—	21	—	30
Total assets	2,249	3,064	1,702	2,629	1,105	143	98,184
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	162	3	61	821	28	6	4,188
Accrued payroll liabilities	28	28	—	—	19	15	2,082
Deposits payable	1,104	1	—	—	1	—	1,735
Amounts held in trust	—	—	—	—	—	—	4
Accrued OHP IBNR Reserve	—	—	—	—	—	—	1,770
Due to other funds	—	—	—	—	—	—	4,233
Deferred revenue	—	—	—	96	113	—	8,168
Total liabilities	1,294	32	61	917	161	21	22,160
Fund balance:							
Reserved fund balance:	—	—	—	—	—	—	2
Unreserved fund balance:							
Special Revenue	955	3,032	1,641	1,712	944	122	76,002
Total fund balance	955	3,032	1,641	1,712	944	122	76,004
Total liabilities and fund balance	\$ 2,249	3,064	1,702	2,629	1,105	143	98,184

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Debt Service Funds
June 30, 2008
(Dollars in thousands)

Assets	Courthouse Bond Sinking Fund	Criminal Justice Bond Fund	Miscellaneous Debt Service Fund	Total Debt Service Funds
Cash and investments	\$ —	198	3	201
Property tax receivable	—	238	—	238
Total assets	<u>—</u>	<u>436</u>	<u>3</u>	<u>439</u>
Liabilities and Fund Balance				
Liabilities:				
Deferred revenue	—	202	—	202
Total liabilities	<u>—</u>	<u>202</u>	<u>—</u>	<u>202</u>
Fund balance:				
Reserved fund balance	—	234	3	237
Total fund balance	<u>—</u>	<u>234</u>	<u>3</u>	<u>237</u>
Total liabilities and fund balance	<u>\$ —</u>	<u>436</u>	<u>3</u>	<u>439</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Capital Projects Funds
June 30, 2008
(Dollars in thousands)

Assets	Facilities General Capital Projects Fund	Facilities Park (THPRD) SDC Fund	ITS Capital Projects Fund	Parks and Open Spaces Opportunity Projects Fund	Total Capital Projects Funds	Total Non-major Funds
Cash and investments	\$ 103	904	640	660	2,307	92,825
Property taxes receivable	—	—	—	—	—	1,517
Assessments receivable	—	—	—	—	—	50
Accounts receivable	—	—	—	—	—	4,504
Investment interest receivable	—	—	—	—	—	198
Contracts receivable	—	—	—	—	—	1,804
Inventory	—	—	—	—	—	2
Other assets	—	—	—	—	—	30
Total assets	<u>103</u>	<u>904</u>	<u>640</u>	<u>660</u>	<u>2,307</u>	<u>100,930</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	103	—	358	—	461	4,649
Accrued payroll liabilities	—	—	—	—	—	2,082
Deposits payable	—	—	—	—	—	1,735
Amounts held in trust	—	—	—	—	—	4
Accrued OHP IBNR Reserve	—	—	—	—	—	1,770
Due to other funds	—	—	—	—	—	4,233
Deferred revenue	—	—	—	—	—	8,370
Total liabilities	<u>103</u>	<u>—</u>	<u>358</u>	<u>—</u>	<u>461</u>	<u>22,843</u>
Fund balances:						
Reserved fund balances:	—	904	—	—	904	1,143
Unreserved fund balance:	—	—	—	—	—	—
Capital projects	—	—	282	660	942	942
Special revenue	—	—	—	—	—	76,002
Total fund balances	<u>—</u>	<u>904</u>	<u>282</u>	<u>660</u>	<u>1,846</u>	<u>78,088</u>
Total liabilities and fund balances	<u>\$ 103</u>	<u>904</u>	<u>640</u>	<u>660</u>	<u>2,307</u>	<u>100,930</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-major Governmental Funds - Special Revenue Funds
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	Aging, Disability & Veterans' Services Fund	Animal Services Gifts and Donation Fund	Building Equipment Replace- ment Fund	Building Services Fund	Child Abuse Multidisciplinary Intervention Fund	Children and Youth Services Commission Fund
Revenues:						
Licenses and permits	—	—	—	2,992	—	—
Intergovernmental revenues	1,995	—	—	39	—	3,398
Charges for services	—	—	—	2,425	—	118
Fines and forfeitures	—	—	—	3	—	—
Miscellaneous revenues	27	59	128	605	482	102
Interfund revenues	—	—	—	261	—	30
Total revenues	<u>2,022</u>	<u>59</u>	<u>128</u>	<u>6,325</u>	<u>482</u>	<u>3,648</u>
Expenditures:						
Current:						
Public safety and justice	—	—	—	—	467	—
Land use, housing and transportation	—	—	—	6,903	—	—
Health and human services	2,073	19	—	—	—	3,772
Nonoperating	—	—	5	—	—	—
Total current	<u>2,073</u>	<u>19</u>	<u>5</u>	<u>6,903</u>	<u>467</u>	<u>3,772</u>
Capital outlay	—	19	1,078	22	—	—
Total expenditures	<u>2,073</u>	<u>38</u>	<u>1,083</u>	<u>6,925</u>	<u>467</u>	<u>3,772</u>
Excess (deficiency) of revenues over expenditures	(51)	21	(955)	(600)	15	(124)
Other financing sources (uses):						
Transfers in	246	—	751	25	—	83
Transfers out	—	—	—	(297)	—	—
Total other financing sources (uses)	<u>246</u>	<u>—</u>	<u>751</u>	<u>(272)</u>	<u>—</u>	<u>83</u>
Net change in fund balance	195	21	(204)	(872)	15	(41)
Fund balances July 1, 2007	<u>243</u>	<u>141</u>	<u>2,822</u>	<u>13,250</u>	<u>27</u>	<u>448</u>
Fund balances June 30, 2008	<u>\$ 438</u>	<u>162</u>	<u>2,618</u>	<u>12,378</u>	<u>42</u>	<u>407</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued
Non-major Governmental Funds - Special Revenue Funds
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	Community Corrections Fund	Cooperative Library Fund	County- wide Traffic Impact Fee Fund	Court Security Fund	Department of Housing Services Fund	Development Services Fund
Revenues:						
Taxes	\$ —	6,757	—	—	—	—
Intergovernmental revenues	5,609	50	—	—	1,616	23
Charges for services	844	—	1,569	—	—	1,863
Fines and forfeitures	—	—	—	303	—	—
Special assessments	—	—	22	—	—	—
Miscellaneous revenues	138	6	677	10	3,651	145
Interfund revenues	1,318	270	—	22	—	269
Total revenues	<u>7,909</u>	<u>7,083</u>	<u>2,268</u>	<u>395</u>	<u>5,267</u>	<u>2,100</u>
Expenditures:						
Current:						
Public safety and justice	9,960	—	—	360	—	—
Land use, housing and transportation	—	—	1,123	—	5,379	3,283
Culture, education and recreation	—	18,075	—	—	—	—
Total current	<u>9,960</u>	<u>18,075</u>	<u>1,123</u>	<u>360</u>	<u>5,379</u>	<u>3,283</u>
Capital outlay	—	31	49	—	—	7
Total expenditures	<u>9,960</u>	<u>18,106</u>	<u>1,172</u>	<u>360</u>	<u>5,379</u>	<u>3,290</u>
Excess (deficiency) of revenues over expenditures	<u>(2,051)</u>	<u>(11,023)</u>	<u>1,096</u>	<u>35</u>	<u>(112)</u>	<u>(1,190)</u>
Other financing sources (uses):						
Transfers in	1,593	13,527	—	—	112	525
Transfers out	—	(593)	(211)	—	—	(114)
Total other financing sources (uses)	<u>1,593</u>	<u>12,934</u>	<u>(211)</u>	<u>—</u>	<u>112</u>	<u>411</u>
Net change in fund balance	<u>(458)</u>	<u>1,911</u>	<u>885</u>	<u>35</u>	<u>—</u>	<u>(779)</u>
Fund balances July 1, 2007	1,042	1,809	14,343	208	—	2,789
Fund balances June 30, 2008	<u>\$ 584</u>	<u>3,720</u>	<u>15,228</u>	<u>243</u>	<u>—</u>	<u>2,010</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued
Non-major Governmental Funds - Special Revenue Funds
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	District Patrol Fund	Emergency Medical Services Fund	Enhanced Sheriff Patrol District Fund (Component Unit)	Human Services HB-2145 Fund	Human Services OHP Fund	Indirect Cost Reimburse- ment Fund
Revenues:						
Taxes	\$ —	—	14,313	—	—	—
Licenses and permits	—	423	—	—	—	—
Intergovernmental revenues	48	—	—	—	—	39
Charges for services	—	—	—	—	12,167	—
Miscellaneous revenues	14,797	69	455	—	378	—
Interfund revenues	—	—	—	502	—	11,854
Total revenues	<u>14,845</u>	<u>492</u>	<u>14,768</u>	<u>502</u>	<u>12,545</u>	<u>11,893</u>
Expenditures:						
Current:						
Public safety and justice	14,272	—	14,863	—	—	—
Health and human services	—	314	—	—	11,760	—
Nonoperating	—	—	—	—	—	1,451
Total current	<u>14,272</u>	<u>314</u>	<u>14,863</u>	<u>—</u>	<u>11,760</u>	<u>1,451</u>
Capital outlay	573	—	—	—	—	—
Total expenditures	<u>14,845</u>	<u>314</u>	<u>14,863</u>	<u>—</u>	<u>11,760</u>	<u>1,451</u>
Excess (deficiency) of revenues over expenditures	—	178	(95)	502	785	10,442
Other financing sources (uses):						
Transfers out	—	—	—	(400)	—	(10,442)
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>(400)</u>	<u>—</u>	<u>(10,442)</u>
Net change in fund balance	—	178	(95)	102	785	—
Fund balances July 1, 2007	—	1,437	8,486	570	5,703	—
Fund balances June 30, 2008	<u>\$ —</u>	<u>1,615</u>	<u>8,391</u>	<u>672</u>	<u>6,488</u>	<u>—</u>

WASHINGTON COUNTY, OREGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued

Non-major Governmental Funds - Special Revenue Funds

For the fiscal year ended June 30, 2008

(Dollars in thousands)

	ITS Systems Replacement Fund	Jail Commissary Fund	Juvenile Conciliation Services Fund	Juvenile Grants Fund	Juvenile High Risk Prevention Fund	Law Library Capital Construction Reserve Fund	Law Library Fund
Revenues:							
Licenses and permits	—	—	33	—	—	—	—
Intergovernmental revenues	—	—	—	561	2,228	—	—
Charges for services	—	—	519	—	—	—	440
Miscellaneous revenues	26	104	—	15	23	15	15
Total revenues	26	104	552	576	2,251	15	455
Expenditures:							
Current:							
Public safety and justice	—	123	552	754	2,011	1	333
Total current	—	123	552	754	2,011	1	333
Total expenditures	—	123	552	754	2,011	1	333
Excess (deficiency) of revenues over expenditures	26	(19)	—	(178)	240	14	122
Other financing sources (uses):							
Transfers in	865	—	—	—	—	—	—
Transfers out	—	—	—	—	—	—	(18)
Total other financing sources (uses)	865	—	—	—	—	—	(18)
Net change in fund balance	891	(19)	—	(178)	240	14	104
Fund balances July 1, 2007	—	340	15	251	95	324	312
Fund balances June 30, 2008	\$ 891	321	15	73	335	338	416

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued
Non-major Governmental Funds - Special Revenue Funds
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	Local Option Levy Fund	Maintenance Improvement District Fund	Major Streets Capital Projects Fund	Metzger Park Fund	Office of Community Development Grant Fund	Oregon & California Title III Fund
Revenues:						
Taxes	\$ 16,687	—	—	—	—	—
Intergovernmental revenues	159	—	646	—	2,886	109
Charges for services	82	—	—	—	—	—
Special assessments	—	17	—	88	—	—
Miscellaneous revenues	303	10	619	38	236	6
Total revenues	<u>17,231</u>	<u>27</u>	<u>1,265</u>	<u>126</u>	<u>3,122</u>	<u>115</u>
Expenditures:						
Current:						
Public safety and justice	14,232	—	—	—	—	—
Land use, housing and transportation	—	1	1,840	—	3,122	—
Culture, education and recreation	—	—	—	98	—	—
Nonoperating	—	—	—	—	—	105
Total current	<u>14,232</u>	<u>1</u>	<u>1,840</u>	<u>98</u>	<u>3,122</u>	<u>105</u>
Capital outlay	93	—	9	3	—	—
Debt service:						
Interest	140	—	—	—	—	—
Total debt service	<u>140</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>14,465</u>	<u>1</u>	<u>1,849</u>	<u>101</u>	<u>3,122</u>	<u>105</u>
Excess (deficiency) of revenues over expenditures	<u>2,766</u>	<u>26</u>	<u>(584)</u>	<u>25</u>	<u>—</u>	<u>10</u>
Other financing sources (uses):						
Transfers in	—	—	493	—	—	—
Transfers out	—	—	(14)	(6)	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>479</u>	<u>(6)</u>	<u>—</u>	<u>—</u>
Net change in fund balance	2,766	26	(105)	19	—	10
Fund balances July 1, 2007	(2,164)	217	5,748	121	—	108
Fund balances June 30, 2008	<u>\$ 602</u>	<u>243</u>	<u>5,643</u>	<u>140</u>	<u>—</u>	<u>118</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued
Non-major Governmental Funds - Special Revenue Funds
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	OTIA Capital Projects Fund	Real Property Management Fund	Senate Bill 1145 Fund	Sheriff's Office Contract Services Fund	Sheriff's Office Forfeitures Fund	Sheriff's Office Grants & Donations Fund	Strategic Investment Program Fund
Revenues:							
Intergovernmental revenues	\$ 3,250	—	3,409	520	—	952	—
Charges for services	—	—	—	—	—	—	1,635
Fines and forfeitures	—	—	—	—	—	—	—
Special assessments	—	—	—	—	—	—	—
Miscellaneous revenues	280	6	16	—	177	2	17
Interfund revenues	—	—	—	77	—	—	—
Total revenues	<u>3,530</u>	<u>6</u>	<u>3,515</u>	<u>597</u>	<u>177</u>	<u>954</u>	<u>1,652</u>
Expenditures:							
Current:							
General government	—	6	—	—	—	—	—
Public safety and justice	—	—	3,508	646	95	517	—
Land use, housing and transportation	3,444	—	—	—	—	—	—
Nonoperating	—	—	—	—	—	—	1,263
Total current	<u>3,444</u>	<u>6</u>	<u>3,508</u>	<u>646</u>	<u>95</u>	<u>517</u>	<u>1,263</u>
Capital outlay	1	—	—	—	—	42	—
Total expenditures	<u>3,445</u>	<u>6</u>	<u>3,508</u>	<u>646</u>	<u>95</u>	<u>559</u>	<u>1,263</u>
Excess (deficiency) of revenues over expenditures	<u>85</u>	<u>—</u>	<u>7</u>	<u>(49)</u>	<u>82</u>	<u>395</u>	<u>389</u>
Other financing sources (uses):							
Transfers in	—	—	—	80	—	—	—
Transfers out	(27)	—	—	—	—	—	—
Total other financing sources (uses)	<u>(27)</u>	<u>—</u>	<u>—</u>	<u>80</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	58	—	7	31	82	395	389
Fund balances (deficit) July 1, 2007	1,345	—	88	(7)	320	(425)	6
Fund balances (deficit) June 30, 2008	<u>\$ 1,403</u>	<u>—</u>	<u>95</u>	<u>24</u>	<u>402</u>	<u>(30)</u>	<u>395</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued
Non-major Governmental Funds - Special Revenue Funds
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	1999 Strategic Investment Program Fund	Survey Fund	Surveyor - Public Land Corner Fund	Tourism Dedicated Lodging Tax Fund	Urban Road Maintenance Service District Fund (Component Unit)	Washington County Fair Fund	West Slope Library Fund	Total Special Revenue Funds
Revenues:								
Taxes	\$ —	—	—	2,322	3,216	779	—	44,076
Licenses and permits	—	—	—	—	—	—	—	3,448
Intergovernmental revenues	—	—	—	—	—	—	3	27,630
Charges for services	9,670	734	498	—	—	624	—	32,988
Fines and forfeitures	—	—	—	—	—	—	—	366
Special assessments	—	—	—	—	—	—	—	127
Miscellaneous revenues	16	105	140	57	109	409	29	24,502
Interfund revenues	—	69	126	—	—	—	—	14,798
Total revenues	9,686	908	764	2,379	3,327	1,812	32	147,935
Expenditures:								
Current:								
General government	—	—	—	—	—	—	—	6
Public safety and justice	—	—	—	—	—	—	—	62,604
Land use, housing and transportation	—	974	840	—	4,511	—	—	31,420
Health and human services	—	—	—	—	—	—	—	17,938
Culture, education and recreation	—	—	—	2,087	—	1,364	502	22,126
Nonoperating	3,594	—	—	—	—	—	—	6,418
Total current	3,594	974	840	2,087	4,511	1,364	502	140,602
Capital outlay	—	7	—	—	—	28	1	1,963
Debt service:								
Principal	—	—	—	—	—	54	—	54
Interest	—	—	—	—	—	4	—	144
Total debt service	—	—	—	—	—	58	—	198
Total expenditures	3,594	981	840	2,087	4,511	1,450	503	142,763
Excess (deficiency) of revenues over expenditures	6,092	(73)	(76)	292	(1,184)	302	(471)	5,172
Other financing sources (uses):								
Transfers in	—	73	—	—	—	—	593	18,966
Transfers out	(4,914)	(33)	(48)	—	(6)	(45)	—	(17,168)
Total other financing sources (uses)	(4,914)	40	(48)	—	(6)	(45)	593	1,798
Net change in fund balance	1,178	(33)	(124)	292	(1,190)	317	122	6,970
Fund balances July 1, 2007	—	988	3,156	1,349	2,902	627	—	69,034
Fund balances June 30, 2008	\$ 1,178	955	3,032	1,641	1,712	944	122	76,004

WASHINGTON COUNTY, OREGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued

Debt Service Funds

For the fiscal year ended June 30, 2008

(Dollars in thousands)

	Courthouse Improvement Bond Sinking Fund	Criminal Justice Bond Fund	Miscellaneous Debt Service Fund	Total Debt Service Funds
Revenues:				
Taxes	\$ 1,172	6,598	—	7,770
Miscellaneous revenues	—	835	63	898
Interfund revenues	—	—	—	—
Total revenues	1,172	7,433	63	8,668
Expenditures:				
Current:				
Nonoperating	—	—	3	3
Total current	—	—	3	3
Debt service:				
Principal	1,150	39,665	2,869	43,684
Interest	19	1,725	4,150	5,894
Total debt service	1,169	41,390	7,019	49,578
Total expenditures	1,169	41,390	7,022	49,581
Excess (deficiency) of revenues over expenditures	3	(33,957)	(6,959)	(40,913)
Other financing sources:				
Proceeds from debt	—	34,125	—	34,125
Transfers in	—	—	6,855	6,855
Total other financing sources	—	34,125	6,855	40,980
Net change in fund balance	3	168	(104)	67
Fund balances July 1, 2007	(3)	66	107	170
Fund balances June 30, 2008	\$ —	234	3	237

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued

Capital Projects Funds

For the fiscal year ended June 30, 2008

(Dollars in thousands)

	Facilities General Capital Projects Fund	Facilities Park (THPRD) SDC Fund	ITS Capital Projects Fund	Parks and Open Spaces Opportunity Projects Fund	Total Capital Projects Funds	Total Non-major Funds
Revenues:						
Taxes	\$ —	—	—	—	—	51,848
Licenses and permits	—	—	—	—	—	3,448
Intergovernmental revenues	23	—	—	—	23	27,653
Charges for services	—	179	193	—	372	33,360
Fines and forfeitures	—	—	—	—	—	366
Special assessments	—	—	—	—	—	127
Miscellaneous revenues	—	37	30	29	96	25,496
Interfund revenues	127	—	740	—	867	15,665
Total revenues	150	216	963	29	1,358	157,961
Expenditures:						
Current:						
General government	—	—	—	—	—	6
Public safety and justice	—	—	—	—	—	62,694
Land use, housing and transportation	—	—	—	—	—	31,420
Health and human services	—	—	—	—	—	17,938
Culture, education and recreation	—	—	—	—	—	22,126
Nonoperating	13	—	—	—	13	6,433
Total current	13	—	—	—	13	140,617
Capital outlay	647	85	2,191	—	2,923	4,886
Debt service:						
Principal	—	—	—	—	—	43,738
Interest	—	—	—	—	—	6,036
Total debt service	—	—	—	—	—	49,776
Total expenditures	660	85	2,191	—	2,936	195,279
Excess (deficiency) of revenues over expenditures	(510)	131	(1,228)	29	(1,578)	(37,318)
Other financing sources:						
Proceeds from debt	—	—	—	—	—	34,125
Transfers in	499	—	1,139	—	1,638	27,459
Transfers out	—	—	(365)	—	(365)	(17,533)
Total other financing sources	499	—	774	—	1,273	44,051
Net change in fund balance	(11)	131	(454)	29	(305)	6,733
Fund balances July 1, 2007	11	773	736	631	2,151	71,355
Fund balances June 30, 2008	\$ —	904	282	660	1,846	78,088

WASHINGTON COUNTY, OREGON
 Budgetary Comparison
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	<u>Aging, Disability & Veterans' Services Fund</u>				<u>Animal Services Gifts and Donations Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)*</u>
Revenues:								
Intergovernmental revenues	\$ 2,023	2,023	1,995	(28)	—	—	—	—
Miscellaneous revenues	33	33	27	(6)	55	55	59	4
Interfund revenues	—	—	—	—	—	—	—	—
Total revenues	<u>2,056</u>	<u>2,056</u>	<u>2,022</u>	<u>(34)</u>	<u>55</u>	<u>55</u>	<u>59</u>	<u>4</u>
Expenditures:								
Current:								
Health and human services	2,399	2,399	2,073	326	125	125	19	106
Operating contingency	65	65	—	65	55	55	—	55
Total current	<u>2,463</u>	<u>2,463</u>	<u>2,073</u>	<u>390</u>	<u>180</u>	<u>180</u>	<u>19</u>	<u>161</u>
Capital outlay	—	—	—	—	—	—	19	(19)
Total expenditures	<u>2,463</u>	<u>2,463</u>	<u>2,073</u>	<u>390</u>	<u>180</u>	<u>180</u>	<u>38</u>	<u>142</u>
Revenues over (under) expenditures	<u>(407)</u>	<u>(407)</u>	<u>(51)</u>	<u>356</u>	<u>(125)</u>	<u>(125)</u>	<u>21</u>	<u>146</u>
Other financing sources:								
Transfers in from other funds	246	246	246	—	—	—	—	—
Total other financing sources	<u>246</u>	<u>246</u>	<u>246</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	<u>(161)</u>	<u>(161)</u>	<u>195</u>	<u>356</u>	<u>(125)</u>	<u>(125)</u>	<u>21</u>	<u>146</u>
Fund balances July 1, 2007	161	161	243	82	125	125	141	16
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>438</u>	<u>438</u>	<u>—</u>	<u>—</u>	<u>162</u>	<u>162</u>

* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Building Equipment Replacement Fund				Building Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Licenses and permits	\$ —	—	—	—	3,300	3,300	2,992	(308)
Intergovernmental revenues	—	—	—	—	40	40	39	(1)
Charges for services	—	—	—	—	2,493	2,493	2,425	(68)
Fines and forfeitures	—	—	—	—	8	8	3	(5)
Miscellaneous revenues	144	144	128	(16)	602	602	605	3
Interfund revenues	—	—	—	—	327	327	261	(66)
Total revenues	144	144	128	(16)	6,770	6,770	6,325	(445)
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	8,597	8,625	6,903	1,722
Nonoperating	—	5	5	—	—	—	—	—
Operating contingency	2,389	2,389	—	2,389	10,639	10,639	—	10,639
Total current	2,389	2,394	5	2,389	19,236	19,264	6,903	12,361
Capital outlay	1,385	1,380	1,078	302	254	227	22	205
Total expenditures	3,774	3,774	1,083	2,691	19,491	19,491	6,925	12,566
Excess (deficiency) of revenues over expenditures	(3,630)	(3,630)	(955)	2,675	(12,721)	(12,721)	(600)	12,121
Other financing sources (uses):								
Transfers in from other funds	751	751	751	—	25	25	25	—
Transfers out to other funds	—	—	—	—	(297)	(297)	(297)	—
Total other financing sources (uses)	751	751	751	—	(272)	(272)	(272)	—
Net change in fund balance	(2,879)	(2,879)	(204)	2,675	(12,994)	(12,994)	(872)	12,121
Fund balances July 1, 2007	2,879	2,879	2,822	(57)	12,994	12,994	13,250	256
Fund balances June 30, 2008	\$ —	—	2,618	2,618	—	—	12,378	12,378

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Child Abuse Multidisciplinary Intervention Fund				Children and Youth Services Commission Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	3,551	3,551	3,398	(153)
Charges for services	—	—	—	—	120	120	118	(2)
Miscellaneous revenues	338	481	482	1	53	53	102	49
Interfund revenues	—	—	—	—	—	—	30	30
Total revenues	<u>338</u>	<u>481</u>	<u>482</u>	<u>1</u>	<u>3,724</u>	<u>3,724</u>	<u>3,648</u>	<u>(76)</u>
Expenditures:								
Current:								
Public safety and justice	356	499	467	32	—	—	—	—
Land use, housing and transportation	—	—	—	—	—	—	—	—
Health and human services	—	—	—	—	3,914	3,914	3,772	142
Operating contingency	7	7	—	7	166	166	—	166
Total current	<u>363</u>	<u>506</u>	<u>467</u>	<u>39</u>	<u>4,079</u>	<u>4,079</u>	<u>3,772</u>	<u>307</u>
Total expenditures	<u>363</u>	<u>506</u>	<u>467</u>	<u>39</u>	<u>4,079</u>	<u>4,079</u>	<u>3,772</u>	<u>307</u>
Excess (deficiency) of revenues over expenditures	<u>(25)</u>	<u>(25)</u>	<u>15</u>	<u>40</u>	<u>(355)</u>	<u>(355)</u>	<u>(124)</u>	<u>231</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	83	83	83	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>83</u>	<u>83</u>	<u>83</u>	<u>—</u>
Net change in fund balance	<u>(25)</u>	<u>(25)</u>	<u>15</u>	<u>40</u>	<u>(272)</u>	<u>(272)</u>	<u>(41)</u>	<u>231</u>
Fund balances July 1, 2007	<u>25</u>	<u>25</u>	<u>27</u>	<u>2</u>	<u>272</u>	<u>272</u>	<u>448</u>	<u>176</u>
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>42</u>	<u>42</u>	<u>—</u>	<u>—</u>	<u>407</u>	<u>407</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Community Corrections Fund				Cooperative Library Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ —	—	—	—	6,643	6,643	6,757	114
Intergovernmental revenues	6,191	6,191	5,609	(582)	55	55	50	(5)
Charges for services	732	732	844	112	—	—	—	—
Miscellaneous revenues	133	133	138	5	3	3	6	3
Interfund revenues	1,310	1,310	1,318	8	176	205	270	65
Total revenues	<u>8,366</u>	<u>8,366</u>	<u>7,909</u>	<u>(457)</u>	<u>6,877</u>	<u>6,906</u>	<u>7,083</u>	<u>177</u>
Expenditures:								
Current:								
Public safety and justice	10,736	10,736	9,960	776	—	—	—	—
Culture, education and recreation	—	—	—	—	18,565	18,570	18,075	495
Operating contingency	79	79	—	79	2,919	2,919	—	2,919
Total current	<u>10,815</u>	<u>10,815</u>	<u>9,960</u>	<u>855</u>	<u>21,484</u>	<u>21,488</u>	<u>18,075</u>	<u>3,413</u>
Capital outlay	—	—	—	—	9	34	31	3
Total expenditures	<u>10,815</u>	<u>10,815</u>	<u>9,960</u>	<u>855</u>	<u>21,493</u>	<u>21,522</u>	<u>18,106</u>	<u>3,416</u>
Excess (deficiency) of revenues over expenditures	<u>(2,449)</u>	<u>(2,449)</u>	<u>(2,051)</u>	<u>398</u>	<u>(14,616)</u>	<u>(14,616)</u>	<u>(11,023)</u>	<u>3,593</u>
Other financing sources (uses):								
Transfers in from other funds	1,593	1,593	1,593	—	13,527	13,527	13,527	—
Transfers out to other funds	—	—	—	—	(599)	(599)	(593)	6
Total other financing sources (uses)	<u>1,593</u>	<u>1,593</u>	<u>1,593</u>	<u>—</u>	<u>12,928</u>	<u>12,928</u>	<u>12,934</u>	<u>6</u>
Net change in fund balance	<u>(856)</u>	<u>(856)</u>	<u>(458)</u>	<u>398</u>	<u>(1,688)</u>	<u>(1,688)</u>	<u>1,911</u>	<u>3,590</u>
Fund balances July 1, 2007	<u>856</u>	<u>856</u>	<u>1,042</u>	<u>186</u>	<u>1,688</u>	<u>1,688</u>	<u>1,809</u>	<u>121</u>
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>584</u>	<u>584</u>	<u>—</u>	<u>—</u>	<u>3,720</u>	<u>3,720</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Countywide Traffic Impact Fee Fund				Court Security Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 30	30	—	(30)	—	—	—	—
Charges for services	2,685	2,685	1,569	(1,116)	—	—	—	—
Fines and forfeitures	—	—	—	—	300	300	363	63
Special assessments	—	—	22	22	—	—	—	—
Miscellaneous revenues	650	650	677	27	62	62	10	(52)
Interfund revenues	—	—	—	—	—	—	22	22
Total revenues	<u>3,365</u>	<u>3,365</u>	<u>2,268</u>	<u>(1,097)</u>	<u>362</u>	<u>362</u>	<u>395</u>	<u>33</u>
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	428	428	360	68
Land use, housing and transportation	13,827	13,827	1,123	12,704	—	—	—	—
Operating contingency	—	—	—	—	90	90	—	90
Total current	<u>13,827</u>	<u>13,827</u>	<u>1,123</u>	<u>12,704</u>	<u>518</u>	<u>518</u>	<u>360</u>	<u>158</u>
Capital outlay	<u>3,525</u>	<u>3,525</u>	<u>49</u>	<u>3,476</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>17,352</u>	<u>17,352</u>	<u>1,172</u>	<u>16,180</u>	<u>518</u>	<u>518</u>	<u>360</u>	<u>158</u>
Excess (deficiency) of revenues over expenditures	<u>(13,987)</u>	<u>(13,987)</u>	<u>1,096</u>	<u>15,083</u>	<u>(156)</u>	<u>(156)</u>	<u>35</u>	<u>191</u>
Other financing sources (uses):								
Transfers out to other funds	<u>(211)</u>	<u>(211)</u>	<u>(211)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing sources (uses)	<u>(211)</u>	<u>(211)</u>	<u>(211)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	<u>(14,198)</u>	<u>(14,198)</u>	<u>885</u>	<u>15,083</u>	<u>(156)</u>	<u>(156)</u>	<u>35</u>	<u>191</u>
Fund balances July 1, 2007	<u>14,198</u>	<u>14,198</u>	<u>14,343</u>	<u>145</u>	<u>156</u>	<u>156</u>	<u>208</u>	<u>52</u>
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>15,228</u>	<u>15,228</u>	<u>—</u>	<u>—</u>	<u>243</u>	<u>243</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Department of Housing Services Fund				Development Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 1,992	1,992	1,616	(376)	25	25	23	(2)
Charges for services	—	—	—	—	1,863	1,863	1,663	(200)
Miscellaneous revenues	3,732	3,732	3,651	(81)	130	130	145	15
Interfund revenues	—	—	—	—	340	340	269	(71)
Total revenues	<u>5,723</u>	<u>5,723</u>	<u>5,267</u>	<u>(456)</u>	<u>2,358</u>	<u>2,358</u>	<u>2,100</u>	<u>(258)</u>
Expenditures:								
Current:								
Land use, housing and transportation	5,833	5,833	5,379	454	3,610	3,603	3,283	320
Operating contingency	2	2	—	2	1,858	1,858	—	1,858
Total current	<u>5,835</u>	<u>5,835</u>	<u>5,379</u>	<u>456</u>	<u>5,467</u>	<u>5,460</u>	<u>3,283</u>	<u>2,177</u>
Capital outlay	—	—	—	—	—	7	7	—
Total expenditures	<u>5,835</u>	<u>5,835</u>	<u>5,379</u>	<u>456</u>	<u>5,467</u>	<u>5,467</u>	<u>3,290</u>	<u>2,177</u>
Excess (deficiency) of revenues over expenditures	<u>(112)</u>	<u>(112)</u>	<u>(112)</u>	<u>—</u>	<u>(3,110)</u>	<u>(3,110)</u>	<u>(1,190)</u>	<u>1,920</u>
Other financing sources (uses):								
Transfers in from other funds	112	112	112	—	525	525	525	—
Transfers out to other funds	—	—	—	—	(114)	(114)	(114)	—
Total other financing sources (uses)	<u>112</u>	<u>112</u>	<u>112</u>	<u>—</u>	<u>411</u>	<u>411</u>	<u>411</u>	<u>—</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,699)</u>	<u>(2,699)</u>	<u>(779)</u>	<u>1,920</u>
Fund balances July 1, 2007	—	—	—	—	2,699	2,699	2,789	91
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,010</u>	<u>2,010</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	<u>District Patrol Fund</u>				<u>Emergency Medical Services Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Licenses and permits	\$ —	—	—	—	411	411	423	12
Intergovernmental revenues	—	—	48	48	—	—	—	—
Charges for services	21	21	—	(21)	12	12	—	(12)
Miscellaneous revenues	15,490	15,490	14,797	(693)	65	65	69	4
Total revenues	<u>15,511</u>	<u>15,511</u>	<u>14,845</u>	<u>(666)</u>	<u>488</u>	<u>488</u>	<u>492</u>	<u>4</u>
Expenditures:								
Current:								
Public safety and justice	14,999	14,915	14,272	643	—	—	—	—
Health and human services	—	—	—	—	563	563	314	249
Operating contingency	—	—	—	—	1,287	1,287	—	1,287
Total current	<u>14,999</u>	<u>14,915</u>	<u>14,272</u>	<u>643</u>	<u>1,850</u>	<u>1,850</u>	<u>314</u>	<u>1,536</u>
Capital outlay	513	597	573	24	—	—	—	—
Total expenditures	<u>15,511</u>	<u>15,511</u>	<u>14,845</u>	<u>666</u>	<u>1,850</u>	<u>1,850</u>	<u>314</u>	<u>1,536</u>
Excess (deficiency) of revenues over expenditures	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,362)</u>	<u>(1,362)</u>	<u>178</u>	<u>1,540</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,362)</u>	<u>(1,362)</u>	<u>178</u>	<u>1,540</u>
Fund balances July 1, 2007	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,362</u>	<u>1,362</u>	<u>1,437</u>	<u>75</u>
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,615</u>	<u>1,615</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Enhanced Sheriff Patrol District Fund (Component Unit)			
	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:				
Taxes	\$ 14,294	14,294	14,313	19
Miscellaneous revenues	365	365	455	90
Total revenues	<u>14,659</u>	<u>14,659</u>	<u>14,768</u>	<u>109</u>
Expenditures:				
Current:				
Public safety and justice	15,317	15,317	14,863	454
Operating contingency	6,963	6,963	—	6,963
Total current	<u>22,280</u>	<u>22,280</u>	<u>14,863</u>	<u>7,417</u>
Total expenditures	<u>22,280</u>	<u>22,280</u>	<u>14,863</u>	<u>7,417</u>
Excess (deficiency) of revenues over expenditures	<u>(7,621)</u>	<u>(7,621)</u>	<u>(95)</u>	<u>7,526</u>
Net change in fund balance	(7,621)	(7,621)	(95)	7,526
Fund balances July 1, 2007	<u>7,621</u>	<u>7,621</u>	<u>8,486</u>	<u>865</u>
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>8,391</u>	<u>8,391</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Human Services HB-2145 Fund				Human Services OHP Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ —	—	—	—	11,200	11,200	12,167	967
Miscellaneous revenues	—	—	—	—	203	203	378	175
Interfund revenues	—	—	502	502	—	—	—	—
Total revenues	—	—	502	502	11,403	11,403	12,545	1,142
Expenditures:								
Current:								
Health and human services	—	—	—	—	14,561	14,561	11,760	2,801
Operating contingency	30	30	—	30	2,569	2,569	—	2,569
Total current	30	30	—	30	17,131	17,131	11,760	5,371
Total expenditures	30	30	—	30	17,131	17,131	11,760	5,371
Excess (deficiency) of revenues over expenditures	(30)	(30)	502	532	(5,728)	(5,728)	785	6,513
Other financing sources (uses):								
Transfers out to other funds	(400)	(400)	(400)	—	—	—	—	—
Total other financing sources (uses)	(400)	(400)	(400)	—	—	—	—	—
Net change in fund balance	(430)	(430)	102	532	(5,728)	(5,728)	785	6,513
Fund balances July 1, 2007	430	430	570	140	5,728	5,728	5,703	(25)
Fund balances June 30, 2008	\$ —	—	672	672	—	—	6,488	6,488

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Indirect Cost Reimbursement Fund				ITS Systems Replacement Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 39	39	39	—	—	—	—	—
Miscellaneous revenues	—	—	—	—	43	43	26	(17)
Interfund revenues	11,854	11,854	11,854	—	—	—	—	—
Total revenues	<u>11,893</u>	<u>11,893</u>	<u>11,893</u>	—	<u>43</u>	<u>43</u>	<u>26</u>	<u>(17)</u>
Expenditures:								
Current:								
Nonoperating	1,451	1,451	1,451	—	—	—	—	—
Operating contingency	—	—	—	—	908	908	—	908
Total current	<u>1,451</u>	<u>1,451</u>	<u>1,451</u>	—	<u>908</u>	<u>908</u>	—	<u>908</u>
Total expenditures	<u>1,451</u>	<u>1,451</u>	<u>1,451</u>	—	<u>908</u>	<u>908</u>	—	<u>908</u>
Excess (deficiency) of revenues over expenditures	<u>10,442</u>	<u>10,442</u>	<u>10,442</u>	—	<u>(865)</u>	<u>(865)</u>	<u>26</u>	<u>891</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	865	865	865	—
Transfers out to other funds	(10,442)	(10,442)	(10,442)	—	—	—	—	—
Total other financing sources (uses)	<u>(10,442)</u>	<u>(10,442)</u>	<u>(10,442)</u>	—	<u>865</u>	<u>865</u>	<u>865</u>	—
Net change in fund balance	—	—	—	—	—	—	891	891
Fund balances July 1, 2007	—	—	—	—	—	—	—	—
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>891</u>	<u>891</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	<u>Jail Commissary Fund</u>			Variance positive (negative)
	Adopted budget	Revised budget	Actual	
Revenues:				
Miscellaneous revenues	\$ 92	92	104	13
Total revenues	<u>92</u>	<u>92</u>	<u>104</u>	<u>13</u>
Expenditures:				
Current:				
Public safety and justice	123	123	123	—
Operating contingency	313	313	—	313
Total current	<u>436</u>	<u>436</u>	<u>123</u>	<u>313</u>
Total expenditures	<u>436</u>	<u>436</u>	<u>123</u>	<u>313</u>
Excess (deficiency) of revenues over expenditures	<u>(344)</u>	<u>(344)</u>	<u>(19)</u>	<u>325</u>
Net change in fund balance	(344)	(344)	(19)	325
Fund balances July 1, 2007	<u>344</u>	<u>344</u>	<u>340</u>	<u>(4)</u>
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>321</u>	<u>321</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Juvenile Conciliation Services Fund				Juvenile Grants Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Licenses and permits	\$ 40	40	33	(7)	—	—	—	—
Intergovernmental revenues	—	—	—	—	853	853	561	(292)
Charges for services	545	545	519	(26)	—	—	—	—
Miscellaneous revenues	1	1	—	(1)	7	7	15	8
Total revenues	586	586	552	(34)	860	860	576	(284)
Expenditures:								
Current:								
Public safety and justice	590	590	552	38	1,087	1,087	754	333
Total current	590	590	552	38	1,087	1,087	754	333
Total expenditures	590	590	552	38	1,087	1,087	754	333
Excess (deficiency) of revenues over expenditures	(4)	(4)	—	4	(227)	(227)	(178)	49
Net change in fund balance	(4)	(4)	—	4	(227)	(227)	(178)	49
Fund balances July 1, 2007	4	4	15	11	227	227	251	24
Fund balances June 30, 2008	\$ —	—	15	15	—	—	75	73

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	<u>Juvenile High Risk Prevention Fund</u>				<u>Law Library Capital Construction Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Intergovernmental revenues	\$ 2,146	2,146	2,228	82	—	—	—	—
Miscellaneous revenues	25	25	23	(2)	16	16	15	(1)
Total revenues	<u>2,171</u>	<u>2,171</u>	<u>2,251</u>	<u>80</u>	<u>16</u>	<u>16</u>	<u>15</u>	<u>(1)</u>
Expenditures:								
Current:								
Public safety and justice	2,398	2,398	2,011	387	1	1	1	—
Operating contingency	—	—	—	—	335	335	—	335
Total current	<u>2,398</u>	<u>2,398</u>	<u>2,011</u>	<u>387</u>	<u>336</u>	<u>336</u>	<u>1</u>	<u>335</u>
Total expenditures	<u>2,398</u>	<u>2,398</u>	<u>2,011</u>	<u>387</u>	<u>336</u>	<u>336</u>	<u>1</u>	<u>335</u>
Revenues over (under) expenditures	<u>(227)</u>	<u>(227)</u>	<u>240</u>	<u>467</u>	<u>(320)</u>	<u>(320)</u>	<u>14</u>	<u>308</u>
Net change in fund balance	<u>(227)</u>	<u>(227)</u>	<u>240</u>	<u>467</u>	<u>(320)</u>	<u>(320)</u>	<u>14</u>	<u>334</u>
Fund balances July 1, 2007	<u>227</u>	<u>227</u>	<u>95</u>	<u>(132)</u>	<u>320</u>	<u>320</u>	<u>324</u>	<u>4</u>
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>335</u>	<u>335</u>	<u>—</u>	<u>—</u>	<u>338</u>	<u>338</u>

WASHINGTON COUNTY, OREGON
Budgetary Comparison, Continued
Non-major Governmental Funds - Special Revenue Funds
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	Law Library Fund				Local Option Levy Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Taxes	\$ —	—	—	—	16,469	16,469	16,687	218
Intergovernmental revenues	—	—	—	—	223	223	159	(64)
Charges for services	363	363	440	77	81	81	82	1
Miscellaneous revenues	15	15	15	—	267	267	303	36
Total revenues	<u>378</u>	<u>378</u>	<u>455</u>	<u>77</u>	<u>17,039</u>	<u>17,039</u>	<u>17,231</u>	<u>193</u>
Expenditures:								
Current:								
Public safety and justice	410	410	333	77	—	—	—	—
County administration	—	—	—	—	785	785	735	50
Sheriff's office administration	—	—	—	—	743	743	706	37
Law enforcement services	—	—	—	—	6,833	6,833	6,445	388
Sheriff's Office - Jail	—	—	—	—	1,681	1,681	1,575	106
District Attorney	—	—	—	—	1,467	1,467	1,134	333
Community corrections	—	—	—	—	2,887	2,887	2,798	89
Juvenile services	—	—	—	—	840	840	839	1
Operating contingency	136	136	—	136	3,125	3,125	—	3,125
Total current	<u>545</u>	<u>545</u>	<u>333</u>	<u>212</u>	<u>18,361</u>	<u>18,361</u>	<u>14,232</u>	<u>4,129</u>
Capital outlay	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>210</u>	<u>210</u>	<u>93</u>	<u>117</u>
Debt service:								
Interest	—	—	—	—	—	—	140	(140)
Total debt service	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>140</u>	<u>(140)</u>
Total expenditures	<u>545</u>	<u>545</u>	<u>333</u>	<u>212</u>	<u>18,571</u>	<u>18,571</u>	<u>14,465</u>	<u>4,106</u>
Excess (deficiency) of revenues over expenditures	<u>(168)</u>	<u>(168)</u>	<u>122</u>	<u>290</u>	<u>(1,532)</u>	<u>(1,532)</u>	<u>2,766</u>	<u>4,299</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	4,000	4,000	4,000	—
Transfers out to other funds	—	—	(18)	(18)	(4,150)	(4,150)	(4,000)	150
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>(18)</u>	<u>(18)</u>	<u>(150)</u>	<u>(150)</u>	<u>—</u>	<u>150</u>
Net change in fund balance	<u>(168)</u>	<u>(168)</u>	<u>104</u>	<u>272</u>	<u>(1,682)</u>	<u>(1,682)</u>	<u>2,766</u>	<u>4,448</u>
Fund balances July 1, 2007	186	186	312	126	1,681	1,681	(2,164)	(3,845)
Restatement - See note below	—	—	—	—	—	—	4,000	4,000
Fund balances, July 1, 2007, as restated	<u>186</u>	<u>186</u>	<u>312</u>	<u>126</u>	<u>1,681</u>	<u>1,681</u>	<u>1,836</u>	<u>155</u>
Fund balances June 30, 2008	<u>\$ 18</u>	<u>18</u>	<u>416</u>	<u>398</u>	<u>(0)</u>	<u>(0)</u>	<u>4,602</u>	<u>4,602</u>

* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.

Note: Restatement reverses posting of GAAP entry in prior year.

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Maintenance Improvement District Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:				
Special assessments	\$ 17	17	17	—
Miscellaneous revenues	10	10	10	—
Total revenues	<u>27</u>	<u>27</u>	<u>27</u>	<u>—</u>
Expenditures:				
Current:				
Land use, housing and transportation	87	87	1	86
Operating contingency	104	104	—	104
Total current	<u>191</u>	<u>191</u>	<u>1</u>	<u>190</u>
Total expenditures	<u>191</u>	<u>191</u>	<u>1</u>	<u>190</u>
Excess (deficiency) of revenues over expenditures	<u>(164)</u>	<u>(164)</u>	<u>26</u>	<u>(190)</u>
Net change in fund balance	<u>(164)</u>	<u>(164)</u>	<u>26</u>	<u>190</u>
Fund balances July 1, 2007	<u>164</u>	<u>164</u>	<u>217</u>	<u>53</u>
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>243</u>	<u>243</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Major Streets Capital Projects Fund				Metzger Park LID Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 1,516	1,516	646	(870)	—	—	—	—
Special assessments	—	—	—	—	88	88	88	—
Miscellaneous revenues	350	350	619	269	34	34	38	4
Interfund revenues	—	—	—	—	—	—	—	—
Total revenues	1,866	1,866	1,265	(601)	122	122	126	4
Expenditures:								
Current:								
Land use, housing and transportation	10,459	10,459	1,840	8,619	—	—	—	—
Culture, education and recreation	—	—	—	—	112	112	98	14
Operating contingency	—	—	—	—	109	109	—	109
Total current	10,459	10,459	1,840	8,619	221	221	98	123
Capital outlay	510	510	9	501	3	3	3	—
Total expenditures	10,969	10,969	1,849	9,120	224	224	101	123
Excess (deficiency) of revenues over expenditures	(9,103)	(9,103)	(584)	8,519	(102)	(102)	25	128
Other financing sources (uses):								
Transfers in from other funds	912	912	493	(419)	—	—	—	—
Transfers out to other funds	(314)	(314)	(14)	300	(6)	(6)	(6)	—
Total other financing sources (uses)	599	599	479	(120)	(6)	(6)	(6)	—
Net change in fund balance	(8,504)	(8,504)	(105)	8,399	(109)	(109)	19	128
Fund balances July 1, 2007	8,504	8,504	5,748	(2,756)	109	109	121	12
Fund balances June 30, 2008	\$ —	—	5,643	5,643	—	—	140	140

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Office of Community Development Block Grant Fund				Oregon & California Title III Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 4,651	4,651	2,886	(1,765)	—	109	109	—
Miscellaneous revenues	—	—	236	236	3	3	6	3
Total revenues	<u>4,651</u>	<u>4,651</u>	<u>3,122</u>	<u>(1,529)</u>	<u>3</u>	<u>112</u>	<u>115</u>	<u>3</u>
Expenditures:								
Current:								
Land use, housing and transportation	4,591	4,591	3,122	1,469	—	—	—	—
Nonoperating	—	—	—	—	77	137	105	32
Operating contingency	60	60	—	60	—	49	—	49
Total current	<u>4,651</u>	<u>4,651</u>	<u>3,122</u>	<u>1,529</u>	<u>77</u>	<u>186</u>	<u>105</u>	<u>81</u>
Total expenditures	<u>4,651</u>	<u>4,651</u>	<u>3,122</u>	<u>1,529</u>	<u>77</u>	<u>186</u>	<u>105</u>	<u>81</u>
Excess (deficiency) of revenues over expenditures	—	—	—	—	(74)	(74)	10	84
Net change in fund balance	—	—	—	—	(74)	(74)	10	84
Fund balances July 1, 2007	—	—	—	—	74	74	108	34
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>118</u>	<u>118</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	OTIA Capital Projects Fund				Real Property Management Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ —	—	3,250	3,250	—	—	—	—
Miscellaneous revenues	250	250	280	30	6	6	6	—
Total revenues	<u>250</u>	<u>250</u>	<u>3,530</u>	<u>3,280</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>—</u>
Expenditures:								
Current:								
General government	—	—	—	—	6	6	6	—
Public safety and justice	—	—	—	—	—	—	—	—
Land use, housing and transportation	11,248	11,248	3,444	7,804	—	—	—	—
Total current	<u>11,248</u>	<u>11,248</u>	<u>3,444</u>	<u>7,804</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>—</u>
Capital outlay	220	220	1	219	—	—	—	—
Total expenditures	<u>11,468</u>	<u>11,468</u>	<u>3,445</u>	<u>8,023</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>—</u>
Excess (deficiency) of revenues over expenditures	<u>(11,218)</u>	<u>(11,218)</u>	<u>85</u>	<u>11,303</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Other financing sources (uses):								
Transfers in from other funds	3,000	3,000	—	(3,000)	—	—	—	—
Transfers out to other funds	(27)	(27)	(27)	—	—	—	—	—
Total other financing sources (uses)	<u>2,974</u>	<u>2,974</u>	<u>(27)</u>	<u>(3,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	<u>(8,245)</u>	<u>(8,245)</u>	<u>58</u>	<u>8,303</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances July 1, 2007	<u>8,245</u>	<u>8,245</u>	<u>1,345</u>	<u>(6,900)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>1,403</u>	<u>1,403</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Senate Bill 1145 Fund				Shoriff's Office Contract Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Intergovernmental revenues	\$ 3,717	3,717	3,499	(218)	613	613	520	(93)
Miscellaneous revenues	25	25	16	(9)	17	17	—	(17)
Interfund revenues	—	—	—	—	109	109	77	(32)
Total revenues	<u>3,742</u>	<u>3,742</u>	<u>3,515</u>	<u>(227)</u>	<u>739</u>	<u>739</u>	<u>597</u>	<u>(142)</u>
Expenditures:								
Current:								
Public safety and justice	3,748	3,748	3,508	240	761	761	646	115
Operating contingency	78	78	—	78	—	—	—	—
Total current	<u>3,826</u>	<u>3,826</u>	<u>3,508</u>	<u>318</u>	<u>761</u>	<u>761</u>	<u>646</u>	<u>115</u>
Total expenditures	<u>3,826</u>	<u>3,826</u>	<u>3,508</u>	<u>318</u>	<u>761</u>	<u>761</u>	<u>646</u>	<u>115</u>
Excess (deficiency) of revenues over expenditures	<u>(84)</u>	<u>(84)</u>	<u>7</u>	<u>91</u>	<u>(22)</u>	<u>(22)</u>	<u>(49)</u>	<u>(27)</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	22	22	80	58
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>22</u>	<u>22</u>	<u>80</u>	<u>58</u>
Net change in fund balance	<u>(84)</u>	<u>(84)</u>	<u>7</u>	<u>91</u>	<u>—</u>	<u>—</u>	<u>31</u>	<u>31</u>
Fund balances (deficit) July 1, 2007	84	84	88	4	—	—	(7)	(7)
Fund balance June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>95</u>	<u>95</u>	<u>—</u>	<u>—</u>	<u>24</u>	<u>24</u>

*. All appropriations of this fund are made at the single organization unit level. Accordingly, negative variances on individual line items do not represent overexpenditures.

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Sheriff's Office Forfeitures Fund				Sheriff's Office Grants & Donations Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	1,375	1,462	952	(510)
Miscellaneous revenues	219	219	177	(42)	—	—	2	2
Total revenues	<u>219</u>	<u>219</u>	<u>177</u>	<u>(42)</u>	<u>1,375</u>	<u>1,462</u>	<u>954</u>	<u>(508)</u>
Expenditures:								
Current:								
Public safety and justice	510	510	95	415	1,334	1,421	517	904
Operating contingency	37	37	—	37	—	—	—	—
Total current	<u>547</u>	<u>547</u>	<u>95</u>	<u>452</u>	<u>1,334</u>	<u>1,421</u>	<u>517</u>	<u>904</u>
Capital outlay	—	—	—	—	50	50	42	8
Total expenditures	<u>547</u>	<u>547</u>	<u>95</u>	<u>452</u>	<u>1,384</u>	<u>1,471</u>	<u>559</u>	<u>911</u>
Excess (deficiency) of revenues over expenditures	<u>(328)</u>	<u>(328)</u>	<u>82</u>	<u>410</u>	<u>(9)</u>	<u>(9)</u>	<u>395</u>	<u>404</u>
Net change in fund balance	<u>(328)</u>	<u>(328)</u>	<u>82</u>	<u>410</u>	<u>(9)</u>	<u>(9)</u>	<u>395</u>	<u>404</u>
Fund balances (deficit) July 1, 2007	328	328	320	(8)	9	9	(425)	(434)
Fund balances (deficit) June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>402</u>	<u>402</u>	<u>—</u>	<u>—</u>	<u>(30)</u>	<u>(30)</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Strategic Investment Program Fund				1999 Strategic Investment Program Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Charges for services	\$ 1,250	1,250	1,635	385	8,465	8,465	9,670	1,205
Miscellaneous revenues	10	10	17	7	44	44	16	(28)
Total revenues	<u>1,260</u>	<u>1,260</u>	<u>1,652</u>	<u>392</u>	<u>8,509</u>	<u>8,509</u>	<u>9,686</u>	<u>1,177</u>
Expenditures:								
Current:								
Nonoperating	1,263	1,263	1,263	—	3,209	3,209	3,594	(385)
Total current	<u>1,263</u>	<u>1,263</u>	<u>1,263</u>	<u>—</u>	<u>3,209</u>	<u>3,209</u>	<u>3,594</u>	<u>(385)</u>
Total expenditures	<u>1,263</u>	<u>1,263</u>	<u>1,263</u>	<u>—</u>	<u>3,209</u>	<u>3,209</u>	<u>3,594</u>	<u>(385)</u>
Excess (deficiency) of revenues over expenditures	<u>(3)</u>	<u>(3)</u>	<u>389</u>	<u>392</u>	<u>5,300</u>	<u>5,300</u>	<u>6,092</u>	<u>792</u>
Other financing sources (uses):								
Transfers out to other funds	—	—	—	—	(5,300)	(5,300)	(4,914)	386
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(5,300)</u>	<u>(5,300)</u>	<u>(4,914)</u>	<u>386</u>
Net change in fund balance	<u>(3)</u>	<u>(3)</u>	<u>389</u>	<u>392</u>	<u>—</u>	<u>—</u>	<u>1,178</u>	<u>1,178</u>
Fund balances July 1, 2007	<u>3</u>	<u>3</u>	<u>6</u>	<u>3</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>395</u>	<u>395</u>	<u>—</u>	<u>—</u>	<u>1,178</u>	<u>1,178</u>

* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.

WASHINGTON COUNTY, OREGON
Budgetary Comparison, Continued
Non-major Governmental Funds - Special Revenue Funds
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	<u>Survey Fund</u>				<u>Surveyor-Public Land Corner Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Charges for services	\$ 1,051	1,051	734	(317)	779	779	498	(281)
Miscellaneous revenues	121	121	105	(16)	140	140	140	—
Interfund revenues	23	23	69	46	53	53	126	74
Total revenues	<u>1,195</u>	<u>1,194</u>	<u>908</u>	<u>(287)</u>	<u>972</u>	<u>972</u>	<u>764</u>	<u>(207)</u>
Expenditures:								
Current:								
Land use, housing and transportation	1,202	1,202	974	228	1,224	1,224	840	384
Operating contingency	954	954	—	954	2,751	2,751	—	2,751
Total current	<u>2,156</u>	<u>2,156</u>	<u>974</u>	<u>1,182</u>	<u>3,975</u>	<u>3,975</u>	<u>840</u>	<u>3,135</u>
Capital outlay	<u>8</u>	<u>8</u>	<u>7</u>	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>2,165</u>	<u>2,164</u>	<u>981</u>	<u>1,183</u>	<u>3,975</u>	<u>3,975</u>	<u>840</u>	<u>2,928</u>
Excess (deficiency) of revenues over expenditures	<u>(969)</u>	<u>(969)</u>	<u>(73)</u>	<u>896</u>	<u>(3,004)</u>	<u>(3,004)</u>	<u>(76)</u>	<u>(3,134)</u>
Other financing sources (uses):								
Transfers in from other funds	73	73	73	—	—	—	—	—
Transfers out to other funds	(33)	(33)	(33)	—	(48)	(48)	(48)	—
Total other financing sources (uses)	<u>40</u>	<u>40</u>	<u>40</u>	<u>—</u>	<u>(48)</u>	<u>(48)</u>	<u>(48)</u>	<u>—</u>
Net change in fund balance	<u>(929)</u>	<u>(929)</u>	<u>(33)</u>	<u>896</u>	<u>(3,051)</u>	<u>(3,051)</u>	<u>(124)</u>	<u>2,927</u>
Fund balances July 1, 2007	<u>929</u>	<u>929</u>	<u>988</u>	<u>59</u>	<u>3,051</u>	<u>3,051</u>	<u>3,156</u>	<u>105</u>
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>955</u>	<u>955</u>	<u>—</u>	<u>—</u>	<u>3,032</u>	<u>3,031</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Tourism Dedicated Lodging Tax Fund				Urban Road Maintenance Service District Fund (Component Unit)			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Taxes	\$ 2,109	2,109	2,322	213	3,147	3,147	3,218	71
Miscellaneous revenues	82	82	57	(25)	106	106	109	3
Total revenues	<u>2,191</u>	<u>2,191</u>	<u>2,379</u>	<u>188</u>	<u>3,253</u>	<u>3,253</u>	<u>3,327</u>	<u>74</u>
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	4,417	4,417	4,511	(94)
Culture, education and recreation	3,012	3,012	2,087	925	—	—	—	—
Operating contingency	335	335	—	335	1,722	1,722	—	1,722
Total current	<u>3,346</u>	<u>3,346</u>	<u>2,087</u>	<u>1,260</u>	<u>6,139</u>	<u>6,139</u>	<u>4,511</u>	<u>1,628</u>
Total expenditures	<u>3,346</u>	<u>3,346</u>	<u>2,087</u>	<u>1,260</u>	<u>6,139</u>	<u>6,139</u>	<u>4,511</u>	<u>1,628</u>
Excess (deficiency) of revenues over expenditures	<u>(1,156)</u>	<u>(1,156)</u>	<u>292</u>	<u>1,448</u>	<u>(2,887)</u>	<u>(2,887)</u>	<u>(1,184)</u>	<u>1,703</u>
Other financing sources (uses):								
Transfers out to other funds	—	—	—	—	(6)	(6)	(6)	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	<u>—</u>
Net change in fund balance	<u>(1,156)</u>	<u>(1,156)</u>	<u>292</u>	<u>1,448</u>	<u>(2,892)</u>	<u>(2,892)</u>	<u>(1,190)</u>	<u>1,703</u>
Fund balances July 1, 2007	<u>1,156</u>	<u>1,156</u>	<u>1,349</u>	<u>193</u>	<u>2,892</u>	<u>2,892</u>	<u>2,902</u>	<u>10</u>
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>1,641</u>	<u>1,641</u>	<u>—</u>	<u>—</u>	<u>1,712</u>	<u>1,712</u>

* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Washington County Fair Fund				West Slope Library Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 645	645	779	134	—	—	—	—
Intergovernmental revenues	46	46	—	(46)	3	3	3	—
Charges for services	527	527	624	98	—	—	—	—
Miscellaneous revenues	321	321	409	89	22	22	29	7
Total revenues	<u>1,538</u>	<u>1,538</u>	<u>1,812</u>	<u>274</u>	<u>25</u>	<u>25</u>	<u>32</u>	<u>7</u>
Expenditures:								
Current:								
Culture, education and recreation	1,334	1,359	1,364	(5)	524	523	502	21
Operating contingency	592	567	—	567	99	99	—	99
Total current	<u>1,926</u>	<u>1,926</u>	<u>1,364</u>	<u>562</u>	<u>623</u>	<u>622</u>	<u>502</u>	<u>120</u>
Capital outlay	65	65	28	37	—	1	1	—
Debt service:								
Principal	96	96	54	42	—	—	—	—
Interest	8	8	4	4	—	—	—	—
Total debt service	<u>104</u>	<u>104</u>	<u>58</u>	<u>46</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>2,096</u>	<u>2,096</u>	<u>1,450</u>	<u>646</u>	<u>623</u>	<u>623</u>	<u>503</u>	<u>120</u>
Excess (deficiency) of revenues over expenditures	<u>(558)</u>	<u>(558)</u>	<u>362</u>	<u>920</u>	<u>(599)</u>	<u>(599)</u>	<u>(471)</u>	<u>128</u>
Other financing sources (uses):								
Transfers in from other funds	—	—	—	—	599	599	593	(6)
Transfers out to other funds	—	—	(45)	(45)	—	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>(45)</u>	<u>(45)</u>	<u>599</u>	<u>599</u>	<u>593</u>	<u>(6)</u>
Net change in fund balance	<u>(558)</u>	<u>(558)</u>	<u>317</u>	<u>875</u>	<u>—</u>	<u>—</u>	<u>122</u>	<u>122</u>
Fund balances - July 1, 2007	645	645	627	(18)	—	—	—	—
Fund balances - June 30, 2008	\$ <u>87</u>	\$ <u>87</u>	\$ <u>944</u>	\$ <u>857</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>122</u>	\$ <u>122</u>

* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Debt Service Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Courthouse Improvement Bond Sinking Fund				Criminal Justice Bond Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 1,166	1,166	1,172	6	6,566	6,566	6,598	32
Miscellaneous revenues	3	3	—	(3)	49	49	835	786
Total revenues	<u>1,169</u>	<u>1,169</u>	<u>1,172</u>	<u>3</u>	<u>6,614</u>	<u>6,615</u>	<u>7,433</u>	<u>818</u>
Expenditures:								
Debt service:								
Principal	1,150	1,150	1,150	—	4,840	39,110	39,665	(555)
Interest	19	19	19	—	1,789	2,631	1,725	906
Total debt service	<u>1,169</u>	<u>1,169</u>	<u>1,169</u>	<u>—</u>	<u>6,629</u>	<u>41,741</u>	<u>41,390</u>	<u>351</u>
Total expenditures	<u>1,169</u>	<u>1,169</u>	<u>1,169</u>	<u>—</u>	<u>6,629</u>	<u>41,741</u>	<u>41,390</u>	<u>351</u>
Excess (deficiency) of revenues over expenditures	<u>—</u>	<u>—</u>	<u>3</u>	<u>3</u>	<u>(15)</u>	<u>(35,126)</u>	<u>(33,957)</u>	<u>1,169</u>
Other financing sources:								
Proceeds from debt	—	—	—	—	—	35,111	34,125	(986)
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>35,111</u>	<u>34,125</u>	<u>(986)</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>3</u>	<u>3</u>	<u>(15)</u>	<u>(15)</u>	<u>168</u>	<u>183</u>
Fund balances July 1, 2007	<u>—</u>	<u>—</u>	<u>(3)</u>	<u>(3)</u>	<u>15</u>	<u>15</u>	<u>66</u>	<u>51</u>
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>234</u>	<u>234</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Debt Service Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Miscellaneous Debt Service Fund			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:				
Miscellaneous revenues	\$ 63	63	63	—
Total revenues	<u>63</u>	<u>63</u>	<u>63</u>	<u>—</u>
Expenditures:				
Current:				
Nonoperating	3	3	3	—
Total current	<u>3</u>	<u>3</u>	<u>3</u>	<u>—</u>
Debt service:				
Principal	2,869	2,869	2,869	—
Interest	4,150	4,150	4,150	—
Total debt service	<u>7,019</u>	<u>7,019</u>	<u>7,019</u>	<u>—</u>
Total expenditures	<u>7,022</u>	<u>7,022</u>	<u>7,022</u>	<u>—</u>
Excess (deficiency) of revenues over expenditures	<u>(6,959)</u>	<u>(6,959)</u>	<u>(6,959)</u>	<u>—</u>
Other financing sources (uses):				
Transfers in from other funds	6,855	6,855	6,855	—
Transfers out to other funds	—	—	—	—
Total other financing sources (uses)	<u>6,855</u>	<u>6,855</u>	<u>6,855</u>	<u>—</u>
Net change in fund balance	<u>(104)</u>	<u>(104)</u>	<u>(104)</u>	<u>—</u>
Fund balances July 1, 2007	104	104	107	3
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>3</u>	<u>3</u>

WASHINGTON COUNTY, OREGON
Budgetary Comparison, Continued
Non-major Governmental Funds - Capital Projects Funds
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	Facilities General Capital Projects Fund				Facilities Park (THPRD) SDC Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ —	—	23	23	—	—	—	—
Charges for services	—	—	—	—	93	93	179	86
Miscellaneous revenues	—	—	—	—	32	32	37	5
Interfund revenues	314	314	127	(187)	—	—	—	—
Total revenues	314	314	150	(164)	125	125	216	91
Expenditures:								
Current:								
Nonoperating	—	13	13	—	5	5	—	5
Total current	—	13	13	—	5	5	—	5
Capital outlay	1,045	1,032	647	385	769	769	85	684
Total expenditures	1,045	1,045	660	385	774	774	85	689
Excess (deficiency) of revenues over expenditures	(730)	(730)	(510)	220	(649)	(649)	131	780
Transfers in from other funds	730	730	499	(231)	—	—	—	—
Transfers out to other funds	—	—	—	—	—	—	—	—
Total other financing sources (uses)	730	730	499	(231)	—	—	—	—
Net change in fund balance	—	—	(11)	(11)	(649)	(649)	131	780
Fund balances July 1, 2007	—	—	11	11	649	649	773	124
Fund balances June 30, 2008	\$ —	—	—	—	—	—	904	904

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	ITS Capital Projects Fund				Parks and Open Spaces Opportunity Projects Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 135	135	193	58	—	—	—	—
Miscellaneous revenues	3	3	30	27	33	33	29	(4)
Interfund revenues	1,652	1,652	740	(912)	—	—	—	—
Total revenues	<u>1,790</u>	<u>1,790</u>	<u>963</u>	<u>(828)</u>	<u>33</u>	<u>33</u>	<u>29</u>	<u>(4)</u>
Expenditures:								
Capital outlay	3,398	3,398	2,191	1,207	664	664	—	664
Total expenditures	<u>3,398</u>	<u>3,398</u>	<u>2,191</u>	<u>1,207</u>	<u>664</u>	<u>664</u>	<u>—</u>	<u>664</u>
Excess (deficiency) of revenues over expenditures	<u>(1,608)</u>	<u>(1,608)</u>	<u>(1,228)</u>	<u>380</u>	<u>(631)</u>	<u>(631)</u>	<u>29</u>	<u>660</u>
Other financing sources (uses):								
Transfers in from other funds	1,475	1,475	1,139	(336)	—	—	—	—
Transfers out to other funds	(365)	(365)	(365)	—	—	—	—	—
Total other financing sources (uses)	<u>1,110</u>	<u>1,110</u>	<u>774</u>	<u>(336)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	<u>(498)</u>	<u>(498)</u>	<u>(454)</u>	<u>44</u>	<u>(631)</u>	<u>(631)</u>	<u>29</u>	<u>660</u>
Fund balances July 1, 2007	<u>498</u>	<u>498</u>	<u>736</u>	<u>238</u>	<u>631</u>	<u>631</u>	<u>631</u>	<u>—</u>
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>282</u>	<u>282</u>	<u>—</u>	<u>—</u>	<u>660</u>	<u>660</u>

WASHINGTON COUNTY, OREGON
 Combining Statement of Net Assets
 Internal Service Funds
 June 30, 2008
 (Dollars in thousands)

Assets	Fleet Management Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/ Casualty Insurance Fund	Life Insurance Fund	Medical Insurance Fund
Current assets:						
Cash and investments	\$ 633	6,614	418	5,472	79	3,733
Accounts receivable	—	—	37	1	—	—
Supplies	357	—	34	—	—	—
Total current assets	990	6,614	489	5,473	79	3,733
Capital assets, net of accumulated depreciation	—	7,280	426	—	—	—
Total assets	990	13,894	915	5,473	79	3,733
Liabilities and Net Assets						
Current liabilities:						
Accounts payable	256	18	32	2	26	54
Accrued payroll liabilities	149	—	27	—	—	—
Accrued self-insurance	—	—	—	1,553	—	—
Current portion of capital lease	—	—	4	—	—	—
Total current liabilities	405	18	63	1,555	26	54
Net assets:						
Invested in capital assets, net of related debt	—	7,280	422	—	—	—
Unreserved	585	6,596	430	3,918	53	3,679
Total net assets	585	13,876	852	3,918	53	3,679
Total liabilities and net assets	\$ 990	13,894	915	5,473	79	3,733

WASHINGTON COUNTY, OREGON
Combining Statement of Net Assets, Continued
Internal Service Funds
June 30, 2008
(Dollars in thousands)

Assets	Municipal Transfer Liability Fund	PERS Rate Stabilization Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total
Current assets:					
Cash and investments	\$ 500	10,098	453	2,193	30,193
Accounts receivable	—	—	—	—	37
Supplies	—	—	—	—	387
Total current assets	500	10,098	453	2,193	30,617
Capital assets, net of accumulated depreciation	—	—	—	—	7,706
Total assets	500	10,098	453	2,193	38,323
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	—	—	35	30	453
Accrued payroll liabilities	—	—	—	—	175
Accrued self-insurance	—	—	—	1,598	3,151
Current portion of capital lease	—	—	—	—	4
Total current liabilities	—	—	35	1,628	3,783
Total liabilities	—	—	35	1,628	3,783
Net assets:					
Invested in capital assets, net of related debt	—	—	—	—	7,702
Unreserved	500	10,096	417	565	26,836
Total net assets	500	10,096	417	565	34,540
Total liabilities and net assets	\$ 500	10,096	452	2,193	38,323

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenses
and Changes in Net Assets
Internal Service Funds
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	Fleet Management Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/ Casualty Insurance Fund	Life Insurance Fund	Medical Insurance Fund	Municipal Transfer Liability Fund
Operating revenues:							
Charges for services	\$ 3,385	2,272	1,992	1,488	302	17,708	—
Other	1,068	—	2	708	—	948	—
Total operating revenues	<u>4,453</u>	<u>2,272</u>	<u>1,994</u>	<u>2,196</u>	<u>302</u>	<u>18,656</u>	<u>—</u>
Operating expenses:							
Labor and fringe benefits	1,272	—	459	—	—	—	—
Utilities	26	—	—	—	—	—	—
Professional services	11	—	—	177	—	57	—
Supplies	2,136	—	963	—	—	—	—
Administrative costs	572	94	201	386	20	151	—
Depreciation and amortization	—	1,535	193	—	—	—	—
Insurance claims and premiums	—	—	—	537	324	18,339	—
Repairs and maintenance	594	42	122	—	—	—	—
Total operating expenses	<u>4,611</u>	<u>1,672</u>	<u>1,939</u>	<u>1,100</u>	<u>344</u>	<u>18,547</u>	<u>—</u>
Operating income (loss)	<u>(158)</u>	<u>600</u>	<u>55</u>	<u>1,096</u>	<u>(42)</u>	<u>109</u>	<u>—</u>
Nonoperating income:							
Interest income	20	267	15	230	3	170	—
Gain (loss) on sale of capital assets	—	(21)	(7)	—	—	—	—
Total nonoperating income	<u>20</u>	<u>246</u>	<u>8</u>	<u>230</u>	<u>3</u>	<u>170</u>	<u>—</u>
Change in net assets	(137)	846	62	1,326	(39)	279	—
Net assets July 1, 2007	<u>722</u>	<u>13,030</u>	<u>789</u>	<u>2,592</u>	<u>92</u>	<u>3,400</u>	<u>500</u>
Net assets June 30, 2008	<u>\$ 585</u>	<u>13,876</u>	<u>851</u>	<u>3,918</u>	<u>53</u>	<u>3,679</u>	<u>500</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenses
and Changes in Net Assets, Continued
Internal Service Funds
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	PERS Rate Stabilization Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total
Operating revenues:				
Charges for services	\$ 3	412	849	28,411
Other	—	—	121	2,847
Total operating revenues	<u>3</u>	<u>412</u>	<u>969</u>	<u>31,258</u>
Operating expenses:				
Labor and fringe benefits	—	—	—	1,731
Utilities	—	—	—	26
Professional services	—	3	62	310
Supplies	—	—	0	3,099
Administrative costs	29	11	86	1,553
Depreciation and amortization	—	—	—	1,728
Insurance claims and premiums	—	192	1,681	21,073
Repairs and maintenance	—	—	—	759
Total operating expenses	<u>29</u>	<u>206</u>	<u>1,829</u>	<u>30,279</u>
Operating income (loss)	<u>(26)</u>	<u>206</u>	<u>(860)</u>	<u>979</u>
Nonoperating income:				
Interest income	438	15	98	1,257
Gain (loss) on sale of capital assets	—	—	—	(28)
Total nonoperating income	<u>438</u>	<u>15</u>	<u>98</u>	<u>1,229</u>
Change in net assets	412	221	(762)	2,208
Net assets July 1, 2007	9,684	196	1,327	32,332
Net assets June 30, 2008	<u>\$ 10,096</u>	<u>417</u>	<u>565</u>	<u>34,540</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	Fleet Management Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/ Casualty Insurance Fund	Life Insurance Fund	Medical Insurance Fund	Municipal Transfer Liability Fund
Cash flows from operating activities:							
Cash received for services provided	\$ 3,385	2,296	1,973	1,480	302	17,708	—
Cash payments for labor and fringe benefits	(1,250)	—	(464)	—	—	—	—
Cash payments for goods and services	(3,290)	(166)	(1,300)	(1,264)	(332)	(18,505)	—
Other operating revenue	998	—	2	51	—	948	—
Other receipts	70	—	—	—	—	—	—
Net cash provided by (used in) operating activities	(87)	2,130	211	275	(28)	152	—
Cash flows from capital and related financing activities:							
Acquisition of capital assets	—	(1,936)	(203)	—	—	—	—
Principal payments on capital lease obligations	—	—	(61)	—	—	—	—
Proceeds from sale of capital assets	—	134	1	—	—	—	—
Net cash provided by (used in) capital and related financing activities	—	(1,802)	(263)	—	—	—	—
Cash flows from investing activities:							
Interest on investments	20	266	15	228	2	170	—
Net cash provided by investing activities	20	266	15	228	2	170	—
Net Increase (decrease) in cash and investments	(67)	594	(37)	503	(26)	322	—
Cash and investments, July 1, 2007	700	6,019	455	4,068	105	3,412	500
Cash and investments, June 30, 2008	633	6,614	418	5,472	79	3,734	500
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	(158)	600	55	1,096	(42)	109	—
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	—	1,535	193	—	—	—	—
Increase (decrease) in accounts payable	71	(30)	—	(3)	14	43	—
Increase (decrease) in accrued liabilities	21	—	(4)	(817)	—	—	—
Decrease (increase) in accounts receivable	—	22	(19)	(1)	—	—	—
Decrease (increase) in supply inventory	(21)	—	(14)	—	—	—	—
Net cash provided by (used in) operating activities	(87)	2,130	211	275	(28)	152	—

WASHINGTON COUNTY, OREGON
Combining Statement of Cash Flows, Continued
Internal Service Funds
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	PERS Rate Stabilization Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total
Cash flows from operating activities:				
Cash received for services provided	\$ 3	412	851	28,417
Cash payments for labor and fringe benefits	—	—	—	(1,714)
Cash payments for goods and services	(29)	(226)	(1,332)	(26,443)
Other operating revenue	—	—	121	2,120
Other receipts	—	—	—	71
Net cash provided by (used in) operating activities	<u>(25)</u>	<u>187</u>	<u>(361)</u>	<u>2,451</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	—	—	—	(2,138)
Principal payments on capital lease obligations	—	—	—	(61)
Proceeds from sale of capital assets	—	—	—	135
Net cash provided (used in) capital and related financing activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,064)</u>
Cash flows from investing activities:				
Interest on investments	439	16	96	1,253
Net cash provided by investing activities	<u>439</u>	<u>16</u>	<u>96</u>	<u>1,253</u>
Net increase (decrease) in cash and investments	414	203	(265)	1,640
Cash and investments, July 1, 2007	<u>9,684</u>	<u>250</u>	<u>2,458</u>	<u>28,551</u>
Cash and investments, June 30, 2008	<u>10,098</u>	<u>453</u>	<u>2,193</u>	<u>30,192</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	(25)	208	(859)	982
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	—	—	—	1,728
Decrease (increase) in accounts receivable	—	—	—	2
Decrease (increase) in supply inventory	—	—	—	(34)
Increase (decrease) in accounts payable	—	(19)	13	88
Increase (decrease) in accrued liabilities	—	—	483	(318)
Net cash provided by (used in) operating activities	<u>(25)</u>	<u>187</u>	<u>(361)</u>	<u>2,451</u>

WASHINGTON COUNTY, OREGON
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis)
Internal Service Funds
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	Fleet Management Fund				Fleet Replacement Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 4,138	4,138	4,382	244	2,402	2,402	2,266	(136)
Miscellaneous revenues	43	43	21	(22)	644	644	450	(194)
Interfund revenues	70	70	70	—	—	—	—	—
Total revenues	4,251	4,251	4,473	222	3,046	3,046	2,716	(330)
Expenditures:								
Current:								
General government	4,434	4,834	4,611	223	—	—	—	—
Nonoperating	—	—	—	—	984	1,014	1,010	4
Operating contingency	634	234	—	234	5,880	5,880	—	5,880
Total current	5,068	5,068	4,611	457	6,864	6,894	1,010	5,884
Capital outlay	—	—	—	—	2,184	2,154	1,104	1,050
Total expenditures	5,068	5,068	4,611	457	9,048	9,048	2,114	6,934
Excess (deficiency) of revenues over expenditures	(817)	(817)	(137)	680	(6,002)	(6,002)	602	6,604
Fund balances July 1, 2007	817	817	722	(95)	6,002	6,002	5,994	(8)
Fund balances June 30, 2008	\$ —	—	585	585	—	—	6,596	6,596

* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.

WASHINGTON COUNTY, OREGON
 Schedule of Revenues and Expenditures -
 Budget and Actual (Budgetary Basis)

Internal Service Funds

For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	Internal Support Services Fund				Liability/Casualty Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ 1,987	1,987	1,992	5	1,486	1,486	1,488	2
Miscellaneous revenues	10	10	17	7	135	135	280	145
Total revenues	<u>1,997</u>	<u>1,997</u>	<u>2,009</u>	<u>12</u>	<u>1,621</u>	<u>1,621</u>	<u>1,768</u>	<u>147</u>
Expenditures:								
Current:								
General government	1,805	1,811	1,739	72	—	—	—	—
Nonoperating	—	—	—	—	2,097	2,097	442	1,655
Operating contingency	337	337	—	337	1,431	1,431	—	1,431
Total current	<u>2,143</u>	<u>2,148</u>	<u>1,739</u>	<u>409</u>	<u>3,529</u>	<u>3,529</u>	<u>442</u>	<u>3,087</u>
Capital outlay	231	226	209	17	—	—	—	—
Debt service:								
Principal	57	57	58	(1)	—	—	—	—
Interest	3	3	3	—	—	—	—	—
Total debt service	<u>60</u>	<u>60</u>	<u>61</u>	<u>(1)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>2,434</u>	<u>2,434</u>	<u>2,009</u>	<u>424</u>	<u>3,529</u>	<u>3,529</u>	<u>442</u>	<u>3,087</u>
Excess (deficiency) of revenues over expenditures	<u>(437)</u>	<u>(437)</u>	<u>—</u>	<u>437</u>	<u>(1,908)</u>	<u>(1,908)</u>	<u>1,326</u>	<u>3,234</u>
Fund balances July 1, 2007	437	437	430	(7)	1,908	1,908	2,592	684
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>430</u>	<u>430</u>	<u>—</u>	<u>—</u>	<u>3,918</u>	<u>3,918</u>

* All appropriations of this fund are made under a single organization unit. Accordingly, negative variances on individual line items do not represent overexpenditures.

WASHINGTON COUNTY, OREGON
 Schedule of Revenues and Expenditures -
 Budget and Actual (Budgetary Basis)

Internal Service Funds

For the fiscal year ended June 30, 2008

(Dollars in thousands)

	Life Insurance Fund				Medical Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ —	—	—	—	17,796	17,796	17,708	(88)
Miscellaneous revenues	359	359	305	(54)	1,286	1,286	1,118	(168)
Total revenues	<u>359</u>	<u>359</u>	<u>305</u>	<u>(54)</u>	<u>19,081</u>	<u>19,082</u>	<u>18,826</u>	<u>(255)</u>
Expenditures:								
Current:								
Nonoperating	371	371	344	27	19,537	19,537	18,547	990
Operating contingency	82	82	—	82	2,862	2,862	—	2,862
Total current	<u>453</u>	<u>453</u>	<u>344</u>	<u>109</u>	<u>22,399</u>	<u>22,399</u>	<u>18,547</u>	<u>3,852</u>
Total expenditures	<u>453</u>	<u>453</u>	<u>344</u>	<u>109</u>	<u>22,399</u>	<u>22,399</u>	<u>18,547</u>	<u>3,852</u>
Excess (deficiency) of revenues over expenditures	<u>(94)</u>	<u>(94)</u>	<u>(39)</u>	<u>55</u>	<u>(3,318)</u>	<u>(3,318)</u>	<u>279</u>	<u>3,597</u>
Fund balances July 1, 2007	94	94	92	(2)	3,318	3,318	3,400	82
Fund balances June 30, 2006	<u>\$ —</u>	<u>—</u>	<u>53</u>	<u>53</u>	<u>—</u>	<u>—</u>	<u>3,679</u>	<u>3,679</u>

WASHINGTON COUNTY, OREGON
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis)
Internal Service Funds

For the fiscal year ended June 30, 2008
(Dollars in thousands)

	<u>Municipal Transfer Liability Fund</u>				<u>PERS Rate Stabilization Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Charges for services	\$ —	—	—	—	—	—	3	3
Miscellaneous revenues	—	—	—	—	444	444	438	(6)
Total revenues	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>444</u>	<u>444</u>	<u>441</u>	<u>(3)</u>
Expenditures:								
Current:								
Nonoperating	—	—	—	—	10,113	10,113	29	10,084
Operating contingency	500	500	—	500	—	—	—	—
Total current	<u>500</u>	<u>500</u>	<u>—</u>	<u>500</u>	<u>10,113</u>	<u>10,113</u>	<u>29</u>	<u>10,084</u>
Total expenditures	<u>500</u>	<u>500</u>	<u>—</u>	<u>500</u>	<u>10,113</u>	<u>10,113</u>	<u>29</u>	<u>10,084</u>
Excess (deficiency) of revenues over expenditures	<u>(500)</u>	<u>(500)</u>	<u>—</u>	<u>500</u>	<u>(9,669)</u>	<u>(9,669)</u>	<u>412</u>	<u>10,081</u>
Fund balances July 1, 2007	<u>500</u>	<u>500</u>	<u>500</u>	<u>—</u>	<u>9,669</u>	<u>9,669</u>	<u>9,684</u>	<u>15</u>
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>500</u>	<u>500</u>	<u>—</u>	<u>—</u>	<u>10,096</u>	<u>10,096</u>

WASHINGTON COUNTY, OREGON
 Schedule of Revenues and Expenditures -
 Budget and Actual (Budgetary Basis)
 Internal Service Funds

For the fiscal year ended June 30, 2008
 (Dollars in thousands)

	<u>Unemployment Insurance Fund</u>				<u>Workers' Compensation Insurance Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Charges for services	\$ 389	389	412	24	750	750	849	99
Miscellaneous revenues	6	6	15	9	175	175	218	44
Total revenues	<u>395</u>	<u>395</u>	<u>427</u>	<u>32</u>	<u>925</u>	<u>925</u>	<u>1,067</u>	<u>143</u>
Expenditures:								
Current:								
Nonoperating	341	341	206	135	1,066	1,942	1,829	113
Operating contingency	212	212	—	212	956	80	—	80
Total current	<u>553</u>	<u>553</u>	<u>206</u>	<u>347</u>	<u>2,022</u>	<u>2,022</u>	<u>1,829</u>	<u>193</u>
Total expenditures	<u>553</u>	<u>553</u>	<u>206</u>	<u>347</u>	<u>2,022</u>	<u>2,022</u>	<u>1,829</u>	<u>193</u>
Excess (deficiency) of revenues over expenditures	<u>(158)</u>	<u>(158)</u>	<u>221</u>	<u>379</u>	<u>(1,097)</u>	<u>(1,097)</u>	<u>(762)</u>	<u>335</u>
Fund balances July 1, 2007	<u>158</u>	<u>158</u>	<u>196</u>	<u>38</u>	<u>1,097</u>	<u>1,097</u>	<u>1,327</u>	<u>230</u>
Fund balances June 30, 2008	<u>\$ —</u>	<u>—</u>	<u>417</u>	<u>417</u>	<u>—</u>	<u>—</u>	<u>565</u>	<u>565</u>

WASHINGTON COUNTY, OREGON

Reconciliation of Fund Balance to Net Assets

Internal Service Funds

June 30, 2008

(Dollars in thousands)

	<u>Fleet Replacement Fund</u>	<u>Internal Support Services Fund</u>
Fund balance	\$ 6,596	430
Add capital assets reported on combining balance sheet	7,280	426
Less capital lease	—	(4)
Total Net Assets	<u>\$ 13,876</u>	<u>852</u>

WASHINGTON COUNTY, OREGON
Statement of Changes in Assets and Liabilities
Agency Fund
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
Assets:				
Cash and investments	\$ 3,312	5,413,147	5,412,686	3,773
Accounts receivable	2,110	39,287	39,943	1,454
Property taxes receivable	14,319	4,075	148	18,246
Total assets	<u>19,741</u>	<u>5,456,509</u>	<u>5,452,777</u>	<u>23,473</u>
Liabilities:				
Accounts payable	12	1,227,191	1,226,681	522
Amounts held in trust	5,410	696,389	697,094	4,705
Uncollected taxes	14,319	4,075	148	18,246
Total liabilities	<u>\$ 19,741</u>	<u>1,927,655</u>	<u>1,923,923</u>	<u>23,473</u>

OTHER FINANCIAL SCHEDULE

WASHINGTON COUNTY, OREGON
Schedule of Property Tax and Assessment
Transactions and Outstanding Balances
For the fiscal year ended June 30, 2008
(Dollars in thousands)

	Taxes receivable July, 1 2007	Certified levies	Corrections and adjustments	Collections	Discounts allowed	Interest	Taxes receivable June 30, 2008
2007-08	\$	690,047	(798)	(655,179)	(17,521)	217	16,766
2006-07	12,394		(394)	(8,759)	3	500	3,744
2005-06	3,047	—	(308)	(1,528)	7	243	1,461
2004-05	1,459	—	(130)	(973)	3	219	578
2003-04	513	—	(88)	(375)	3	110	163
2002-03	185	—	(14)	(53)	—	20	138
2001-02 & prior	272	—	—	(114)	—	52	210
	<u>\$ 17,870</u>	<u>690,047</u>	<u>(1,732)</u>	<u>(666,981)</u>	<u>(17,505)</u>	<u>1,361</u>	<u>23,060</u>

Note: Amounts include assessments receivable relating to Service District for Lighting No. 1.

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**WASHINGTON COUNTY,
OREGON**

**STATISTICAL
SECTION**

SECTION III

STATISTICAL INFORMATION SECTION NARRATIVE (UNAUDITED)

This part of Washington County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health. This section contains the following tables and information:

- **Financial Trends** – These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.
- **Revenue Capacity** – These schedules contain information to help the reader assess the County's most significant local revenue source.
- **Debt Capacity** – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the County's ability to issue additional debt in the future.
- **Economic and Demographic Information** – These schedules offer economic and demographic indicators to help the reader understand the environment within the County's financial activities take place.
- **Operating Information** – These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year. Note that the County implemented Governmental Accounting Standards Board Statement No. 34 in 2002; therefore, schedules presenting government-wide information include only information beginning in that fiscal year and going forward.

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FINANCIAL TRENDS

WASHINGTON COUNTY, OREGON

Net Assets by Component

Last Five Fiscal Years

(Dollars in thousands)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 244,404	242,734	2,148,086	2,151,850	2,135,921 ⁽¹⁾
Restricted	4,314	1,272	1,069	170	239
Unrestricted	<u>179,689</u>	<u>206,770</u>	<u>250,676</u>	<u>236,359</u>	<u>245,409</u>
Total governmental activities net assets	<u>428,407</u>	<u>450,776</u>	<u>2,399,831</u>	<u>2,388,379</u>	<u>2,381,569</u>
Business-type activities					
Invested in capital assets, net of related debt	234,007	245,840	328,060	363,438	395,163 ⁽²⁾
Restricted	57,268	58,656	58,052	28,948	27,582
Unrestricted	<u>47,474</u>	<u>49,249</u>	<u>50,035</u>	<u>64,206</u>	<u>55,872</u>
Total business-type activities net assets	<u>338,749</u>	<u>353,745</u>	<u>436,147</u>	<u>456,592</u>	<u>478,617</u>
Primary government					
Invested in capital assets, net of related debt	478,411	488,574	2,476,146	2,515,288	2,531,084
Restricted	61,582	59,928	59,121	29,118	27,821
Unrestricted	<u>227,163</u>	<u>256,019</u>	<u>300,711</u>	<u>300,565</u>	<u>301,281</u>
Total primary government net assets	<u>\$ 767,156</u>	<u>804,521</u>	<u>2,835,978</u>	<u>2,844,971</u>	<u>2,860,186</u>

⁽¹⁾ Years prior to 2006 not restated for reporting of infrastructure under GASB #34

⁽²⁾ Years prior to 2006 not restated for recording of contributed capital assets

Source: Current and prior years' financial statements.

WASHINGTON COUNTY, OREGON

Changes in Net Assets by Component

Last Five Fiscal Years

(Dollars in thousands)

	2004	2005	2006	2007	2008
Expenses					
Primary Government					
Governmental activities:					
General government	\$ 28,535	29,711	30,466	35,283	41,833
Public safety	72,858	79,547	89,097	107,566	101,859
Land use, housing and transportation	26,514	52,167	138,315	181,858	111,906
Health and human Services	52,168	58,364	61,292	56,507	51,555
Culture, education and recreation	14,644	14,181	15,038	27,854	23,218
Non-operating expense	8,605	15,048	-	5,119	21,078
Interest expense	7,381	821	5,882	6,370	6,818
Total governmental activities	<u>210,705</u>	<u>249,839</u>	<u>340,090</u>	<u>420,557</u>	<u>358,267</u>
Business-type activities:					
Housing authority	25,921	26,104	24,579	25,967	27,112
Sanitation and surface water	72,083	75,061	81,589	84,199	87,319
Street lighting district	1,601	1,667	1,671	1,726	1,775
Total business-type activities expenses	<u>99,605</u>	<u>102,832</u>	<u>107,839</u>	<u>111,892</u>	<u>116,206</u>
Total primary government expenses	<u>310,310</u>	<u>352,671</u>	<u>447,929</u>	<u>532,449</u>	<u>474,473</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	8,161	7,199	32,572	21,499	24,551
Public safety	4,637	6,324	17,935	3,651	1,683
Land use, housing and transportation	13,061	15,488	17,297	20,591	33,387
Health and human Services	12,387	16,350	5,431	12,253	11,526
Culture, education and recreation	1,393	1,303	961	571	1,030
Non-operating revenue	11,767	27,571	-	22,868	24,628
Operating grants and contributions	91,037	90,677	106,147	98,844	88,512
Capital grants and contributions	10,751	5,349	3,751	71,081	1,690
Total governmental activities program revenue	<u>153,194</u>	<u>170,261</u>	<u>184,094</u>	<u>251,358</u>	<u>187,007</u>
Business-type activities:					
Charges for services:					
Housing authority	4,094	4,102	4,201	4,295	5,212
Sanitation and surface Water	66,457	70,387	75,216	78,523	84,754
Street lighting district	1,654	1,724	1,707	1,902	1,840
Operating grants and contributions	19,298	19,039	19,203	18,920	19,801
Capital grants and contributions	10,684	16,970	18,056	17,732	22,442
Total business-type activities program revenue	<u>102,187</u>	<u>112,222</u>	<u>118,383</u>	<u>121,372</u>	<u>134,049</u>
Total primary government program revenue	<u>255,381</u>	<u>282,483</u>	<u>302,477</u>	<u>372,730</u>	<u>321,056</u>
Net (Expense) Revenue					
Governmental activities	(57,511)	(79,578)	(155,996)	(169,199)	(171,260)
Prior period adjustment (restatement)	(1) -	(26,940)	1,965,931	-	-
Total	<u>(57,511)</u>	<u>(106,518)</u>	<u>1,809,935</u>	<u>(169,199)</u>	<u>(171,260)</u>
Business-type activities	2,582	9,390	10,544	9,480	17,843
Prior period adjustment (restatement)	(1) -	-	63,351	(193)	(1,935)
Total	<u>2,582</u>	<u>9,390</u>	<u>73,895</u>	<u>9,287</u>	<u>15,908</u>
Total primary government net expenses	<u>\$ (54,929)</u>	<u>(97,128)</u>	<u>1,883,830</u>	<u>(159,912)</u>	<u>(155,352)</u>

(1) Years prior to restatements have not been restated

Source: current and prior years' financial statements

(Continued)

WASHINGTON COUNTY, OREGON

Changes in Net Assets by Component

Last Five Fiscal Years

(Dollars in thousands)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total primary government net expenses (<i>brought forward</i>)	\$ (54,929)	(97,128)	1,883,830	(159,912)	(155,352)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Property taxes, levied for debt service	103,935	108,025	112,150	104,314	135,409
Other taxes	7,805	8,056	7,886	7,633	7,770
Interest income	6,907	8,264	9,878	10,124	10,253
Gain (loss) on sale of capital assets	2,135	4,535	9,197	13,031	10,377
Miscellaneous revenue	(163)	-	-	-	-
Capital contributions	11,299	7	9	22,645	641
Total governmental activities revenue	<u>131,918</u>	<u>128,887</u>	<u>139,120</u>	<u>157,747</u>	<u>164,450</u>
Business-type activities:					
Interest income	1,245	2,159	3,563	4,922	3,476
Gain (loss) on sale of capital assets	332	-	-	-	2,641
Miscellaneous revenue	3,012	3,448	4,944	6,236	-
Total business-type activities revenue	<u>4,589</u>	<u>5,607</u>	<u>8,507</u>	<u>11,158</u>	<u>6,117</u>
Total primary government	<u>136,507</u>	<u>134,494</u>	<u>147,627</u>	<u>168,905</u>	<u>170,567</u>
Change in Net Assets					
Governmental activities	74,407	22,369	1,949,055	(11,452)	(6,810)
Business-type activities	7,171	14,997	19,051	82,402	23,960
Total primary government ⁽¹⁾	<u>\$ 81,578</u>	<u>37,366</u>	<u>1,968,106</u>	<u>70,950</u>	<u>17,150</u>

⁽¹⁾ Years prior to restatements have not been restated.

Source: Current and prior years' financial statements.

WASHINGTON COUNTY, OREGON

Fund Balances of Governmental Funds

Last Five Fiscal Years

(modified accrual basis of accounting)

(Dollars in thousands)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Reserved fund balances:					
Advances	\$ —	—	—	—	4,000
Debt service	3,869	149	543	170	237
Working capital	100	100	100	100	-
Capital projects	<u>445</u>	<u>564</u>	<u>526</u>	<u>773</u>	<u>1,082</u>
Total reserved fund balance:	<u>4,414</u>	<u>813</u>	<u>1,169</u>	<u>1,043</u>	<u>5,319</u>
Unreserved fund balances:					
Major funds:					
General fund	27,211	33,253	41,792	43,480	37,522
HOME fund	-	-	-	-	1
Human Services Fund	1,078	833	1,172	1,361	2,115
MSTIP III Fund	36,818	34,383	68,164	57,077	55,908
Road Fund	20,712	19,972	14,609	14,360	14,044
Non-major funds:					
Special Revenue Funds	61,540	70,147	74,896	69,034	76,004
Capital Projects Funds	<u>1,036</u>	<u>1,123</u>	<u>1,539</u>	<u>1,378</u>	<u>942</u>
Total unreserved fund balance:	<u>148,395</u>	<u>159,711</u>	<u>202,172</u>	<u>186,690</u>	<u>186,534</u>
Total fund balances	<u>\$ 152,809</u>	<u>160,524</u>	<u>203,341</u>	<u>187,733</u>	<u>191,855</u>

Source: Current and prior years' financial statements.

WASHINGTON COUNTY, OREGON

Changes in Fund Balances of Governmental Funds

Last Five Fiscal Years

(modified accrual basis of accounting)

(Dollars in thousands)

	2004	2005	2006	2007	2008
Revenues:					
Taxes	\$ 118,582	124,866	130,181	121,977	149,442
Licenses and permits	8,596	9,613	10,253	8,882	9,213
Intergovernmental revenues	88,273	94,351	104,434	152,681	85,993
Charges for services	50,151	47,440	34,457	30,525	41,039
Fines and forfeitures	2,736	3,029	3,210	3,728	3,533
Special assessments	167	211	235	249	224
Miscellaneous revenues	23,132	29,633	33,363	35,697	37,069
Interfund revenues	23,491	24,187	23,417	26,272	28,283
Total revenues	315,128	333,330	339,550	380,011	354,799
Expenditures:					
Current:					
General government	26,243	29,125	30,123	31,134	32,609
Public safety and justice	91,322	97,605	100,587	104,517	114,416
Land use, housing and transportation	74,360	91,616	81,633	127,152	94,595
Health and human services	54,156	59,418	60,526	68,393	52,605
Culture, education and recreation	14,810	14,402	14,751	15,655	23,081
Nonoperating	6,182	6,025	7,013	6,359	7,902
Capital outlay	8,470	7,703	13,716	26,176	9,360
Debt service:					
Principal	7,327	11,598	14,897	9,485	44,049
Interest	6,749	6,399	5,352	6,750	6,186
Total expenditures	289,619	325,891	328,598	395,621	384,802
Excess (deficiency) of revenues over (under) expenditures	25,509	7,439	10,952	(15,610)	(30,003)
Other financing sources (uses):					
Proceeds from debt	4,343	274	83,401	-	34,125
Advance refunding of debt principal	-	-	(51,540)	-	-
Transfers in from other funds	60,481	70,271	80,292	91,364	69,224
Transfers out to other funds	(60,058)	(70,267)	(80,288)	(91,362)	(69,224)
Total other financing sources (uses)	4,766	278	31,865	2	34,125
Net change in fund balances	\$ 30,275	7,717	42,817	(15,608)	4,122
Debt service as a percentage of noncapital expenditures, as restated	5.01%	5.66%	6.43%	4.39%	13.38%

Source: Current and prior years' financial statements.

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REVENUE CAPACITY

WASHINGTON COUNTY, OREGON
Valuation of Taxable Property
Last Ten Fiscal Years
(In Thousands)

Fiscal year ended June 30	Assessed Value				Total direct tax rate	True cash valuation	Ratio of assessed valuation to true cash valuation
	Real property	Personal property	Public utility property	Total			
1999	\$ 22,858,078	\$ 1,557,742	\$ 738,857	\$ 25,154,677	2.57	\$ 32,545,558	77.29 %
2000	24,716,577	1,479,124	826,532	27,022,233	2.55	35,483,600	76.15
2001	26,616,267	1,546,626	936,735	29,099,628	2.53	38,375,452	75.83
2002	28,359,299	1,655,117	1,155,253	31,169,669	2.96	42,641,803	73.10
2003	30,082,720	1,771,620	1,185,317	33,039,658	2.92	45,004,178	73.41
2004	31,411,567	1,668,488	1,178,235	34,258,289	2.90	50,523,742	67.81
2005	33,025,666	1,626,433	1,140,884	35,792,982	2.87	52,646,589	67.99
2006	34,866,509	1,608,701	1,155,643	37,630,853	2.84	58,389,427	64.45
2007	36,728,957	1,652,098	1,198,560	39,579,614	2.45	69,903,003	56.62
2008	38,669,431	1,760,359	1,266,893	41,696,683	3.03	76,919,205	54.21

Source: Washington County Department of Assessment and Taxation

WASHINGTON COUNTY, OREGON

Certified Property Tax Levies -
Direct and Overlapping Governments

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal year ended June 30	Total Tax Levies	Washington County	Component units of Washington County	School Districts	Fire Districts
1999	\$ 365,980	\$ 63,652	\$ 11,475	\$ 158,777	\$ 29,888
2000	398,037	67,575	12,237	173,664	32,816
2001	425,819	72,380	13,360	185,009	35,727
2002	491,097	92,476	13,909	215,997	43,376
2003	520,050	96,229	14,490	233,208	45,345
2004	559,547	98,991	16,445	257,872	47,067
2005	565,497	102,382	18,695	251,279	49,269
2006	610,402	106,501	18,980	282,295	52,089
2007	598,942	96,775	19,575	269,116	54,774
2008	690,047	125,988	19,988	310,212	59,800

(1) Includes General Fund, Metzger Park, Road Maintenance LID, Local Option Levy, and County bonds and interest

(2) Includes ESPD (Enhanced Sheriff's Patrol District), URMD (Urban Road Maintenance District), SDL (Street Lighting District), and CWS (Clean Water Services) bonds and interest

Source: Washington County Department of Assessment and Taxation

<u>Cities</u>	<u>Park and recreation</u>	<u>Development and urban renewal agencies</u>	<u>Port of Portland</u>	<u>Portland Community College</u>	<u>Metropolitan Service District</u>	<u>Other</u>
\$ 49,168	\$ 15,700	\$ 12,394	\$ 1,926	\$ 8,641	\$ 8,345	\$ 6,014
58,283	17,375	11,243	1,991	9,467	8,057	5,329
61,975	17,780	12,301	2,099	10,529	8,998	5,661
67,730	18,661	4,156	2,200	17,077	9,392	6,123
73,626	19,374	4,557	2,305	16,174	8,685	6,057
78,318	20,040	6,306	2,381	17,302	9,178	5,647
81,830	20,804	4,587	2,488	18,017	13,053	3,093
86,783	21,736	4,868	2,616	18,386	14,053	2,113
92,893	22,776	5,348	2,750	19,099	13,729	2,107
98,422	23,818	6,145	2,894	20,771	19,848	2,162

WASHINGTON COUNTY, OREGON

Property Tax Levies and Collections⁽¹⁾

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal year ended June 30	Certified tax levies			Current tax collections	Current tax collections as a percentage of current levy	Delinquent tax collections	Total tax collections
	General Fund	Special levies	Total				
1999	\$ 55,783	\$ 19,344	\$ 75,127	\$ 72,573	96.6 %	1,706	\$ 74,279
2000	59,672	20,140	79,812	77,120	96.6	2,446	79,566
2001	64,700	21,253	85,953	83,514	97.2	2,428	85,942
2002	70,387	35,998	106,385	103,530	97.3	2,281	105,811
2003	74,563	36,339	110,902	108,085	97.5	2,754	110,839
2004	77,079	38,358	115,437	112,738	97.7	2,721	115,459
2005	80,327	40,901	121,228	118,529	97.8	2,511	121,040
2006	84,583	41,013	125,596	123,189	98.1	2,726	125,915
2007	88,968	27,501	116,469	114,058	97.9	2,375	116,433
2008	93,588	45,498	139,086	135,706	97.6	2,295	138,001

⁽¹⁾Includes small levies paid off early to other jurisdictions by the General Fund totaling \$228 in fiscal year 2007-08

Source: Washington County Finance Division

Total tax collections as a percentage of current levy		Uncollected taxes	Uncollected taxes as a percentage of current levy	
98.9 %	\$	3,537	4.7	%
99.7		3,784	4.7	
100.0		3,795	4.4	
99.5		4,170	3.9	
99.9		4,232	3.8	
100.0		4,207	3.6	
99.8		3,761	3.1	
100.3		3,519	2.8	
100.0		3,554	3.1	
99.2		4,642	3.3	

WASHINGTON COUNTY, OREGON

Principal Taxpayers Within the County
Current Year and Nine Years Ago

(Dollars in Thousands)

	2008				1999		
	Rank	Assessed valuation	Percent of total		Rank	Assessed valuation	Percent of total
Private enterprises:							
Intel Corporation	1	\$ 1,073,118	2.6 %	1	\$ 794,012	3.2 %	
Verizon Northwest Inc.	2	345,285	0.8				
Nike, Inc.	3	348,297	0.8	5	182,808	0.7	
Pacific Realty Associates	5	261,692	0.6	6	168,195	0.7	
Maxim Integrated Products, Inc.	7	169,355	0.4				
Sprint Nextel Corporation	8	133,617	0.3	7	161,861	0.6	
Tektronix, Inc.	9	137,507	0.3				
ERP Operating LP	10	112,051	0.3				
Integrated Devices/Sumitomo Bank				9	106,090	0.4	
Fred Meyer, Inc.				10	83,252	0.3	
Komatsu Silicon America, Inc.				3	215,343	0.9	
Public utilities:							
Portland General Electric	4	330,800	0.8	4	187,276	0.7	
Northwest Natural Gas Co.	6	275,284	0.7	8	148,000	0.6	
GTE Northwest, Inc.				2	268,433	1.1	
All other taxpayers		<u>38,509,676</u>	<u>92.4</u>		<u>22,839,407</u>	<u>90.8</u>	
Total		<u>\$ 41,696,683</u>	<u>100.0</u>		<u>\$ 25,154,677</u>	<u>100.0</u>	

Source: Washington County Department of Assessment and Taxation

DEBT CAPACITY

WASHINGTON COUNTY, OREGON

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

Fiscal Year	Governmental Activities			
	Bonds Payable	Notes Payable	Contracts Payable	Capital Lease Obligations
1999	\$ 98,773	\$ 29,710	\$ 950	\$ 2,836
2000	77,773	24,321	910	2,696
2001	72,933	78,868	869	2,548
2002	67,275	83,449	827	2,388
2003	62,150	81,493	838	2,537
2004	56,980	77,853	741	2,344
2005	51,545	72,176	696	2,153
2006	46,015	94,593	650	1,951
2007	40,260	91,108	603	1,754
2008	33,570	88,121	555	1,525

N/A: Data was not available for this fiscal year

Source: Washington County Finance Division

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<u>Business-Type Activities</u>			<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Outstanding Debt Per Capita</u>
<u>Bonds Payable</u>	<u>Notes Payable</u>	<u>Contracts Payable</u>			
\$ 220,970	\$ —	\$ 1,396	\$ 354,635	2.8 %	\$ 810
225,900	2,725	1,242	335,567	2.5	754
214,055	2,572	1,253	373,098	2.5	831
273,595	938	3,960	432,432	2.9	948
258,815	3,667	746	410,246	2.8	886
259,495	4,699	569	402,681	2.6	851
243,855	4,754	386	375,565	2.3	782
227,640	4,488	196	375,533	2.2	766
210,735	3,717	—	348,177	1.9	695
193,100	3,266	—	320,137	N/A	626

WASHINGTON COUNTY, OREGON

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

Fiscal Year	Governmental Activities Bonds Payable	Business-Type Activities Bonds Payable	Total Bonds Payable	Total Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Debt Outstanding Per Capita
1999	\$ 98,773	\$ 220,970	\$ 319,743	\$ 25,154,677	1.3 %	\$ 730
2000	77,773	225,900	303,673	27,022,233	1.1	682
2001	72,933	214,055	286,988	29,099,628	1.0	639
2002	67,275	273,595	340,870	31,169,669	1.1	748
2003	62,150	258,815	320,965	33,039,657	1.0	693
2004	56,980	259,495	316,475	34,258,290	0.9	669
2005	51,545	243,855	295,400	35,792,983	0.8	615
2006	46,015	227,640	273,655	37,630,853	0.7	558
2007	40,260	210,735	250,995	39,579,614	0.6	501
2008	33,570	193,100	226,670	41,696,683	0.5	444

Source: Washington County Finance Division and Department of Assessment and Taxation

WASHINGTON COUNTY, OREGON

Direct and Overlapping Governmental Activities Debt

June 30, 2008

(Dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable to County</u>
Debt repaid with property taxes:			
Overlapping debt outstanding:			
Banks Fire District #13	\$ 1,300	100.0 %	\$ 1,300
City of Banks	—	100.0	—
City of Beaverton	1,020	100.0	1,020
City of Cornelius	590	100.0	590
City of Durham	1,685	100.0	1,685
City of Forest Grove	3,520	100.0	3,520
City of Hillsboro	—	100.0	—
City of Lake Oswego	51	0.2	—
City of North Plains	—	100.0	—
City of Portland	234	0.2	1
City of Sherwood	10,995	100.0	10,995
City of Tigard	10,548	100.0	10,548
City of Tualatin	12,349	87.7	10,835
City of Wilsonville	—	10.4	—
Clackamas County Education Service District	—	0.4	—
Clackamas County School District 3J (West Linn - Wilsonville)	1,849	1.6	30
Clackamas County School District 7J (Lake Oswego)	671	0.9	6
Columbia County School District 1J (Scappoose)	3	0.4	—
Forest Grove Rural Fire Protection District	220	100.0	220
Metro	65,321	31.8	20,752
Multnomah County School District 1J (Portland)	99	0.7	1
Multnomah Education Service District	—	0.5	—
Northwest Regional Education Service District	—	76.3	—
Port of Portland	—	31.0	—
Portland Community College	19,277	43.4	8,368
Tri-Met	14,293	32.2	4,602
Tualatin Hills Parks & Recreation District	15,075	100.0	15,075
Tualatin Valley Fire & Rescue District	1,202	81.5	980
Washington County School District 13 (Banks)	11,400	100.0	11,400
Washington County School District 15 (Forest Grove)	44,420	100.0	44,420
Washington County School District 1J (Hillsboro 7 Bond)	350	100.0	350
Washington County School District 1J (Hillsboro)	278,313	100.0	278,313
Washington County School District 1J (Reedville Bond)	1,190	100.0	1,190
Washington County School District 23J (Tigard - Tualatin)	135,006	97.2	131,253
Washington County School District 48J (Beaverton)	375,430	99.5	373,741
Washington County School District 511J (Gaston)	—	82.2	—
Washington County School District 88J (Sherwood)	120,875	92.4	111,689
Willamette Education Service District	8	0.4	—
Yamhill County School District 29J (Newberg)	2,308	4.2	97
Total overlapping debt outstanding	1,129,602		1,042,981
Direct debt outstanding:			
Washington County	33,570	100.0	33,570
Total direct and overlapping debt outstanding	\$ 1,163,172		\$ 1,076,551

Source: Oregon State Treasury, Debt Management Division

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

WASHINGTON COUNTY, OREGON

Legal Debt Margin Information

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Washington County:					
-ORS 287.054 provides a debt limit on general obligation bonds of 2% of the real market value of all taxable property within the County's legal boundaries.					
Real market value	\$ 76,919,205	69,903,003	58,389,427	52,646,589	50,523,742
Debt limit rate	<u>2.0%</u>	<u>2.0%</u>	<u>2.0%</u>	<u>2.0%</u>	<u>2.0%</u>
Debt limit	1,538,384	1,398,060	1,167,789	1,052,932	1,010,475
Less general obligation debt at June 30	<u>33,570</u>	<u>40,260</u>	<u>46,015</u>	<u>51,545</u>	<u>56,980</u>
Legal debt margin	<u>1,504,814</u>	<u>1,357,800</u>	<u>1,121,774</u>	<u>1,001,387</u>	<u>953,495</u>
Total net debt applicable to the limit as a percentage of debt limit	2.18%	2.88%	3.94%	4.90%	5.64%

-ORS 287.053 provides a debt limit on full faith and credit bonds of 1% of the real market value of all taxable property within the County's legal boundaries.

Real market value	<u>76,919,205</u>	<u>69,903,003</u>	<u>58,389,427</u>	<u>52,646,589</u>	<u>50,523,742</u>
Debt limit rate	<u>1.00%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>
Debt limit	769,192	699,030	583,894	526,466	505,237
Less full faith and credit obligation debt at June 30	<u>85,905</u>	<u>88,695</u>	<u>91,990</u>	<u>69,395</u>	<u>75,195</u>
Legal debt margin	<u>683,287</u>	<u>610,335</u>	<u>491,904</u>	<u>457,071</u>	<u>430,042</u>
Total net debt applicable to the limit as a percentage of debt limit	11.17%	12.69%	15.75%	13.18%	14.88%

Housing Authority of Washington County:

-ORS 451.545 provides a debt limit on general obligation bonds of 13% of the real market value of all taxable property within the agency's legal boundaries.

Real market value	<u>76,919,205</u>	<u>69,903,003</u>	<u>58,389,427</u>	<u>52,646,589</u>	<u>50,523,742</u>
Debt limit rate	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>
Debt limit	9,999,497	9,087,390	7,590,626	6,844,057	6,568,086
Less general obligation debt at June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>9,999,497</u>	<u>9,087,390</u>	<u>7,590,626</u>	<u>6,844,057</u>	<u>6,568,086</u>
Total net debt applicable to the limit as a percentage of debt limit					

Clean Water Services:

-ORS 451.545 provides a debt limit on general obligation bonds of 13% of the real market value of all taxable property within the agency's legal boundaries

Real market value	<u>65,485,068</u>	<u>59,132,300</u>	<u>48,348,600</u>	<u>48,571,562</u>	<u>46,802,733</u>
Debt limit rate	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>
Debt limit	8,513,059	7,687,199	6,285,318	6,314,303	6,084,355
Less general obligation debt at June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 8,513,059</u>	<u>7,687,199</u>	<u>6,285,318</u>	<u>6,314,303</u>	<u>6,084,355</u>

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

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
<u>45,004,178</u>	<u>42,641,803</u>	<u>38,375,452</u>	<u>35,483,600</u>	<u>32,545,558</u>
2.0%	2.0%	2.0%	2.0%	2.0%
900,084	852,836	767,509	709,672	650,911
62,150	67,275	72,933	77,773	98,773
<u>837,934</u>	<u>785,561</u>	<u>694,576</u>	<u>631,899</u>	<u>552,138</u>
6.90%	7.89%	9.50%	10.96%	15.17%
<u>45,004,178</u>	<u>42,641,803</u>	<u>38,375,452</u>	<u>35,483,600</u>	<u>32,545,558</u>
1.0%	1.0%	1.0%	1.0%	1.0%
450,042	426,418	383,755	354,836	325,456
69,710	74,780	70,165	5,195	5,360
<u>380,332</u>	<u>351,638</u>	<u>313,590</u>	<u>349,641</u>	<u>320,096</u>
15.49%	17.54%	18.28%	1.46%	1.65%
<u>45,004,178</u>	<u>42,641,803</u>	<u>38,375,452</u>	<u>35,483,600</u>	<u>32,545,558</u>
13.00%	13.00%	13.00%	13.00%	13.00%
5,850,543	5,543,434	4,988,809	4,612,868	4,230,923
-	-	-	-	-
<u>5,850,543</u>	<u>5,543,434</u>	<u>4,988,809</u>	<u>4,612,868</u>	<u>4,230,923</u>
<u>41,464,678</u>	<u>39,274,295</u>	<u>35,179,581</u>	<u>32,452,694</u>	<u>29,688,414</u>
13.00%	13.00%	13.00%	13.00%	13.00%
5,390,408	5,105,658	4,573,346	4,218,850	3,859,494
-	-	340	695	1,010
<u>5,390,408</u>	<u>5,105,658</u>	<u>4,573,006</u>	<u>4,218,155</u>	<u>3,858,484</u>
		0.01%	0.02%	0.03%

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DEMOGRAPHIC AND ECONOMIC INFORMATION

WASHINGTON COUNTY, OREGON

Demographic Statistics

Last Ten Fiscal Years

(Dollars in thousands)

<u>Fiscal Year</u>	<u>Population (estimated)</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
1999	438	\$ 12,547	\$ 29	4.0 %
2000	445	13,450	30	3.9
2001	449	14,881	33	5.1
2002	456	14,844	33	6.6
2003	463	14,973	32	8.3
2004	473	15,419	33	6.3
2005	480	16,121	34	5.2
2006	490	17,254	35	4.4
2007	501	18,608	37	4.3
2008	511	N/A	N/A	4.5

N/A: Information not available as of printing.

Source: Portland State University Population Research Center, Bureau of Economic Analysis, and Oregon Employment Department.

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OPERATING INFORMATION

WAHSINGTON COUNTY, OREGON

Major Employment Industries

Current Year and Nine Years Ago

	2008*			1999		
	Annual	Average	% of Total	Annual	Average	% of Total
Construction	—	15,508	6%	—	12,576	6%
Manufacturing:	1,555	—	—	1,981	—	—
Wood and lumber	3,279	—	—	2,497	—	—
Metals	1,608	—	—	1,438	—	—
Food	2,401	—	—	2,312	—	—
Rubber/plastic	27,046	—	—	26,233	—	—
Computer and electronic equipment/instruments	3,636	—	—	6,660	—	—
Machinery	7,921	—	—	4,727	—	—
Other	—	47,446	19%	—	45,848	21%
Total Manufacturing		45,891	10%		43,867	10%
Trade, Transportation, and Utilities:						
Wholesale Trade	29,913	—	—	38,102	—	—
Retail Trade	3,842	—	—	5,423	—	—
Transportation and Utilities	—	51,483	21%	—	61,278	29%
Total Trade, Transportation, and Utilities		33,755	8%		43,525	10%
Information:						
Publishing	2,123	—	—	1,612	—	—
Telecommunications	2,087	—	—	—	—	—
Other (broadcasting, ISP's, etc.)	—	7,945	3%	—	4,111	2%
Total Information		4,210	1%		1,612	0%
Financial Activities:						
Finance and Insurance	3,801	—	—	2,325	—	—
Real Estate	—	14,468	6%	—	11,595	5%
Total Financial activities		14,468	3%		14,468	3%
Professional and Business Services	—	4,464	2%	—	3,033	1%
Educational Services	—	21,166	8%	—	15,038	7%
Healthcare and Social Assistance	—	20,236	8%	—	5,304	2%
Leisure and Hospitality	—	11,721	5%	—	11,446	5%
Other Services (agriculture, repairs, private homes, misc)	—	21,168	8%	—	15,262	7%
Government (federal, state, and local)	—	250,678	100%	—	214,805	100%
Total Employment		443,265	100%		380,936	86%

*Fiscal Year 2008 information includes data through 12/31/08

Source: Oregon Employment Department Labor Market Information System (OLMIS)

WASHINGTON COUNTY, OREGON

Full-time Equivalent Employees by Function

Last Six Fiscal Years

<u>Function/Program</u>	<u>Full-time equivalent employees as of June 30,</u>					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General government	275.1	270.1	279.6	280.5	284.4	292.8
Public safety and justice	777.5	767.4	775.4	772.3	782.8	815.3
Land use, housing and transportation	412.8	408.8	405.4	398.6	416.6	426.0
Health and human services	214.6	221.1	222.1	220.6	228.8	231.8
Culture, education and recreation	44.6	38.6	36.6	36.6	36.6	40.0
Total	<u>1,724.5</u>	<u>1,705.9</u>	<u>1,719.0</u>	<u>1,708.6</u>	<u>1,749.2</u>	<u>1,805.8</u>

Source: Washington County Support Services Department

WASHINGTON COUNTY, OREGON

Operating Indicators by Function/Program

Last Six Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008
General Government:						
Assessment & Taxation:						
Real property accounts	154,285	157,241	160,490	164,548	168,846	173,542
Personal property accounts	21,033	20,944	21,141	22,283	23,278	23,791
Mobile home accounts	6,522	6,387	6,227	6,092	5,930	5,569
Utility property accounts	1,084	1,097	1,072	941	997	977
County Counsel:						
Hours booked for General Fund programs	4,970	5,191	6,517	5,650	5,670	6,023
Hours booked for Special Revenue funds and miscellaneous	5,808	6,903	6,918	6,628	7,118	6,938
Hours booked for internal work	2,032	2,086	2,021	2,456	2,519	2,406
Support Services:						
Number of budgeted permanent FTE positions within the County	1,725	1,709	1,720	1,709	1,749	1,806
Number of collective bargaining units	4	4	4	5	5	5
Public Safety & Justice:						
Sheriff (measured in calendar years):						
Citizen generated calls for service	49,339	52,506	52,394	51,632	52,121	N/A
Officer-initiated calls for service (including traffic responses)	62,870	61,756	70,006	76,595	75,023	N/A
Bookings per year at Jail	18,149	19,015	20,600	19,329	19,181	N/A
Average length of stay in Jail (in days)	11	12	11	17	17	N/A
Average daily Jail population	530	579	589	554	547	N/A
Case numbers issued (all documented law enforcement actions taken)	26,363	26,800	27,552	25,619	23,030	N/A
Juvenile (measured in calendar years):						
Total referrals to juvenile department	3,621	3,677	3,642	3,961	4,416	4,646
Percent of youth with no new offenses	1	1	1	1	1	N/A
Total admissions to secure detention	549	515	538	547	586	632
Total admissions to shelter care evaluation	158	164	156	147	167	165
Community Corrections:						
Number of offenders residing at the Community Corrections Center	2,040	1,902	2,000	1,946	2,030	2,100
Average daily Community Corrections Center population	180	175	180	181	198	190
Average length of stay in Community Corrections Center (in days)	31	32	31	34	37	36
Number of offenders on supervision	3,999	4,137	3,962	4,059	4,176	4,205
Law Library:						
Total in-library users	4,854	6,917	6,165	6,968	8,788	9,214
Items checked out	608	675	786	1,022	864	800
Land Use, Housing, & Transportation:						
Land Use & Transportation (measured in calendar years):						
Total land use case files	542	538	518	596	278	N/A
Total land use actions	662	657	621	773	360	N/A
New subdivisions	36	43	54	83	25	N/A
Building permits issued (single family residential & remodels/additions)	1,194	1,458	1,504	1,648	1,639	N/A
Measure 37 claims received		33	404	469	—	N/A
Housing Services:						
Rent subsidies (units)	2,535	2,536	2,569	2,569	2,569	2,581
Affordable housing (units)	1,973	1,973	2,684	2,684	2,684	2,684
Public housing (units)	297	297	297	297	297	265
Homeownership (units)	1		4	3	2	2
Homeless services (beds)	595	622	624	625	483	548
Community Development:						
Number of people served by all CDBG programs	22,349	16,102	14,257	57,107	30,647	24,767
Number of households served by all CDBG programs	329	268	355	512	293	468
Health & Human Services:						
Health & Human Services:						
Swimming pool inspections, reviews, investigations	1,164	1,072	1,130	1,130	1,178	1,156
Solid Waste and Recycling phone calls received	3,683	3,269	3,127	3,082	3,500	3,187
Health Clinic - communicable disease client visits	15,606	14,053	13,666	12,500	11,862	11,683
Birth certificates received	7,529	7,498	7,511	7,500	8,177	4,172
Emergency Medical Services:						
CPR/AED people trained (measured in calendar years)	92	226	505	663	686	N/A
Ambulance licenses issued	86	112	94	110	113	103
Total ambulances inspected	25	40	35	37	27	—
Wheelchair car licenses issued	114	112	106	119	103	131
Culture, Education, & Recreation:						
Cooperative Library Services:						
Total library materials circulated	6,584,078	6,583,730	6,813,881	7,121,182	7,389,681	8,442,266
New users registered	34,621	34,521	38,730	36,104	38,189	41,715
Attendance at summer reading programs and events	16,652	19,685	26,621	25,050	36,672	38,966
Items delivered to member libraries via WCCLS couriers	1,713,589	1,794,180	1,852,787	2,011,235	2,125,504	2,714,141

N/A: Information not available

Source: Washington County Support Services Department

WASHINGTON COUNTY, OREGON

Capital Assets

Last Seven Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008
General Government:							
Facilities:							
Number of buildings - owned	25	25	25	25	25	22	23
Number of buildings - leased	7	8	9	9	9	10	8
Square feet - owned space	1,168,876	1,168,876	1,168,876	1,168,876	1,168,876	1,297,265	1,304,265
Square feet - leased space	29,463	32,424	36,821	36,821	36,821	31,642	24,282
Fleet:							
Number of units maintained	494	497	511	513	532	542	549
Gallons of fuel dispensed	356,208	384,273	400,812	404,661	421,373	408,405	450,074
Miles driven	4,418,108	4,277,224	4,293,800	4,309,245	4,543,847	4,475,521	4,705,659
Number of work orders	4,824	4,269	4,049	4,202	4,101	3,821	4,229
Information Technology Services:							
Computers supported	1,272	1,532	1,559	1,617	1,675	1,739	2,028
Applications supported	N/A	360	360	363	358	608	630
Land Use, Housing, and Transportation:							
County road system (measured in calendar years):							
Total miles maintained	1,264	1,264	1,277	1,277	1,276	1,285	N/A
Paved miles	996	996	1,014	1,017	1,017	1,033	N/A
Gravel miles	268	268	263	260	259	252	N/A
Urban miles	582	582	617	616	615	627	N/A
Rural miles	682	682	660	661	661	657	N/A
Bridges	185	185	186	186	187	187	N/A
Traffic signals	291	291	300	322	325	325	N/A

Source: Washington County Support Services Department

N/A: Information not available

**WASHINGTON COUNTY,
OREGON**

**AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS**

SECTION IV

**AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS**

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, and comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth in the following pages.

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AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

January 23, 2009

Board of Commissioners
Washington County
Hillsboro, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Washington, County, Oregon (the County), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and *Minimum Standards for Audits of Oregon Municipal Corporations*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

We considered the County's internal control over financial reporting as necessary to plan and perform our audit of the basic financial statements. We have issued, under separate cover, our report on internal control over financial reporting and on compliance and other matters dated January 23, 2009.

ACCOUNTING RECORDS

We found the County's accounting records to be adequate for audit purposes.

ADEQUACY OF COLLATERAL SECURING DEPOSITORY BALANCES

Oregon Revised Statutes Chapter 295 requires that each depository throughout the period of its possession of public fund deposits shall maintain on deposit with its custodians, at its own expense, securities having a value not less than 25% of the certificates of participation issued by the pool manager for funds in excess of those insured by the Federal Deposit Insurance Corporation. Our review of adequacy of collateral securing depository balances indicated the collateral was insufficient at times during the year ended June 30, 2008.

**AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS (Continued)**

INVESTMENTS

Our review of deposit and investment balances indicated that, during the year ended June 30, 2008, the County was in compliance with ORS 294 as it pertains to investment of public funds. The County was in violation of its investment policy with respect to investment maturity limitations, in that a minimum of 70% of the County's investments are required to have a maturity of less than one year. At year end, only 63% of the County's investments had a maturity of less than one year.

LEGAL REQUIREMENTS RELATING TO DEBT

We noted the indebtedness of the County was in compliance with ORS 287.004 during the year ended June 30, 2008. We noted no defaults in principal, interest, sinking fund or redemption provisions with respect to any of the County's bonded debt, and no breach of the bond agreements, at June 30, 2008.

BUDGET COMPLIANCE

The County appears to have complied with Local Budget Law (ORS 294.305 to 294.520) in the preparation, adoption and execution of its budget and tax levy for the year ended June 30, 2008, and the preparation and adoption of its budget for the year ending June 30, 2009. A description of the budgeting process is included in the Notes to the Basic Financial Statements.

INSURANCE POLICIES AND FIDELITY BONDS

We have reviewed the County's insurance and fidelity bond coverage at June 30, 2008. We ascertained that such policies appeared to be in force and in compliance with legal requirements relating to insurance and fidelity bond coverage. We are not competent by training to comment on the adequacy of the insurance policies covering County property at June 30, 2008.

PUBLIC CONTRACTS

The County's procedures for awarding public contracts were reviewed and found to be in accordance with ORS Chapter 279.

PROGRAMS FUNDED FROM OUTSIDE SOURCES

In a separate report dated January 23, 2009, we have reported on the Schedule of Expenditures of Federal Awards. We have also reported on internal control over financial reporting and on compliance and other matters based on an audit of the basic financial statements performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States, and on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133.

**AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS (Continued)**

FINANCIAL REPORTING REQUIREMENTS

We have reviewed financial reports and other data relating to programs funded wholly or partially by other governmental agencies. This data, filed with other governmental agencies, is in agreement with and supported by the accounting records.

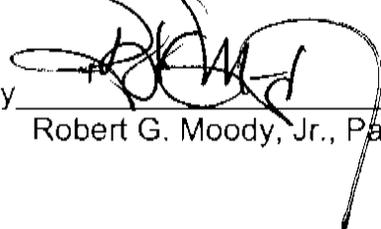
HIGHWAY FUNDS

The County's procedures for utilizing gas tax funds were reviewed and found to be in accordance with ORS Chapter 294.

* * * * *

This report is intended solely for the information and use of the Board of Commissioners, Audit Committee, management, the Oregon Secretary of State Audits Division, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

TALBOT, KORVOLA & WARWICK, LLP
Certified Public Accountants

By  _____
Robert G. Moody, Jr., Partner

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