

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009**



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

TUALATIN HILLS PARK AND RECREATION DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2009

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INTRODUCTORY SECTION



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

November 23, 2009

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

Members of the Board:

In accordance with state statutes, the Comprehensive Annual Financial Report (CAFR) of the Tualatin Hills Park and Recreation District (District) for the fiscal year ended June 30, 2009 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with Management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activities have been included.

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

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

Talbot, Korvola and Warwick, LLP has issued an unqualified opinion on the District's financial statements for the year ended June 30, 2009. The independent auditor's report is located at the front of the financial section of this report. Immediately following, the reader will find Management's Discussion and Analysis (MD&A) that provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Tualatin Hills Park and Recreation District is a special service district formed in 1955, operating under Oregon Revised Statutes Chapter 266 as a separate municipal corporation. The District is governed by a five member Board of Directors, elected to four-year terms of office, with daily operations administered by a General Manager. The District provides year-round park and recreation services to a diverse population of over 224,000 residents within 50 square miles of east Washington County, Oregon, including the City of Beaverton.

- District facilities include: five indoor and two outdoor swim centers; a combined recreation/aquatic center, two recreation centers; an athletic center with six indoor multi-purpose athletic courts; a senior center; historic sites (Jenkins Estate, Fanno Farmhouse and John Quincy Adams Young House); a 220-acre Nature Park and Interpretive Center and Cooper Mountain Nature Park; a tennis center with six indoor and eight outdoor courts (covered by two air structures for fall and winter season usage); and a camp for developmentally disabled youth.
- The District maintains, either through direct ownership or joint use agreement (including school sites): 123 outdoor basketball goals; 105 outdoor tennis courts; 188 soccer/football/lacrosse fields and 109 softball/baseball fields, two skate parks, three bocce courts, five volleyball courts and a outdoor hockey rink.
- The District has 253 park and recreation facility sites totaling almost 2,000 acres, consisting of 863 acres of wetland/natural areas, and 1,080 acres of developed sites, including neighborhood, community and regional parks. THPRD sites include three lakes, 27 miles of stream corridor, and 32 miles of off-street pathways.
- District programs include: aquatics instruction, leagues and drop-in programs; youth and adult sports leagues and fitness programs; youth and adult general and specialized recreation programs; youth after-school and day camps; senior fitness and recreation programs; developmentally disabled and special needs recreation programs; and natural resource education programs.

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

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

FACTORS AFFECTING FINANCIAL CONDITIONS

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

Local economy – the District has been able to maintain a relatively stable revenue base despite the current economic downturn. Both the City of Beaverton and Washington County had experienced a higher rate of growth than the state as a whole for several years, resulting in a strong property tax base that has increased at a rate of approximately four to five percent annually. Because the District's 2009 assessed value

is only 58.9% of market value, there is an inherent cushion in property tax collections. The District tax collections will remain steady in the near future, should further declines in property value continue to occur.

Washington County, the second most populous county in Oregon, has experienced declines in most job sectors since July 2008, as reflected by the current unemployment rate of 10.2% (Sept, 2009 non-seasonally adjusted). However, the education and health services sectors have remained in the black, although growing at a significantly slower rate than previous years. Within the District, the significant revenues received from the assessment of system development charges (SDC's) have dropped from previous years, due to the decline in the construction industry. SDC revenues are statutorily restricted to use for purchase or construction of new, or expansion of existing, facilities, improvements and land within the District.

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

Long-term financial planning

To address the ongoing implications of our funding constraints, the District developed a long-term financial plan three years ago, along with finalizing an updated comprehensive plan and trails plan. Eight implementation goals were included in the Comprehensive Plan, which comprise the foundation of our annual budget process.

The District adopted and implemented a program fee study in June 2007, with a four-year phase in process. The second year of increases began in January 2009, with continued growth in patron numbers, and a 9.4% revenue growth. Fees will be reviewed and updated annually to reflect inflationary increases.

A methodology update of SDC's was completed and implemented in January 2008, with inflationary adjustments scheduled annually. While the increases to fees have not resulted in significantly higher revenue, because of decreased construction activity, it has remained relatively stable.

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

Cash management policies and practices

The District's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. The District has adopted an investment policy that was approved by the Board of Directors, incorporating all applicable State statutes. The District maintains a daily cash portfolio of investable funds and maximizes its earnings

by investing in short-term/low risk investments. The majority of funds are invested in six accounts in the Oregon State Treasurer's Local Government Investment Pool (LGIP), along with interest bearing money market savings and highly liquid U.S. Agency securities. Interest earned on these investments during the 2008/09 Fiscal Year was \$488,973.

Risk management

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

MAJOR INITIATIVES

Bond measure

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

Future goals

Other goals established by the Comprehensive Plan, and addressed in the 2009/10 budget year include the following:

- Funding for implementation of the District Sustainability Program, including a sustainable purchases opportunity fund;
- Expansion of natural resource education, with the addition of a Nature Mobile, allowing offsite educational opportunities;
- Continued outreach to our under-served populations, with inclusion funding, staffing to serve non-English speaking patrons and family financial assistance; and
- Enhanced professional staff training opportunities, especially high level training for professional skills.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a *Certificate of Achievement for Excellence* in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008. This was the fourth year of submission, and subsequent receipt, of this prestigious award. In order to be awarded the Certificate of Achievement, the District had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

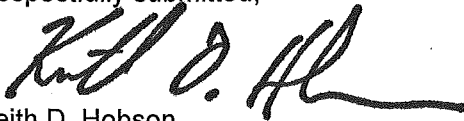
A Certificate of Achievement is valid for a period of one year only. Staff believes that our current CAFR continues to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

The District's Adopted Budget Document for the 2008/09 Fiscal Year received the *Distinguished Budget Presentation* award from GFOA. This is the fifth year that the District has received such an award. In order to qualify, the budget document must be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Keith D. Hobson", with a long horizontal flourish extending to the right.

Keith D. Hobson
Director of Business and Facilities

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Tualatin Hills
Park and Recreation District
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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.

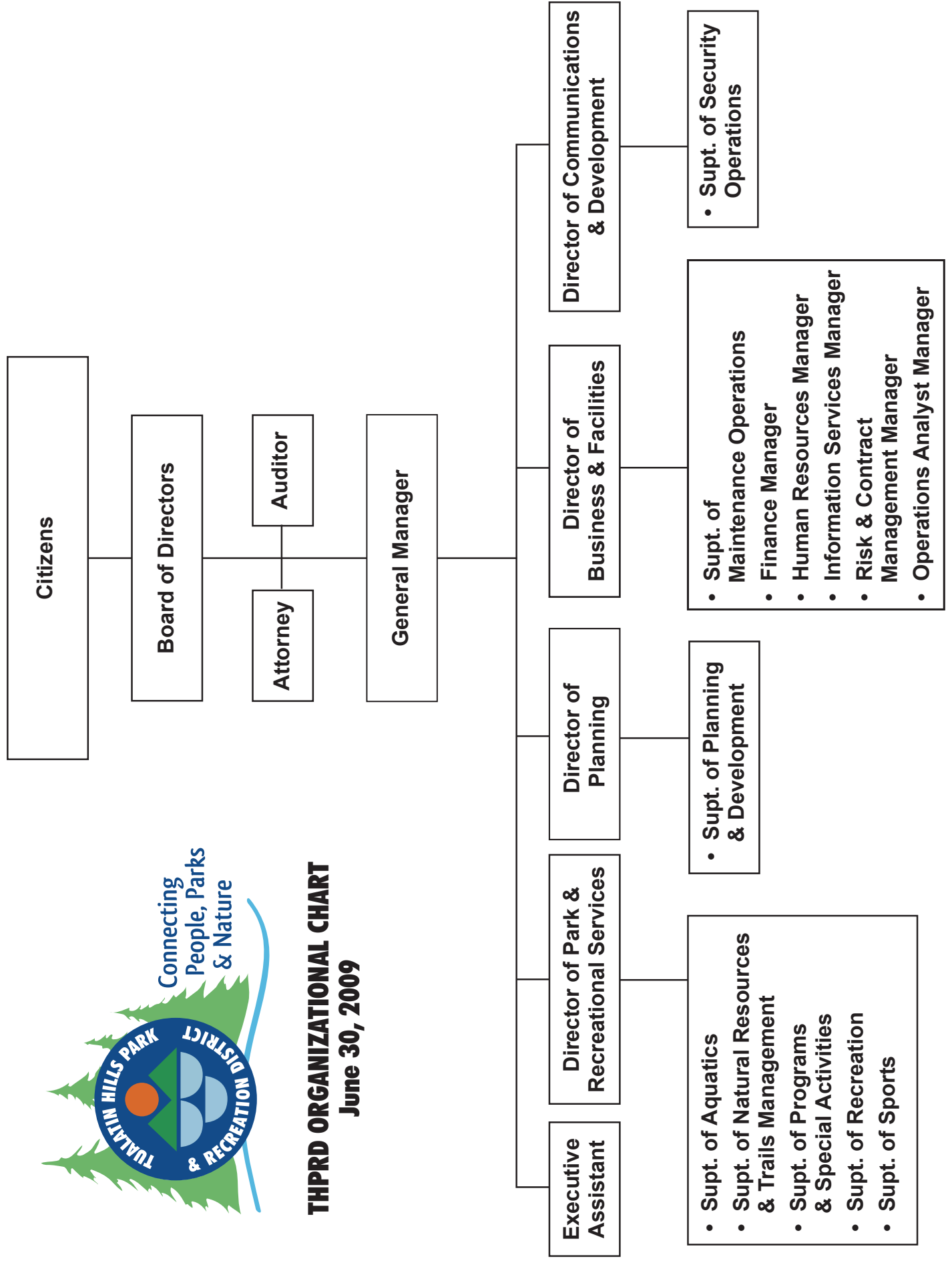


President

Executive Director



THPRD ORGANIZATIONAL CHART **June 30, 2009**



TUALATIN HILLS PARK AND RECREATION DISTRICT

Administrative Office
15707 SW Walker Road
Beaverton, Oregon 97006

Board of Directors
as of June 30, 2009

<u>Name</u>	<u>Term Expires</u>
Larry Pelatt, President 7655 SW 140 th Ave. Beaverton, OR 97008	June 30, 2013
Bob Scott, Secretary 21302 NW Cannes Dr. Portland, Oregon 97229	June 30, 2013
Bill Kanable, Secretary Pro-Tempore 8130 SW Sorrento Rd. Beaverton, OR 97008	June 30, 2013
Joe Blowers 2050 SW 78 th Ave. Portland, Oregon 97225	June 30, 2011
John Griffiths 10245 SW 153 rd Ave. Beaverton, OR 97007	June 30, 2011

Register Agent and Office

Doug Menke
15707 SW Walker Road
Beaverton, Oregon 97006

General Manager
Doug Menke

Director of Business and Facilities
Keith D. Hobson

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

December 16, 2009

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

4800 SW Macadam Ave, Suite 400
Portland, Oregon 97239-3973

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We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information and the budgetary comparison for the General Fund of the Tualatin Hills Park and Recreation District (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. 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 discretely presented component unit, each major fund, the aggregate remaining fund information and budgetary comparison for the General Fund of the District as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

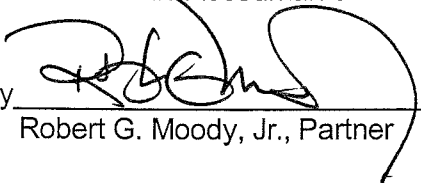
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Supplemental Information consisting of combining and individual

Board of Directors
Tualatin Hills Park and Recreation District
December 16, 2009
Page 2 of 2

nonmajor fund financial statements and other schedules, 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. 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 accompanying 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 them.

TALBOT, KORVOLA & WARWICK, LLP
Certified Public Accountants

By 
Robert G. Moody, Jr., Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Financial Highlights

- The assets of the District exceeded its liabilities at June 30, 2009 by \$97,329,654.
- Capital assets (net of accumulated depreciation and related debt) account for most of this amount, with a value of \$89,588,161.
- Of the remaining net assets, \$2,826,589 may be used to meet the District's ongoing obligations to patrons and creditors, without legal restriction.
- The District's total net assets increased by \$2,777,726, or 2.9 percent over the previous year, as restated. Acquisitions of park property and improvements contributed to this increase.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$67,417,522, an increase of \$58,505,470, or 656.5 percent, due to resources generated by a general obligation debt issue in April 2009, in the amount of \$58,505,000.
- As of June 30, 2009, fund balance for the General Fund was \$4,302,587 or 13.6 percent of total General Fund expenditures.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

reported when they are earned and expenses be reported when goods and services are received. Items such as uncollected taxes, unpaid vendor invoices for items received by June 30, 2009, and earned but unused vacation leave are included in the statement of activities as revenue and expense. However, the cash associated with these items was not received or distributed until after June 30, 2009.

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

Fund financial statements

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

Governmental funds

The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances present separate columns of financial data for the General Fund, the Bonded Debt Fund, the Bond Capital Projects Fund and the System Development Charges Fund, all of which are considered major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

Budgetary highlights

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

Notes to the basic financial statements

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

Government-wide Financial Analysis

Statement of Net Assets

As noted earlier, net assets may serve over time as an indicator of the District's financial position. As of June 30, 2009, the District's assets exceeded liabilities by \$97,329,654.

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

Tualatin Hills Park and Recreation District Net Assets

	Governmental Activities	
	2009	2008 (Restated)
Cash and investments	\$ 68,394,752	\$ 9,717,681
Other assets	2,846,066	2,272,400
Capital assets	103,616,600	102,580,554
Total assets	174,857,418	114,570,635
Other liabilities	3,958,961	3,502,251
Long-term liabilities, outstanding	73,568,803	16,516,456
Total liabilities	77,527,764	20,018,707
Net assets:		
Invested in capital assets, net of debt	89,588,161	86,885,092
Restricted	4,914,904	4,089,447
Unrestricted	2,826,589	3,577,389
Total net assets	\$ 97,329,654	\$ 94,551,928

The largest portion of the District's net assets, \$89,588,161 or 92.0 percent, reflects its investment in capital assets, less any related debt used to acquire these assets still outstanding. The District's assets (recorded at cost) are used to provide services to patrons. Consequently, these assets are not available for future spending, and debt repayment must be provided from other sources.

An additional portion of the District's net assets, \$4,914,904 or 5.1 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,826,589, or 2.9 percent, is unrestricted and may be used to meet the District's ongoing obligations.

For the year ended June 30, 2009, the District had positive balances in all three categories of net assets.

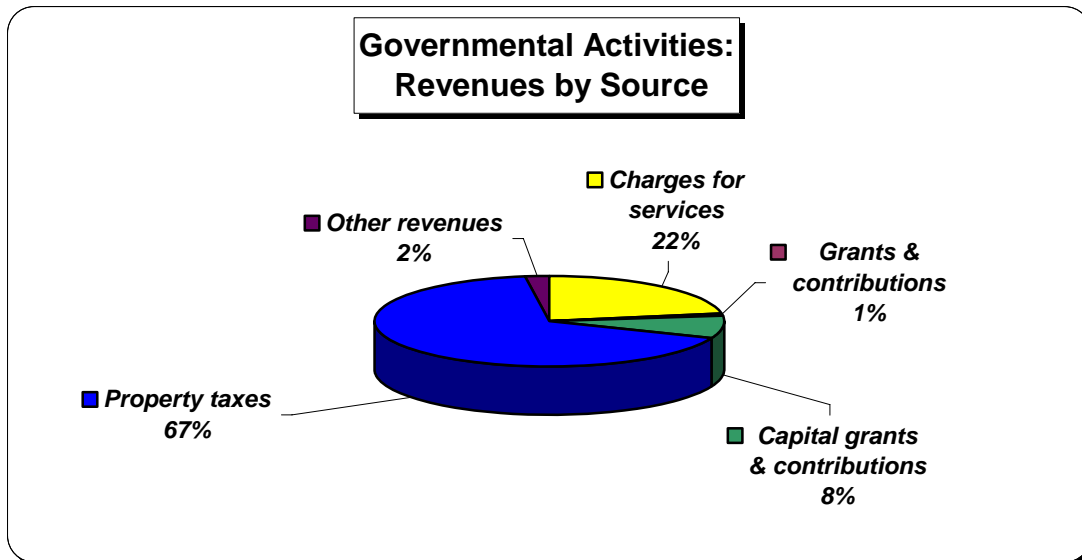
Statement of Activities

Governmental activities increased the District's net assets by \$2,777,726 in this fiscal year. Key elements of this increase are as follows:

Tualatin Hills Park and Recreation District Changes in Net Assets

	Governmental Activities	
	2009	2008 (Restated)
Revenues:		
Program revenues:		
Charges for services	\$ 8,158,928	\$ 7,379,076
Operating grants and contributions	42,756	27,599
Capital grants and contributions	2,958,270	2,372,111
General revenues:		
Property taxes	24,440,625	23,201,119
Grants and contributions not restricted to specific programs	234,137	232,743
Other	837,565	2,517,684
Total revenues	<u>36,672,281</u>	<u>35,730,332</u>
Expenses:		
Board of Directors	252,707	151,139
Administration	1,435,073	1,620,813
Business and facilities	13,414,199	2,963,834
Planning and development	925,029	-
Park and recreation services	16,749,941	25,260,805
Interest on long-term debt	1,117,606	935,564
Total expenses	<u>33,894,555</u>	<u>30,932,155</u>
Change in net assets	<u>2,777,726</u>	<u>4,798,177</u>
Net assets - beginning balance as previously stated	94,551,928	90,659,901
Restatement	-	(906,150)
Net assets - beginning balance as restated	<u>\$ 94,551,928</u>	<u>\$ 89,753,751</u>
Net assets - ending	<u><u>\$ 97,329,654</u></u>	<u><u>\$ 94,551,928</u></u>

Property taxes increased by \$1,239,506 over the prior year, largely due to statutorily allowable increases in assessed value on existing property, and some new construction within the District boundaries. Charges for services increased by \$779,852, or 10.6 percent due to the second phase of a four-year program fee increase implementation. Capital grants and contributions reflect a 24.7% increase, or \$586,159 largely due to a \$500,000 land purchase contribution received from Washington County. Overall, *Other revenues* reflect a decrease of \$1,680,119, or 66.7 percent, due to reclassification of developer projects to capital grants and contributions from miscellaneous revenues. In addition, these are unpredictable revenues, and will vary greatly from year to year. From the previous year, predictable miscellaneous revenues increased by \$36,481, or 11.7 percent.



Expenses for the District reflect an increase of 9.6 percent over last year, largely due to increased payroll, both full-time and part-time, along with increases to supply and service costs over the previous year. Shifts in divisions occurred with the fiscal year; the Maintenance department moved from Parks & Recreation services to Business and Facilities, and Planning and Development moved from Business and Facilities, to its own, separate division.

Financial Analysis of the District's Funds

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

Governmental funds analysis

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

During Fiscal Year 2008/09, the District's governmental funds reported a increase in combined ending fund balances of \$58,505,470, due largely to the issuance of the general obligations bonds, recorded in the Bond Capital Project Fund. The previous fiscal year had a decrease of \$742,276 due largely to reduced system development charge revenues, and a spend down of resources within that fund.

The **General Fund** is the chief operating fund of the District. At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$4,185,875. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 13.2 percent of total General Fund expenditures, exceeding the District's financial policy guideline of 10 percent.

Program revenues increased by 10.6 percent, or \$787,633, with the second year implementation of the phased four-year fee increase. Funds generated by the fee increases have been directed towards the deferred maintenance program, as reflected in the increase to capital outlay of \$299,229, or 15.6 percent. Other contributors to the total decrease in fund balance were election

costs, new personnel related to the bond project management, and increased programming costs within Parks and Recreation.

The **Bonded Debt Fund** has a total fund balance of \$255,341, a small reduction over the previous year, that is reserved for the payment of debt service on existing general obligation debt. Property tax revenues will increase in the 09/10 fiscal year for payment of the new general obligation debt sold in April, 2009, and will affect fund balance accordingly.

The **Bond Capital Projects Fund** accounts for the proceeds received from the sale of the Series 2009 general obligation bonds, in the amount of \$58,505,000. In November 2008, District voters authorized a total levy of \$100 million, with the second sale occurring within the next three years. Funds are targeted to a specific list of projects and land acquisitions throughout the District. As of the end of the year, total fund balance in this fund reserved for park development is \$58,150,088.

The **System Development Charges Fund** accounts for development impact fees assessed on new construction within the District boundaries. Due to economic conditions, revenues decreased by \$456,941, or 23.5 percent over last year; however, fund balance increased by \$782,346 due to an overall decrease in construction spending for park improvements. This fund balance, of \$4,533,581, is entirely reserved for parks acquisition and development and improvements related to capacity expansion, and is fully available for appropriation.

General Fund Budgetary Highlights

The District prepares and adopts its budget on an annual basis. General Fund revenues were slightly less than budgeted by 0.9 percent, largely due to anticipated grants not awarded or received. Expenditures stayed well under budget by 10.6 percent, primarily due to non-expenditure of contingency funds and capital expenditures at less than budgeted amounts. The difference between the original budget and final amended budget consisted of the following adjustment:

- \$89,000 appropriation for personnel costs related to the bond construction.

Funds were added to Miscellaneous revenues to offset cost recovery from the Bond Capital Projects Fund. The appropriation increased personnel costs within the Planning division.

Capital Asset and Debt Administration

Capital assets

The District's investment in capital assets as of June 30, 2009, amounts to \$103,616,600 (net of accumulated depreciation). This investment in capital assets includes land, park sites and development, buildings and improvements, plus machinery, equipment and furnishings. The net increase in the District's capital assets for the current fiscal year was \$1,036,046 or 1.0 percent.

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

	June 30	
	2009	2008
Land	\$ 48,388,892	\$ 47,123,678
Buildings and improvements	25,553,667	25,423,449
Parks and site improvements	28,014,021	28,262,701
Equipment and furnishings	1,083,591	1,033,272
Construction in progress	576,429	737,454
Total	<u>\$ 103,616,600</u>	<u>\$ 102,580,554</u>

Land increased by a net of \$1,265,214 due to new acquisitions and donations, but net activity in other categories was insignificant for the year. Deferred maintenance was consistently funded for both Buildings and Parks improvements. District focus was on implementation of the Capital Bond Projects, which will be reflected in Capital Assets in the future.

Additional information on the District's capital assets can be found in Note IV.B on page 35 of this report.

Long-term debt and other long-term obligations

At June 30, 2009 the District had \$73.6 million in debt and other long-term obligations outstanding compared to \$16.5 million last year. Approximately \$5.6 million of the debt outstanding at June 30, 2009 is due within one year. Debt increased by a total of \$57.1 million, largely due to the issuance of general obligation bonds in the amount of \$58.5 million.

Tualatin Hills Park and Recreation District Outstanding Debt and Obligations

	June 30	
	2009	2008
General obligation bonds	\$ 69,490,000	\$ 12,495,000
Premiums	704,533	274,463
Full faith and credit obligations	2,195,000	2,580,000
Loans	180,000	346,000
Compensated absences	999,270	820,993
Total	<u>\$ 73,568,803</u>	<u>\$ 16,516,456</u>

The District's most recent credit ratings, received in April 2009, were "AA" from Standard & Poor's and "Aa2" from Moody's for general obligation debt. The general obligation bonds, series 1998, have bond insurance provided by Financial Guaranty Insurance Company, which equates to a rating of "AAA" from Standard & Poor's and "Aaa" from Moody's. Due to the District's strong credit rating, additional insurance was not financially advantageous, nor necessary, for the series 2009 issue.

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

Additional information on the District's long-term obligations can be found in Note IV.D on pages 36 - 38.

Economic Factors and Next Year's Budget and Rates

Some of the factors considered during the preparation of the 2009/10 budget were:

- Assessed value on property was estimated to increase by approximately 4.0 percent over the previous year.
- Absorbing an overall increase of Personnel Service costs of 8.5 percent.
- An increase to Materials and Services of 4.2 percent to reflect an overall inflationary adjustment of 3%, plus specific adjustments to items, such as utilities. The increase also reflects service level increases, in various program areas, at all centers within the District, along with expanded maintenance responsibilities of natural areas and parks.

- A significant reduction in interest earnings in some funds, due to current rates and decreased available cash in the System Development Charges Fund. Overall, interest income will increase due to unspent bond proceeds within the Bond Capital Project Fund.
- A significant reduction in system development charges revenue, due to the economic downturn in the construction industry.

Based on the updated comprehensive plan, adopted in November 2006, a user fee increase, phased in over four years, was implemented during early 2008, resulting in a 10.6 percent increase to program revenues. Currently, the third year is being implemented, effective January 2010.

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

Due to factors such as:

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

the ending June 30, 2009 General Fund balance was \$710,599 higher than the planned beginning fund balance in the 2009/10 Budget.

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

Requests for Information

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

Tualatin Hills Park and Recreation District
Statement of Net Assets
June 30, 2009

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Tualatin Hills Park Foundation</u>
Assets:		
Cash and cash equivalents	\$ 35,994,845	\$ 382,187
Investments	32,399,907	
Due from other governments	585,267	-
Receivables	1,436,439	40,215
Inventories	116,712	-
Prepays	12,343	
Deferred charges	695,305	-
Capital assets (net of accumulated depreciation):		
Land	48,388,892	-
Park sites and planning development	28,014,021	-
Buildings and improvements	25,553,667	-
Equipment and furnishings	1,083,591	-
Construction in progress	576,429	-
Total assets	<u>174,857,418</u>	<u>422,402</u>
Liabilities:		
Accounts payable and other current liabilities	2,272,269	8,356
Accrued interest payable	583,661	-
Unearned revenue	1,103,031	2,887
Noncurrent liabilities:		
Due within one year	5,600,952	-
Due in more than one year	67,967,851	-
Total liabilities	<u>77,527,764</u>	<u>11,243</u>
Net Assets:		
Invested in capital assets, net of related debt	89,588,161	-
Restricted for:		
Debt service	255,341	
Parks development	4,659,563	67,949
Unrestricted	2,826,589	343,210
Total net assets	<u>\$ 97,329,654</u>	<u>\$ 411,159</u>

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

Tualatin Hills Park and Recreation District
Statement of Activities
For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit Tualatin Hills Park Foundation
Primary government:						
Governmental activities:						
Board of Directors	\$ 252,707	\$ -	\$ -	\$ -	\$ (252,707)	\$ -
Administration	1,435,073	-	-	-	(1,435,073)	-
Business and Facilities	13,414,199	-	-	-	(13,414,199)	-
Planning and Development	925,029	-	-	-	(925,029)	-
Park and Recreation services	16,749,941	8,158,928	42,756	2,958,270	(5,589,987)	-
Interest on long-term debt	1,117,606	-	-	-	(1,117,606)	-
Total Primary government	<u>\$ 33,894,555</u>	<u>\$ 8,158,928</u>	<u>\$ 42,756</u>	<u>\$ 2,958,270</u>	<u>(22,734,601)</u>	<u>-</u>
Component unit:						
Park foundation	<u>\$ 281,801</u>	<u>\$ 214,488</u>	<u>\$ 22,372</u>	<u>\$ -</u>		<u>(44,941)</u>
General revenues:						
Property taxes levied for general purposes					22,362,127	-
Property taxes levied for debt service					2,078,498	-
Grants and contributions not restricted to specific programs					234,137	38,163
Unrestricted investment earnings					488,973	7,855
Miscellaneous					348,592	-
Total general revenues					<u>25,512,327</u>	<u>46,018</u>
Change in net assets					<u>2,777,726</u>	<u>1,077</u>
Net assets - beginning balance as previously stated					95,540,553	410,082
Prior period adjustment					(988,625)	-
Net assets - beginning balance as restated					<u>94,551,928</u>	<u>410,082</u>
Net assets - ending					<u>\$ 97,329,654</u>	<u>\$ 411,159</u>

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

Tualatin Hills Park and Recreation District
Balance Sheet
Governmental Funds
June 30, 2009

	General Fund	Bonded Debt Fund	Bond Capital Projects Fund	System Development Charges Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Assets:						
Cash and cash equivalents	\$ 5,245,024	\$ 224,472	\$ 25,693,335	\$ 4,652,765	\$ 179,249	\$ 35,994,845
Investments	-	-	32,399,907	-	-	32,399,907
Receivables:						
Interest	343	323	187,374	-	-	188,040
Property taxes	981,869	93,346	-	-	-	1,075,215
Accounts receivable	143,184	-	-	30,000	-	173,184
Intergovernmental	116,794	9,435	-	339,431	119,607	585,267
Due from other funds	118,502	-	-	-	-	118,502
Inventories	116,712	-	-	-	-	116,712
Prepaid Expenses	12,343	-	-	-	-	12,343
Total assets	<u>\$ 6,734,771</u>	<u>\$ 327,576</u>	<u>\$ 58,280,616</u>	<u>\$ 5,022,196</u>	<u>\$ 298,856</u>	<u>\$ 70,664,015</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 769,250	\$ -	\$ 116,234	\$ 136,325	\$ 4,429	\$ 1,026,238
Salaries payable	453,413	-	-	-	-	453,413
Retainages payable	-	-	14,294	352,290	-	366,584
Due to other funds	-	-	-	-	118,502	118,502
Other current liabilities payable	426,034	-	-	-	-	426,034
Deferred revenue	783,487	72,235	-	-	-	855,722
Total liabilities	<u>2,432,184</u>	<u>72,235</u>	<u>130,528</u>	<u>488,615</u>	<u>122,931</u>	<u>3,246,493</u>
Fund balances:						
Reserved for inventory	116,712	-	-	-	-	116,712
Reserved for parks development	-	-	58,150,088	4,533,581	-	62,683,669
Reserved for debt service	-	255,341	-	-	-	255,341
Unreserved, undesignated reported in:						
General fund	4,185,875	-	-	-	-	4,185,875
Special revenue fund	-	-	-	-	175,925	175,925
Total fund balances	<u>4,302,587</u>	<u>255,341</u>	<u>58,150,088</u>	<u>4,533,581</u>	<u>175,925</u>	<u>67,417,522</u>
Total liabilities and fund balances	<u>\$ 6,734,771</u>	<u>\$ 327,576</u>	<u>\$ 58,280,616</u>	<u>\$ 5,022,196</u>	<u>\$ 298,856</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	103,616,600
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(73,457,159)
Reduction of deferred revenues for those amounts that were not available to pay current period expenditures.	(247,309)
Net assets of governmental activities	<u>\$ 97,329,654</u>

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

Tualatin Hills Park and Recreation District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2009

	General Fund	Bonded Debt Fund	Bond Capital Projects Fund	System Development Charges Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 22,165,126	\$ 2,062,385	\$ -	\$ -	\$ -	\$ 24,227,511
Aquatic programs	2,236,943	-	-	-	-	2,236,943
Tennis center	798,424	-	-	-	-	798,424
Sports programs	991,443	-	-	-	-	991,443
Recreation programs	4,192,324	-	-	-	-	4,192,324
Grants and sponsorships	361,040	-	-	-	589,056	950,096
System development charges	-	-	-	1,406,672	-	1,406,672
Interest earned	249,545	25,409	125,982	84,859	3,178	488,973
Miscellaneous revenues	363,292	-	-	-	15,000	378,292
Total revenues	<u>31,358,137</u>	<u>\$ 2,087,794</u>	<u>125,982</u>	<u>1,491,531</u>	<u>607,234</u>	<u>35,670,678</u>
Expenditures:						
Current:						
Board of Directors	252,707	-	-	-	-	252,707
Administration	1,449,070	-	-	-	-	1,449,070
Business and facilities	12,970,222	-	-	-	-	12,970,222
Planning and development	907,994	-	-	-	-	907,994
Park and recreation services	13,195,783	-	-	-	3,939	13,199,722
Capital outlay	2,222,245	-	456,122	1,204,126	589,056	4,471,549
Debt service	718,448	2,170,665	516,987	-	-	3,406,100
Total expenditures	<u>31,716,469</u>	<u>2,170,665</u>	<u>973,109</u>	<u>1,204,126</u>	<u>592,995</u>	<u>36,657,364</u>
Excess (deficiency) of revenues over (under) expenditures	(358,332)	(82,871)	(847,127)	287,405	14,239	(986,686)
Other financing sources:						
Sale of capital assets	-	-	-	494,941	-	494,941
Sale of general obligation bonds	-	-	58,505,000	-	-	58,505,000
Premiums on bonds sold	-	-	492,215	-	-	492,215
Total other financing sources	<u>-</u>	<u>-</u>	<u>58,997,215</u>	<u>494,941</u>	<u>-</u>	<u>59,492,156</u>
Net change in fund balance	(358,332)	(82,871)	58,150,088	782,346	14,239	58,505,470
Fund balances at beginning of year	<u>4,660,919</u>	<u>338,212</u>	<u>-</u>	<u>3,751,235</u>	<u>161,686</u>	<u>8,912,052</u>
Fund balances at end of year	<u>\$ 4,302,587</u>	<u>\$ 255,341</u>	<u>\$ 58,150,088</u>	<u>\$ 4,533,581</u>	<u>\$ 175,925</u>	<u>\$ 67,417,522</u>

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

Tualatin Hills Park and Recreation District
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance of Governmental Funds
To the Statement of Activities
For the fiscal year ended June 30, 2009

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

Net changes in fund balances - total governmental funds	\$ 58,505,470
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	652,592
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets	383,454
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds - interest and property tax income	123,208
The issuance of long-term debt (e.g., bond, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(56,419,228)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(467,770)
Change in net assets of governmental activities	<u>\$ 2,777,726</u>

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

Tualatin Hills Park and Recreation District
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 21,710,806	\$ 21,710,806	\$ 22,165,126	\$ 454,320
Aquatic programs	2,322,363	2,322,363	2,236,943	(85,420)
Tennis center	867,642	867,642	798,424	(69,218)
Sports programs	795,464	795,464	991,443	195,979
Recreation programs	4,350,246	4,350,246	4,192,324	(157,922)
Grants and sponsorships	942,694	942,694	361,040	(581,654)
Interest earned	300,000	300,000	249,545	(50,455)
Miscellaneous revenues	278,500	367,500	363,292	(4,208)
Total revenues	31,567,715	31,656,715	31,358,137	(298,578)
Expenditures:				
Board of directors and contingency	1,708,354	1,708,354	252,707	1,455,647
Administration	1,499,421	1,499,421	1,449,070	50,351
Business and facilities	14,591,095	14,591,095	14,198,162	392,933
Planning and development	874,462	963,462	907,994	55,468
Park and recreational services	13,959,356	13,959,356	13,195,783	763,573
Capital outlay	2,773,027	2,773,027	1,712,753	1,060,274
Total expenditures	35,405,715	35,494,715	31,716,469	3,778,246
Net change in fund balance	(3,838,000)	(3,838,000)	(358,332)	3,479,668
Fund balances at beginning of year	3,838,000	3,838,000	4,660,919	822,919
Fund balances at end of year	\$ -	\$ -	\$ 4,302,587	\$ 4,302,587

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

Tualatin Hills Park and Recreation District

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2009

I. Summary of significant accounting policies

A. Reporting Entity

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

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

B. Government-wide and fund financial statements

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash

flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

The District reports the following major governmental funds:

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

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

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

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

Other governmental funds

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

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

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

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

D. Assets, liabilities and net assets or equity

1. Cash, cash equivalents and investments

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

State statutes, and the District's Investment Policy, authorize the District to invest in obligations of the U.S. Treasury, commercial paper, repurchase agreements, bankers acceptances, municipal bonds, mutual funds and the State Treasurer's investment pool. The Foundation follows the same policy. Investments are reported at fair value, based on quoted prices for identical investments.

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

2. Receivables and payables

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

3. Inventory

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

4. Capital assets

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

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

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

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

5. *Compensated Absences*

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

6. *Long-term obligations*

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

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

7. *Fund equity*

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$73,457,159 difference are as follows:

Bonds payable	\$ 69,490,000
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(695,305)
Plus: Issuance premium (to be amortized over life of debt)	704,533

Full Faith and Credit Obligations	2,195,000
Loans payable	180,000
Accrued interest payable	583,661
Compensated absences	<u>999,270</u>

Net adjustment to decrease *fund balance – total governmental funds* to arrive at *net assets – governmental activities* \$ 73,457,159

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$652,592 difference are as follows:

Capital outlay (for capitalized assets)	\$ 3,965,224
Depreciation expense	<u>(3,312,632)</u>

Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net assets of governmental activities* \$ 652,592

Another element of that reconciliation states “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net assets.” The details of this \$383,454 difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds the proceeds from the sale increase the financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold. \$ (494,941)

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 878,395

Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net assets of governmental activities* \$ 383,454

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this (\$56,419,228) difference are as follows:

Debt issued or incurred:	
General obligation bonds	\$ (58,505,000)
Premium	(492,215)
Deferred charges	516,987
Principal repayments:	
General obligation debt	1,510,000
Other long-term debt	<u>551,000</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (56,419,228)</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this (\$467,770) difference are as follows:

Compensated absences	\$ (178,277)
Accrued interest	(330,809)
Amortization of interest costs (premiums)	62,145
Amortization of deferred charges (issuance costs)	<u>(20,829)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (467,770)</u>

III. Stewardship, compliance and accountability

A. Budgetary information

Annual budgets are prepared for each fund in accordance with the modified accrual basis of accounting and with the legal requirements set forth in the Oregon Local Budget Law. The District budgets each governmental fund type on a modified accrual (GAAP) basis. The resolution authorizing appropriations for each fund set the level by which expenditures cannot legally exceed appropriations. All annual appropriations lapse at year-end. On or before the third week of February, departmental budgets are submitted to management for compilation of the proposed budget document. Initial budget review meetings begin in April, with the final public hearing and adoption completed by June 29.

Organization units are the levels of control for all funds established by the resolution. The detail budget document, however, is required to contain more specific information for the above mentioned appropriation levels. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the Board of Directors. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the Board of Directors. The Board made three supplementary budget appropriations throughout the year, including a \$100,000,000 increase in the bond capital project fund for the general obligation financing, a \$494,950 increase in the system development charge fund for an unanticipated sale of land, and the general fund increased by \$89,000 for personnel costs related to bond funded positions.

IV. Detailed notes on all funds

A. Cash, cash equivalents and investments

Deposits with financial institutions include bank demand deposits and deposits in the local government investment pool, as authorized by Oregon statutes.

At June 30, 2009 the District had the following cash, cash equivalents and investments:

	District Fair Value	Foundation Fair Value
Demand accounts		
Investments in the State Treasurer's	\$ 457,443	\$ 13,539
Local Government Investment Pool	35,537,402	368,648
US Agencies	<u>32,399,907</u>	<u>-</u>
Total cash equivalents and investments:	<u>\$68,394,752</u>	<u>\$382,187</u>

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

Investments in the Oregon Local Government Investment Pool (LGIP) are stated at share value, which approximates fair value, and is the value at which the shares can be withdrawn. The LGIP does not report all investments at fair value in accordance with the provisions of GASB Statement No. 31. The LGIP is required by Oregon Revised Statutes (ORS) to compute the fair value of all investments maturing more than 270 days from the date the computation is made. If the fair value totals more than one percent of the balance of the LGIP in terms of unrealized gain or loss, the amount is required to be distributed to the pool participants. Fifty percent of the LGIP portfolio must mature within 93 days. Up to 25% of the LGIP portfolio may mature in over one year and no investment may mature in over three years. At June 30, 2009, the District's share of the amount of unrealized loss reported by the LGIP, was considered immaterial.

Current investments ratings are:

	N/A	Moody's Aaa	Total	Weighted Average Maturity (years)
Government and agency obligations	\$ 5,311,188	\$ 27,088,719	\$32,399,907	1.39

1. Interest rate risk

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

2. Credit risk

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

3. Concentration of credit risk

The District's investment policy stipulates diversification of investments by limiting over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury

securities), limiting investment in high credit risk securities, investing with varying maturities, and maintaining a portion of the portfolio in readily available funds.

In accordance with GASB 40, the District is required to report all individual non-federal investments, which exceed 5% of total invested funds. As of June 30, 2009 the District did not hold any non-federal investments.

4. Custodial credit risk – deposits

Deposits with financial institutions are comprised of bank demand deposits. The combined total bank balance is \$703,168. Of these deposits, \$250,000 was covered by federal depository insurance. As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer.

5. Custodial credit risk – investments

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

B. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 47,123,678	\$ 1,760,155	\$ (494,941)	\$ 48,388,892
Construction in Progress	737,454	369,860	(530,885)	576,429
Total capital assets, not being depreciated	47,861,132	2,130,015	(1,025,826)	48,965,321
Capital assets, being depreciated:				
Buildings	41,012,871	1,162,131	-	42,175,002
Park sites and planning development	39,407,533	1,575,343	-	40,982,876
Machinery, equipment and furnishings	4,454,879	507,015	(91,598)	4,870,296
Total capital assets being depreciated	84,875,283	3,244,489	(91,598)	88,028,174
Less accumulated depreciation for:				
Buildings	(15,589,422)	(1,031,913)	-	(16,621,335)
Park sites and planning development	(11,144,832)	(1,824,023)	-	(12,968,855)
Machinery, equipment and furnishings	(3,421,607)	(456,696)	91,598	(3,786,705)
	(30,155,861)	(3,312,632)	91,598	(33,376,895)
Total capital assets, being depreciated, net	54,719,422	(68,143)	-	54,651,279
Governmental activities capital assets, net	\$ 102,580,554	\$ 2,061,872	\$ (1,025,826)	\$ 103,616,600

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

Business Services	\$ 165,852
Parks and recreation services	<u>3,146,780</u>
Total depreciation expense – governmental activities	<u>\$ 3,312,632</u>

C. Due to/due from other funds

The composition of the due to/due from balances as of June 30, 2009 are:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Metro Natural Areas Bond Fund	\$118,502

The balance resulted from reimbursable grant costs incurred with the Metro Natural Areas Bond Fund, and advanced by the General Fund, until application could be made to the funding agency.

D. Long-term debt

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

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Amortization/ Repayments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds:					
Series 1998	\$ 12,495,000	\$ -	\$ (1,510,000)	\$ 10,985,000	\$ 1,585,000
plus refunding premium	189,080	-	(44,724)	144,356	39,319
Series 2009	-	58,505,000	-	58,505,000	2,750,000
plus premium	-	492,215	-	492,215	41,328
Full Faith and Credit Obligations:					
Series 2000	150,000	-	(75,000)	75,000	75,000
Series 2006	2,430,000	-	(310,000)	2,120,000	340,000
plus refunding premium	85,383	-	(17,421)	67,962	15,198
Loans:					
Stadium turf #2 project	220,000	-	(40,000)	180,000	40,000
Technology funding	126,000	-	(126,000)	-	-
Compensated Absences	820,993	991,739	(813,462)	999,270	715,107
	<u>\$ 16,516,456</u>	<u>\$ 59,988,954</u>	<u>\$ (2,936,607)</u>	<u>\$ 73,568,803</u>	<u>\$ 5,600,952</u>

General obligations bonds

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

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

The \$15,670,000 general obligation refunding bonds, Series 1998 were issued, dated September 1, 1998, as is described above to refund \$15,350,000 principal of the general obligation bonds, series 1995. The interest rates of these bonds range from 3.6 to 5.75%. Payment of principal

and interest on Series 1998 Obligations, when due, is insured by a policy issued by FGIC. Due to a rating downgrade of FGIC insurance by both Moody's and Standard & Poor's Ratings Service, a material event notice was filed in compliance with continuing disclosure requirements.

General obligations bonds, Series 2009 were issued on April 2, 2009, in the amount of \$58,505,000 with interest rates ranging from 3.00% to 4.75% to finance land acquisition, improvements and development of parks and facilities, along with rehabilitation and acquisition of natural areas throughout the District. The bonds will be paid annually, with interest payments semi-annually, over a term of twenty years. In November 2008, the District received voter approval for a total authorization of \$100,000,000. The District anticipates issuing the balance of \$41,495,000 general obligation debt within the next three years.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	4,335,000	3,176,386
2011	5,060,000	2,734,777
2012	2,855,000	2,556,337
2013	3,255,000	2,433,425
2014	3,510,000	2,294,738
2015-2019	12,135,000	9,681,213
2020-2024	15,380,000	7,310,450
2025-2029	<u>22,960,000</u>	<u>3,345,706</u>
Total	<u>\$ 69,490,000</u>	<u>\$ 33,533,032</u>

Full Faith and Credit Obligations

On April 1, 2000, the District issued \$1,670,000 Full Faith and Credit Obligations, Series 2000, with the proceeds to provide funding for park land acquisition. The coupon rates on Series 2000 Obligations range from 4.40 to 5.75%. The obligations are subject to optional and mandatory redemption prior to their maturity dates. Payment of principal and interest on Series 2000 Obligations, when due, is insured by a policy issued by MBIA Inc. The full faith and credit advance refunding obligations, Series 2006, were issued to refund \$1,080,000 of this obligation. Due to a rating downgrade of MBIA Inc. by Standard and Poor's Ratings Service, a material event notice was filed in compliance with continuing disclosure requirements.

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

Annual debt service requirements to maturity for the full faith and credit obligations are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	415,000	93,550
2011	435,000	76,050
2012	450,000	58,650
2013	95,000	40,650
2014	100,000	36,850
2015-2019	570,000	117,250
2020-2024	<u>130,000</u>	<u>6,500</u>
Total	<u>\$2,195,000</u>	<u>\$ 429,500</u>

Loan Payable

On May 5, 2004 the District borrowed \$600,000 from a bank to fund specific technology related improvements. This loan bears interest at 3.05%, and is payable annually, with semi-annual interest payments, over five years. The proceeds were used to install updated telephone, automated time keeping and security systems throughout District facilities. This loan was paid in full during the year ended June 30, 2009.

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

Maturities of principal and interest for the remaining loan is as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 40,000	8,100
2011	40,000	6,300
2012	40,000	4,500
2013	20,000	2,700
2014	20,000	1,800
2015	20,000	900
Total	<u>\$ 180,000</u>	<u>\$ 24,300</u>

Compensated Absences and Net Pension Obligations

The District's compensated absences and net pension obligations are liquidated by the general fund. As of June 30, 2009 the District had no net pension obligation due and payable.

V. Other information

A. Risk management

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

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

B. Contingent Liabilities

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

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

C. Defined Benefit Pension Plan

Plan Description

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

Membership in the Plan as of June 30, 2009 was:

<u>Group</u>	<u>Number of Participants</u>
Active participants	168
Terminated	19
Retired receiving medical premium benefits	<u>12</u>
Total	<u>199</u>

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

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

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

Funding Policy

Participants are required to contribute 6% of salary to the retirement plan. Employee contributions are withheld on a pre-tax basis. Per Board direction, the District is required to contribute at an actuarially determined rate, which was 17.5% of annual covered payroll for 08/09. A participant may make voluntary contributions up to a maximum of 10% of monthly salary. Benefits derived from such contributions are in addition to other Plan benefits. Both mandatory and voluntary contributions are fully vested at all times.

Annual Pension Cost and Net Pension Obligation

The District's annual pension cost and net pension obligation to the Plan for the year ended June 30, 2009 were as follows:

Annual required contribution	\$ 1,663,456
Interest on net pension obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual pension cost	1,663,456
Contributions made	<u>(1,663,456)</u>
Increase (decrease) in Net Pension Obligation	-
Net pension obligation beginning of year	<u>-</u>
Net pension obligation end of year	<u>\$ -</u>

For 2009, the District's annual pension cost was equal to the required contribution. The annual required contribution was determined as of the July 1, 2008 actuarial valuation using the aggregate actuarial cost method.

Annual Pension Cost Historical Trend

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/09	\$ 1,663,456	100.0%	\$ -
06/30/08	1,249,866	100.0%	-
06/30/07	1,225,781	112.2%	-

Actuarial Assumptions

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

The Aggregate Cost Method is the method used to determine actuarial cost of the plan. Unfunded actuarial accrued liability (UAAL) is not developed under the Aggregate Cost Method.

D. Other Post Employment Benefits (OPEB)

Plan Description

The District administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. The plan provides the opportunity for postretirement healthcare insurance for eligible retirees and their spouses through the District's group health care insurance plan, which covers both active and retired participants. The District implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the fiscal year ended June 30, 2009.

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

Funding Policy

The District does not pay any portion of the health insurance premium for retirees; however the retirees do receive benefits, as described below, through the District's retirement plan. Also, retirees receive an implicit benefit of a tiered healthcare premium at the same rate provided to active employees. Retirees may not convert either benefit into an in-lieu payment to secure coverage under independent plans. At June 30, 2009 12 retirees were receiving the post-employment healthcare benefits.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability or excess over a period not to exceed 30 years. For 2009, the District's annual OPEB cost was equal to the required contribution, as authorized by the Board of Directors.

The District's annual OPEB cost and net OPEB obligation to the Plan for the year ended June 30, 2009 were as follows:

Annual required contribution	\$ 126,332
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	126,332
Contributions made	(126,332)
Increase (decrease) in Net OPEB Obligation	-
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	\$ -

The District's annual OPEB cost, the percentage contributed to the plan and the net OPEB obligation as of June 30, 2009 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
06/30/09	\$ 126,332	100.0%	\$ -

Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Examples include assumptions about future employment, mortality, claims costs and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress is presented as required supplementary information, following Notes to the Basic Financial Statements.

In the July 1, 2008 actuarial valuation the aggregate actuarial cost method was used to determine the ARC. The actuarial assumptions included (a) an investment rate of return (net of expenses) of 7.75% pre-retirement and 6% post-retirement, and (b) post-retirement cost of living adjustments (or assumed inflation rate) of 2% a year. The valuation of assets is based on market value as of the first day of the plan year, increased by the amount of any accrued contributions and decreased by the amount of any accrued expenses.

Because the aggregate actuarial cost method does not identify or separately amortized unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and the information presented is intended to approximate the funding progress of the plan. In consideration of healthcare cost trends, the plan assumes that each newly retired participant will purchase medical insurance with premiums of at least the benefit provided by the plan. The amortization period was considered closed, meaning all active participants, inactive participants with vested benefits and retired participants receiving medical insurance premium benefits were included in the valuation period.

The valuation of assets is based on market value as of the first day of the plan year, increased by the amount of any accrued contributions and decreased by the amount of any accrued expenses.

Funded Status

As of July 1, 2009, the actuarial accrued liability for benefits was approximately \$1,646,000 and the actuarial value of assets was approximately \$700,000, resulting in an unfunded actuarial liability of approximately \$946,000.

E. Prior Period Adjustment

The net assets of the District's governmental activities were reduced by \$988,625 at June 30, 2008 to reflect the recognition of *Charges for services* revenue deferral at the end of last year. Revenues received from the summer registration period, in payment for classes commencing after July 1, have not historically been deferred. This adjustment reflects the recognition of these deferred revenues, as appropriate for the government wide statements.



REQUIRED SUPPLEMENTARY INFORMATION

Tualatin Hills Park and Recreation District
REQUIRED SUPPLEMENTARY INFORMATION

Pension
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Present Value of Accrued Pension Benefits (b)	Difference (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Difference as a Percentage of Covered Payroll ((b-a)/c)
6/30/2007	17,648,291	16,857,148	(791,143)	104.7%	7,063,927	-11.2%
6/30/2008	17,918,417	19,389,710	1,471,293	92.4%	7,979,365	18.4%
6/30/2009	17,211,867	22,070,889	4,859,022	78.0%	8,540,118	56.9%

Other Post Employment Benefits
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Present Value of Future Benefits (b)	Difference (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Difference as a Percentage of Covered Payroll ((b-a)/c)
6/30/2007	579,674	1,458,969	879,295	39.7%	7,063,927	12.4%
6/30/2008	652,686	1,582,914	930,228	41.2%	7,979,365	11.7%
6/30/2009	700,365	1,646,139	945,774	42.5%	8,540,118	11.1%



SUPPLEMENTAL INFORMATION

Tualatin Hills Park and Recreation District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	<u>Special Revenue Mitigation Maintenance Fund</u>	<u>Capital Project Metro Natural Areas Bond Fund</u>	<u>Total Other Governmental Funds</u>
Assets			
Assets:			
Cash and cash equivalents	\$ 179,249	\$ -	\$ 179,249
Intergovernmental receivable	-	119,607	119,607
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 179,249</u>	<u>\$ 119,607</u>	<u>\$ 298,856</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 3,324	\$ 1,105	\$ 4,429
Due to other funds	-	118,502	118,502
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>3,324</u>	<u>119,607</u>	<u>122,931</u>
Fund balances:			
Unreserved	175,925	-	175,925
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>175,925</u>	<u>-</u>	<u>175,925</u>
Total liabilities and fund balances	<u>\$ 179,249</u>	<u>\$ 119,607</u>	<u>\$ 298,856</u>

Tualatin Hills Park and Recreation District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2009

	<u>Special Revenue</u> <u>Mitigation</u> <u>Maintenance</u> <u>Fund</u>	<u>Capital Project</u> <u>Metro</u> <u>Natural Areas</u> <u>Bond Fund</u>	<u>Total</u> <u>Other</u> <u>Governmental</u> <u>Funds</u>
Revenues:			
Metro natural areas bond	\$ -	\$ 589,056	\$ 589,056
Interest earned	3,178	-	3,178
Miscellaneous revenues	15,000	-	15,000
Total revenues	<u>18,178</u>	<u>589,056</u>	<u>607,234</u>
Expenditures:			
Current:			
Materials and services	3,939	-	3,939
Capital outlay	-	589,056	589,056
Total expenditures	<u>3,939</u>	<u>589,056</u>	<u>592,995</u>
Excess of revenues over expenditures and net changes in fund balance	14,239	-	14,239
Fund balances at beginning of year	<u>161,686</u>	<u>-</u>	<u>161,686</u>
Fund balances at end of year	<u>\$ 175,925</u>	<u>\$ -</u>	<u>\$ 175,925</u>

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
BOARD OF DIRECTORS:				
Part time salaries	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Payroll taxes	230	230	257	(27)
Personal services	3,230	3,230	3,257	(27)
Professional services	147,624	147,624	165,529	(17,905)
Elections	45,000	45,000	62,584	(17,584)
Office supplies	8,000	8,000	3,596	4,404
Dues and memberships	-	-	1,490	(1,490)
Conferences	4,500	4,500	16,251	(11,751)
Materials and services	205,124	205,124	249,450	(44,326)
Contingency	1,500,000	1,500,000	-	1,500,000
Total Board of Directors	1,708,354	1,708,354	252,707	1,455,647
ADMINISTRATION:				
Full time salaries	533,403	533,403	530,119	3,284
Part time salaries	115,677	115,677	108,770	6,907
Employee benefits	199,609	199,609	196,979	2,630
Payroll taxes	55,979	55,979	55,922	57
Personal services	904,668	904,668	891,790	12,878
Professional services	132,000	122,000	85,484	36,516
Technical services	70,197	70,197	60,582	9,615
Maintenance Services	7,482	7,482	3,064	4,418
Vehicle/Equipment Services	-	-	100	(100)
Printing and publications	167,624	167,624	188,177	(20,553)
Postage	96,805	96,805	98,957	(2,152)
Advertising	36,550	46,550	33,934	12,616
Telecommunications	5,700	5,700	5,051	649
Office supplies	7,410	7,410	5,823	1,587
Program supplies	8,575	8,575	2,884	5,691
Dues and memberships	5,560	11,560	13,330	(1,770)
Conferences	32,500	26,500	16,917	9,583
Technical training	12,900	12,900	21,202	(8,302)
Staff transportation	11,300	11,300	11,901	(601)
Small furniture and equipment	150	150	9,874	(9,724)
Materials and services	594,753	594,753	557,280	37,473
Total Administration	1,499,421	1,499,421	1,449,070	50,351

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
BUSINESS AND FACILITIES				
Business Services:				
Full time salaries	1,275,090	1,275,090	1,282,334	(7,244)
Employee benefits	460,004	460,004	480,686	(20,682)
Payroll taxes	107,533	107,533	107,249	284
Personal services	1,842,627	1,842,627	1,870,269	(27,642)
Professional services	70,139	70,139	59,433	10,706
Technical services	177,931	177,931	132,581	45,350
Rental equipment	51,000	51,000	36,077	14,923
Bank charges and fees	11,750	11,750	19,211	(7,461)
Other miscellaneous services	10,500	10,500	12,580	(2,080)
Insurance	261,800	261,800	262,431	(631)
Printing and publications	13,350	13,350	7,510	5,840
Postage	60,400	60,400	52,265	8,135
Advertising	3,030	3,030	1,152	1,878
Telecommunications	73,290	73,290	65,836	7,454
Office supplies	73,382	73,382	56,268	17,114
Program supplies	51,074	51,074	29,767	21,307
Maintenance supplies	8,500	8,500	2,451	6,049
Dues and memberships	6,265	6,265	4,814	1,451
Conferences	12,175	12,175	11,001	1,174
Technical training	51,010	51,010	27,076	23,934
Staff transportation	8,400	8,400	6,315	2,085
Small furniture and equipment	1,200	1,200	5,507	(4,307)
Materials and services	945,196	945,196	792,275	152,921
Debt principal	551,000	551,000	551,000	-
Debt interest	298,556	298,556	167,448	131,108
Debt service	849,556	849,556	718,448	131,108
Computer technology replacement	150,000	150,000	149,810	190
Computer technology improvement	145,400	145,400	125,860	19,540
Capital outlay	295,400	295,400	275,670	19,730
Total Business Services	3,932,779	3,932,779	3,656,662	276,117
Maintenance Operations:				
Superintendent				
Full time salaries	153,652	153,652	160,623	(6,971)
Part time salaries	17,160	17,160	7,668	9,492
Employee Benefits	50,272	50,272	49,912	360
Payroll taxes	14,587	14,587	13,962	625
Personal services	235,671	235,671	232,165	3,506
Instructional services	2,455	2,455	1,980	475
Professional services	12,000	12,000	7,428	4,572
Technical services	8,550	8,550	5,687	2,863
Telecommunications	2,126	2,126	669	1,457
Office supplies	3,800	3,800	2,658	1,142
Maintenance supplies	4,500	4,500	1,352	3,148
Dues and memberships	285	285	340	(55)
Conferences	3,100	3,100	3,277	(177)
Technical training	1,975	1,975	4,251	(2,276)
Staff transportation	500	500	-	500
Materials and services	39,291	39,291	27,642	11,649
Total Superintendent	274,962	274,962	259,807	15,155

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
BUSINESS AND FACILITIES (continued)				
Maintenance Operations (continued):				
Park Maintenance				
Full time salaries	1,060,665	1,060,665	1,063,007	(2,342)
Part time salaries	544,679	544,679	526,234	18,445
Employee benefits	449,588	449,588	463,634	(14,046)
Payroll taxes	158,582	158,582	162,897	(4,315)
Personal services	2,213,514	2,213,514	2,215,772	(2,258)
Technical services	67,660	67,660	66,294	1,366
Water and sewer	267,584	267,584	278,864	(11,280)
Electricity	37,842	37,842	62,973	(25,131)
Refuse services	91,901	91,901	88,407	3,494
Rental facility	2,000	2,000	-	2,000
Rental equipment	19,985	19,985	10,492	9,493
Maintenance services	67,753	67,753	46,386	21,367
Miscellaneous other services	-	-	16,393	(16,393)
Telecommunications	12,290	12,290	6,142	6,148
Office supplies	-	-	1,139	(1,139)
Maintenance supplies	198,202	198,202	203,071	(4,869)
Dues and memberships	-	-	430	(430)
Technical training	8,960	8,960	4,059	4,901
Staff transportation	336	336	7	329
Materials and services	774,513	774,513	784,657	(10,144)
Total Park Maintenance	2,988,027	2,988,027	3,000,429	(12,402)
Vehicles and Equipment				
Full time salaries	290,799	290,799	286,595	4,204
Part time salaries	27,191	27,191	22,625	4,566
Employee benefits	113,361	113,361	115,853	(2,492)
Payroll taxes	31,542	31,542	31,308	234
Personal services	462,893	462,893	456,381	6,512
Technical services	6,060	6,060	5,837	223
Rental equipment	300	300	281	19
Maintenance services	95,632	95,632	97,072	(1,440)
Vehicle/equipment services	22,140	22,140	21,578	562
Telecommunications	1,920	1,920	880	1,040
Program supplies	17,590	17,590	10,169	7,421
Maintenance supplies	17,663	17,663	12,479	5,184
Gas and oil - vehicles	174,560	174,560	164,719	9,841
Materials and services	335,865	335,865	313,015	22,850
Fleet capital replacement	267,200	267,200	218,829	48,371
Capital outlay	267,200	267,200	218,829	48,371
Total Vehicles and Equipment	1,065,958	1,065,958	988,225	77,733

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
BUSINESS AND FACILITIES (continued)				
Maintenance Operations (continued):				
Athletic Facilities				
Full time salaries	465,308	465,308	465,416	(108)
Part time salaries	321,063	321,063	304,668	16,395
Employee benefits	195,306	195,306	200,042	(4,736)
Payroll taxes	77,336	77,336	78,634	(1,298)
Personal services	1,059,013	1,059,013	1,048,760	10,253
Technical services	3,000	3,000	3,270	(270)
Water and sewer	15,456	15,456	16,421	(965)
Electricity	67,704	67,704	65,462	2,242
Rental equipment	1,050	1,050	215	835
Maintenance services	82,000	82,000	75,058	6,942
Telecommunications	6,768	6,768	16,864	(10,096)
Maintenance supplies	364,293	364,293	342,628	21,665
Technical training	1,550	1,550	1,991	(441)
Small Furniture & Equipment	1,870	1,870	1,688	182
Materials and services	543,691	543,691	523,597	20,094
Total Athletic Facilities	1,602,704	1,602,704	1,572,357	30,347
Building Maintenance				
Full time salaries	1,001,580	1,001,580	993,885	7,695
Part time salaries	557,108	557,108	573,262	(16,154)
Employee benefits	482,092	482,092	463,111	18,981
Payroll taxes	153,847	153,847	158,927	(5,080)
Personal services	2,194,627	2,194,627	2,189,185	5,442
Technical services	8,916	8,916	6,808	2,108
Heat	224,125	224,125	238,311	(14,186)
Electricity	357,228	357,228	354,665	2,563
Water and sewer	63,700	63,700	62,059	1,641
Rental facility	94,500	94,500	98,688	(4,188)
Rental equipment	5,100	5,100	3,148	1,952
Maintenance services	80,683	80,683	103,941	(23,258)
Telecommunications	64,410	64,410	47,600	16,810
Maintenance supplies	181,810	181,810	174,312	7,498
Dues and memberships	1,500	1,500	1,452	48
Technical training	-	-	600	(600)
Staff transportation	10,674	10,674	9,451	1,223
Materials and services	1,092,646	1,092,646	1,101,035	(8,389)
Building replacement	18,350	18,350	14,993	3,357
Capital outlay	18,350	18,350	14,993	3,357
Total Building Maintenance	3,305,623	3,305,623	3,305,213	410

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
BUSINESS AND FACILITIES (continued)				
Maintenance Operations (continued):				
Aquatic Maintenance				
Full time salaries	259,715	259,715	276,312	(16,597)
Part time salaries	95,617	95,617	91,976	3,641
Employee benefits	101,155	101,155	112,669	(11,514)
Payroll taxes	35,323	35,323	37,806	(2,483)
Personal services	491,810	491,810	518,763	(26,953)
Technical services	3,625	3,625	3,475	150
Heat	448,952	448,952	443,578	5,374
Electricity	192,265	192,265	197,537	(5,272)
Water and sewer	72,550	72,550	63,110	9,440
Maintenance services	43,940	43,940	50,451	(6,511)
Telecommunications	8,200	8,200	5,073	3,127
Maintenance supplies	152,800	152,800	125,716	27,084
Staff transportation	6,900	6,900	7,766	(866)
Materials and services	929,232	929,232	896,706	32,526
Total Aquatic Maintenance	1,421,042	1,421,042	1,415,469	5,573
Total Maintenance Operations	10,658,316	10,658,316	10,541,500	116,816
Total Business and Facilities	14,591,095	14,591,095	14,198,162	392,933

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
PLANNING AND DEVELOPMENT				
Director of Planning:				
Full time salaries	95,568	95,568	96,000	(432)
Part time salaries	-	13,635	18,911	(5,276)
Employee benefits	33,243	33,243	25,850	7,393
Payroll taxes	8,164	9,529	9,715	(186)
Personal services	136,975	151,975	150,476	1,499
Telecommunications	-	-	1,169	(1,169)
Office supplies	-	-	10	(10)
Program supplies	12,000	12,000	175	11,825
Staff transportation	-	-	3,571	(3,571)
Small furniture and equipment	-	-	1,881	(1,881)
Materials and services	12,000	12,000	6,806	5,194
Total Director of Planning	148,975	163,975	157,282	6,693
Superintendent of Planning				
Full time salaries	353,534	403,534	406,663	(3,129)
Employee benefits	124,486	143,486	150,930	(7,444)
Payroll taxes	30,267	35,267	34,751	516
Personal services	508,287	582,287	592,344	(10,057)
Professional services	197,000	197,000	139,846	57,154
Advertising	-	-	1,465	(1,465)
Telecommunications	1,000	1,000	768	232
Office supplies	3,000	3,000	4,891	(1,891)
Program supplies	3,000	3,000	2,930	70
Dues and memberships	2,200	2,200	1,817	383
Conferences	6,000	6,000	1,084	4,916
Technical training	2,500	2,500	1,177	1,323
Staff transportation	2,500	2,500	4,390	(1,890)
Materials and services	217,200	217,200	158,368	58,832
Total Superintendent of Planning	725,487	799,487	750,712	48,775
Total Planning and Development	874,462	963,462	907,994	55,468

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
PARK AND RECREATION SERVICES:				
Director of Park and Recreation:				
Full time salaries	154,907	154,907	160,160	(5,253)
Employee benefits	59,549	59,549	62,066	(2,517)
Part time salaries	-	-	498	(498)
Payroll taxes	12,410	12,410	12,803	(393)
Personal services	226,866	226,866	235,527	(8,661)
Professional services	28,729	28,729	-	28,729
Fee reductions-family assistance	125,000	125,000	374,988	(249,988)
Printing and publications	2,000	2,000	-	2,000
Telecommunications	450	450	848	(398)
Office supplies	7,000	7,000	942	6,058
Conferences	12,500	12,500	7,020	5,480
Technical training	1,000	1,000	225	775
Staff transportation	2,400	2,400	5,240	(2,840)
Materials and services	179,079	179,079	389,263	(210,184)
Total Director of Park and Recreation	405,945	405,945	624,790	(218,845)
Aquatics:				
Superintendent of Aquatics:				
Full time salaries	95,577	95,577	96,024	(447)
Part time salaries	994	994	1,505	(511)
Employee benefits	26,133	26,133	27,235	(1,102)
Payroll taxes	8,263	8,263	8,196	67
Personal services	130,967	130,967	132,960	(1,993)
Telecommunications	3,400	3,400	2,016	1,384
Office supplies	1,300	1,300	1,152	148
Program supplies	18,562	18,562	22,155	(3,593)
Dues and memberships	1,105	1,105	660	445
Conferences	8,000	8,000	4,979	3,021
Technical training	5,300	5,300	7,555	(2,255)
Staff transportation	6,300	6,300	4,540	1,760
Materials and services	43,967	43,967	43,057	910
Total Superintendent of Aquatics	174,934	174,934	176,017	(1,083)
Aloha Swim Center				
Full time salaries	122,101	122,101	122,112	(11)
Part time salaries	233,793	233,793	227,192	6,601
Part time salaries - cashiers	12,600	12,600	14,313	(1,713)
Employee benefits	71,265	71,265	66,356	4,909
Payroll taxes	36,342	36,342	37,038	(696)
Personal services	476,101	476,101	467,011	9,090
Program supplies	4,875	4,875	5,111	(236)
Small furniture and equipment	-	-	274	(274)
Materials and services	4,875	4,875	5,385	(510)
Total Aloha Swim Center	480,976	480,976	472,396	8,580

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
PARK AND RECREATION SERVICES (continued)				
Aquatics (continued)				
Beaverton Swim Center				
Full time salaries	227,889	227,889	225,106	2,783
Part time salaries	296,792	296,792	296,784	8
Part time salaries - cashiers	25,287	25,287	33,864	(8,577)
Employee benefits	95,491	95,491	78,320	17,171
Payroll taxes	54,354	54,354	56,500	(2,146)
Personal services	699,813	699,813	690,574	9,239
Program supplies	6,526	6,526	6,522	4
Total Beaverton Swim Center	706,339	706,339	697,096	9,243
Aquatic Swim Center				
Full time salaries	310,438	310,438	309,682	756
Part time salaries	275,670	275,670	282,358	(6,688)
Part time salaries - cashiers	25,773	25,773	22,590	3,183
Employee benefits	110,469	110,469	119,682	(9,213)
Payroll taxes	59,923	59,923	62,225	(2,302)
Personal services	782,273	782,273	796,537	(14,264)
Program supplies	13,419	13,419	10,798	2,621
Small Furniture & Equipment	-	-	370	(370)
Materials and services	13,419	13,419	11,168	2,251
Total Aquatic Swim Center	795,692	795,692	807,705	(12,013)
Harman Swim Center				
Full time salaries	229,124	229,124	219,564	9,560
Part time salaries	215,281	215,281	230,604	(15,323)
Part time salaries - cashiers	9,360	9,360	10,532	(1,172)
Employee benefits	103,673	103,673	105,991	(2,318)
Payroll taxes	44,689	44,689	46,398	(1,709)
Personal services	602,127	602,127	613,089	(10,962)
Program supplies	5,400	5,400	3,940	1,460
Materials and services	5,400	5,400	3,940	1,460
Total Harman Swim Center	607,527	607,527	617,029	(9,502)
Sunset Swim Center				
Full time salaries	113,582	113,582	113,587	(5)
Part time salaries	212,434	212,434	189,051	23,383
Part time salaries - cashiers	14,820	14,820	5,317	9,503
Employee benefits	65,318	65,318	61,851	3,467
Payroll taxes	33,594	33,594	31,265	2,329
Personal services	439,748	439,748	401,071	38,677
Advertising	-	-	43	(43)
Program supplies	4,870	4,870	4,104	766
Technical training	-	-	240	(240)
Materials and services	4,870	4,870	4,387	526
Total Sunset Swim Center	444,618	444,618	405,458	39,160

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
PARK AND RECREATION SERVICES (continued)				
Aquatics (continued)				
Somerset West Swim Center				
Part time salaries	47,768	47,768	45,640	2,128
Part time salaries - cashiers	5,610	5,610	5,101	509
Payroll taxes	5,338	5,338	5,304	34
Personal services	58,716	58,716	56,045	2,671
Program supplies	775	775	686	89
Materials and services	775	775	686	89
Total Somerset West Swim Center	59,491	59,491	56,731	2,760
Raleigh Swim Center				
Part time salaries	39,017	39,017	43,360	(4,343)
Part time salaries - cashiers	8,085	8,085	906	7,179
Payroll taxes	4,710	4,710	4,493	217
Personal services	51,812	51,812	48,759	3,053
Office supplies	200	200	116	84
Program supplies	732	732	754	(22)
Small furniture and equipment	-	-	70	(70)
Materials and services	932	932	940	(8)
Total Raleigh Swim Center	52,744	52,744	49,699	3,045
Total Aquatics	3,322,321	3,322,321	3,282,131	40,190

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
PARK AND RECREATION SERVICES (continued)				
Sports:				
Superintendent of Sports				
Full time salaries	127,320	127,320	121,595	5,725
Employee benefits	51,812	51,812	50,860	952
Payroll taxes	11,537	11,537	10,378	1,159
Personal services	190,669	190,669	182,833	7,836
Rental facility	45,500	45,500	44,596	904
Telecommunications	744	744	1,084	(340)
Program supplies	2,000	2,000	2,756	(756)
Dues and memberships	675	675	-	675
Conferences	4,975	4,975	5,485	(510)
Staff transportation	400	400	857	(457)
Small furniture and equipment	100	100	-	100
Materials and services	54,394	54,394	54,778	(384)
Total Superintendent of Sports	245,063	245,063	237,611	7,452
Athletic Center				
Full time salaries	317,128	317,128	324,217	(7,089)
Part time salaries	595,440	595,440	527,370	68,070
Employee benefits	121,161	121,161	132,853	(11,692)
Payroll taxes	88,496	88,496	86,106	2,390
Personal services	1,122,225	1,122,225	1,070,546	51,679
Instructional services	133,085	133,085	112,172	20,913
Printing and publications	7,500	7,500	1,877	5,623
Advertising	912	912	77	835
Office supplies	6,927	6,927	5,771	1,156
Program supplies	108,969	108,969	67,181	41,788
Staff transportation	1,025	1,025	1,589	(564)
Small furniture and equipment	-	-	2,128	(2,128)
Materials and services	258,418	258,418	190,795	67,623
Total Athletic Center	1,380,643	1,380,643	1,261,341	119,302
Total Sports	1,625,706	1,625,706	1,498,952	126,754

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
PARK AND RECREATION SERVICES (continued)				
Recreation:				
Superintendent of Recreation				
Full time salaries	90,786	90,786	90,780	6
Part time salaries	3,000	3,000	72	2,928
Employee benefits	23,171	23,171	24,131	(960)
Payroll taxes	8,057	8,057	7,764	293
Personal services	125,014	125,014	122,747	2,267
Telecommunications	3,400	3,400	3,072	328
Program supplies	8,535	8,535	5,325	3,210
Dues and memberships	1,200	1,200	1,010	190
Conferences	8,000	8,000	5,081	2,919
Technical training	1,200	1,200	391	809
Staff transportation	1,200	1,200	2,257	(1,057)
Small furniture and equipment	-	-	1,406	(1,406)
Materials and services	23,535	23,535	18,542	4,993
Total Superintendent of Recreation	148,549	148,549	141,289	7,260
Cedar Hills Recreation Center				
Full time salaries	253,199	253,199	242,516	10,683
Part time salaries	707,317	707,317	578,374	128,943
Employee benefits	114,946	114,946	111,045	3,901
Payroll taxes	93,486	93,486	80,402	13,084
Personal services	1,168,948	1,168,948	1,012,337	156,611
Instructional services	8,328	8,328	5,038	3,290
Rental equipment	-	6,000	-	6,000
Maintenance Services	1,360	1,360	445	915
Postage	2,500	2,500	1,367	1,133
Advertising	-	-	442	(442)
Office supplies	9,000	9,000	6,985	2,015
Program supplies	144,220	138,220	112,026	26,194
Staff transportation	4,875	4,875	2,588	2,287
Small furniture and equipment	3,900	3,900	2,232	1,668
Materials and services	174,183	174,183	131,123	43,060
Total Cedar Hills Recreation Center	1,343,131	1,343,131	1,143,460	199,671
Conestoga Recreation/Aquatic Center				
Full time salaries	399,813	399,813	402,350	(2,537)
Part time salaries	198,296	198,296	171,254	27,042
Part time salaries - aquatic program	302,473	302,473	264,120	38,353
Part time salaries - recreation program	516,121	516,121	544,197	(28,076)
Employee benefits	212,594	212,594	207,864	4,730
Payroll taxes	138,981	138,981	139,900	(919)
Personal services	1,768,278	1,768,278	1,729,685	38,593

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
PARK AND RECREATION SERVICES (continued)				
Conestoga Recreation/Aquatic Center (continued)				
Instructional services	63,534	63,534	47,255	16,279
Rental facility	3,758	3,758	-	3,758
Rental equipment	17,472	17,472	10,688	6,784
Maintenance Services	1,599	1,599	1,421	178
Miscellaneous other services	-	-	1,916	(1,916)
Printing and publications	2,910	2,910	161	2,749
Advertising	600	600	50	550
Office supplies	11,124	11,124	2,827	8,297
Program supplies	115,376	115,376	112,351	3,025
Technical training	2,472	2,472	1,274	1,198
Staff transportation	-	-	35	(35)
Small furniture and equipment	4,500	4,500	-	4,500
Materials and services	223,345	223,345	177,978	45,367
Total Conestoga Recreation/Aquatic Center	1,991,623	1,991,623	1,907,663	83,960
Garden Home Recreation Center				
Full time salaries	283,276	283,276	290,234	(6,958)
Part time salaries	658,588	658,588	501,066	157,522
Employee benefits	118,687	118,687	114,482	4,205
Payroll taxes	91,593	91,593	78,542	13,051
Personal services	1,152,144	1,152,144	984,324	167,820
Instructional services	20,900	20,900	35,276	(14,376)
Rental facility	-	-	3,833	(3,833)
Rental equipment	-	-	3,606	(3,606)
Maintenance Services	-	8,000	3,216	4,784
Postage	3,600	3,600	1,564	2,036
Advertising	1,050	1,050	50	1,000
Office supplies	8,500	8,500	8,993	(493)
Program supplies	136,305	128,305	79,998	48,307
Staff transportation	3,600	3,600	3,275	325
Small furniture and equipment	2,000	2,000	136	1,864
Materials and services	175,955	175,955	139,947	36,008
Total Garden Home Recreation Center	1,328,099	1,328,099	1,124,271	203,828
Total Recreation	4,811,402	4,811,402	4,316,683	494,719

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
PARK AND RECREATION SERVICES (continued)				
Programs and Special Activities:				
Superintendent of Programs and Special Activities:				
Full time salaries	160,319	160,319	161,091	(772)
Part time salaries	16,380	16,380	24,248	(7,868)
Employee benefits	51,403	51,403	53,093	(1,690)
Payroll taxes	15,342	15,342	16,018	(676)
Personal services	243,444	243,444	254,450	(11,006)
Rental facility	2,400	2,400	2,400	-
Technical services	87,252	87,252	74,660	12,592
Telecommunications	6,000	6,000	5,443	557
Office supplies	5,000	5,000	5,019	(19)
Program supplies	6,435	6,435	7,462	(1,027)
Dues and memberships	3,000	3,000	1,420	1,580
Conferences	7,000	7,000	7,688	(688)
Technical training	2,300	2,300	1,240	1,060
Staff transportation	3,800	3,800	2,506	1,294
Materials and services	123,187	123,187	107,838	15,349
Total Superintendent of Programs:	366,631	366,631	362,288	4,343
Jenkins Estate				
Full time salaries	162,977	162,977	167,486	(4,509)
Part time salaries	200,787	200,787	162,725	38,062
Employee benefits	64,515	64,515	66,341	(1,826)
Payroll taxes	34,028	34,028	31,794	2,234
Personal services	462,307	462,307	428,346	33,961
Technical services	9,106	9,106	2,650	6,456
Rental equipment	5,441	5,441	10,998	(5,557)
Miscellaneous other services	-	-	708	(708)
Maintenance services	2,185	2,185	-	2,185
Postage	1,800	1,800	2,859	(1,059)
Advertising	1,500	1,500	2,070	(570)
Office supplies	1,300	1,300	1,320	(20)
Program supplies	70,148	70,148	61,341	8,807
Maintenance supplies	6,721	6,721	1,971	4,750
Dues & Memberships	-	-	229	(229)
Staff transportation	5,912	5,912	3,543	2,369
Materials and services	104,113	104,113	87,689	16,424
Total Jenkins Estate	566,420	566,420	516,035	50,385
Stuhr Center				
Full time salaries	258,546	258,546	257,359	1,187
Part time salaries	284,973	284,973	299,856	(14,883)
Employee benefits	111,112	111,112	111,141	(29)
Payroll taxes	52,325	52,325	54,785	(2,460)
Personal services	706,956	706,956	723,141	(16,185)

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
PARK AND RECREATION SERVICES (continued)				
Programs and Special Activities (continued)				
Stuhr Center (continued)				
Instructional services	548	548	-	548
Maintenance services	3,470	3,470	2,410	1,060
Postage	1,600	1,600	1,703	(103)
Advertising	2,780	2,780	3,371	(591)
Office supplies	7,330	7,330	6,271	1,059
Program supplies	63,530	63,530	66,710	(3,180)
Staff transportation	3,572	3,572	1,173	2,399
Small furniture and equipment	-	-	1,616	(1,616)
Foundation Support (Gas)	-	-	95	(95)
Materials and services	82,830	82,830	83,349	(519)
Total Stuhr Center	789,786	789,786	806,490	(16,704)
Tennis Center				
Full time salaries	315,794	315,794	302,815	12,979
Part time salaries	315,053	315,053	285,277	29,776
Employee benefits	163,776	163,776	138,716	25,060
Payroll taxes	60,798	60,798	58,272	2,526
Personal services	855,421	855,421	785,080	70,341
Advertising	-	-	25	(25)
Office supplies	4,322	4,322	3,496	826
Program supplies	29,230	29,230	22,017	7,213
Dues and memberships	1,108	1,108	683	425
Technical training	1,000	1,000	356	644
Staff transportation	600	600	414	186
Materials and services	36,260	36,260	26,991	9,269
Total Tennis Center	891,681	891,681	812,071	79,610
Total Programs and Special Activities	2,614,518	2,614,518	2,496,884	117,634

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
PARK AND RECREATION SERVICES (continued)				
Natural Resources and Trails:				
Natural Resources:				
Full time salaries	226,000	226,000	226,278	(278)
Part time salaries	138,109	138,109	39,492	98,617
Employee benefits	82,278	82,278	78,088	4,190
Payroll taxes	36,215	36,215	26,489	9,726
Personal services	482,602	482,602	370,347	112,255
Professional services	-	-	363	(363)
Technical services	53,700	53,700	22,105	31,595
Rental equipment	3,000	3,000	1,221	1,779
Maintenance Services	52,100	52,100	2,560	49,540
Printing and publications	10,000	10,000	9,967	33
Telecommunications	1,500	1,500	482	1,018
Office supplies	3,553	3,553	3,312	241
Program supplies	28,600	28,600	25,041	3,559
Dues and memberships	800	800	448	352
Conferences	3,825	3,825	3,184	641
Technical training	1,500	1,500	1,407	93
Staff transportation	1,200	1,200	894	306
Small furniture and equipment	500	500	177	323
Materials and services	160,278	160,278	71,161	89,117
Total Natural Resources	642,880	642,880	441,508	201,372
Nature Park				
Full time salaries	190,530	190,530	200,666	(10,136)
Part time salaries	188,129	188,129	175,711	12,418
Employee benefits	77,821	77,821	82,153	(4,332)
Payroll taxes	36,386	36,386	37,059	(673)
Personal services	492,866	492,866	495,589	(2,723)
Instructional services	8,868	8,868	6,394	2,474
Rental equipment	2,500	2,500	3,763	(1,263)
Miscellaneous other services	-	-	560	(560)
Printing and publications	700	700	175	525
Postage	280	280	65	215
Advertising	600	600	703	(103)
Office supplies	5,802	5,802	4,964	838
Program supplies	19,142	19,142	16,418	2,724
Maintenance supplies	1,859	1,859	1,686	173
Dues and memberships	225	225	178	47
Technical training	772	772	949	(177)
Staff transportation	1,500	1,500	2,149	(649)
Small Furniture & Equipment	1,470	1,470	1,242	228
Materials and services	43,718	43,718	39,246	4,472
Total Nature Park	536,584	536,584	534,835	1,749
Natural Resources and Trails	1,179,464	1,179,464	976,343	203,121

Tualatin Hills Park and Recreation District
General Fund
Schedule of Expenditures - Budget to Actual
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
PARK AND RECREATION SERVICES (continued)				
Total Park and Recreation Services	13,959,356	13,959,356	13,195,783	763,573
CAPITAL OUTLAY				
Carryforward projects	578,000	578,000	236,043	341,957
Athletic facility replacement	247,962	247,962	116,508	131,454
Athletic facility improvement	5,400	5,400	5,386	14
Park and trail replacement	469,447	469,447	411,546	57,901
Park and trail improvements	353,950	353,950	39,492	314,458
Building replacement	766,730	766,730	643,410	123,320
Building improvements	234,738	234,738	185,752	48,986
ADA projects	41,800	41,800	38,069	3,731
Program facility challenge grants	75,000	75,000	36,547	38,453
Total Capital Outlay	2,773,027	2,773,027	1,712,753	1,060,274
 Total General Fund Expenditures	 \$ 35,405,715	 \$ 35,494,715	 \$ 31,716,469	 \$ 3,778,246

Tualatin Hills Park and Recreation District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Mitigation Maintenance Fund
For the fiscal year ended June 30, 2009

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Interest earned	\$ 3,500	\$ 3,178	\$ (322)
Miscellaneous income	-	15,000	15,000
Total revenues	<u>3,500</u>	<u>18,178</u>	<u>14,678</u>
Expenditures:			
Materials and services	10,000	3,939	6,061
Contingency	170,480	-	170,480
Total expenditures	<u>180,480</u>	<u>3,939</u>	<u>176,541</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(176,980)</u>	<u>14,239</u>	<u>191,219</u>
Fund balance at beginning of year	<u>176,980</u>	<u>161,686</u>	<u>(15,294)</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 175,925</u></u>	<u><u>\$ 175,925</u></u>

Tualatin Hills Park and Recreation District
Bonded Debt Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2009

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Property taxes	\$ 2,057,068	\$ 2,062,385	\$ 5,317
Interest earned	30,000	25,409	(4,591)
Total revenues	<u>2,087,068</u>	<u>2,087,794</u>	<u>726</u>
Expenditures:			
Debt service	<u>2,170,665</u>	<u>2,170,665</u>	<u>-</u>
Total expenditures	<u>2,170,665</u>	<u>2,170,665</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and net change in fund balance	<u>(83,597)</u>	<u>(82,871)</u>	<u>726</u>
Fund balance at beginning of year	<u>380,332</u>	<u>338,212</u>	<u>(42,120)</u>
Fund balance at end of year	<u><u>\$ 296,735</u></u>	<u><u>\$ 255,341</u></u>	<u><u>\$ (41,394)</u></u>

Tualatin Hills Park and Recreation District
Bond Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget to Actual
For the fiscal year ended June 30, 2009

	Original Budgeted Amount	Final Budgeted Amount	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Interest earned	\$ -	\$ -	\$ 125,982	\$ 125,982
Total revenues	-	-	125,982	125,982
Expenditures:				
Issuance Costs	-	1,500,000	516,987	983,013
Capital outlay	-	98,500,000	456,122	98,043,878
Total expenditures	-	100,000,000	973,109	99,026,891
Excess (deficiency) of revenues over (under) expenditures	-	(100,000,000)	(847,127)	99,152,873
Other financing sources:				
Sale of general obligation bonds	-	100,000,000	58,505,000	(41,495,000)
Premiums on bonds sold	-	-	492,215	492,215
Total other financing sources	-	100,000,000	58,997,215	(41,002,785)
Net change in fund balance	-	-	58,150,088	58,150,088
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ 58,150,088	\$ 58,150,088

Tualatin Hills Park and Recreation District
System Development Charges Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget to Actual
For the fiscal year ended June 30, 2009

	Original Budgeted Amount	Final Budgeted Amount	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
System development charges	\$ 3,316,596	\$ 3,316,596	\$ 1,406,672	\$ (1,909,924)
Interest earned	38,400	38,400	84,859	46,459
Total revenues	<u>3,354,996</u>	<u>3,354,996</u>	<u>1,491,531</u>	<u>(1,863,465)</u>
Expenditures:				
Capital outlay	<u>5,403,890</u>	<u>5,898,840</u>	<u>1,204,126</u>	<u>4,694,714</u>
Total expenditures	<u>5,403,890</u>	<u>5,898,840</u>	<u>1,204,126</u>	<u>4,694,714</u>
Excess (deficiency) of revenues over (under) expenditures	(2,048,894)	(2,543,844)	287,405	2,831,249
Other financing sources:				
Sale of capital assets	<u>-</u>	<u>494,950</u>	<u>494,941</u>	<u>(9)</u>
Net changes in fund balance	(2,048,894)	(2,048,894)	782,346	2,831,240
Fund balances at beginning of year	<u>2,048,894</u>	<u>2,048,894</u>	<u>3,751,235</u>	<u>1,702,341</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,533,581</u></u>	<u><u>\$ 4,533,581</u></u>

Tualatin Hills Park and Recreation District
Metro Natural Areas Bond Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget to Actual
For the fiscal year ended June 30, 2009

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Metro natural areas bond	\$ 3,700,000	\$ 589,056	\$ (3,110,944)
Total revenues	<u>3,700,000</u>	<u>589,056</u>	<u>(3,110,944)</u>
Expenditures:			
Capital outlay	3,700,000	589,056	3,110,944
Total expenditures	<u>3,700,000</u>	<u>589,056</u>	<u>3,110,944</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



OTHER FINANCIAL SCHEDULES

Tualatin Hills Park and Recreation District
Schedule of Property Tax Transactions and Outstanding Balances
For the fiscal year ended June 30, 2009

	Taxes Uncollected June 30, 2008	Add Levy as Extended by Assessor	Add (Deduct) Discounts Allowed	Add Interest Received	Add (Deduct) Cancellations and Adjustments	Deduct Interest and Tax Collected	Taxes Uncollected June 30, 2009
2008-2009	\$ -	\$ 25,138,759	(627,984)	\$ 8,615	\$ (47,852)	\$ (23,703,276)	768,262
2007-2008	578,690	-	885	22,827	(40,558)	(366,457)	195,387
2006-2007	142,375	-	205	11,201	(8,754)	(74,048)	70,979
2005-2006	52,039	-	143	8,469	(5,008)	(36,304)	19,339
2004-2005	21,264	-	31	4,071	(1,566)	(15,469)	8,331
2003-2004	5,831	-	8	604	(585)	(1,461)	4,397
Prior Years	13,050	-	2	1,604	(2,412)	(3,724)	8,520
	<u>\$ 813,249</u>	<u>\$ 25,138,759</u>	<u>\$ (626,710)</u>	<u>\$ 57,391</u>	<u>\$ (106,735)</u>	<u>\$ (24,200,739)</u>	<u>\$ 1,075,215</u>

General Fund	\$ 739,573	\$ 981,869
Debt Service Fund	73,676	93,346
	<u>\$ 813,249</u>	<u>\$ 1,075,215</u>



STATISTICAL SECTION

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

CONTENTS	PAGE
Financial Trends	69
<i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	
Revenue Capacity	73
<i>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</i>	
Debt Capacity	78
<i>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	82
<i>These schedules offer demographic and economic indicators to help the readers understand the environment within which the District's financial activities take place.</i>	
Operating Information	84
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</i>	

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

Ten years of data is presented on required tables unless related to government-wide statements that have only been prepared from the year ended June 30, 2003, or is not available from existing sources.

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

	Fiscal Year					
	2004	2005	2006	2007	2008 (as restated)	2009
Governmental activities						
Invested in capital assets, net of related debt	\$ 56,189,179	\$ 62,890,110	\$ 65,083,859	\$ 81,461,139	\$ 86,885,092	\$ 89,588,161
Restricted	9,346,441	10,406,433	13,392,572	5,233,264	4,089,447	4,914,904
Unrestricted	2,884,929	3,008,933	3,380,183	3,965,498	3,577,389	2,826,589
Total primary government net assets	<u>\$ 68,420,549</u>	<u>\$ 76,305,476</u>	<u>\$ 81,856,614</u>	<u>\$ 90,659,901</u>	<u>\$ 94,551,928</u>	<u>\$ 97,329,654</u>

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

	Fiscal Year					
	2004	2005	2006	2007	2008 (as restated)	2009
Expenses						
Governmental activities:						
Board of Directors	\$ 105,476	\$ 136,597	\$ 170,390	\$ 187,210	\$ 151,139	\$ 252,707
Administration	1,082,661	1,339,707	1,189,415	1,148,393	1,620,813	1,435,073
Business and facilities	1,822,421	1,924,598	3,047,589	2,942,845	2,963,834	13,414,199 ¹⁾
Planning and development	-	-	-	-	-	925,029 ²⁾
Park and recreation services	20,508,872	21,787,823	21,658,035	22,854,097	25,260,805	16,749,941
Interest on long-term debt	1,199,130	1,111,955	1,130,474	1,063,732	935,564	1,117,606
Total governmental activities expenses	<u>\$ 24,718,560</u>	<u>\$ 26,300,680</u>	<u>\$ 27,195,903</u>	<u>\$ 28,196,277</u>	<u>\$ 30,932,155</u>	<u>\$ 33,894,555</u>
Program Revenues						
Governmental activities:						
Charges for services:						
Park and recreation services	\$ 5,611,020	\$ 6,040,307	\$ 6,381,080	\$ 6,720,311	\$ 7,379,076	\$ 8,158,928
Operating grants and contributions	47,723	26,653	19,078	35,185	27,599	42,756
Capital grants and contributions	3,154,087	3,914,526	3,868,580	2,283,436	2,372,111	2,958,270
Total governmental program revenues	<u>\$ 8,812,830</u>	<u>\$ 9,981,486</u>	<u>\$ 10,268,738</u>	<u>\$ 9,038,932</u>	<u>\$ 9,778,786</u>	<u>\$ 11,159,954</u>
Net(expense)/revenue						
Governmental activities	<u>\$(15,905,730)</u>	<u>\$(16,319,194)</u>	<u>\$(16,927,165)</u>	<u>\$(19,157,345)</u>	<u>\$(21,153,369)</u>	<u>\$(22,734,601)</u>
Total primary government net expense	<u>\$(15,905,730)</u>	<u>\$(16,319,194)</u>	<u>\$(16,927,165)</u>	<u>\$(19,157,345)</u>	<u>\$(21,153,369)</u>	<u>\$(22,734,601)</u>
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
Property taxes	\$ 19,373,497	\$ 20,182,058	\$ 21,097,305	\$ 22,162,377	\$ 23,201,119	\$ 24,440,625
Unrestricted grants and contributions	126,878	181,035	161,784	186,127	232,743	234,137
Investment earnings	294,270	447,771	935,335	1,059,117	637,812	488,973
Gain on sale of capital assets	-	5,988	-	-	-	-
Miscellaneous	674,976	3,387,269	283,879	4,553,011	1,879,872	348,592
Total governmental activities	<u>\$ 20,469,621</u>	<u>\$ 24,204,121</u>	<u>\$ 22,478,303</u>	<u>\$ 27,960,632</u>	<u>\$ 25,951,546</u>	<u>\$ 25,512,327</u>
Change in Net Assets						
Governmental activities	<u>\$ 4,563,891</u>	<u>\$ 7,884,927</u>	<u>\$ 5,551,138</u>	<u>\$ 8,803,287</u>	<u>\$ 4,798,177</u>	<u>\$ 2,777,726</u>
Total primary government	<u>\$ 4,563,891</u>	<u>\$ 7,884,927</u>	<u>\$ 5,551,138</u>	<u>\$ 8,803,287</u>	<u>\$ 4,798,177</u>	<u>\$ 2,777,726</u>

¹⁾ The Maintenance department was moved from Park and recreation services to Business and facilities.

²⁾ The Planning department was moved from Business and facilities to its own division of Planning and development.

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General fund										
Reserved	\$ 63,190	\$ 85,892	\$ 97,385	\$ 79,403	\$ 79,403	\$ 103,878	\$ 120,398	\$ 75,840	\$ 112,826	\$ 116,712
Unreserved	1,307,427	1,479,102	1,886,055	2,898,542	2,607,151	2,908,752	3,818,904	4,261,281	4,548,093	4,185,875
Total general fund	<u>\$ 1,370,617</u>	<u>\$ 1,564,994</u>	<u>\$ 1,983,440</u>	<u>\$ 2,977,945</u>	<u>\$ 2,686,554</u>	<u>\$ 3,012,630</u>	<u>\$ 3,939,302</u>	<u>\$ 4,337,121</u>	<u>\$ 4,660,919</u>	<u>\$ 4,302,587</u>
All other governmental funds										
Reserved, reported in:										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,963	\$ 83,943	\$ 161,686	\$ 175,925
Debt service fund	698,122	762,918	716,921	593,822	540,896	484,716	460,511	418,913	338,212	255,341
Capital project fund	2,568,615	5,227,046	5,907,466	6,961,228	9,346,441	10,406,433	12,932,061	4,814,351	3,751,235	62,683,669
Total all other governmental funds	<u>\$ 3,266,737</u>	<u>\$ 5,989,964</u>	<u>\$ 6,624,387</u>	<u>\$ 7,555,050</u>	<u>\$ 9,887,337</u>	<u>\$ 10,891,149</u>	<u>\$ 13,459,535</u>	<u>\$ 5,317,207</u>	<u>\$ 4,251,133</u>	<u>\$ 63,114,935</u>

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Property taxes	\$16,789,450	\$17,283,357	\$18,132,823	\$18,764,080	\$19,387,604	\$20,297,846	\$ 21,124,084	\$22,095,939	\$23,064,951	\$24,227,511
Aquatic programs	1,844,093	1,926,237	2,199,690	2,466,690	2,446,928	2,679,791	2,787,489	2,820,884	2,070,276	2,236,943
Tennis center	478,032	463,812	491,865	520,341	543,968	582,343	594,451	630,856	779,947	798,424
Sports programs	595,598	622,421	685,015	667,529	696,659	644,289	648,302	676,849	756,520	991,443
Recreation programs	1,474,748	1,609,693	1,732,083	1,828,324	1,881,185	2,102,083	2,321,238	2,571,571	3,824,758	4,192,324
Grants and sponsorships	79,375	387,606	449,316	200,536	485,538	354,688	892,183	221,312	857,212	950,096
System development charges	2,085,594	2,519,168	2,344,257	2,140,110	2,843,150	3,767,526	3,165,261	2,283,436	1,775,241	1,406,672
Interest earned	577,339	738,697	385,934	306,427	294,270	442,698	924,540	1,074,988	632,735	488,973
Miscellaneous	337,451	223,500	127,366	108,984	204,176	181,759	210,989	267,646	342,161	378,292
Total revenues	24,261,680	25,774,491	26,548,349	27,003,021	28,783,478	31,053,023	32,668,537	32,643,481	34,103,801	35,670,678
Expenditures										
Board of Directors	\$ 72,139	\$ 108,329	\$ 83,586	\$ 92,333	\$ 105,476	\$ 136,597	\$ 170,390	\$ 187,210	\$ 151,139	\$ 252,707
Administration	374,170	531,106	863,456	1,001,986	924,767	1,143,146	1,236,566	1,141,833	1,599,223	1,449,070
Business and facilities	1,484,503	1,428,236	1,592,870	1,676,553	1,822,992	1,929,548	2,612,192	2,529,507	2,643,563	12,970,222
Planning and development	-	-	-	-	-	-	-	-	-	907,994
Park and recreation services	15,385,302	16,193,801	16,576,381	17,621,854	18,408,515	19,300,473	19,368,313	20,710,852	22,205,573	13,199,722
Capital outlay	4,590,355	1,678,110	3,514,136	3,139,365	3,318,043	4,943,286	2,823,615	12,772,256	5,334,604	4,471,549
Debt service										
Principal	1,226,562	1,343,946	1,426,102	1,512,856	1,493,910	1,672,785	1,782,000	1,880,000	1,958,000	2,061,000
Interest	1,561,957	1,596,061	1,450,442	1,332,050	1,268,879	1,180,270	1,196,923	1,127,798	990,961	1,345,100
Total expenditures	24,694,988	22,879,589	25,506,973	26,376,997	27,342,582	30,306,105	29,189,999	40,349,456	34,883,063	36,657,364
Excess of revenues over (under) expenditures	(433,308)	2,894,902	1,041,376	626,024	1,440,896	746,918	3,478,538	(7,705,975)	(779,262)	(986,686)
Other financing sources (uses)										
Debt issuance	1,670,000	-	-	200,000	600,000	340,000	-	2,515,383	-	58,505,000
Premiums on bonds issued	-	-	-	-	-	-	-	-	-	492,215
Sale of capital assets	-	-	-	1,117,126	-	358,495	-	-	-	494,941
Payment of refunded debt	-	-	-	-	-	(140,000)	-	(2,509,360)	-	-
Total other financing sources (uses)	1,670,000	-	-	1,317,126	600,000	558,495	-	6,023	-	59,492,156
Net change in fund balances	\$ 1,236,692	\$ 2,894,902	\$ 1,041,376	\$ 1,943,150	\$ 2,040,896	\$ 1,305,413	\$ 3,478,538	\$ (7,699,952)	\$ (779,262)	\$ 58,505,470
Debt service as a percentage of noncapita expenditures	16.1%	16.1%	15.0%	13.7%	12.8%	12.3%	12.5%	12.1%	9.9%	10.4%

¹⁾ The Maintenance department was moved from Park and recreation services to Business and facilities.

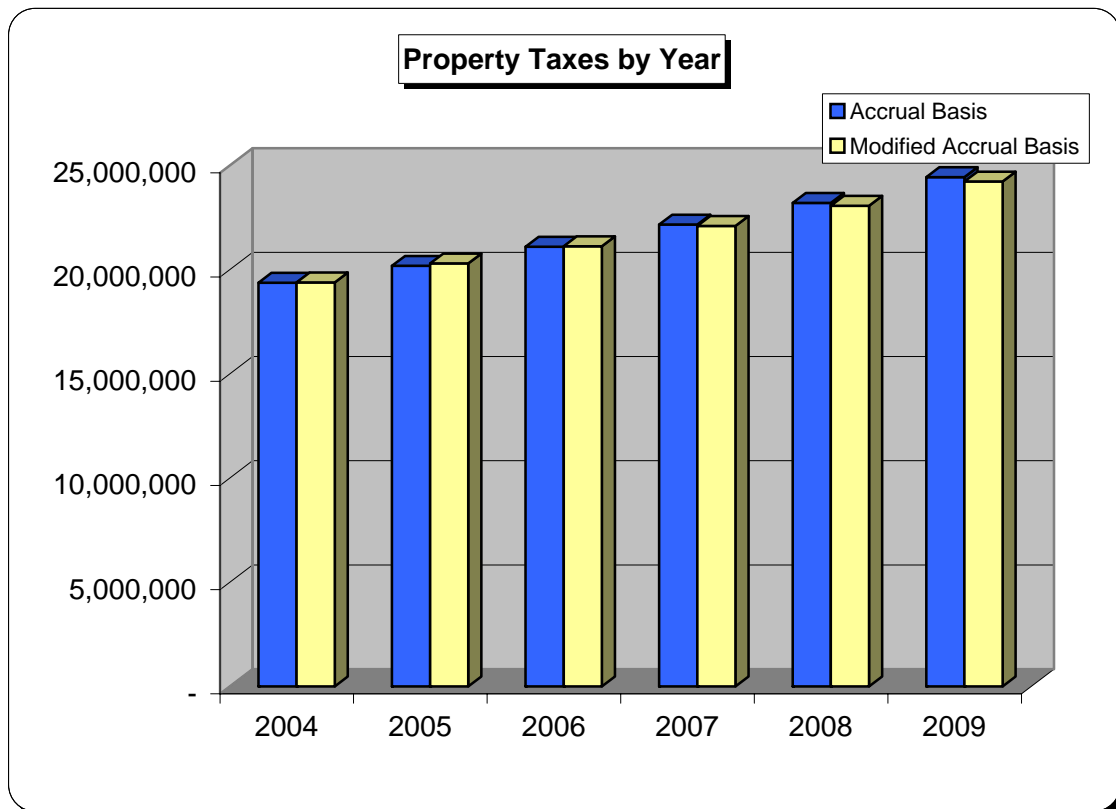
²⁾ The Planning department was moved from Business and facilities to its own division of Planning and development.

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

<u>Fiscal Year</u>	<u>Property Tax</u>
2004	19,373,497
2005	20,182,058
2006	21,097,305
2007	22,162,377
2008	23,201,119
2009	24,440,625

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

<u>Fiscal Year</u>	<u>Property Tax</u>
2004	19,387,604
2005	20,297,846
2006	21,124,084
2007	22,095,939
2008	23,064,951
2009	24,227,511



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

Fiscal Year Ended June 30	Real Property		Personal Property		Public Utilities		Total		Assessed Value as a Percentage of Market Value	Direct Tax Rate per \$1,000
	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value		
2004	17,331,674,917	12,643,746,560	623,322,326	621,958,774	401,969,062	401,855,424	18,356,966,305	13,667,560,758	74.45%	1.4636
2005	18,295,984,830	13,278,625,970	599,475,083	597,803,883	402,148,468	401,939,489	19,297,608,381	14,278,369,342	73.99%	1.4551
2006	20,177,301,764	13,987,126,670	571,487,358	569,723,772	397,350,279	396,980,470	21,146,139,401	14,953,830,912	70.72%	1.4505
2007	25,189,449,597	14,767,708,060	571,413,816	569,749,216	401,502,509	399,247,240	26,162,365,922	15,736,704,516	60.15%	1.4425
2008	27,801,627,008	15,557,016,280	607,128,846	605,124,136	409,574,071	404,696,250	28,818,329,925	16,566,836,666	57.49%	1.4341
2009	28,690,818,930	16,428,933,960	646,678,370	644,613,810	488,253,163	487,065,660	29,825,750,463	17,560,613,430	58.88%	1.4291

Source: Washington County, Department of Assessment and Taxation

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

	2004	2005	2006	2007	2008	2009
Direct Government:						
Tualatin Hills Park and Recreation District	1.4636	1.4551	1.4505	1.4425	1.4341	1.4291
Overlapping Government:						
Washington County	2.8953	2.8731	2.8395	2.4493	3.0331	2.9840
Washington County - Enhanced Patrol	1.1650	1.1424	1.1300	1.1120	1.0920	1.3099
Washington County - Road Maintenance	0.2456	0.2456	0.2456	0.2456	0.2456	0.2456
Washington County - RFPD #2	1.1219	1.1219	1.1219	1.1219	1.6919	1.7890
Northwest Regional ESD	0.1538	0.1538	0.1538	0.1538	0.1538	0.1538
Multnomah County ESD	0.4576	0.4576	0.4576	0.4576	0.4576	0.4576
Portland Community College	0.5118	0.5099	0.4950	0.4889	0.5051	0.5031
School District No. 48, Beaverton	8.0102	6.5968	7.9760	6.2900	6.7358	6.5643
School District No. 1J, Hillsboro	6.6651	6.7059	6.5835	6.5240	8.0581	7.1016
School District No. 1-1, Portland	7.1160	7.1792	4.7743	5.2781	6.5281	6.5281
School District - Hillsboro, Reedville Bonds	0.2985	0.3327	0.2556	0.2268	0.2493	0.2617
Tualatin Valley Water District - Wolf Creek	0.1439	0.0566	-	-	-	-
Tualatin Valley Water District - Metzger	0.2214	0.1335	-	-	-	-
Tualatin Valley Fire and Rescue District	1.8265	1.8259	1.8216	1.8194	1.8692	1.8434
Port of Portland	0.0701	0.0701	0.0701	0.0701	0.0701	0.0701
City of Beaverton	3.9736	4.1041	4.0135	4.2117	4.1841	4.1153
City of Hillsboro	4.7665	4.7665	4.7655	4.7665	4.7665	5.3865
City of Portland	7.7258	7.4957	7.3741	7.2395	7.2779	6.7554
Urban Renewal - Portland	0.9233	0.9324	0.9867	1.0022	1.0502	1.0508
Metro Service District	0.2900	0.2838	0.2841	0.2782	0.4292	0.3984
Tri Met	0.1080	0.1104	0.1191	0.0973	0.0856	0.0803

Rate per \$1,000 of assessed valuation

Source: Washington County, Department of Assessment and Taxation

Tualatin Hills Park and Recreation District
PRINCIPAL PROPERTY TAXPAYERS
June 30, 2009

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Nike, Inc.	\$ 355,774,882	1	2.15%	\$ 182,019,612	1	1.64%
Verizon Northwest, Inc.	203,095,506	2	1.23%	125,291,226	2	1.13%
Tektronix, Inc.	134,978,001	3	0.81%	137,624,579	3	1.24%
Maxim Integrated Products, Inc.	128,905,510	4	0.70%	71,246,240	5	0.64%
ERP Operating LP	115,412,910	5	0.81%	-	-	-
Portland General Electric	111,872,330	6	0.68%	76,005,900	4	0.68%
PS Business Parks LP	102,805,926	7	0.62%	-	-	-
Northwest Natural Gas Co.	83,322,900	8	0.50%	51,998,780	6	0.47%
Bernard Properties Partnership	56,247,700	9	0.34%	-	-	-
EOP-Nimbus Corp.	52,362,820	10	0.32%	-	-	-
Talcott Realty Limited Partnership	-	-	-	46,704,270	7	0.42%
Spieker Properties	-	-	-	40,132,070	8	0.36%
TCR #526 Murray North Ltd.	-	-	-	35,442,030	9	0.32%
Sequent Computer Systems	-	-	-	37,197,739	10	0.33%
All other tax payers	15,222,058,181		91.84%	10,319,742,156		92.78%
Totals	<u>\$16,566,836,666</u>		<u>100.00%</u>	<u>\$11,123,404,602</u>		<u>100.00%</u>

Source: Washington County, Department of Assessment and Taxation

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 17,375,448	\$ 16,299,804	93.8%	\$ 562,138	\$ 16,861,942	97.0%
2001	17,780,348	16,809,720	94.5%	450,291	17,260,011	97.1%
2002	18,661,846	17,650,433	94.6%	446,939	18,097,372	97.0%
2003	19,374,729	18,307,900	94.5%	504,596	18,812,496	97.1%
2004	20,039,878	18,939,817	94.5%	512,221	19,452,038	97.1%
2005	20,804,534	19,749,164	94.9%	438,222	20,187,386	97.0%
2006	21,736,219	20,672,358	95.1%	404,213	21,076,571	97.0%
2007	22,775,894	21,687,609	95.2%	400,839	22,088,448	97.0%
2008	23,818,049	22,614,565	94.9%	235,327	22,849,892	95.9%
2009	25,095,569	23,896,079	95.2%	-	23,896,079	95.2%

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income ^{a)}	Per Capita ^{b)}
	General Obligation Bonds	Lease Contracts and Certificates of Participation	Loans Payable			
2004	\$ 17,830,000	\$ 3,850,000	\$ 763,776	\$ 22,443,776	0.138%	\$ 107
2005	16,605,000	3,540,000	826,000	20,971,000	0.124%	98
2006	15,310,000	3,210,000	669,000	19,189,000	0.103%	89
2007	13,935,000	2,935,000	509,000	17,379,000	0.087%	79
2008	12,495,000	2,580,000	346,000	15,421,000	n/a	69
2009	69,490,000	2,195,000	180,000	71,865,000	n/a	315

n/a - not available at time of printing

^{a)} based on Washington County total population

^{b)} based on estimated population of District

Source: State of Oregon, OLMIS

Portland State University Center for Population Research and Census

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

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita ^{a)}
2004	\$ 17,830,000	\$ 540,896	\$ 17,289,104	0.13%	\$ 82.41
2005	16,605,000	484,716	16,120,284	0.11%	75.66
2006	15,310,000	460,511	14,849,489	0.10%	68.52
2007	13,935,000	418,913	13,516,087	0.09%	61.32
2008	12,495,000	338,212	12,156,788	0.07%	54.22
2009	69,490,000	255,341	69,234,659	0.39%	303.63

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

Source: Portland State University Center for Population Research and Census

Tualatin Hills Park and Recreation District
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2009

<u>Overlapping Government</u>	<u>Overlapping Debt</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Overlapping Net Direct Debt</u>
Debt repaid with property taxes:			
Tualatin Hills Park and Recreation District	\$ 69,490,000	100.0000%	\$ 69,490,000
Metro	25,545,781	13.6123%	3,477,368
Tri-Met	4,987,334	13.7090%	683,714
Portland Community College	40,532,546	17.2961%	7,010,550
City of Portland	6,236	0.0064%	0
Washington County	1,202,726	40.5641%	487,875
Tualatin Valley Fire & Rescue District	12,823,974	44.2206%	5,670,838
School District No. 23, Tigard-Tualatin	1,036	0.0008%	0
School District No. 48, Beaverton	342,344,765	81.7862%	279,990,774
School District No. 1J, Hillsboro	9,581,680	3.6163%	346,502
School District - Hillsboro, Reedville Bonds	9,245	1.1929%	110
School District No. 1J, Portland	71,587	0.4744%	340
Other Debt			
Tualatin Hills Park and Recreation District	\$ 2,375,000	100.0000%	\$ 2,375,000
Metro	9,665,413	13.6123%	1,315,685
Portland Community College	33,050,252	17.2961%	5,716,405
City of Portland	39,020	0.0064%	2
Washington County	32,433,026	40.5641%	13,156,165
Tualatin Valley Fire & Rescue District	7,959,708	44.2206%	3,519,831
School District No. 23, Tigard-Tualatin	44	0.0008%	0
School District No. 48, Beaverton	148,217,041	81.7862%	121,221,086
School District No. 1J, Hillsboro	3,700,559	3.6163%	133,823
Northwest Regional ESD	2,318,745	30.5500%	708,377
School District No. 1J, Portland	2,208,909	0.4744%	10,479
Multnomah ESD	124,885	0.3395%	424
Port of Portland	8,928,307	12.3463%	1,102,316
City of Beaverton	12,975,426	98.9735%	12,842,233
City of Hillsboro	485,408	1.9692%	9,559
Total direct and overlapping debt	<u>\$ 771,078,653</u>		<u>\$ 529,269,456</u>

Source: Oregon State Treasury, Municipal Debt Information System

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 360,631,581	\$ 385,768,952	\$ 413,529,795	\$ 432,893,989	\$ 458,924,158	\$ 482,440,210	\$ 528,653,485	\$ 654,059,148	\$ 720,458,248	\$ 745,643,762
Total net debt application to limit	22,105,000	21,125,000	20,085,000	18,990,000	17,830,000	16,605,000	15,310,000	13,935,000	12,495,000	69,490,000
Legal debt margin	<u>\$ 338,526,581</u>	<u>\$ 364,643,952</u>	<u>\$ 393,444,795</u>	<u>\$ 413,903,989</u>	<u>\$ 441,094,158</u>	<u>\$ 465,835,210</u>	<u>\$ 513,343,485</u>	<u>\$ 640,124,148</u>	<u>\$ 707,963,248</u>	<u>\$ 676,153,762</u>
Total net debt applicable to the limit as a percentage of debt limit	6.13%	5.48%	4.86%	4.39%	3.89%	3.44%	2.90%	2.13%	1.73%	9.32%

Legal Debt Margin Calculation for Fiscal Year 2009

Real market value (2008-09)	\$29,825,750,463
General obligation debt capacity (2.5% of Real market value)	745,643,762
Less: Outstanding debt	<u>69,490,000</u>
Remaining legal debt capacity	<u>\$ 676,153,762</u>

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

Fiscal Year	District Population (estimated)	Washington County				
		Population (estimated) ^{a)}	Personal Income (amounts expressed in thousands) ^{b)}	Per Capita Personal Income ^{b)}	Unemployment Rate ^{c)}	School Enrollment ^{d)}
2004	209,800	480,200	\$ 16,366,000	\$ 33,546	7.3%	35,329
2005	213,073	489,785	17,338,000	34,626	6.2%	36,502
2006	216,717	500,585	18,607,666	36,259	5.3%	36,646
2007	220,422	511,075	19,945,179	38,371	4.8%	37,958
2008	224,192	519,925	n/a	n/a	4.9%	37,552
2009	228,025	n/a	n/a	n/a	10.1%	37,536

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

n/a data not available at time of printing

Tualatin Hills Park and Recreation District
PRINCIPAL EMPLOYERS IN WASHINGTON COUNTY
June 30, 2009

2009

Taxpayer	Employees	Rank	Percentage of Total County Employment	Product or Service
Intel Corporation	15,000	1	6.4%	Component manufacturer
Nike, Inc *	6,500	2	2.8%	Athletic footwear and apparel
Beaverton School District *	5,000	3	2.1%	Education
Providence Healthcare System	3,850	4	1.6%	Health care - St. Vincent's Hospital
Target Stores	3,850	5	1.6%	Retail chain
Shari's Restaurants *	3,700	6	1.6%	Restaurant chain
Hillsboro School District	2,400	7	1.0%	Education
Home Depot	2,000	8	0.9%	Home improvement
Tektronix *	1,900	9	0.8%	Test and measurement products
Kaiser Permanente *	1,850	10	0.8%	Health care
Rite Aid Corporation *	1,600	11	0.7%	Drug store chain
Xerox Office Business Group	1,550	12	0.7%	Technology and services enterprise vendor
TriQuint Semiconductor	1,500	13	0.6%	Semiconductors
Tuality Healthcare	1,350	14	0.6%	Health care
Totals	52,050		22.3%	

* Majority of employees within District Boundaries

Source: Westside Economic Alliance
Oregon Employment Department
(information not available for FY 2000)

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

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Function						
Administration						
Administration	4	6	6	6	6	2
Communication and development	2	2	2	2	5	6
Security operations	1	3	3	3	4	4
Business and facilities:						
Director	2	2	3	3	1	4
Finance services	6	6	6	6	6	6
Information services	4	4	4	5	5	5
Human resources	1	1	1	1	2	3
Risk and contract management	4	4	4	4	2	2
Planning and development						
Director	-	-	-	-	-	1
Planning and development	6	6	6	6	6	6
Parks and recreation:						
Director	3	3	3	3	2	2
Aquatics	72	77	78	78	81	82
Sports	29	29	31	29	31	31
Programs and special activities	38	38	38	38	40	41
Recreation	91	91	92	93	97	104
Natural Resources and Trails	11	12	13	13	14	17
Maintenance:						
Operations	3	3	4	4	4	3
Park maintenance	35	36	38	44	44	45
Vehicles and equipment	6	6	6	6	6	6
Athletic facilities	17	17	17	17	21	20
Building and pool maintenance	41	43	43	44	44	47
Total full-time equivalent employees	<u>376</u>	<u>389</u>	<u>398</u>	<u>405</u>	<u>421</u>	<u>437</u>

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

	<u>2004 actual</u>	<u>2005 actual</u>	<u>2006 actual</u>	<u>2007 actual</u>	<u>2008 actual</u>	<u>2009 estimate</u>
Parks and Recreation						
Cultural and recreational activities:						
Aquatics						
Attendance at open/drop-in programs and classes	530,601	560,172	556,976	531,225	577,934	554,050
Number of classes held	4,625	4,551	5,326	5,019	4,722	4,920
Sports ¹⁾						
Attendance at open/drop-in programs and classes	n/a	n/a	690,838	814,653	1,085,700	1,087,000
Number of classes held	434	471	522	521	512	520
Recreation						
Attendance at open/drop-in programs and classes	712,733	764,689	716,205	731,157	740,206	752,000
Number of classes held	4,921	6,387	4,377	4,556	4,802	4,723
Programs and special activities						
Attendance at open/drop-in programs and classes	294,532	317,539	334,601	338,275	342,314	345,268
Number of classes held	1,162	1,287	1,361	1,366	1,185	1,291
Natural Resources and trails						
Attendance at open/drop-in programs and classes	144,317	177,451	241,329	249,159	195,018	220,000
Number of classes held	187	239	263	278	293	300
Maintenance activities:						
Buildings maintained (shown per 1,000 sq. ft)	326	326	326	326	355	366
Cost per sq. ft. of buildings	\$6.15	\$6.51	\$7.22	\$7.66	\$6.21	\$7.28
Pool facilities maintained (shown per 1,000 sq. ft.)	152	152	152	152	152	152
Cost per sq. ft. of pools	\$9.34	\$9.18	\$10.42	\$11.42	\$14.71	\$12.03
Parks maintained - developed acres	915	1,028	1,028	1,041	1,076	1,076
Cost per developed acre	\$2,586.00	\$2,290.00	\$2,290.00	\$2,523.00	\$2,560.00	\$2,595.00
Parks maintained - undeveloped acres	851	749	749	848	859	873
Cost per undeveloped acre	\$146.00	\$165.00	\$165.00	\$163.00	\$169.00	\$168.00
Vehicle and equipment units maintained	332	340	354	389	413	419
Cost per vehicle and equipment unit	\$1,901.00	\$1,853.00	\$1,768.00	\$1,800.00	\$1,752.00	\$1,840.00

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

Tualatin Hills Park and Recreation District
CAPITAL ASSET STATISTICS BY FUNCTION
June 30, 2009

Parks and Recreation:

Number of parks	253
Park acreage:	
Developed sites (neighborhood, community and regional parks)	1,080
Undeveloped sites (wetlands and natural areas)	863
Pathways and trails mileage	32
Lakes	3
Stream corridor mileage	27
Facilities:	
Swim Centers:	
Indoor	6
Outdoor	2
Recreation Centers	2
Athletic Center	1
Senior Center	1
Historical Facilities (weddings, meetings, community events)	3
Interpretive Centers/Nature Parks	2
Tennis Center	1
Camp Rivendale (developmentally disabled patrons)	1
Fields and courts:	
Tennis:	
Indoor	14
Outdoor ¹⁾	105
Basketball:	
Indoor	6
Outdoor ¹⁾	123
Volleyball ¹⁾	5
Sports fields: ¹⁾	
Soccer/football/lacrosse	188
Softball/baseball	109
Bocce	3
Hockey	1
Indoor running track	1
Skate Park	2

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

AUDIT COMMENTS AND REQUIRED DISCLOSURES

**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

December 16, 2009

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

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information and the budgetary comparison for the General Fund of the Tualatin Hills Park and Recreation District (the District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Minimum Standards for Audits of Oregon Municipal Corporations*.

ACCOUNTING RECORDS

The District's accounting records were reasonably maintained and adequate to support our audit of the basic financial statements.

INTERNAL CONTROL OVER FINANCIAL REPORTING

We considered the District'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 communication of significant deficiencies and material weaknesses in internal control over financial reporting, in a letter to the Board of Directors dated December 16, 2009. We have also issued, under separate cover, a letter of recommendations to management, dated December 16, 2009.

COLLATERAL

The District has complied with Oregon Revised Statutes (ORS) Chapter 295 in relation to deposit accounts.

INVESTMENTS

Public funds appear to be invested in compliance with ORS Chapter 294.

INDEBTEDNESS

The general obligation bonded debt of the District is in compliance with the limitation imposed by ORS. We noted no defaults in principal, interest, sinking fund or redemption provisions with respect to any of the District's bonded debt, and no breach of the bond agreements, at June 30, 2009.

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

Page 2

BUDGET

The District appears to have complied in all material respects 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, 2009, and the preparation and adoption of its budget for the year ending June 30, 2010.

INSURANCE AND FIDELITY BONDS

We have reviewed the District's legally required insurance and fidelity bond coverage at June 30, 2009. 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 District's property at June 30, 2009.

PROGRAMS FUNDED BY OUTSIDE SOURCES

We reviewed the District's compliance with appropriate laws, rules, and regulations that could have material impact on the basic financial statements for programs funded wholly or partially by other governmental agencies. The District is in compliance with the guidelines in all material respects.

PUBLIC CONTRACTS AND PURCHASING

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

OTHER

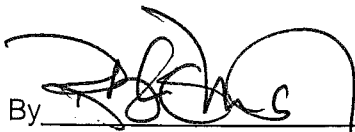
The following audit comments and disclosures do not apply to the District:

- Highway funds
- State School Fund

* * * * *

This report is intended solely for the information of the Board of Directors, management and the Oregon Secretary of State Audits Division 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

