



Comprehensive Annual Financial Report



For the fiscal year ending June 30, 2010

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

**INTRODUCTORY
SECTION**

SECTION I

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WASHINGTON COUNTY, OREGON

Principal Officials

Commissioners as of June 30, 2010

<u>Name</u>	<u>Term Expires</u>
Tom Brian, Chair Commissioner-At-Large	December 31, 2010
Roy Rogers, Vice Chair District 3	December 31, 2012
Andy Duyck, District 4	December 31, 2010
Dick Schouten District 1	December 31, 2012
Desari Strader District 2	December 31, 2010

Administrative Staff

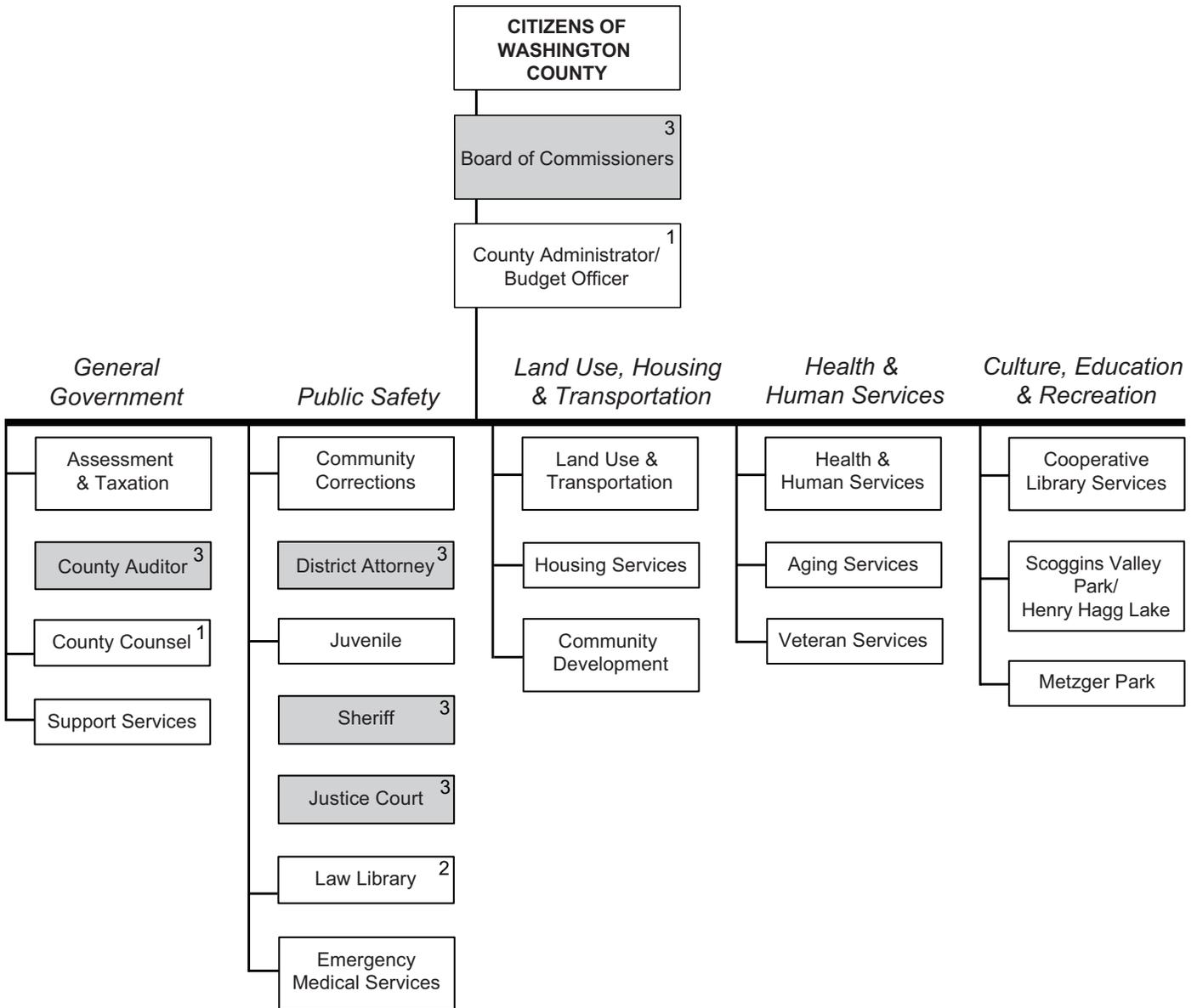
Robert Davis, County Administrator
Don Bohn, Assistant County Administrator
Rob Massar, Assistant County Administrator
Mary Gruss, Chief Finance Officer
Roger Dawes, Controller

Administrative Offices

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

WASHINGTON COUNTY, OREGON

Organizational Chart



1. Appointed by County Commissioner

2. Appointed by Circuit Court

3. Gray boxes denote elected positions

*Unless otherwise indicated, department heads are appointed by, and responsible to, the County Administrator.



December 17, 2010

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year, unless extended, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2010.

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

Talbot, Korvola & Warwick, LLP have issued an unqualified (clean) opinion on Washington County's financial statements for the fiscal year ended June 30, 2010. The independent auditor's report is located at the front of the financial section of this report.

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

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

Profile of the County

Washington County was incorporated in 1849 and is located in the northwestern part of Oregon, south of the Columbia River and immediately to the west of Portland, the State's largest city. The County is the second largest in the State and encompasses 727 square miles and serves a population of approximately 527,000. Most local governments, including the County, have permanent authority to levy property taxes for operations at a maximum tax rate (permanent tax rate). All property tax levies exceeding the permanent tax rate require voter approval at a general election; levies funding operating levies are limited to five years, and levies dedicated to capital

Department of Support Services · Finance Division

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expenditures are limited to ten years, and levies to pay general obligation bonds are limited by the debt service requirements of the bonds.

Washington County operates under a home rule charter initially adopted by voters in November 1962; voters approved a general revision and update of the charter in November 2008. The County is governed by a Board of five commissioners elected for four-year overlapping terms. Four are elected from districts, and the Board Chair is elected at-large. The County Administrator is hired by the Board of County Commissioners and exercises administrative direction, based on Board policy. The Sheriff, Auditor and District Attorney are elected officials.

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

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

Local Economy

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

Currently, manufacturing accounts for 17% of the total non-farm employment in the Portland PMSA, while trade, transportation and utilities accounts for 20%, government jobs 10%, professional and business services 14%, education and health services 12%, and leisure and hospitality 8%.

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

Company	Products/Services	Location	Number of Employees
Intel Corporation	Semiconductor integrated circuits	Hillsboro	16,740
Nike, Inc.	Athletic footwear and apparen	Beaverton	7,648
Beaverton School District	Education	Beaverton	4,100
Providence St. Vincent Hospital	Health Care	Portland	3,850
Target Stores	Retail chain	Tualatin	3,843
Hillsboro School District	Education	Hillsboro	2,267
Tektronix	Electronics	Beaverton	2,000
Home Depot	Home improvement	Tigard	2,000
Kaiser Permanente	Health Care	various	1,850
Washington County	Government	Hillsboro	1,810
Rite Aid Corporation	Drug store chain	Beaverton	1,600
Xerox Office Business Group	Technology and services enterprise vendor	Wilsonville	1,600
TriQuint Semiconductor	Semiconductors	Hillsboro	1,500
Tuality Healthcare	Health Care	Hillsboro	1,407
Shari's Restaurants	Restaurant chain	Beaverton	1,200

Source: Westside Economic Alliance, August 2009

The Strategic Investments Program (“SIP”) was authorized by the Legislative Assembly in 1993 to provide tax incentives for capital-intensive investments by firms in Oregon’s key industries, particularly in the high technology and metals industries. SIP recipients receive a tax break on the assessed value of new construction over \$100 million for 15 years. The \$100 million cap on assessed value increases by 6% per year. SIP recipients pay an annual Community Service Fee which is equal to one-fourth of the value of the tax break and which is allocated to local governments. Allocation is determined by negotiation of the local governments. The Community Service Fee is not considered a property tax and thus is outside of the Constitutional property tax rate limitations. Intel Corporation and Integrated Device Technology are both SIP recipients for properties within the County. The County received \$5,820 in SIP revenues in 2006-07, \$4,914 in 2007-08, \$5,644 in 2008-09, \$5,482 in 2009-10, and budgeted for \$5,208 in 2010-11 (*dollars in 000's*).

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

Year	Washington County		State of Oregon	
	Personal Income (\$ 000's omitted)	Per Capita Income	Personal Income (\$ 000's omitted)	Per Capita Income
2010	Not available	Not available	138,203,000	35,667
2009	\$ 21,185,612	40,747	136,276,807	35,956
2008	19,945,179	38,371	131,277,786	35,143
2007	18,766,887	36,731	123,857,159	33,648
2006	17,327,778	34,784	114,379,155	31,580
2005	16,120,965	33,168	109,717,646	30,679
2004	15,418,518	32,214	105,160,987	29,607
2003	14,972,521	31,740	101,881,884	28,960

Source: Portland State University Population Research Center and Bureau of Economic Analysis

Long term financial planning

The 2010-11 adopted budget included General Fund reserves of \$27 million or 16 percent of the adopted General Fund revenues. In March 2007 the Board adopted a policy to maintain a reserve of 20% or more and not less than 15% of General Fund revenues. Currently the five-year forecast shows a declining fund balance. Executive management will work with departments to reduce operating expenses in an effort to meet the upper reserve amount at each fiscal year end. The Board will be updated on the General Fund forecast, and other funds as deemed appropriate, quarterly.

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

Relevant financial policies

Cash Management

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

Debt Management

The County has the following outstanding obligations – general obligation (GO) bonds, limited tax bonded indebtedness, notes, contracts, and revenue bonds. The County's current GO rating from Moody's and S&P (Standard & Poor's) are Aaa1 and AA+, respectively; and Aa2 by Moody's for limited tax bonded indebtedness (backed by the full faith and credit of the County). The revenue bond rating for the County's component unit – Clean Water Services – was Aa2 from Moody's and AA from S&P. The Finance Division manages the County's debt and is responsible for evaluating funding needs and determining the appropriate means to raise necessary funds.

Independent Audit

Pursuant to the Oregon Municipal Audit Law, ORS 297.405-297.555 all Oregon counties must obtain an audit annually. The required audit may be performed by the State Division of Audits or by independent public accountants certified by the State as capable of auditing municipal corporations. The accounting firm of Talbot, Korvola & Warwick, LLP conducted the audit for the fiscal year ended June 30, 2010.

Risk Management

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

Major initiatives

The County has a Major Streets and Transportation Improvement Program (MSTIP) that is funded from the permanent tax rate. The 2010-11 budget includes \$33 million for this program from the County's property tax collections. This program currently consists of a number of projects to widen and improve existing roadways to accommodate increased traffic volume and provide additional traffic safety. The County has also developed an interim list of projects to continue the program while the next generation of projects are developed through a public process.

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

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

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

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

Voters renewed a County-wide public safety local option tax in November 2010. The levy generates an estimated \$106 million over the five years. Funds are used for enhanced public safety activities and include continued funding for an estimated 122 positions including patrol, corrections, district attorney and the 911 center. The existing levy expires June 30, 2011. In addition, the voters at the same election approved a local option property tax levy for the Countywide Library system. The levy will generate an estimated \$42 million over the five years. The renewed levies begin July 1, 2011 and expire June 30, 2016.

The County entered into a new SIP program with Intel in 2005. The new program covers potential investment of \$25 million to commence when the 1999 SIP agreement reaches the limits of its current investment ceiling; the agreement went into effect July 1, 2010 with the first payment due December 1, 2010, and will end in 2025-26. The intent of the 2005 SIP is to extend the competitive tax structure in the County that is essential for Intel to provide high-value, family wage jobs in Oregon and continue to contribute to the State's quality of life. Obligations from Intel are similar to the 1999 agreement providing for guaranteed annual payments, a community service fee, and fee in lieu of property taxes; with funds being split with other jurisdictions. The County will receive an estimated \$115 million over the life of this agreement.

Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to Washington County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. This was the twenty-fourth consecutive year the County received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Mary E. Gruss
Chief Finance Officer

Roger Dawes
Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Washington County
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



A stylized handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

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Executive Director

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**WASHINGTON COUNTY,
OREGON**

**FINANCIAL
SECTION**

SECTION II

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INDEPENDENT AUDITOR'S REPORT

December 17, 2010

Board of Commissioners
Washington County
Hillsboro, Oregon

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Portland, Oregon 97239-3973

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We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washington County, Oregon (the County), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the business-type activities of Clean Water Services (the District), a component unit of the County, which is both presented as a major fund, and is 94 percent, 98 percent, and 78 percent, respectively, of the assets, net assets, and revenues of business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the District is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about, whether the financial statements are free of material misstatement. An audit includes 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 County'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 based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2010, and the respective changes in financial position and the cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (Continued)

Board of Commissioners
Washington County
December 17, 2010

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2010, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

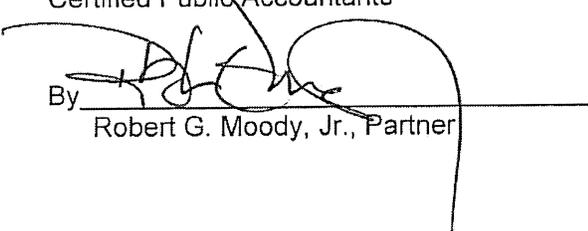
The budgetary comparison information for the General Fund and major special revenue funds, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.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

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

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

TALBOT, KORVOLA & WARWICK, LLP
Certified Public Accountants

By


Robert G. Moody, Jr., Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

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WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

As management of Washington County, we offer readers of Washington County's financial statements this narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-8 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

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

Financial Highlights

- The assets of Washington County exceeded its liabilities at June 30, 2010 by \$2,836,269. Net assets invested in capital assets (net of depreciation and related debt) were \$2,504,311 and account for 88% of total net assets. Of the remaining net assets, \$268,376 may be used to meet the County's ongoing obligations to citizens and creditors.
- As of June 30, 2010, Washington County's governmental funds reported combined unreserved ending fund balances of \$175,979.
- Unreserved fund balance for the General Fund was \$33,874 at June 30, 2010, amounting to 31.3% of total General Fund expenditures for 2010.
- Unreserved fund balance for the Major Streets Transportation Improvement Program III Fund (MSTIP III) was \$44,399 at June 30, 2010, amounting to 130.8% of total MSTIP III expenditures. Unreserved fund balance for the Road Fund was \$13,265 at June 30, 2010, amounting to 49.0% of total Road Fund expenditures. Unreserved fund balance for the Human Services Fund was \$3,253 or 15.2% of fund expenditures. The HOME fund had a fund deficit of \$2.
- Washington County has issued general obligation bonds for capital construction, capital acquisition, and refunding bonds to refund prior bond issuances with higher interest rates. The bonds are payable through fiscal year 2014. All the general obligation bonds and refunding bonds will be paid with property tax revenues.
- Clean Water Services (the District) has issued sewer revenue bonds for capital expansion of the sewer treatment plants and collection system. The bonds are payable through fiscal year 2036. All the sewer revenue bonds will be paid with the District's net revenue as defined in the bond indenture agreements.
- The County refinanced revenue bonds for acquiring and rehabilitating low-income housing. The refunding obligations are payable through fiscal year 2045.
- Washington County's governmental activities total general obligation debt at June 30, 2010 was \$23,325, with a remaining capacity for voter-approved debt at \$1,486,921. Total non-voter approved full faith and credit debt at June 30, 2010 was \$79,715, with remaining capacity for this type of debt at \$675,408.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

Overview of the Financial Statements

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

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

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

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

The government-wide financial statements include not only Washington County itself (known as the *primary government*), but also legally separate utility, road maintenance, patrol and lighting service districts, and a housing authority for which the County is financially accountable.

The government-wide financial statements can be found on pages 23 and 24 of this report.

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 County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

statements. By doing so, readers may better understand the long-term impact of the County's long-term financing decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and governmental activities.

The County maintains fifty-six individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, HOME fund, Human Services Fund, Major Streets Transportation Improvement Program III Fund, and Road Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 25 and 27 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 29 through 31 of this report.

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

The basic fiduciary fund financial statements can be found on pages 32 and 33 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34 through 77 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Washington

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

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County's major governmental funds. Required supplementary information can be found beginning on page 78 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on major governmental funds. Combining and individual fund statements and schedule can be found on pages 81 through 152 of this report.

Government-wide Financial Analysis.

As noted earlier, over time net assets may serve as a useful indicator of a government's financial position. In the case of Washington County, assets exceeded liabilities by \$2,836,269 at the close of the most recent fiscal year.

**Washington County, Oregon
Statement of Net Assets**

	<u>Government activities</u>		<u>Business-type activities</u>		<u>Totals</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current assets	\$ 40,807	75,337	206,854	137,871	247,661	213,208
Noncurrent assets	245,661	217,658	20,233	20,578	265,894	238,236
Capital assets (net of depreciation)	2,214,467	2,249,316	619,769	605,874	2,834,236	2,855,190
Total assets	<u>2,500,935</u>	<u>2,542,311</u>	<u>846,856</u>	<u>764,323</u>	<u>3,347,791</u>	<u>3,306,634</u>
Current liabilities	63,654	65,555	51,151	52,071	114,805	117,626
Noncurrent liabilities	102,079	110,331	294,638	217,312	396,717	327,643
Total liabilities	<u>165,733</u>	<u>175,886</u>	<u>345,789</u>	<u>269,383</u>	<u>511,522</u>	<u>445,269</u>
Net assets:						
Invested in capital assets, net of related debt	2,108,850	2,134,940	395,461	389,728	2,504,311	2,524,668
Restricted	6,530	935	57,052	52,406	63,582	53,341
Unrestricted	<u>219,822</u>	<u>230,550</u>	<u>48,554</u>	<u>52,806</u>	<u>268,376</u>	<u>283,356</u>
Total net assets	<u>\$ 2,335,202</u>	<u>2,366,425</u>	<u>501,067</u>	<u>494,940</u>	<u>2,836,269</u>	<u>2,861,365</u>

By far the largest portion of the County's net assets (88%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Washington County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (2.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$268,376) may be used to meet the County's ongoing obligations to citizens and creditors.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

There was an increase of \$4,646 in restricted net assets reported in connection with the County's business-type activities. Key elements of this increase are as follows:

- Clean Water Service's restricted net assets increased by \$6,860, which is the result of reserve requirements for the 2008-09 Series 2009A debt issue and a Series 2010A and 2010B issued in the current year.
- The Housing Authority of Washington County's restricted net assets decreased by \$2,214. A portion of that decrease relates to the release of restrictions imposed by the Department of Housing and Urban Development (HUD).

The County's net assets decreased by \$25,096 during the current fiscal year; the result of a \$6,127 increase in business-type activity net assets and a corresponding \$31,223 decrease in governmental activity net assets.

Governmental activities. Governmental activities decreased the County's net assets by \$31,223. Key elements of this decrease are as follows:

- Public Safety and Justice's net assets increased by \$5,282; \$2,798 of which is attributable to current year net proceeds from operations within the Local Option Levy fund and \$2,484 of which is the result of current year net proceeds within the Enhanced Sheriff's Patrol District.
- Land Use, Housing, and Transportation net assets decreased by approximately \$10,016 during the current year; \$7,516 of which can be attributed to increased construction and project activity costs within the Major Streets Transportation Improvement Program. The remaining \$2,500 decrease in net assets can be attributed to a decrease in revenues from permits and charges for services.
- Fund balance within the County's General Fund increased by \$1,245 during the current year, which can be attributed to a decrease in total expenditures of \$3,494, an increase in total revenues of \$1,913, a reduction in amounts due from Local Option Levy fund of \$2,000, and a net decrease in other financing sources/uses of \$4,554.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

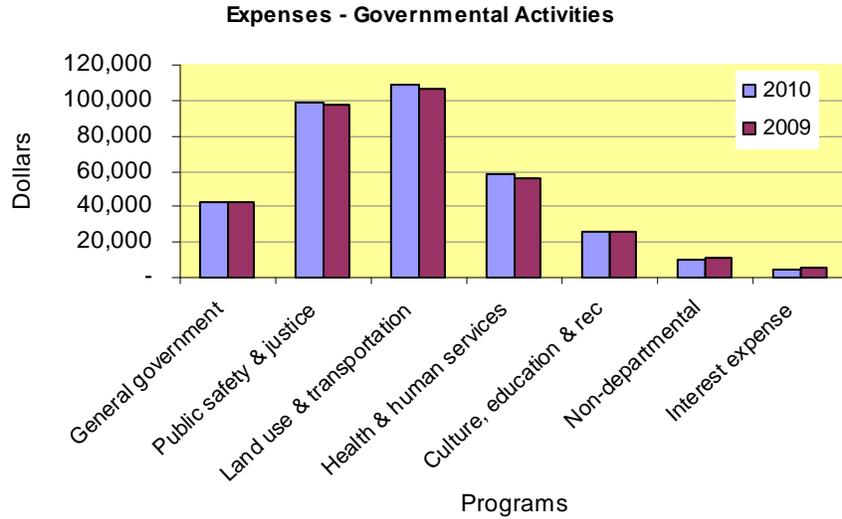
**Washington County, Oregon
Changes in Net Assets**

	Government activities		Business-type activities		Totals	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for services	\$ 61,303	60,282	103,833	96,512	165,136	156,794
Operating grants and contributions	92,531	91,902	20,855	20,141	113,386	112,043
Capital grants and contributions	686	1,851	6,803	16,629	7,489	18,480
General Revenues						
Taxes	161,082	156,210	-	-	161,082	156,210
Interest income	3,197	8,247	1,514	2,636	4,711	10,883
Miscellaneous revenue	419	13,024	(70)	-	349	13,024
Gain on disposal of capital assets	-	-	418	1,031	418	1,031
Loss on equity in joint venture	-	-	-	(70)	-	(70)
Total revenues	<u>319,218</u>	<u>331,516</u>	<u>133,353</u>	<u>136,879</u>	<u>452,571</u>	<u>468,395</u>
Program Expenses						
General government	42,869	42,319	-	-	42,869	42,319
Public safety and justice	98,562	97,512	-	-	98,562	97,512
Land use, housing and transportation	108,616	106,306	28,132	27,421	136,748	133,727
Health and human services	58,467	56,474	-	-	58,467	56,474
Culture, education and recreation	26,261	25,728	-	-	26,261	25,728
Sanitation and surface water	-	-	97,252	91,279	97,252	91,279
Street lighting	-	-	1,842	1,856	1,842	1,856
Non-departmental	10,653	11,663	-	-	10,653	11,663
Interest expense	5,013	5,665	-	-	5,013	5,665
Total expenses	<u>350,441</u>	<u>345,667</u>	<u>127,226</u>	<u>120,556</u>	<u>477,667</u>	<u>466,223</u>
Change in net assets	<u>(31,223)</u>	<u>(14,151)</u>	<u>6,127</u>	<u>16,323</u>	<u>(25,096)</u>	<u>2,172</u>
Net assets beginning of year	2,366,425	2,381,569	494,940	478,617	2,861,365	2,860,186
Restatement - See <i>Pollution Remediation note</i>	-	(993)	-	-	-	(993)
Net assets, beginning of year, as restated	<u>2,366,425</u>	<u>2,380,576</u>	<u>494,940</u>	<u>478,617</u>	<u>2,861,365</u>	<u>2,859,193</u>
Net assets end of year	<u>\$ 2,335,202</u>	<u>2,366,425</u>	<u>501,067</u>	<u>494,940</u>	<u>2,836,269</u>	<u>2,861,365</u>

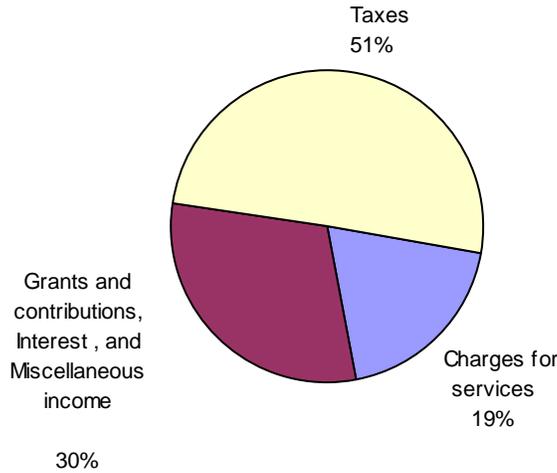
WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010



Revenues by Source - Governmental Activities



Business-type activities. Business-type activities increased the County's net assets by \$6,127. Key elements of this increase are as follows:

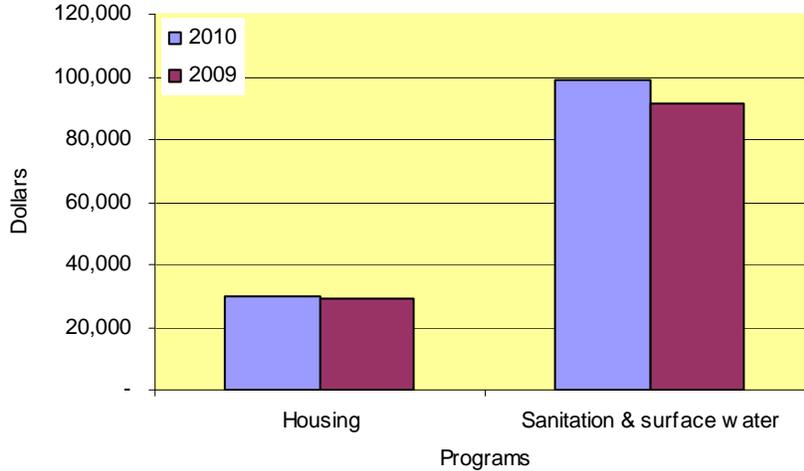
- Clean Water Services total net assets increased by \$6,527 during fiscal year 2010, mainly due to capital contributions from developers of \$6,101.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

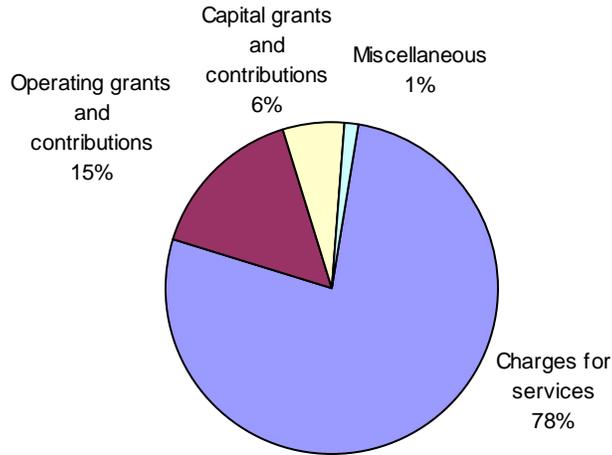
JUNE 30, 2010

Expenses - Business-type Activities



4

Revenues by Source - Business-type Activities



Financial Analysis of the County's Funds

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

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, Washington County's governmental funds reported combined ending fund balances of \$176,451, a decrease of \$2,942 in comparison with the prior year. The majority of this amount, \$175,979, constitutes *unreserved, undesignated fund balance*, which is available for spending at the County's discretion.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

The remainder of fund balance is *reserved or designated* to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period (\$472). The debt service fund has a \$30 fund deficit.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$33,874. As a measure of the general fund's liquidity it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 31% of total general fund expenditures.

The fund balance of the County's general fund increased by \$1,245 during the current fiscal year. Key factors in this increase are as follows:

- Increased total revenues by \$1,914
- Net transfers for other financing sources/uses increase by \$4,554
- Total Local Option Levy fund transactions decreased by \$2,000
- The remaining increase can be attributable to decreased personal services and supplies costs; \$1,871 of which is attributable to decreased expenditures in the General Government functional area and \$999 of which is attributable to decreased costs in the Health and Human Services functional area, and \$629 decreased costs in the other functional areas

The Major Streets Transportation Improvement Program III fund has a total unreserved fund balance of \$44,399 all of which will be used for road improvements within the County.

Proprietary funds. The County's proprietary funds provide the same type of information in the government-wide financial statements, but in more detail.

Unrestricted net assets at the end of the year for Clean Water Services and the Service District for Lighting \$49,053 and \$1,150, respectively; the Housing Authority deficit amounted to \$1,649. The total change in net assets for all three funds was \$6,527, \$(100), and \$(300) respectively. Other factors concerning the finances of these funds have already been addressed in the discussion other County's business-type activities.

General fund Budgetary Highlights

During the year there was a \$1,475 increase in appropriations between the adopted and revised budget. Following are the main components of the increase:

- \$124 supplemental appropriations related to the award of a State Criminal Alien Assistance Program grant in the sheriff's office
- \$1,351 supplemental appropriations related to the award of additional funding from the State Department of Human Services Intergovernmental Agreement with the County's Health & Human Services department

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2010, amounts to \$2,834,236 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, sewer lines, treatment plant, machinery and equipment, park facilities, roads, highways, and bridges. Of this total investment, approximately 22% was held by the County's business-type activities, with the balance being held by the County's governmental activities.

	<u>Governmental activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 929,690	927,560	18,323	17,985	948,013	945,545
Land improvements	1,579	1,780	—	—	1,579	1,780
Buildings and improvements	107,449	110,879	131,646	127,135	239,095	238,014
Sewer lines	—	—	125,646	124,706	125,646	124,706
Treatment plants	—	—	215,042	212,194	215,042	212,194
Machinery and equipment	13,029	14,219	44,467	25,029	57,496	39,248
Infrastructure	1,052,194	1,112,389	-	-	1,052,194	1,112,389
Construction in progress	110,526	82,488	84,643	98,825	195,169	181,313
	<u>\$ 2,214,467</u>	<u>2,249,315</u>	<u>619,767</u>	<u>605,874</u>	<u>2,834,234</u>	<u>2,855,189</u>

Additional information on the County's capital assets can be found in the Capital Assets note on pages 45 through 46 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$392,960. Of this amount \$108,700 comprises debt backed by the full faith and credit of the government and \$284,260 in revenue bonds secured solely by specified revenue sources.

	<u>Governmental activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
General obligation bonds	\$ 23,325	28,570	—	—	23,325	28,570
Full Faith & Credit bonds	79,715	82,920	28,985	—	108,700	82,920
Revenue bonds	—	—	284,260	233,375	284,260	233,375
	<u>\$ 103,040</u>	<u>111,490</u>	<u>313,245</u>	<u>233,375</u>	<u>416,285</u>	<u>344,865</u>

The County's total debt increased by \$48,095 during the current fiscal year.

The County maintains an "Aaa1" rating from Moody's Investor Services and "AA+" from Standard & Poor's (S&P) for general obligation debt and "Aa2" from Moody's for limited tax bonded indebtedness. The revenue bonds of the County's component unit, Clean Water Services, maintain an "Aa2" rating from Moody's and "AA" rating from S&P.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10 percent of its total assessed valuation. The current debt limitation for the County is \$1,486,921, which is significantly in excess of the County outstanding general obligation debt.

Additional information on the County's long-term debt can be found on pages 47 through 63 of this report.

WASHINGTON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County is currently 8.8%, which is an decrease from a rate of 10.1% a year ago. This compares favorably to the State's average unemployment rate of 10.3% and to the national average rate of 9.6%.

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

Over the past several years, the County funded an enhanced level of public safety services through a local option levy approved by the voters. The replacement levy was placed before voters in November 2006 to renew the service level for another four years and passed, taking affect on July 1, 2007. A new Library system local option levy also received voter approval in November 2006 and became effective at the same time. In November, 2010 voters approved renewal of both levies for an additional five years with an expiration date of June 30, 2016. Property tax revenues are still increasing, but the rate of growth for the real estate transfer tax continued to decline during 2009-10 due to the general slow down in the real estate market. This revenue source has been and is anticipated to grow more slowly during the upcoming year. The transfer tax is a General Fund discretionary revenue source.

All of these factors were considered in preparing the County's budget for the 2010-11 fiscal year.

During the current fiscal year, unreserved, undesignated fund balance in the general fund increased to \$33,874. The County has appropriated \$3,000 of this amount for spending in the 2010-11 fiscal year.

Clean Water Services rates were increased for the 2010-11 fiscal year. The sewer and storm water rates were increased 5.5% and 11.76%, respectively. These rate increases were necessary to finance upgrades and expansion at the four treatment plants, 39 pump stations, maintain sewer and storm drainage system, and increasing federal water quality requirements.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

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WASHINGTON COUNTY, OREGON

Statement of Net Assets

June 30, 2010

(Dollars in thousands)

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Current assets:			
Cash and investments	\$ 13,061	40,800	53,861
Restricted cash	74	148,472	148,546
Property taxes receivable	6,920	—	6,920
Assessments receivable, short-term portion	109	81	190
Accounts receivable	14,892	13,326	28,218
Prepays	45	539	584
Accrued interest receivable	3,494	—	3,494
Housing Authority Loan receivable, short term portion-internal balance	91	(91)	—
Contract receivable, short-term portion	303	2	305
Connection charges receivable	—	587	587
Deposits	—	3	3
Supply inventory	730	525	1,255
Prepaid pension obligation, short-term portion	678	584	1,262
Pollution remediation settlement receivable, short-term portion	250	—	250
Prepaid bond issuance costs, short-term portion	57	184	241
Other current assets	103	1,842	1,945
Total current assets	40,807	206,854	247,661
Noncurrent assets:			
Long-term investments	213,004	—	213,004
Long-term assessments receivable	113	972	1,085
Contracts receivable, net - long-term portion	20,370	—	20,370
Housing Authority loan receivable, net - internal balance long-term portion	622	(622)	—
Investments in Joint Venture	—	2,947	2,947
Other noncurrent assets	—	1,551	1,551
Prepaid bond issuance costs, net of current year amortization, long-term portion	489	2,258	2,747
Prepaid pension obligation, net	11,063	13,127	24,190
Non-capital assets	245,661	20,233	265,894
Capital assets:			
Land, CIP and other assets not being depreciated	1,040,216	102,966	1,143,182
Buildings and equipment, infrastructure and other assets net of depreciation	1,174,251	516,803	1,691,054
Capital assets, net	2,214,467	619,769	2,834,236
Total noncurrent assets	2,460,128	640,002	3,100,130
Total assets	2,500,935	846,856	3,347,791
Current liabilities:			
Overdraft	—	5,547	5,547
Accounts payable	17,847	14,676	32,523
Accrued payroll liabilities	8,475	5,068	13,543
Accrued self insurance	4,039	284	4,323
Accrued OHP payable	1,770	—	1,770
Amounts held in trust	595	—	595
Unearned revenue	7,581	34	7,615
Tenant and other deposits	5,831	600	6,431
Accrued interest payable	533	3,816	4,349
Pollution remediation obligation, current portion	39	—	39
Capital lease obligations, current portion	196	—	196
Other long-term obligations, current portion, net of discount	16,748	21,126	37,874
Total current liabilities	63,654	51,151	114,805
Noncurrent liabilities:			
Pollution remediation obligation	1,100	—	1,100
Capital lease obligations	964	—	964
Bond and bond anticipation notes payable, net of discount	17,954	292,164	310,118
Noncurrent portion of other long term obligations, net of discount	78,236	1,992	80,228
Net other postemployment benefits obligation	3,825	482	4,307
Total noncurrent portion of long-term obligations	102,079	294,638	396,717
Total liabilities	165,733	345,789	511,522
Net assets:			
Investment in capital assets, net of related debt	2,108,850	395,461	2,504,311
Restricted for:			
Capital projects	6,530	33,708	40,238
Debt service	—	23,344	23,344
Unrestricted	219,822	48,554	268,376
Total net assets	\$ 2,335,202	501,067	2,836,269

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Activities

For the fiscal year ended June 30, 2010

(Dollars in thousands)

	Program Income				Net Revenue (Expense) and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Functions/Programs:							
Primary Government:							
Governmental activities:							
General government	\$ 42,869	5,371	1,940	5	(35,553)	—	(35,553)
Public safety and justice	98,562	5,719	17,250	—	(75,593)	—	(75,593)
Land use, housing and transportation	108,616	10,568	34,647	681	(62,720)	—	(62,720)
Health and human services	58,467	21,800	31,798	—	(4,869)	—	(4,869)
Culture, education and recreation	26,261	1,241	411	—	(24,609)	—	(24,609)
Non-operating functional area	10,653	16,604	6,485	—	12,436	—	12,436
Interest expense	5,013	—	—	—	(5,013)	—	(5,013)
Total governmental activities	<u>350,441</u>	<u>61,303</u>	<u>92,531</u>	<u>686</u>	<u>(195,921)</u>	<u>—</u>	<u>(195,921)</u>
Business-type activities:							
Housing authority	28,132	5,779	20,855	702	—	(796)	(796)
Sanitation and surface water	97,252	96,329	—	6,101	—	5,178	5,178
Street lighting	1,842	1,725	—	—	—	(117)	(117)
Total business-type activities	<u>127,226</u>	<u>103,833</u>	<u>20,855</u>	<u>6,803</u>	<u>—</u>	<u>4,265</u>	<u>4,265</u>
Total primary government	<u>\$ 477,667</u>	<u>165,136</u>	<u>113,386</u>	<u>7,489</u>	<u>(195,921)</u>	<u>4,265</u>	<u>(191,656)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					147,250	—	147,250
Property taxes, levied for debt service					6,335	—	6,335
Other taxes:							
Transient lodging					4,152	—	4,152
Real property transfer tax					2,469	—	2,469
County fuel tax					848	—	848
Other tax					28	—	28
Interest income					3,197	1,514	4,711
Miscellaneous revenues					419	(70)	349
Gain on disposal of capital assets					—	418	418
Total general revenues					<u>164,698</u>	<u>1,862</u>	<u>166,560</u>
Change in net assets					<u>(31,223)</u>	<u>6,127</u>	<u>(25,096)</u>
Net assets, beginning of year,					<u>2,366,425</u>	<u>494,940</u>	<u>2,861,365</u>
Net assets, end of year					<u>\$ 2,335,202</u>	<u>501,067</u>	<u>2,836,269</u>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Balance Sheet

Governmental Funds

June 30, 2010

(Dollars in thousands)

Assets	General Fund	HOME Fund	Human Services Fund	Major Streets Transportation Improvement Program III Fund	Road Fund	Other Governmental Funds	Total
Assets:							
Cash and investments	\$ 32,202	—	11,705	48,542	18,045	90,132	200,626
Property taxes receivable	4,505	—	—	—	—	2,415	6,920
Assessments receivable	—	—	—	—	127	95	222
Accounts receivable	4,584	1,077	1,534	177	2,214	5,107	14,693
Accrued interest receivable	1,560	1,469	—	—	—	465	3,494
Contracts receivable	—	16,398	—	—	—	4,275	20,673
Due from other funds	3,104	—	—	—	—	—	3,104
Inventory	177	—	—	—	150	5	332
Other assets	58	—	—	—	5	40	103
Total assets	46,190	18,944	13,239	48,719	20,541	102,534	250,167
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	2,581	24	3,842	4,143	820	5,925	17,335
Accrued payroll liabilities	4,817	8	200	—	825	2,527	8,377
Deposits payable	51	—	—	—	4,986	794	5,831
Amounts held in trust	541	—	—	—	29	25	595
Accrued OHP payable	—	—	—	—	—	1,770	1,770
Due to other funds	—	1,049	—	—	—	1,966	3,015
Deferred revenue	4,149	17,865	5,944	177	466	8,192	36,793
Total liabilities	12,139	18,946	9,986	4,320	7,126	21,199	73,716
Fund equity							
Fund balances:							
Reserved fund balances:							
Inventory	177	—	—	—	150	3	330
Capital Projects	—	—	—	—	—	142	142
Total reserved fund balances	177	—	—	—	150	145	472
Unreserved fund balances(deficit):							
General	33,874	—	—	—	—	—	33,874
Special Revenue	—	(2)	3,253	44,399	13,265	74,690	135,605
Debt Service	—	—	—	—	—	(30)	(30)
Capital Projects	—	—	—	—	—	6,530	6,530
Total unreserved fund balances(deficit)	33,874	(2)	3,253	44,399	13,265	81,190	175,979
Total fund balances(deficit)	34,051	(2)	3,253	44,399	13,415	81,335	176,451
Total liabilities and fund balances	\$ 46,190	18,944	13,239	48,719	20,541	102,534	250,167

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

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

June 30, 2010

(Dollars in thousands)

Fund balances - total governmental funds	\$ 176,451
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the governmental funds.	2,206,380
Prepaid pension obligations are not financial resources in governmental funds, but are reported in the Statement of Net Assets at their net unamortized value.	11,741
Bond issuance costs are recognized in the period paid in governmental funds, but are deferred and amortized in the Statement of Net Assets.	546
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds	963
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	29,212
Long-term liabilities, including bonds payable, are not due and payable in the current period, and; therefore, are not reported in the governmental funds.	(119,467)
Internal Service Funds are used by management to charge the costs of activities to individual funds. Net assets of the internal service funds that are reported with governmental activities	<u>29,376</u>
Net assets of governmental activities	<u>\$ 2,335,202</u>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Revenues, Expenditures and Changes
in Fund Balances(deficit) - Governmental Funds

For the fiscal year ended June 30, 2010

(Dollars in thousands)

	General Fund	HOME Fund	Human Services Fund	Major Streets Transportation Improvement Program III Fund	Road Fund	Other Governmental Funds	Total
Revenues:							
Taxes	\$ 102,916	—	—	—	848	56,470	160,234
Licenses and permits	5,693	—	—	—	138	2,369	8,200
Intergovernmental revenues	17,132	1,077	19,251	3,847	19,325	29,565	90,197
Charges for services	6,515	—	43	—	379	34,242	41,179
Fines and forfeitures	2,736	—	—	—	—	323	3,059
Special assessments	—	—	—	—	66	124	190
Miscellaneous revenues	3,997	500	168	732	289	22,561	28,247
Interfund revenues	5,834	—	305	—	7,164	15,856	29,159
Total revenues	144,823	1,577	19,767	4,579	28,209	161,510	360,465
Expenditures:							
Current:							
General government	34,258	—	—	—	—	7	34,265
Public safety and justice	53,199	—	—	—	—	67,822	121,021
Land use, housing and transportation	2,697	1,577	—	28,728	26,949	32,544	92,495
Health and human services	16,333	—	21,356	—	—	22,624	60,313
Culture, education and recreation	946	—	—	—	—	25,407	26,353
Nonoperating	—	—	—	—	—	5,672	5,672
Total current	107,433	1,577	21,356	28,728	26,949	154,076	340,119
Capital outlay	318	—	—	5,226	109	3,635	9,288
Debt service:							
Principal	313	—	—	—	29	8,566	8,908
Interest	113	—	—	—	3	4,982	5,098
Total debt service	426	—	—	—	32	13,548	14,006
Total expenditures	108,177	1,577	21,356	33,954	27,090	171,259	363,413
Revenues over (under) expenditures	36,646	—	(1,589)	(29,375)	1,119	(9,749)	(2,948)
Other financing sources(uses):							
Transfers in from other funds	19,514	—	1,859	28,904	859	28,665	79,801
Transfers out to other funds	(54,915)	—	—	(2,753)	(586)	(21,541)	(79,795)
Total other financing sources(uses)	(35,401)	—	1,859	26,151	273	7,124	6
Net changes in fund balances	1,245	—	270	(3,224)	1,392	(2,625)	(2,942)
Fund balances (deficit) July 1, 2009	32,806	(2)	2,983	47,623	12,023	83,960	179,393
Fund balances (deficit) June 30, 2010	\$ 34,051	(2)	3,253	44,399	13,415	81,335	176,451

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balance to the
Government-wide Statement of Activities - Governmental Activities

For the fiscal year ended June 30, 2010

(Dollars in thousands)

Net change in fund balances - Governmental Funds \$ (2,942)

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded net additions in the current period.

Expenditures for capital assets	\$ 30,252		
Current year depreciation expense	<u>(64,868)</u>		(34,616)

The issuance of long-term debt provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of long-term debt	8,908		
Amortization of premiums, discounts and related deferrals	<u>(23)</u>		8,885

Some revenues and expenses, as well as gains and losses, reported in the Statement of Activities do not provide nor require the use of current financial resources and, therefore are not reported as revenues or expenditures in the governmental funds			2,979
--	--	--	-------

Prepaid pension obligation -- current year amortization			(678)
---	--	--	-------

Change in net OPEB obligation			(1,136)
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Change in net pollution remediation obligation			(9)
--	--	--	-----

Internal Service funds are used by management to charge the costs of certain activities to individual funds. These funds are designed to recover all costs. The amount of revenues in excess of expenditures reported in the Statement of Activities			<u>(3,706)</u>
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Change in net assets			\$ <u><u>(31,223)</u></u>
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See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Net Assets - Proprietary Funds

June 30, 2010

(Dollars in thousands)

	Enterprise Funds				Internal Service Funds
	Clean Water Services of Washington County	Housing Authority of Washington County	Washington County Service District for Lighting No. 1	Total	
Assets					
Current assets:					
Cash and investments	\$ 37,442	2,155	1,203	40,800	25,513
Restricted cash	138,823	9,649	—	148,472	—
Assessments receivable	—	—	81	81	—
Accounts receivable - net of allowance for uncollectibles	12,485	841	—	13,326	110
Prepays	539	—	—	539	45
Short-term portion of contracts receivable	—	2	—	2	—
Connection charges receivable	587	—	—	587	—
Deposits	3	—	—	3	—
Supply inventory	525	—	—	525	398
Current portion of prepaid pension obligation	584	—	—	584	—
Current portion of bond issuance costs	166	18	—	184	—
Other current assets	1,812	30	—	1,842	—
Total current assets	192,966	12,695	1,284	206,945	26,066
Noncurrent assets:					
Long-term assessments and contracts receivable	529	443	—	972	—
Capital assets:					
Land, artwork, CIP, and other assets not being depreciated	94,319	8,647	—	102,966	—
Buildings and equipment and infrastructure, net of depreciation	491,984	24,819	—	516,803	8,087
Investments in joint venture	2,947	—	—	2,947	—
Bond issuance costs	1,651	607	—	2,258	—
Other noncurrent assets	1,551	—	—	1,551	—
Prepaid pension obligation	13,127	—	—	13,127	—
Total noncurrent assets	606,108	34,516	—	640,624	8,087
Total assets	799,074	47,211	1,284	847,569	34,153
Liabilities and Net Assets					
Current liabilities:					
Overdraft	—	5,547	—	5,547	—
Accounts payable	14,324	218	134	14,676	512
Due to other funds	—	—	—	—	—
Accrued payroll liabilities	5,068	—	—	5,068	174
Accrued self-insurance	284	—	—	284	4,039
Deposits	—	600	—	600	—
Unearned revenue	25	9	—	34	—
Accrued interest payable	3,127	689	—	3,816	—
Current portion of long-term obligations, net of discount	20,825	392	—	21,217	—
Total current liabilities	43,653	7,455	134	51,242	4,725
Noncurrent liabilities:					
Bond and bond anticipation notes payable	266,178	25,986	—	292,164	—
Other long-term obligations	—	2,614	—	2,614	—
Net other postemployment benefits obligation	482	—	—	482	52
Total noncurrent liabilities	266,660	28,600	—	295,260	52
Total liabilities	310,313	36,055	134	346,502	4,777
Net assets:					
Investment in capital assets, net of related debt	390,670	4,791	—	395,461	8,087
Restricted for:					
Capital projects	33,708	—	—	33,708	—
Debt service	15,330	8,014	—	23,344	—
Unrestricted(deficit)	49,053	(1,649)	1,150	48,554	21,289
Total net assets	488,761	11,156	1,150	501,067	29,376
Total liabilities and net assets	\$ 799,074	47,211	1,284	847,569	34,153

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

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

For the fiscal year ended June 30, 2010

(Dollars in thousands)

	Enterprise Funds				Internal Service Funds
	Clean Water Services of Washington County	Housing Authority of Washington County	Washington County Service District for Lighting No. 1	Total	
Operating revenues:					
Charges for services	\$ 93,094	—	—	93,094	27,396
Intergovernmental revenue	—	20,855	—	20,855	—
Rental income	—	4,615	—	4,615	—
Street lighting assessments	—	—	1,704	1,704	—
Other	3,235	1,164	21	4,420	2,459
Total operating revenues	96,329	26,634	1,725	124,688	29,855
Operating expenses:					
Labor and fringe benefits	28,574	—	—	28,574	1,861
Housing assistance payments	—	17,842	—	17,842	—
Utilities	4,751	447	1,609	6,807	29
Professional services	8,288	—	—	8,288	416
Supplies	4,093	—	1	4,094	2,483
Administrative costs	2,049	3,489	232	5,770	1,991
Chemicals	3,161	—	—	3,161	—
Depreciation and amortization	36,026	1,794	—	37,820	1,650
Insurance claims and premiums	679	—	—	679	25,547
Repairs and maintenance	472	2,407	—	2,879	340
Other	—	522	—	522	—
Total operating expenses	88,093	26,501	1,842	116,436	34,317
Operating income(loss)	8,236	133	(117)	8,252	(4,462)
Nonoperating income(expense):					
Interest income	1,387	110	17	1,514	309
Other expense	(70)	—	—	(70)	—
Gain on sale of capital assets	32	386	—	418	447
Interest expense	(9,159)	(1,631)	—	(10,790)	—
Total nonoperating income(expense)	(7,810)	(1,135)	17	(8,928)	756
Income(loss) before contributions/transfers	426	(1,002)	(100)	(676)	(3,706)
Capital contributions	6,101	702	—	6,803	—
Change in net assets	6,527	(300)	(100)	6,127	(3,706)
Net assets July 1, 2009	482,234	11,456	1,250	494,940	33,082
Net assets June 30, 2010	\$ 488,761	11,156	1,150	501,067	29,376

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Cash Flows - Proprietary Funds

For the fiscal year ended June 30, 2010

(Dollars in thousands)

	Enterprise Funds				Internal Service Funds
	Clean Water Services of Washington County	Housing Authority of Washington County	Washington County Service District for Lighting No. 1	Total	
Cash flows provided by (used in) operating activities:					
Cash received for services provided	\$ 92,238	26,672	1,726	120,636	27,841
Cash payments for labor and fringe benefits	(27,138)	(3,455)	—	(30,593)	(1,815)
Cash payments for goods and services	(23,328)	(21,344)	(1,840)	(46,512)	(30,932)
Other operating revenue	2,946	—	—	2,946	1,968
Other receipts	—	—	—	—	120
Net cash provided by (used in) operating activities	<u>44,718</u>	<u>1,873</u>	<u>(114)</u>	<u>46,477</u>	<u>(2,818)</u>
Cash flows from noncapital financing activities:					
Interest paid on pension bonds	(968)	—	—	(968)	—
Net cash used in noncapital financing activities	<u>(968)</u>	<u>—</u>	<u>—</u>	<u>(968)</u>	<u>—</u>
Cash flows provided by (used in) capital and related financing activities:					
Proceeds from issuance of debt	99,246	—	—	99,246	—
Proceeds of borrowings - County	—	25,429	—	25,429	—
Acquisition and construction of capital assets	(51,465)	(869)	—	(52,334)	(1,705)
Proceeds from sale of capital assets	32	574	—	606	742
Decrease in contracts receivable	—	2	—	2	—
Principal paid on notes payable	—	(479)	—	(479)	—
Principal paid on bonds payable	(19,275)	(285)	—	(19,560)	—
Amounts placed in escrow to refund debt	—	(27,592)	—	(27,592)	—
Interest paid on bonds and notes payable	(8,313)	(1,722)	—	(10,035)	—
Interest received on assessments and contracts	26	—	—	26	—
Capital contributed by customers and cities	1,369	703	—	2,072	—
Net cash from capital and related financing activities	<u>21,620</u>	<u>(4,239)</u>	<u>—</u>	<u>17,381</u>	<u>(963)</u>
Cash flows provided by (used in) investing activities:					
Interest on investments	1,357	110	17	1,484	309
Net increase (decrease) in cash and investments	<u>66,727</u>	<u>(2,256)</u>	<u>(97)</u>	<u>64,374</u>	<u>(3,472)</u>
Cash and investments, July 1, 2009	<u>109,538</u>	<u>8,513</u>	<u>1,300</u>	<u>119,351</u>	<u>28,985</u>
Cash and investments, June 30, 2010 ⁽¹⁾	<u>176,265</u>	<u>6,257</u>	<u>1,203</u>	<u>183,725</u>	<u>25,513</u>
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	8,236	133	(117)	8,252	(4,462)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	36,026	1,794	—	37,820	1,650
Other (expense)	—	—	—	—	(46)
Amortization of prepaid pension obligations	584	—	—	584	—
Postemployment benefit costs other than pensions	57	—	—	57	—
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(881)	47	—	(834)	72
(Increase) decrease in assessments receivable	—	—	1	1	—
(Increase) decrease in supply inventory	18	—	—	18	32
(Increase) decrease in other assets	(320)	(5)	—	(325)	—
Increase (decrease) in accounts payable	156	(78)	2	80	(762)
Increase (decrease) in deposits	—	(8)	—	(8)	—
Increase (decrease) in deferred revenue	25	(10)	—	15	—
Increase (decrease) in accrued liabilities	817	—	—	817	698
Net cash provided by (used in) operating activities	<u>44,718</u>	<u>1,873</u>	<u>(114)</u>	<u>46,477</u>	<u>(2,818)</u>
Supplemental schedule of noncash capital and related financing activities:					
Contributions of capital assets by developers	3,470	—	—	3,470	—
Loss on equity in joint venture	(70)	—	—	(70)	—
⁽¹⁾ Cash and investments are reflected on the Statement of Net Assets as follows:					
Current assets - cash and investments	37,442	2,155			
Current assets - Restricted cash	138,823	9,649			
Current liabilities - Bank overdraft	—	(5,547)			
	<u>\$ 176,265</u>	<u>6,257</u>			

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON

Statement of Fiduciary Net Assets

June 30, 2010

(Dollars in thousands)

	Private- Purpose Trust Funds	Agency Funds
Assets:		
Cash and investments	\$ 129	4,276
Accounts receivable	—	2,454
Property taxes receivable	—	26,327
Total assets	<u>129</u>	<u>33,057</u>
Liabilities:		
Accounts payable	13	365
Amounts held in trust	—	6,365
Undistributed taxes	—	26,327
Total liabilities	<u>13</u>	<u>33,057</u>
Net assets		
Amounts held in trust and other purposes	<u>\$ 116</u>	<u>—</u>

See accompanying notes to basic financial statements.

WASHINGTON COUNTY, OREGON
Statement of Changes in Fiduciary Net Assets
For the fiscal year ended June 30, 2010
(Dollars in thousands)

	Private- Purpose Trust Funds
Additions:	
Intergovernmental revenues	\$ 1,478
Contributions	61
Interest earnings	6
Total additions	1,545
Deductions:	
Distributions	1,858
Change in net assets	(313)
Net assets, July 1, 2010	429
Net assets, June 30, 2010	\$ 116

See accompanying notes to basic financial statements.

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WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

(Dollars in thousands)

1. Summary of significant accounting policies

Reporting entity

Washington County (County) is a municipal corporation established in 1849 and is governed by a five member Board. The accompanying financial statements present the activities of the County and its blended component units, which are separate legal entities that meet the component unit criteria and whose governing body is the same or substantially the same as the County Board of Commissioners.

Blended Component Units

Clean Water Services (District)

The District is a special service district that provides sanitary sewer and surface water management service for the urbanized portion of Washington County, small parts of the City of Portland and Multnomah and Clackamas counties.

Housing Authority of Washington County (Authority)

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

Enhanced Sheriff Patrol District (ESPD)

ESPD contracts with the Washington County Sheriff's Office to provide a municipal level of police service to certain unincorporated areas of the County and is funded by property taxes and voter-approved local option levies.

Service District for Lighting No. 1 (SDL)

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

Urban Road Maintenance Service District (URMD)

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

The District, Authority and SDL are presented as business-type activities and the ESPD and URMD are reported as special revenue funds.

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

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 of the nonfiduciary activities of the County and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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*, as are the proprietary fund and fiduciary fund financial statements. 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 enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a 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 payment is due.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Property taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue in the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required, legally or administratively, to be accounted for in another fund.

The *HOME Fund* accounts for the expenditure of HOME funds provided to the County's community development program by the U.S. Department of Housing and Urban Development (HUD).

The *Human Services fund* accounts for the delivery of community mental health services.

The *Major Streets Transportation Improvement Program III (MSTIP III) Fund* accounts for resources collected to support a comprehensive capital improvement transportation construction program.

The *Road Fund* accounts for state gasoline tax used for the maintenance, repair and improvement of existing roads as required by ORS 366.

The County reports the following major proprietary funds:

The *Clean Water Services Fund* accounts for the operations of both sanitary and storm (surface water management) sewer systems in the Tualatin River Drainage Basin through user charges and various types of contributions.

The *Housing Authority of Washington County Fund* accounts for the operation of programs that provide low-income housing for residents of the County through grants from the U.S. Department of Housing and Urban Development (HUD), revenue bonds, and rental income.

The *Washington County Service District for Lighting fund* accounts for the operation of street lighting to certain unincorporated areas of the County through rates assessed on property owners.

Additionally, the County reports the following fund types:

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Debt Service Funds account for the payment of principal and interest on general obligation and refunding bonds. Revenue is derived primarily from property taxes.

Capital Projects Funds account for the acquisition or construction of major capital facilities or assets (other than those financed by Proprietary Funds).

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

The *Private Purpose Trust Funds* account for all trust agreement transactions, under which all principal and income benefit individuals, private organizations, or other governments.

The *Agency Fund* accounts for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the applicable legislative enactment for each particular fund. Accordingly, all assets reported in an agency fund are offset by a liability to the party on whose behalf they are held. As is common practice, the County collects all of the separately levied taxes and uses an agency fund to account for the portion of taxes collected on behalf of other governments until those amounts are remitted to the respective jurisdictions.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenue* include 1) charges to customers, or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Items not meeting the criteria of program revenues are reported as *general revenues*.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District and Authority's enterprise funds and of the County's internal service funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Assets, liabilities, and net assets or equity

Deposits and investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U.S. Treasury, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial paper, and the State Treasurer's Local Government Investment Pool (LGIP).

Investments for the County, as well as for its component units, are reported at fair value. The State Treasurer's LGIP operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property taxes receivable that are collected within 60 days after year-end are considered measurable and available and, therefore, are recognized as revenue. The remaining balance is recorded as deferred revenue because it is not deemed available to finance operations of the current period. An allowance for doubtful accounts is not

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

deemed necessary, as uncollectible taxes become a lien on the property. Property taxes are levied and become a lien against the property on July 1. Collection dates are November 15, February 15 and May 15 following the lien date. Discounts are allowed if the amount is paid by November 15 or February 15. Taxes unpaid and outstanding May 16 are considered delinquent.

Assessments receivable represent uncollected amounts levied against benefited property for the cost of local improvements. Assessments receivable are offset by deferred revenue and have not been recognized as revenue. An allowance for uncollectible amounts is not deemed necessary as, uncollected assessments, are recoverable through liens.

Receivables of the enterprise funds are recognized as revenue when earned, including services provided but not billed. Receivables in governmental and enterprise funds are stated net of any allowance for uncollectibles.

Inventories

All inventories are valued at the lower of cost, using the first-in first-out (FIFO) method, or market. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets, which include property plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the County and Authority as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year or more; software is capitalized at \$25,000; the District uses an initial cost of \$2,500 (amounts not rounded). As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the County values these capital assets at the estimated fair value as of the date of its donation.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the District during the current fiscal year was \$9,159. Of this amount, \$1,689 was included as part of the cost of capital assets under construction in connection with the District's construction projects.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Property, plant, and equipment of the County, and its component units, are depreciated using the straight line method over the following estimated useful lives:

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

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

Leases

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

Compensated absences

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

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. 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, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Self-insurance

The County is exposed to various risks of loss up to various policy deductible amounts related to theft of, damage to, and destruction of assets and natural disasters for which the County carries commercial insurance. General liability claims are limited by State statute to \$1,000 per occurrence.

The County is fully self-insured for unemployment, workers' compensation benefits, and losses resulting from torts and errors and omissions. The County carries excess workers' compensation coverage for individual claims exceeding \$600.

Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. In the government-wide statements of net assets, fund equity is referred to as net assets and is segregated into the following three components: 1) amount invested in capital assets, net of related debt, 2) legally restricted by outside parties for a specific purpose, and 3) unrestricted.

2. Stewardship, compliance, and accountability

Budgetary information

Annual budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 – Local Budget Law) and accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end.

3. Detailed notes on all funds

Deficit fund equity

The below listed fund had expenditures in excess of related appropriations.

Special Revenue Funds –

HOME

\$ 2

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Deposits and investments

The County maintains a cash and investment pool for all County funds and blended component units. Interest earnings are distributed monthly based on average daily balances.

Cash and investments are comprised of the following at June 30, 2010:

Petty cash	\$	42
Deposits		4,598
Investments		<u>409,629</u>
		<u><u>414,269</u></u>

Total County cash and investments are reported as follows:

Cash and investments	53,861
Restricted cash	148,546
Long-term investments	213,004
Overdraft	<u>(5,547)</u>
Cash and investments reported on statement of net assets	409,864
Fiduciary Funds	<u>4,405</u>
	<u><u>\$ 414,269</u></u>

Deposits custodial credit risk. This is the risk that in the event of a bank failure, the County's deposits may not be returned to it. At June 30, 2010, the carrying amount of the County's deposits was \$4,598 and the bank balance was \$6,136. \$833 of the bank balance was covered by the Federal Depository Insurance Corporation (FDIC). 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. As a result the County's remaining deposits in excess of FDIC insurance are considered to be fully collateralized.

Interest rate risk. The County has a formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Maturities of investments as of June 30, 2010 are as follows:

<u>Maturity:</u>	<u>Minimum Allowed</u>	<u>Actual</u>
Less than 30 days	10 %	20 %
Less than 1 year	25 %	48 %
5 years or less	100 %	100 %

Investment credit risk. This is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized rating organization and is minimized by purchasing only those securities, which are rated by three of the nationally recognized credit rating agencies, at the time of purchase. The County's investment policy specifies ratings – Standard & Poor's = minimum AA-, and Moody's Investors Services = minimum Aa3. Presented below is the actual rating at year-end for each investment type:

<u>Rating by Standard & Poor's Investment Service:</u>	<u>AAA</u>	<u>Not Rated</u>	<u>Total Invested Value</u>	<u>% Allocation</u>
Federal agency discounts - amortizing	\$ 9,997	—	9,997	2%
Federal agency coupon securities	265,773	—	265,773	65%
Corporate notes	20,346	—	20,346	5%
Treasury Coupon Securities	30,176	—	30,176	7%
Certificates of Deposit - Bank	—	5,000	5,000	1%
State of Oregon Treasurer's Government Investment Pool (LGIP)	—	78,337	78,337	19%
Total Investments	<u>\$ 326,292</u>	<u>83,337</u>	<u>409,629</u>	<u>100%</u>

The State of Oregon Local government Investment Pool (LGIP) is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-term Funds Board. The table below outlines the LGIP's investment maturity limitations and the actual maturities at June 30, 2010.

<u>LGIP Maturity:</u>	<u>per Policy</u>	<u>Actual</u>
Less than 93 days	Minimum of 50 %	77 %
Less than 1 year	Maximum of 25 %	7 %
Less than 3 years	Maximum of 25 %	15 %
Defaulted	N/A	1 %

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Receivables

Receivables of the District represent user charges which are recognized as earned. An allowance for doubtful accounts is established for amounts deemed to be uncollectible, based on historical collection percentages. At June 30, 2010, the allowance was \$303. The County receivables have no allowance for doubtful accounts.

Deferred revenue

Governmental funds report deferred revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. The various components of the deferred and unearned revenue reported in the governmental funds were as follows:

	<u>Property Taxes</u>	<u>Assessments</u>	<u>Contracts Receivable</u>	<u>Accounts Receivable</u>	<u>Unearned Revenue</u>	<u>Total</u>
General Fund	\$ 3,800	-	-	312	37	4,149
HOME Fund	-	-	17,865	-	-	17,865
Human Services Fund	-	-	-	-	5,944	5,944
MSTIP III	-	-	-	177	-	177
Road Fund	-	126	-	68	272	466
Other Governmental Funds	<u>2,043</u>	<u>91</u>	<u>4,776</u>	<u>523</u>	<u>759</u>	<u>8,192</u>
Total deferred revenue \$	<u>5,843</u>	<u>217</u>	<u>22,641</u>	<u>1,080</u>	<u>7,012</u>	<u>36,793</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Capital assets

Capital asset activity for governmental activities for the year ended June 30, 2010 was as follows:

	Governmental Activities				Balance 06/30/10
	Balance 07/01/09	Increases	Decreases	Transfers	
Capital assets not being depreciated:					
Land	\$ 927,209	4,202	(2,072)	-	929,339
Artwork	351	-	-	-	351
Construction in progress	82,488	28,898	(70)	(790)	110,526
Total capital assets not being depreciated	<u>1,010,048</u>	<u>33,100</u>	<u>(2,142)</u>	<u>(790)</u>	<u>1,040,216</u>
Capital assets being depreciated:					
Land improvements	4,707	-	-	-	4,707
Buildings and improvements	152,110	222	-	-	152,332
Machinery and equipment	42,886	2,310	(2,719)	-	42,477
Road network	1,666,017	679	(4,650)	790	1,662,836
Bridge network	79,760	-	-	-	79,760
Culverts	13,481	-	-	-	13,481
Signals	50,477	763	(1,371)	-	49,869
Total capital assets being depreciated	<u>2,009,438</u>	<u>3,974</u>	<u>(8,740)</u>	<u>790</u>	<u>2,005,462</u>
Less accumulated depreciation for:					
Land improvements	(2,927)	(201)	-	-	(3,128)
Building and improvements	(41,231)	(3,652)	-	-	(44,883)
Machinery and equipment	(28,667)	(3,085)	2,304	-	(29,448)
Road network	(631,609)	(55,472)	2,321	-	(684,760)
Bridge network	(26,808)	(1,517)	-	-	(28,325)
Culverts	(4,494)	(267)	-	-	(4,761)
Signals	(34,435)	(2,323)	852	-	(35,906)
Total accumulated depreciation	<u>(770,171)</u>	<u>(66,517)</u>	<u>5,477</u>	<u>-</u>	<u>(831,211)</u>
Total capital assets being depreciated, net	<u>1,239,267</u>	<u>(62,543)</u>	<u>(3,263)</u>	<u>790</u>	<u>1,174,251</u>
Governmental activities capital assets, net	<u>2,249,315</u>	<u>(29,443)</u>	<u>(5,405)</u>	<u>-</u>	<u>2,214,467</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	2,117
Public safety and justice	3,243
Land use, housing, and transportation	60,857
Health and human services	147
Culture, education, and recreation	153
Total depreciation expense	<u>\$ 66,517</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Capital asset activity for business-type activities for the year ended June 30, 2010 was as follows:

	Business-type Activities				Balance 06/30/10
	Balance 07/01/09	Increases	Decreases	Transfers	
Capital assets not being depreciated:					
Land and easements	\$ 17,985	400	(62)	-	18,323
Construction in progress	98,825	55,601	(8,508)	(61,275)	84,643
Total capital assets not being depreciated	<u>116,810</u>	<u>56,001</u>	<u>(8,570)</u>	<u>(61,275)</u>	<u>102,966</u>
Capital assets being depreciated:					
Buildings and improvements	229,981	2,438	(200)	11,855	244,074
Treatment plants	465,874	-	-	20,007	485,881
Sewer lines	180,369	1,231	-	3,363	184,963
Plant equipment	42,342	-	-	23,466	65,808
Automotive equipment	9,481	-	(178)	570	9,873
Plans and studies	9,574	-	-	1,853	11,427
Office equipment	19,128	-	(9)	161	19,280
Total capital assets being depreciated	<u>956,749</u>	<u>3,669</u>	<u>(387)</u>	<u>61,275</u>	<u>1,021,306</u>
Less accumulated depreciation for:					
Buildings and improvements	(102,846)	(9,734)	153	-	(112,427)
Treatment plants	(253,680)	(17,159)	-	-	(270,839)
Sewer lines	(55,663)	(3,653)	-	-	(59,316)
Plant equipment	(26,535)	(3,618)	-	-	(30,153)
Automotive equipment	(7,104)	(922)	178	-	(7,848)
Plans and studies	(5,003)	(1,244)	-	-	(6,247)
Office equipment	(16,854)	(828)	9	-	(17,673)
Total accumulated depreciation	<u>(467,685)</u>	<u>(37,158)</u>	<u>340</u>	<u>-</u>	<u>(504,503)</u>
Total capital assets being depreciated, net	<u>489,064</u>	<u>(33,489)</u>	<u>(47)</u>	<u>61,275</u>	<u>516,803</u>
Business-type activities capital assets, net	<u>605,874</u>	<u>22,512</u>	<u>(8,617)</u>	<u>-</u>	<u>619,769</u>
Depreciation expense was charged to functions as follows:					
Business-type activities:					
Sanitation	29,332				
Surface Water Management	6,032				
Housing	1,794				
Total depreciation expense	<u>\$ 37,158</u>				

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Long-term obligations

In the following paragraphs the long-term debt information is presented separately with respect to governmental and business-type activities. The information that follows presents current year changes in those obligations and the current portions due for each issue.

	Balance	Balance	Due In	Long-term		
	July 1, 2009	Increase	Decreases	June 30, 2010		
				One Year		
				portion		
Governmental activities:						
Compensated absences	\$ 7,111	7,570	7,111	7,570	-	
Contracts Payable						
US Dept of Interior	446	-	22	424	22	402
Oregon Econ. Dev. Dept.	60	-	30	30	30	-
subtotal Contracts Payable	506	-	52	454	52	402
Notes Payable						
State of Oregon, Dept. of Energy	559	-	108	451	101	350
State of Oregon, Econ. Dev. Dep	1,428	-	90	1,338	91	1,247
Full Faith & Credit Obligations						
Series 2001 A	3,405	-	1,630	1,775	1,775	-
Series 2001 C	150	-	50	100	50	50
Series 2004	2,965	-	250	2,715	260	2,455
Series 2006 - Refunding	48,610	-	90	48,520	100	48,420
Series 2006 - New Money	27,790	-	1,185	26,605	1,230	25,375
Credit Loan - Fair Complex	23	-	18	5	5	-
subtotal Notes and FF&C	84,930	-	3,421	81,509	3,612	77,897
Obligations						
General Obligation Bonds						
Series 2007 - Refunding	28,570	-	5,245	23,325	5,480	17,845
Total notes and bonds	114,006	-	8,718	105,288	9,092	95,742
Total governmental activities	\$ 121,117	7,570	15,829	112,858	16,714	96,144
Unamortized bond premium				2,936	304	2,632
Unamortized bond discounts				(8)	(8)	-
Deferred amounts on refunding				(2,848)	(262)	(2,586)
Total Government Activities				112,938	16,748	96,190
From the Statement of Net Assets:						
Other long-term obligations, current portion, net of discount				16,748		
Bond and bond anticipation notes payable, net of discount				17,954		
Noncurrent portion of other long term obligations, net of discount				78,236		
Total non current				96,190		
Total governmental activities				112,938		

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010	Due In One Year	Long-term portion
Business-type activities:						
Compensated absences	\$ 1,931	1,817	1,931	1,817	1,817	-
Notes Payable						
Housing Authority	2,826	486	479	2,833	218	2,615
Sewer Revenue Bonds						
Series A 1997	36,470	-	8,350	28,120	8,840	19,280
Series One 1997	25,200	-	5,770	19,430	6,110	13,320
Series 2001	42,010	-	2,345	39,665	2,465	37,200
2004 Refunding of 1996 Bonds	26,010	-	2,710	23,300	2,850	20,450
Series A 2009	58,755	-	-	58,755	-	58,755
Series A 2010	-	8,895	-	8,895	-	8,895
Series B 2010	-	90,260	-	90,260	-	90,260
Revenue Pension Bonds						
Series 2004	15,935	-	100	15,835	150	15,685
Housing Authority Rev Bonds						
Series A & B 1999	14,420	-	14,420	-	-	-
Series A 2001	7,790	-	7,790	-	-	-
Series B 2001	1,385	-	1,385	-	-	-
Series A 2002	5,400	-	5,400	-	-	-
Housing Authority FF&C Obligations						
Series 2009 - Refunding of 1999, 2001, 2002 Bonds	-	28,985	-	28,985	315	28,670
Total notes and bonds	236,201	128,626	48,749	316,078	20,948	295,130
Total business-type activities	\$ 238,132	130,443	50,680	317,895	22,765	295,130
				Unamortized bond premium	841	3,508
				Unamortized bond discounts	(20)	(349)
				Deferred amounts on refunding	(553)	(3,510)
				317,812	23,033	294,779
Housing Authority Note Payable to County, current portion*				90		
Clean Water Services compensated absences (recorded in business-type activities as an accrued payroll liability)				1,817		
Other long-term obligations, current portion, net of discount				21,126		
				23,033		
Housing Authority Note Payable to County, noncurrent portion*				623		
Bond and bond anticipation notes payable, net of discount				292,164		
Noncurrent portion of other long term obligations, net of discount				1,992		
Total non current				294,779		
Total business-type activities				317,812		

* The Note Payable to the County and Note Receivable from the Authority net each other out on the Statement of Net Assets; the Note Payable to the County is correctly included above in the summary of Business-type Activities.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Governmental Activities

Contracts Payable

Hagg Lake Contract. In March 1980, a contract was issued in the amount of \$1,111 with an interest rate of 3.50% to repay a portion of the development costs incurred by the Federal Government, US Department of Interior, during the construction of Hagg Lake Park. The final maturity is in February 2029.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 22	15
2012	22	14
2013	22	13
2014	22	12
2015	22	12
2016 - 2020	111	47
2021 - 2025	111	27
2026 - 2029	92	8
	<u>\$ 424</u>	<u>148</u>

OEDD Contract. In July 1991, a contract was issued in the amount of \$396 with an interest rate of 5.00% with Oregon Economic Development Department to provide funding for improvements of Cornelius Pass Road and Evergreen Parkway. The final maturity is in December 2011.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 30	2

Notes Payable

1995 ODE Note. In December 1995, the County issued a note with Oregon Department of Energy for County-wide energy measures in the amount of \$204 with an interest rate of 4.13%. The final maturity is in December 2010.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 8	-

1997 ODE Note. In November 1997, the County issued a note with Oregon Department of Energy for County-wide energy measures in the amount of \$293 with an interest rate of 4.20%. The final maturity is in fiscal year 2012-13.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 27	2
2012	28	1
2013	8	-
	<u>\$ 63</u>	<u>3</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

2002 ODE Note. In September 2002, the County issued a note with Oregon Department of Energy for County-wide energy measures in the amount of \$114 with an interest rate of 5.75%. The final maturity is in September 2017.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 8	4
2012	8	3
2013	9	3
2014	9	2
2015	10	2
2016 - 2018	23	2
	<u>\$ 67</u>	<u>16</u>

2004 ODE Note. In June 2004, the County issued a note with Oregon Department of Energy for County-wide energy measures in the amount of \$605 with an interest rate of 4.50%. The final maturity is in June 2015.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 58	13
2012	61	10
2013	63	7
2014	66	5
2015	65	2
	<u>\$ 313</u>	<u>37</u>

OEDD Note. The County note with Oregon Economic Development Department was issued in the amount of \$2,000 with an interest rate of 5.28%. This was to provide funding for the construction of the Harkins House juvenile shelter in October 2000. The final maturity is in December 2020.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 91	71
2012	97	67
2013	102	62
2014	108	56
2015	114	51
2016 - 2020	668	155
2021	158	9
	<u>\$ 1,338</u>	<u>471</u>

Full Faith and Credit Obligations

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

2001A FF&C. In May 2001, Full Faith & Credit obligations were issued for \$60,340. Interest rates on the obligations are 5.50%. These obligations were issued to provide funding for various transportation projects, remodeling of several County buildings, and the refinancing of Land Use & Transportation's Operations Center. The maturity date for these obligations is June 2026 however these obligations were partially refunded in 2006 and the final payment will be made in 2011.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 1,775	98

2001C FF&C. In October 2001, Full Faith & Credit obligations were issued in the amount of \$510. Interest rates on the obligations range are 3.85% for fiscal year 2011 and 4.00% for fiscal year 2012. These obligations were issued to refinance the 1991 Fair Complex lease-purchase agreement and the 1988 Certificates of Participation for the Tigard Detox Facility. The final maturity is in July 2011.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 50	3
2012	50	1
	\$ 100	4

2004 FF&C. In May 2004, Full Faith & Credit obligations were issued for \$3,925. Interest rates on the obligations are as follows:

<u>Fiscal Year</u>	<u>Interest Rate</u>
2011 - 2013	4.000%
2014	4.125%
2015	4.500%
2016 - 2017	4.400%
2018	4.500%
2019	4.600%

These obligations were issued to refinance the 1993 Certificates of Participation originally issued to provide funding for the completion of the Juvenile Justice/Law Library building, building of a new animal shelter, and completion of several information services projects. The final maturity is in July 2018.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 260	112
2012	270	101
2013	275	90
2014	290	79
2015	300	66
2016 - 2019	1,320	122
	\$ 2,715	570

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

2006 Refunded FF&C. In February 2006, Full Faith & Credit obligations were issued for \$49,475. Interest rates on the obligations are as follows:

<u>Fiscal Year</u>	<u>Interest Rate</u>
2011 - 2015	5.500%
2015 - 2016	5.000%
2016 - 2017	5.500%
2017 - 2022	5.000%
2022 - 2024	5.125%
2024 - 2026	5.000%

These obligations were issued to provide funding for the partial advance refunding of the May 2001 – Series 2001A Full Faith & Credit issue. The final maturity is in June 2026.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 100	2,259
2012	1,985	2,255
2013	2,170	2,175
2014	2,340	2,093
2015	2,550	1,987
2016 - 2020	16,605	7,989
2021 - 2025	18,380	3,552
2026	4,390	192
	<u>\$ 48,520</u>	<u>22,502</u>

2006 New FF&C. In March 2006, Full Faith & Credit obligations were issued for \$30,850. Interest rates on the obligations are as follows:

<u>Fiscal Year</u>	<u>Interest Rate</u>
2011 - 2012	4.000%
2013 - 2016	5.000%
2017 - 2018	4.000%
2019 - 2023	4.250%
2024	5.000%
2025 - 2026	4.250%

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

These obligations were issued to provide funding for the purchase of Clean Water Services' share of the Public Services Building, upgrade data and phone systems in several County buildings, and improve and repair several County-owned parking lots. The maturity is in June 2026.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 1,230	1,174
2012	1,250	1,125
2013	1,300	1,075
2014	1,360	1,010
2015	1,430	942
2016 - 2020	8,000	3,669
2021 - 2025	9,805	1,821
2026	2,230	95
	<u>\$ 26,605</u>	<u>10,911</u>

Line of Credit. In March 2003, a Line of Credit from Community Bank was issued for \$150. This line of credit was issued to provide the Fair Complex interim funding for operating expenses as necessary. Two draw downs have been made on the line of credit, \$42 in 2002-03, and \$94 in 2003-04. The interest rate for this line of credit is 3.50%. The final payment date is January 2011.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 5	-

General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for capital construction, capital acquisition, and refunding bonds to refund prior bond issuances with higher interest rates. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The bonds are payable through fiscal year 2014. All the general obligation bonds and refunding bonds will be paid with property tax revenues. The Series 2007 – Refunding Bonds were issued for of \$34,270 with an interest rate of 5.00%

<u>Fiscal Year</u>	<u>Series 2007 General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 5,480	868
2012	5,705	637
2013	5,945	390
2014	6,195	132
	<u>23,325</u>	<u>2,027</u>
Deferred amounts on refunding	(352)	-
Unamortized bond premiums	507	-
	<u>\$ 23,480</u>	<u>2,027</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Business-type activities

Housing Authority Notes Payable

1980 Note. In October 1980, the authority assumed the State of Oregon note at the time of purchase of Tarkington Square. This property was financed with this note as well as with a revenue bond issue. This note was in the amount of \$728 with an interest rate of 7.25%. The final maturity is in November 2010.

<u>Fiscal Year</u>	<u>Housing Authority of Washington County State of Oregon - Tarkington Square</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 44	1

1988 FHA Notes. In January 1988, the authority issued three Farmer's Home Administration notes to purchase Kaybern Terrace (12 units of affordable housing) in North Plains. These notes totaled \$361 with interest rates of 9.0% and 9.5%. The final maturity is in February 2038. The schedules for each note follow.

<u>Fiscal Year</u>	<u>Housing Authority of Washington County Farmers Home Administration 9.5%</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 2	29
2012	3	29
2013	3	29
2014	3	29
2015	4	28
2016 - 2020	24	135
2021 - 2025	38	121
2026 - 2030	62	97
2031 - 2035	99	60
2036 - 2038	74	10
	\$ 312	567

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Housing Authority of Washington County		
Farmers Home Administration 9.5%		
Fiscal Year	Principal	Interest
2011	\$ -	2
2012	-	2
2013	-	2
2014	-	2
2015	1	2
2016 - 2020	1	8
2021 - 2025	2	7
2026 - 2030	4	6
2031 - 2035	6	4
2036 - 2038	5	1
	<u>\$ 19</u>	<u>36</u>

Housing Authority of Washington County		
Farmers Home Administration 9.0%		
Fiscal Year	Principal	Interest
2011	\$ -	1
2012	-	1
2013	-	1
2014	-	1
2015	-	1
2016 - 2020	1	4
2021 - 2025	1	4
2026 - 2030	2	3
2031 - 2035	3	2
2036 - 2038	3	-
	<u>\$ 10</u>	<u>18</u>

1988 Notes. In December 1988, the Authority issued State of Oregon Specialty Housing notes to purchase two facilities (five units) of Specialty Housing in Aloha and Beaverton. These notes were in the amount of \$181; one with an interest rate of 8.97% and the second with an interest rate of 0.00%. The final maturity is in January 2018.

Housing Authority of Washington County		
Specialty Housing State of Oregon 8.97%		
Fiscal Year	Principal	Interest
2011	\$ 5	4
2012	5	4
2013	6	3
2014	7	3
2015	7	2
2016 - 2018	21	3
	<u>\$ 51</u>	<u>19</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Housing Authority of Washington County Specialty Housing State of Oregon		
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 3	-
2012	3	-
2013	3	-
2014	3	-
2015	3	-
2016 - 2018	7	-
	<u>\$ 22</u>	<u>-</u>

1995 In November 1995, the OCD Home Loan for the Authority was issued at the time of the purchase of Amberwood. This property was financed with this note as well as with two revenue bond issues. This note was in the amount of \$604 with an interest rate of 3.0%. The final maturity date will be October 2016.

Housing Authority of Washington County Amberwood HOME Loans		
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ -	18
2012	-	18
2013	-	18
2014	-	18
2015	-	18
2016 - 2017	604	24
	<u>\$ 604</u>	<u>114</u>

1999 OCD Note. In August 1999, the Authority issued OCD-HOME Loan, First-Time Homebuyer Program which was issued to provide second mortgages to first-time homebuyers. This note was in the amount of \$73 with an interest rate of 3.0%. The final maturity is in August 2010.

Housing Authority of Washington County FTHB HOME Loans		
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 73	4

2003 OCD Note. In September 2003, the OCD Home Loan for the Authority was issued to finance improvements to the Bonita Villa affordable housing property. This note was in the amount of \$500 with an interest rate of 3.0%. The final maturity is in June 2029.

2003 County Note. In June 2003, the Authority and County entered into an intergovernmental agreement for a \$1,300 note, with an interest rate of 4.59%, to finance improvements to the Bonita Villa affordable housing property. The final maturity is in June 2018.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Housing Authority of Washington County Bonita Villa HOME Loan		
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ -	15
2012	-	15
2013	-	15
2014	-	15
2015	-	15
2016 - 2020	-	75
2021 - 2025	-	75
2026 - 2029	500	60
	<u>\$ 500</u>	<u>285</u>

Housing Authority of Washington County Bonita Villa IGA		
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 91	9
2012	92	8
2013	93	7
2014	95	5
2015	96	4
2016 - 2018	246	6
	<u>\$ 713</u>	<u>39</u>

2010 OCD Note. In June, 2010, the Office of Community Development (OCD) provided funding under the Neighborhood Stabilization Program to acquire properties for low income housing. The note was in the amount of \$485 at 0.0% interest and is due when the properties are sold.

Housing Authority of Washington County Neighborhood Stabilization Program OCD State of Oregon		
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
Due when properties sold	\$ 485	-

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Sewer Revenue Bonds

Clean Water Services issues sewer revenue bonds for capital expansion of the sewer treatment plants and collection system. All the sewer revenue bonds are paid with the District's net revenue as defined in the bond indenture agreements.

1997 Series A. Issued August 1997 for \$47,060 with a 5.75% interest rate. The final maturity is in October 2012.

Sewer Revenue Bonds		
1997 Series A		
2011	\$	8,840
2012		840
2013		285
	\$	28,120
		2,488

1997 Series 1. Issued August 1997 for \$45,435 with a 5.75% interest rate. The final maturity is in October 2012.

Sewer Revenue Bonds		
1997 Series 1 5.75%		
Fiscal Year	Principal	Interest
2011	\$	6,110
2012		580
2013		197
	\$	19,430
		1,719

2001 Bonds. Issued August 2001 for \$55,975. The final maturity is in October 2021. The interest rates and future maturities follow:

Fiscal Year	Interest Rate
2011 - 2014	5.000%
2015 - 2018	5.125%
2019	4.750%
2020 - 2022	5.000%

Sewer Revenue Bonds 2001		
Fiscal Year	Principal	Interest
2011	\$	2,465
2012		1,802
2013		1,670
2014		1,531
2015		1,383
2016 - 2020		4,390
2021 - 2022		426
	\$	39,665
		13,131

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

2004 Bonds. Issued July 2004 for \$26,455 to refund bonds which were issued in 1996. The final maturity is in October 2016. The interest rates and future maturities follow.

<u>Fiscal Year</u>	<u>Interest Rate</u>
2011 - 2015	5.000%
2016 - 2017	5.250%

<u>Fiscal Year</u>	<u>Sewer Revenue Bonds 2004 Refunding of 1996 Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 2,850	1,109
2012	3,000	966
2013	3,140	813
2014	3,310	652
2015	3,480	482
2016 - 2017	7,520	400
	<u>\$ 23,300</u>	<u>4,422</u>

2009A Bonds. Issued March 2009 in the amount of \$58,755. The final maturity is in October 2028. The interest rates and future maturities follow.

<u>Fiscal Year</u>	<u>Interest Rate</u>
2011 - 2014	3.000%
2015 - 2017	4.000%
2018 - 2021	5.000%
2022 - 2026	5.250%
2027	5.000%
2028	4.750%
2029	5.000%

<u>Fiscal Year</u>	<u>Sewer Revenue Bonds 2009A</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ -	2,843
2012	-	2,843
2013	-	2,843
2014	2,535	2,805
2015	2,625	2,715
2016 - 2020	14,975	11,732
2021 - 2025	19,235	7,466
2026 - 2029	19,385	1,973
	<u>\$ 58,755</u>	<u>35,220</u>

2010A Bonds. Issued April 2010 in the amount of \$8,895. The final maturity is in October 2016. The interest rates and future maturities follow.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

<u>Fiscal Year</u>	<u>Interest Rate</u>
2011 - 2014	4.000%
2015	3.000%
2016 - 2017	5.000%

<u>Fiscal Year</u>	Sewer Revenue Bonds	
	2010 A	
	<u>Principal</u>	<u>Interest</u>
2011	\$ -	330
2012	-	357
2013	-	357
2014	2,850	300
2015	2,965	198
2016 - 2017	3,080	77
	<u>\$ 8,895</u>	<u>1,619</u>

2010B Bonds. Issued April 2010 in the amount of \$90,260. The final maturity is in October 2035. The interest rates and future maturities follow.

<u>Fiscal Year</u>	<u>Interest Rate</u>
2011 - 2016	3.970%
2017	4.120%
2018	4.428%
2019	4.528%
2020	4.628%
2021	4.728%
2022	4.828%
2023	4.978%
2024	5.078%
2025	5.228%
2026 - 2030	5.701%
2031 - 2036	5.801%

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

<u>Fiscal Year</u>	Sewer Revenue Bonds	
	2010 B	
	<u>Principal</u>	<u>Interest</u>
2011	\$ -	4,432
2012	-	4,792
2013	-	4,792
2014	-	4,792
2015	-	4,792
2016 - 2020	13,735	22,840
2021 - 2025	19,565	18,757
2026 - 2030	23,085	13,174
2031 - 2035	27,695	5,925
2036	6,180	179
	<u>\$ 90,260</u>	<u>84,475</u>

Sewer Pension Revenue Bonds

In May 2004, Clean Water Services issued \$16 of pension revenue bonds to pay its unfunded pension liability with PERS. The pension revenue bonds are payable from gross sewer revenues. Final maturity is in June 2028. The interest rates and future maturities follow.

<u>Fiscal Year</u>	<u>Interest Rate</u>
2011	5.197%
2012	5.250%
2013	5.350%
2014	5.571%
2015	5.671%
2016	5.771%
2017	5.871%
2018	5.941%
2019 - 2023	6.015%
2024 - 2028	6.095%

<u>Fiscal Year</u>	Sewer Pension Revenue Bonds	
	2004	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 150	949
2012	205	941
2013	265	930
2014	330	916
2015	405	898
2016 - 2020	3,335	4,039
2021 - 2025	6,380	2,703
2026 - 2028	4,765	537
	<u>\$ 15,835</u>	<u>11,913</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Housing Authority Full Faith & Credit Obligations

In November 2009, Full Faith & Credit obligations were issued for \$28,985. These obligations were issued on behalf of the Housing Authority of Washington County to provide for the current refunding of the Series 1999A, 2001A, 2001B, and 2002A Housing Authority Revenue Bond issues. Final maturity date is in July 2044. Interest rates and future maturities follow.

The purpose of the current refunding was to reduce the annual debt service incurred by the Authority, through lower interest rates and a longer maturity. The aggregate difference between the debt service of the refunding debt and the refunded debt is \$10,938. The net present value benefit of the transaction is \$1,909, or 6.7% of the refunded principal.

<u>Fiscal Year</u>	<u>Interest Rate</u>
2011 - 2014	2.250%
2015	2.500%
2016 - 2017	2.750%
2018	3.250%
2019 - 2020	3.500%
2021	4.000%
2022 - 2023	5.000%
2024 - 2030	4.000%
2031 - 2040	4.500%
2041 - 2044	4.625%
2045	5.000%

<u>Fiscal Year</u>	<u>Housing Authority Full Faith & Credit Obligations</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 315	1,233
2012	370	1,225
2013	375	1,217
2014	385	1,209
2015	395	1,199
2016 - 2020	1,805	5,854
2021 - 2025	3,230	5,327
2026 - 2030	3,465	4,613
2031 - 2035	4,885	3,744
2036 - 2040	6,120	2,512
2041 - 2045	7,640	942
	<u>\$ 28,985</u>	<u>29,075</u>

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Defeased Debt

In prior years, Clean Water Services defeased certain bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service on the defeased bonds. Accordingly, the trust account assets and the related liability for those defeased bonds are not included in the District's financial statements. As of June 30, 2010, prior years' refunded revenue bonds defeased totaled \$71,470.

Conduit debt obligations

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

As of June 30, 2010, there were six series of multi-family Housing Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$30,329.

Capital lease obligations

Changes in the capital lease obligations for the year ended June 30, 2010, are as follows:

	<u>Outstanding July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding June 30, 2010</u>
Capital lease obligations	\$ 1,343	7	(190)	1,160

The following is a schedule, by fiscal year, of future minimum lease payments with the present value of the future minimum lease payments as of June 30, 2010:

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

<u>Fiscal Year</u>	<u>Capital Lease Future Minimum Payments</u>
2011	\$ 259
2012	258
2013	258
2014	154
2015	154
2016 - 2017	<u>307</u>
Future minimum lease payments	1,391
Less amounts representing interest	<u>(231)</u>
Present value of future minimum lease payments	<u><u>1,160</u></u>
Current portion	196
Long-term portion	<u>964</u>
	<u><u>\$ 1,160</u></u>

1992 Lease. In 1992 the County entered into a capital lease obligation with Multnomah County, Oregon for the purchase of juvenile detention facility space for the amount of \$1,180. This is a noncancelable lease agreement. The interest rate for this obligation is 5.98%; final maturity is in October 2012.

<u>Fiscal Year</u>	<u>Capital Lease with Multnomah County 1992 Juvenile Detention</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 86	16
2012	91	11
2013	<u>97</u>	<u>6</u>
	<u><u>\$ 275</u></u>	<u><u>33</u></u>

1997 Lease. In 1997 the County entered into a capital lease obligation with Multnomah County, Oregon for the purchase of juvenile detention facility space for the amount of \$1,862. This is a noncancelable lease agreement. The interest rate for this obligation is 5.33%; final maturity is in October 2016.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

<u>Fiscal Year</u>	Capital Lease with Mulnomah County 1997 Juvenile Detention	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 107	47
2012	112	41
2013	118	35
2014	125	29
2015	131	22
2016 - 2017	284	23
	<u>\$ 878</u>	<u>197</u>

2006 Lease. In 2006 the County entered into a capital lease obligation with United Rentals for the purchase of a forklift for use at the Fair Complex in the amount of \$21. This is a noncancelable lease agreement. The interest rate for this obligation is 5.80%; final maturity is in August 2010.

<u>Fiscal Year</u>	Capital Lease with United Rentals 2006 Forklift	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 1	-

2009 Lease. In 2009 the County entered into a capital lease obligation with Ricoh Corporation for the purchase of a copier for use at the Fair Complex in the amount of \$7. This is a noncancelable lease agreement. The interest rate for this obligation is 7.09%; final maturity is in October 2013.

<u>Fiscal Year</u>	Capital Lease with Ricoh Coporation C2800SPF Copier	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 2	-
2012	2	-
2013	2	-
2014	1	-
	<u>\$ 7</u>	<u>-</u>

Operating leases

The County and the District lease various equipment, buildings and land for use in their operations under cancelable and noncancelable operating leases. Total costs for such leases were approximately \$991 for the year ended June 30, 2010.

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

<u>Year Ending June 30,</u>	<u>Clean Water Services</u>	<u>Washington County</u>	<u>Total</u>
2011	\$ 100	302	402
2012	104	164	268
2013	104	112	216
2014	105	-	105
	\$ <u>413</u>	<u>578</u>	<u>991</u>

Due To/From Other funds

Interfund accounts at June 30, 2010, consist of:

<u>Fund</u>	<u>Due to other funds</u>	<u>Due from other funds</u>
Major governmental funds:		
General Fund	\$ -	3,104
Other governmental funds	3,015	-
Agency Funds	89	-
	\$ <u>3,104</u>	<u>3,104</u>

The outstanding balances between funds result mainly from the time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The following interfund loan receivable is included in the Statement of Net Assets Internal Balances for Governmental Activities and in the Authority's *Notes and Contracts Payable*:

<u>Description</u>	<u>Interest Rate</u>	<u>Outstanding July 1, 2009</u>	<u>Decrease</u>	<u>Outstanding June 30, 2010</u>
Washington County IGA	variable	\$ <u>801</u>	<u>(89)</u>	<u>713</u>

The County Board of Commissioners approved a second amendment to the original 2003 intergovernmental agreement between the County and the Authority continuing payments of \$100 per year until June 30, 2019 or the debt is paid in full, whichever comes first, with the balance, if any, due June 30, 2020. Variable interest rate is based on annualized return on the County's pooled investments.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

4. Other information

Pension Plan

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

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

The 2003 Oregon Legislature established OPSRP. Public employees hired on or after August 29, 2003 become part of OPSRP, unless membership was previously established in PERS. The 1995 Oregon Legislature established a different level of benefits for employees who began their six-month waiting period on or after January 1, 1996. This level is called Tier Two. Benefits generally vest after five years of continuous service. Retirement is allowed at age fifty-eight with unreduced benefits, but retirement is generally available after age fifty-five with reduced benefits. Retirement benefits based on salary and length of service are calculated using a formula and are payable in a lump sum or monthly using several payment options. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes.

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

Funding Policy

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

In fiscal year 2002, the County contributed \$17,617 in excess of the annual required contribution. In fiscal years 2000 and 2004, The District contributed \$2,232 and \$15,278 in excess of the annual required contribution, respectively. Pursuant to the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, these contributions in excess of the annual required

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

contributions were recorded as prepaid pension assets which are reported on the Statement of Net Assets as prepaid pension obligation. These prepaid pension assets are being amortized over 26 years for the County and 30 years for the District on a straight-line basis.

The County's annual required contribution rate for fiscal 2010 was 10.67% of covered employees' salaries for PERS and 8.98% for general OPSRP and 11.69% for OPSRP police. The District's annual contribution rate for fiscal 2010 was 0.99% for PERS and 2.24% for OPSRP. The employee contribution rate is 6% for both the County and the District.

Risk Pooling and Revised PERS Contribution Rates

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

Annual Pension Cost

For fiscal 2010, the County's and the District's actual annual pension cost of \$12,325 and \$886, respectively, were equal to their annual required contributions plus current fiscal year amortization of prepaid pension assets. The actual pension costs without amortization of the prepaid pension obligation were \$11,741 and \$13,710, respectively. The required contribution was determined as part of the actuarial valuation at December 31, 2007 using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation included: (a) rate of return on the investment of present and future assets of 8%; (b) projected salary increases which include 3.75% per year in addition to salary increases due to promotions and longevity that may vary by age and service; (c) post-retirement benefit increases of 2% per year (the maximum allowable); (d) consumer price inflation of 2.75% per year; and, (e) thirty-year open amortization of the unfunded actuarial liability as a level percentage of projected annual payroll.

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

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

	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Prepaid pension obligation</u>
County:			
2008	\$ 14,451	100 %	\$ 13,097
2009	15,350	100	12,419
2010	12,325	100	11,741
Clean Water Services:			
2008	1,534	100	14,878
2009	1,629	100	14,294
2010	886	100	13,710
Total:			
2008	15,985	100	27,975
2009	16,979	100	26,713
2010	13,211	100	25,451

Other Post Employment Benefits

Plan Description

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

The District does not have a formal post-employment benefits plan for any employee groups; however the District offers health benefits to retirees under age 65 as well as their qualified dependents at the same rate provided to current employees, as required by Oregon Revised Statutes 243.303. Retirees electing to remain on the District sponsored health plans pay the entire premium for that coverage in order to maintain coverage. Even though the District does not pay any portion of the retiree premium there is an implicit rate subsidy with respect to retired employees because the medical premium rates charged are less than they would be if the retirees were in a separately rated health plan. Actual medical premium rates are determined by blending both active employee and retiree experience. This "plan" is a single-employer plan and is not a stand- alone plan, and therefore, does not issue its own financial statements.

Funding Policy

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

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

For fiscal year 2009-10, the County contributed \$545 and retirees made payments of \$1,087. The County has elected to not pre-fund the actuarially determined future cost amount of \$1,748.

Below are the required monthly contributions of the plan members (not in \$000's) for the year ended June 30, 2010. The rates are established through negotiation with the County's insurance carrier each year and approved by the Board of County Commissioners.

	<u>Health</u>		<u>Dental/Vision</u>		
	<u>Providence</u>	<u>Kaiser</u>	<u>ODS</u>	<u>ODS Vision</u>	<u>Willamette</u>
Employee	\$ 405	383	51	8	44
Employee + 1	810	766	94	8	80
Full Family	1,215	1,149	141	8	138

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

For fiscal year 2009/2010, the District contributed \$110,922 consisting of retiree payments. The District has elected to not pre-fund the actuarially determined future cost amount of \$482,296.

The required monthly contributions of the plan members (not in \$000's) were as follows for the year ended June 30, 2010.

	<u>Health Insurance</u>	
	<u>Providence</u>	<u>Kaiser</u>
Employee	\$ 403	390
Employee + 1	819	796
Full Family	1,150	1,113

Annual OPEB Cost and Net OPEB Obligation

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

schedule shows the components of the County's and the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the respective OPEB obligations to the plan:

	<u>County</u>	<u>District</u>
Annual Required Contribution	\$ 1,748	186
Interest on net OPEB obligation	93	17
Adjustment to annual required contribution	<u>(140)</u>	<u>(35)</u>
Annual OPEB cost	1,701	168
Contribution made	<u>(545)</u>	<u>(111)</u>
Increase in net OPEB obligation	1,156	57
Net OPEB obligation - beginning of year	<u>2,670</u>	<u>426</u>
Net OPEB obligation - end of year	\$ <u><u>3,826</u></u>	<u><u>483</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2009-10 is as follows.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/08	\$ 2,416	21.6%	\$ 1,895
6/30/09	1,296	40.2%	2,670
6/30/10	1,701	32.0%	3,826

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2009-10 is as follows.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/08	\$ 426	47.0%	\$ 225
6/30/09	442	55.0%	426
6/30/10	168	66.0%	482

Funding status and Funding progress

As of the most recent actuarial valuation date, the plan was funded on a pay-as-you-go basis and therefore had no assets. The County's and District's actuarial accrued liability for benefits was \$16,446 and \$1,885 respectively, also equaled the unfunded actuarial accrued liability (UAAL). The annual payroll of active employees covered by the plan (covered payroll) for 2009-10 was \$106,605 and \$20,314 the ratio of the UAAL to the covered payroll was 15.4% and 9.3%, respectively.

The actuarial valuation of this plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future such as future employment, mortality and healthcare cost trends. Amounts determined about the funding status of the plan and annual required contributions are subject to

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

periodic revision as actual results for each period are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

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

In the June 30, 2010 valuation, the entry age normal actuarial cost method was used. The investment return for the County was assumed to be 3.5% to reflect the rate of return on the county's investment portfolio. Health care cost trends were assumed to be 7.5% for Providence and 8.5% for Kaiser initially, then declining to 5.0%. The UAAL is being amortized over an open period of 30 years.

Retirement health insurance account (RHIA)

Plan Description

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

Funding Policy

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating municipal corporations are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.29% of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The County's contributions to RHIA for the years ended June 30, 2008, 2009, and 2010 were \$333, \$407, and \$309, respectively, which equaled the required contributions each year. The District's contributions to RHIA for the years ended June 30, 2008, 2009 and 2010 were \$73, \$78, and \$66, respectively, which equaled the required contributions each year.

Insured risks

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

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

<u>Fiscal Year</u>		<u>Beginning of fiscal year liability</u>	<u>Current year claims and changes in estimates</u>	<u>Claims Payments</u>	<u>Balance at fiscal year-end</u>
2007-08	\$	3,795	870	(1,140)	3,525
2008-09		3,525	1,703	(1,578)	3,650
2009-10		3,650	2,427	(1,754)	4,323

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

Solid Waste Landfill Closure and Postclosure Care Costs

State and Federal laws and regulations require the County to place a final cover on its landfill once it stops accepting municipal solid waste (MSW) and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

The County operated the Shadybrook Landfill from 1955 to 1971. The County Sheriff's Office operated a pistol range on the edge of the landfill from 1971 to 1988. An erosion control fence was constructed along the perimeter of the site and grass seed was placed over the landfill in 2002. In April 2004, the County met with the Department of Environmental Quality (DEQ) to discuss environmental concerns and enter into the Voluntary Cleanup Program. The cleanup activities are expected to be completed near the end of 2010-11 and the County expects to get a certificate from DEQ at that time stating that only minimal monitoring of the site will be required for approximately two years after the cleanup process is complete.

Pollution Remediation

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (GASB 49) addresses accounting and financial reporting standards for pollution (including contamination) and remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The scope of the statement excludes pollution prevention or control obligations with respect to current operations, and future pollution remediation activities that are required upon retirement of an asset, such as landfill closure and post-closure care and nuclear power plant decommissioning. The County and an engineering firm, with expertise in this area, arrived at the estimates in accordance with the standards. The estimates were calculated using the expected cash flow technique, which measures the liability as the sum of probability-weighted amounts in a range of possible estimated amounts. Such estimated obligations are subject to changes

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

resulting from price increases or reductions, technology, or changes in applicable laws and regulations.

Two County properties were determined to have pollution remediation obligations where obligating events had occurred and amounts were estimable. The first property with estimable pollution remediation obligations is the Bridgeport Village Development. A former gravel quarry, the County has owned the site since 1939. Quarry operations were conducted from 1952 through the early 1970's. The quarry excavation was subsequently filled from 1992 through 2002, primarily with inert soil, concrete, and hardened asphalt. In addition organic land clearing debris, wood debris, and building demolition materials were periodically disposed in the pit. Land use surrounding the site includes a mixture of residential, commercial and light industry. A developer entered into a purchase agreement with the County to redevelop the site as an upscale commercial and retail complex. Environmental investigations in 2003 revealed the presence of methane gas in the subsurface fill material throughout the site; the likely source of the methane was the decomposition of the organic materials used as fill. That same year the County entered into a voluntary cleanup program with Department of Environmental Quality (DEQ). In February 2004 DEQ issued a Record of Decision (ROD) requiring methane gas mitigation as part of the site development. An engineering firm was previously contracted by the County to perform the on-going monitoring and meet DEQ reporting requirements; however County employees took over these responsibilities in 2009-10. In April 2008 the Board of Commissioners approved a \$1,000 settlement with the construction company the County had contracted with to backfill the quarry; the settlement is being paid out in four equal payments with the first payment received in 2007-08 and will offset costs incurred in prior years. The pollution remediation obligation estimate at June 30, 2010 for the on-going monitoring and DEQ reporting costs is \$1,139.

The second property with estimable pollution remediation obligations is the PacTrust Business Center. This site is adjacent to the Bridgeport Village Development property and had the same pollution remediation issues. In June 2005 Pacific Realty Associates (PacTrust) and the County entered into a voluntary cleanup program with DEQ. All cleanup work has been completed, and a report with a conclusion of "no further action required" (including no further monitoring) is expected from DEQ by the end of March 2011.

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

Transfers

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

Transfers in:

General fund	\$	19,514	24%
Human services fund		1,859	2%
Major streets improvement program III fund		28,904	36%
Road fund		859	1%
Non-major funds		<u>28,665</u>	<u>36%</u>
Total		<u><u>79,801</u></u>	<u><u>100%</u></u>

Transfers out:

General fund		54,915	69%
Major streets improvement program III fund		2,753	3%
Road fund		586	1%
Non-major funds		<u>21,541</u>	<u>27%</u>
		<u><u>79,795</u></u>	<u><u>100%</u></u>

Recorded as Other Expenses in the Proprietary fund types

		6	
	\$	<u><u>79,801</u></u>	

The following are the major reasons for the above transfers:

Major streets improvement programs, and Cooperative Library Services operated on fixed-rate serial levies until 1998-99. With the passage of Measures 47 and 50, those fixed-rate serial levies were combined with the County's permanent tax rate and now receive a majority of their funding directly from the County's general fund. These transfers comprise approximately \$28,904 to Major streets improvement programs and \$14,631 to non-major governmental funds. These transfers are responsible for 55% of all transfers. Transfers between the other operating departments resulted from the normal course of operations.

Contingency

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

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

WASHINGTON COUNTY, OREGON

Notes to Basic Financial Statements (continued)

June 30, 2010

(Dollars in thousands)

The District is involved as a defendant in several claims and disputes which, for the most part, are normal to the District's activities. Management intends to vigorously contest these matters and does not believe their ultimate resolution will have a material effect upon the District's financial position or results of operations.

Commitments

The County has committed over \$41,005 to fund certain specific road construction projects over the next three to four years; \$8,376 for jail inmate health care services over the next three years; \$16,817 for County-wide library services over the next two years; \$10,170 over the next three years to the continued development and operation of the commuter light rail; \$3,030 for kitchen services at the jail for the next three years; and dispatch services for the Sheriff's Office through the Washington County Consolidated Communications Agency are approximately \$741 for the upcoming year.

The Community Corrections Center has contracted for pharmacy and psychiatric nurse practitioner services, batterer treatment for domestic violence offenders, and sex offender treatment services and mentoring to assist in the reintegration of substance abuse offenders in the combined amount of approximately \$2,432.

The County has contracted for fuel for all County vehicles and equipment for \$2,882 over the next two years.

Juvenile detention services at the Donald E. Long facility have been contracted for with Multnomah County for approximately \$5,233 over the next five years.

The District is committed for approximately \$47,200 for various construction projects at June 30, 2010.

Subsequent events

The Authority is in the process of acquiring Aloha Park Apartments, an 80-unit low-income HUD-subsidized housing property in Beaverton estimated at a value of approximately \$1,000. The cost of acquisition will include assumption of the existing mortgage of \$260 and the property is expected to have a positive cash flow.

The Authority has received authorization to acquire an additional housing unit under the Federal Neighborhood Stabilization Program (NSP). The award requires a non-interest-bearing note that does not require repayment as long as the unit remains affordable. The Authority made an offer on a unit costing approximately \$161 and closed in October 2010.

REQUIRED SUPPLEMENTARY INFORMATION

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WASHINGTON COUNTY, OREGON

Budgetary Comparison

General Fund

For the fiscal year ended June 30, 2010

(Dollars in thousands)

	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:				
Taxes	\$ 102,759	102,759	102,916	157
Licenses and permits	5,335	5,335	5,693	358
Intergovernmental revenues	18,867	20,342	17,132	(3,210)
Charges for services	6,015	6,015	6,515	500
Fines and forfeitures	2,949	2,949	2,736	(213)
Miscellaneous revenues	4,690	4,690	3,997	(693)
Interfund revenues	5,810	5,810	5,834	24
Total revenues	<u>146,425</u>	<u>147,900</u>	<u>144,823</u>	<u>(3,077)</u>
Expenditures:				
General government:				
Board of County Commissioners	430	430	411	19
County administrative office	1,817	1,817	1,723	94
Community network	575	575	574	1
County counsel	1,734	1,734	1,664	70
County auditor	193	193	187	6
Elections division	1,841	1,841	1,339	502
Assessment and taxation	8,182	8,182	7,227	955
County communications	770	770	703	67
Financial management	1,997	1,958	1,949	9
Human resources	1,842	1,842	1,630	212
Information services	8,683	8,727	7,870	857
Purchasing	378	378	362	16
Facilities management	8,277	8,277	7,500	777
Subtotal	<u>36,719</u>	<u>36,724</u>	<u>33,139</u>	<u>3,585</u>
Public safety and justice:				
Law enforcement services	16,015	16,015	14,524	1,491
Jail operations	19,366	19,490	18,152	1,338
Sheriff's office administration	3,268	3,268	2,703	565
Jail health care	3,618	4,168	3,979	189
District Attorney	8,403	8,403	7,476	927
Washington County justice court	659	659	620	39
Juvenile	5,403	5,403	5,228	175
Juvenile administration	1,191	1,191	1,008	183
Subtotal	<u>57,923</u>	<u>58,597</u>	<u>53,690</u>	<u>4,907</u>
Land use, housing and transportation				
Planning	3,316	3,316	2,531	785
Water Master	172	177	166	11
Subtotal	<u>3,488</u>	<u>3,493</u>	<u>2,697</u>	<u>796</u>
Health and human services:				
Public health	16,186	17,538	13,047	4,491
Health and human services administration	962	962	883	79
Animal services	1,954	1,954	1,803	151
Veterans' services	648	648	609	39
Subtotal	<u>19,750</u>	<u>21,102</u>	<u>16,342</u>	<u>4,760</u>
Subtotal of expenditures carried forward	<u>117,880</u>	<u>119,916</u>	<u>105,868</u>	<u>14,048</u>

(continued)

WASHINGTON COUNTY, OREGON

Budgetary Comparison, Continued

General Fund

For the fiscal year ended June 30, 2010

(Dollars in thousands)

	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	Variance positive (negative)
Subtotal of expenditures brought forward	\$ 117,880	119,916	105,868	14,048
Expenditures, continued:				
Culture, education and recreation:				
Agriculture activities	355	355	355	—
Parks	707	707	630	77
Subtotal	<u>1,062</u>	<u>1,062</u>	<u>985</u>	<u>77</u>
Non-operating:				
Miscellaneous	1,488	1,488	1,324	164
Subtotal	<u>1,488</u>	<u>1,488</u>	<u>1,324</u>	<u>164</u>
Operating contingency	19,373	18,693	—	18,693
Total expenditures	<u>139,803</u>	<u>141,159</u>	<u>108,177</u>	<u>32,982</u>
Revenues over expenditures	<u>6,622</u>	<u>6,741</u>	<u>36,646</u>	<u>29,905</u>
Other financing sources(uses):				
Transfers in from other funds	18,607	18,607	21,514	2,907
Transfers out to other funds	(55,370)	(55,490)	(54,915)	575
Total other financing uses	<u>(36,763)</u>	<u>(36,883)</u>	<u>(33,401)</u>	<u>3,482</u>
Net change in fund balance	<u>(30,141)</u>	<u>(30,142)</u>	<u>3,245</u>	<u>33,387</u>
Fund balance July 1, 2009	<u>30,141</u>	<u>30,142</u>	<u>30,806</u>	<u>664</u>
Fund balance June 30, 2010	\$ <u>—</u>	<u>—</u>	<u>34,051</u>	<u>34,051</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison
 Major Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	HOME Fund				Human Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 3,635	3,635	1,077	(2,558)	19,536	19,536	19,251	(285)
Charges for services	—	—	—	—	42	42	43	1
Miscellaneous revenues	180	180	500	320	237	237	168	(69)
Interfund revenues	—	—	—	—	173	173	305	132
Total revenues	<u>3,815</u>	<u>3,815</u>	<u>1,577</u>	<u>(2,238)</u>	<u>19,988</u>	<u>19,988</u>	<u>19,767</u>	<u>(221)</u>
Expenditures:								
Current:								
Land use, housing and transportation	3,815	3,815	1,577	2,238	—	—	—	—
Health and human services	—	—	—	—	22,895	22,895	21,356	1,539
Culture, education and recreation	—	—	—	—	—	—	—	—
Nonoperating	—	—	—	—	—	—	—	—
Operating contingency	—	—	—	—	2,906	2,906	—	2,906
Total current	<u>3,815</u>	<u>3,815</u>	<u>1,577</u>	<u>2,238</u>	<u>25,801</u>	<u>25,801</u>	<u>21,356</u>	<u>4,445</u>
Total expenditures	<u>3,815</u>	<u>3,815</u>	<u>1,577</u>	<u>2,238</u>	<u>25,801</u>	<u>25,801</u>	<u>21,356</u>	<u>4,445</u>
Revenues under expenditures	—	—	—	—	(5,813)	(5,813)	(1,589)	4,224
Other financing sources								
Transfers in from other funds	—	—	—	—	3,238	3,238	1,859	1,379
Total other financing sources	—	—	—	—	3,238	3,238	1,859	1,379
Net change in fund balance	—	—	—	—	(2,575)	(2,575)	270	2,845
Fund balance (deficit) July 1, 2009	—	—	(2)	(2)	2,575	2,575	2,983	408
Fund balance (deficit) June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>(2)</u>	<u>(2)</u>	<u>—</u>	<u>—</u>	<u>3,253</u>	<u>3,253</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Major Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Major Streets Transportation Improvement Program III Fund				Road Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Taxes	\$ —	—	—	—	830	830	848	18
Licenses and permits	—	—	—	—	111	111	138	27
Intergovernmental revenues	7,230	7,230	3,847	(3,383)	18,869	18,869	19,325	456
Charges for services	—	—	—	—	464	464	379	(85)
Special assessments	—	—	—	—	50	50	66	16
Miscellaneous revenues	678	678	732	54	390	390	289	(101)
Interfund revenues	—	—	—	—	6,845	6,845	7,164	319
Total revenues	7,908	7,908	4,579	(3,329)	27,559	27,559	28,209	650
Expenditures:								
Current:								
Land use, housing and transportation:								
Administration	66,080	66,080	28,728	37,352	6,541	6,541	6,033	508
Engineering services	—	—	—	—	2,941	2,941	2,574	367
Capital projects management	—	—	—	—	4,723	4,723	4,084	639
Operations and maintenance	—	—	—	—	17,172	17,172	14,258	2,914
Operating contingency	—	—	—	—	7,309	7,309	—	7,309
Total current	66,080	66,080	28,728	37,352	38,686	38,686	26,949	11,737
Capital outlay	11,639	11,639	5,226	6,413	30	30	109	(79)
Debt service:								
Principal	—	—	—	—	29	29	29	—
Interest	—	—	—	—	3	3	3	—
Total debt service	—	—	—	—	32	32	32	—
Total expenditures	77,719	77,719	33,954	43,765	38,748	38,748	27,090	11,658
Revenues over under expenditures	(69,811)	(69,811)	(29,375)	40,436	(11,189)	(11,189)	1,119	12,308
Other financing sources(uses):								
Transfers in from other funds	29,843	29,843	28,904	(939)	859	859	859	—
Transfers out to other funds	(5,222)	(5,222)	(2,753)	2,469	(802)	(802)	(586)	216
Total other financing sources	24,621	24,621	26,151	1,530	57	57	273	216
Net change in fund balances	(45,190)	(45,190)	(3,224)	41,966	(11,132)	(11,132)	1,392	12,524
Fund balances July 1, 2009	45,190	45,190	47,623	2,433	11,132	11,132	12,023	891
Fund balances June 30, 2010	\$ —	—	44,399	44,399	—	—	13,415	13,415

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

WASHINGTON COUNTY, OREGON

Required Supplementary Information

June 30, 2010

Funding Progress – Other Post Retirement Benefits - County

Actuarial Valuation Date	Actuarial value of assets	Actuarial accrued liability	Unfunded liability (UAAL)	Funded ratio	Covered payroll	UAAL percent payroll
7/01/06	-	\$ 17,999	\$ 17,999	0%	\$109,977	16.4%
6/30/10	-	16,446	16,446	0%	106,605	15.4%

Funding Progress – Other Post Retirement Benefits - District

Actuarial Valuation Date	Actuarial value of assets	Actuarial accrued liability	Unfunded liability (UAAL)	Funded ratio	Covered payroll	UAAL percent payroll
7/01/09	-	\$ 1,885	\$ 1,885	0%	\$20,314	9.3%

WASHINGTON COUNTY, OREGON

Notes to Required Supplementary Information

June 30, 2010

(Dollars in thousands)

1. Stewardship, compliance, and accountability

The appropriated budget is prepared by functional area, fund, organization unit and program. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the organization unit level. The Authority is not subject to Oregon Budget Law but must follow the County's administrative budgeting process. The Board made several supplemental budgetary appropriations throughout the year increasing the budget \$8,447; \$1,475 of which was in the General Fund.

Appropriations and Budgetary Controls Description

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

After budget approval, the Board of Commissioners may approve supplemental appropriations and appropriation transfers between organizational units or major programs if an occurrence, condition, or need exists which was not known at the time the budget was adopted. The County had one supplemental budget during the year ended June 30, 2010. Both the original adopted budget and the revised budget comparisons are presented in the accompanying budgetary schedules. Appropriations lapse at the end of the fiscal year.

SUPPLEMENTARY INFORMATION

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NON-MAJOR FUND FINANCIAL STATEMENTS

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SPECIAL REVENUE FUNDS

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

- Aging, Disability, & Veteran Services Fund – This fund accounts for various services provided for elderly and disabled persons in the County in conjunction with the State, as well as services to veterans.
- Animal Services Gifts and Donation Fund – This fund accounts for financial contributions from private donors for the animal services program.
- Building/Equipment Replacement Fund – This fund accounts for resources to be used to replace various building and equipment components of the County's buildings.
- Building Services Fund – This fund provides inspection and plan review services related to conformance with the State building, mechanical, electrical, planning, and mobile home codes and ordinances.
- Child Abuse Multidisciplinary Intervention Fund – This fund provides education and support to victims of child abuse and their families and serves as a liaison for the victim in dealing with police officers, attorneys, and other professionals throughout the investigation and prosecution of the case.
- Children and Youth Services Commission Fund – This fund accounts for the development, administration, and evaluation of the annual comprehensive juvenile services of the County.
- Community Corrections Fund – This fund accounts for the custodial and supervisory services for offenders adjudicated through the criminal justice system of the County.
- Cooperative Library Services Fund – This fund accounts for the coordination and contracting to provide a full range of library services to all residents of the County.
- Countywide Traffic Impact Fee Fund – This fund accounts for traffic impact fees used to finance extra capacity street facilities required by new development.
- Court Security Fund – This fund accounts for the receipt and expenditure of County fine assessments earmarked for court security programs.

SPECIAL REVENUE FUNDS (Continued)

- Department of Housing Services Fund – This fund accounts for the activities of the County and Housing Authority of Washington County housing programs.
- Development Services Fund – This fund accounts for activities pertaining to land development in the unincorporated areas of the County, and provides for development compliance/code enforcement activities as they relate to enforcement of the County's community development code and related ordinances.
- District Patrol Fund – This fund accounts for the contracted responsibility of providing enhanced patrol and related services to the Enhanced Sheriff Patrol District.
- Emergency Medical Services Fund – This fund accounts for the coordination of ambulance services in the County.
- Enhanced Sheriff Patrol District Fund (Component Unit) – The District provides an enhanced level of sheriff patrol in the urban unincorporated areas of the County funded by a permanent tax rate and voter approved five-year operating levies. A replacement five-year levy was approved by voters in May 2008 that became effective July 1, 2008. The District contracts with Washington County to provide the required police patrols.
- Human Services HB-2145 Fund – This fund accounts for beer and wine tax revenues designated for alcoholism treatment and rehabilitation services.
- Human Services OHP Fund – This fund accounts for monies received from the Oregon Health Plan to provide mental health services to County residents enrolled in the plan. OHP Mental Health provides overall management of the program; including administration, reporting, quality assurance, and oversight of the contracted service providers and third-party claims administrators.
- Indirect Cost Reimbursement Fund – This fund accounts for the indirect costs that are allocated to and recovered from operating departments in connection with the County-wide cost allocation plan. Monies received in this fund are in turn expended as reimbursements to the fund or cost center that provided the service.
- ITS Systems Replacement Fund – This fund provides for the systematic replacement of key information technology assets.

SPECIAL REVENUE FUNDS (Continued)

- Jail Commissary Fund – This fund accounts for the goods, services and monies associated with the jail commissary.
- Juvenile Conciliation Services Fund – This fund accounts for custody service fees collected and dedicated to conciliation services by State law. The monies provide custody studies to circuit court, counseling services concerning marriage and divorce, and mediation services in dissolution proceedings involving child custody issues.
- Juvenile Grants Fund – This fund accounts for grant awards provided to enhance evaluative and diagnostic services to those youth that would be most susceptible to being committed to State training schools.
- Juvenile High Risk Prevention Fund – This fund accounts for grant monies received from the State and contracted to prevention service providers in schools and private non-profit organizations. The funding is used for drug and alcohol evaluation and treatment services to high-risk youth identified by the Juvenile Crime Prevention Plan.
- Law Library Capital Construction Reserve Fund – This fund provides a reserve for future capital needs of the law library.
- Law Library Fund – This fund was established in accordance with state statutes to provide legal research and reference materials.
- Local Option Levy Fund – This fund accounts for funds from a local option property tax levy for public safety and justice programs approved by voters. Funds collected are dedicated to improving/restoring service levels in existing County public safety and justice programs.
- Maintenance Improvement District Fund – This fund accounts for the construction of road maintenance improvement activities undertaken through the maintenance improvement district.
- Metzger Park Fund – This fund accounts for the maintenance and administration of programs at Metzger Park.
- Office of Community Development Grant Fund – This fund accounts for the management, on behalf of the County and eleven participating city consortium members of the Urban County Entitlement Grant.
- Real Property Management Fund – This fund accounts for the County's surplus real property inventory, including sale, disposal, transfer, maintenance, and renting of properties.

SPECIAL REVENUE FUNDS (Continued)

- Senate Bill 1145 Fund – This fund is the repository for those funds dedicated exclusively to services for criminal offenders sentenced under the provisions of Senate Bill 1145 (1995 Legislature).
- Sheriff's Office Contract Services Fund – This fund accounts for the contracted responsibility of providing service to Tri-Met Transit Police Division, the Forest Grove School District high school and middle schools, and the County's Elder Abuse Programs. This fund also provides for uniformed law enforcement security and other support services to the Multnomah County Drug and Alcohol Rehabilitation Program housed in space leased from Washington County in the old jail facility.
- Sheriff's Office Forfeitures Fund – This fund accounts for resources from asset forfeitures that typically come from the sale of real and/or personal property seized from offenders involved in drug-related criminal activity. Specific and strict guidelines govern the use of all forfeiture proceeds. These laws change periodically so funds accumulated at different times are subject to varying legal requirements for their use and are accounted for in different programs within this fund.
- Sheriff's Office Grants and Donations Fund – This fund accounts for donations specifically identified for support of the Drug Abuse Resistance Education (DARE) programs and the Local Law Enforcement Block Grant (LLEBG) federal grant awards that require identification and control of related revenues and expenditures.
- Strategic Investment Program Fund – This fund accounts for payments and other contributions/payments from companies receiving property tax exemptions under the State's Strategic Investment Plan (SIP).
- 1999 Strategic Investment Program Fund – This fund accounts for receipt of all fees from the 1999 SIP agreement and the County's payment of a portion of the community service fee to the City of Hillsboro and other administration functions for the fund.
- Survey Fund – This fund encompasses the duties and responsibilities of the County Surveyor, which include documentation, checking and recording subdivisions and plats, performing court-ordered surveys, right-of-way acquisitions, road and easement vacations, road alignment surveying, construction taking, and public assistance.
- Surveyor – Public Land Corner Fund – This fund accounts for activities related to the remonumentation of government survey corners funded through the public land corner preservation fee.

SPECIAL REVENUE FUNDS (Continued)

- Tourism Dedicated Lodging Tax Fund – This fund accounts for revenues generated by the three-ninths portion of the Washington County lodging tax that is tourism-dedicated.
- Urban Road Maintenance Service District Fund (Component Unit) – The District provides an enhanced level of maintenance services to local, minor collector, and public roads in the urban unincorporated areas of Washington County and is funded by an established permanent rate. The District contracts with private firms and with Washington County to provide the required road maintenance services.
- Washington County Fair Fund – This fund accounts for the operation and management of the fairground facilities which provide various services to the public, including the annual County fair.
- West Slope Library Fund – This fund accounts for the provision of public library services for County residents in the unincorporated West Slope/Raleigh Hills area, including circulation of library materials, basic reference service, and children's programs.

DEBT SERVICE FUNDS

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

- Criminal Justice Bond Fund – This fund is used to pay principal and interest on the Series 2007 refunding of the Criminal Justice Facilities Bonds.
- Miscellaneous Debt Service Fund – This fund is an accounting unit for the payment of all other debt owed by the County.

CAPITAL PROJECTS FUNDS

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

- Facilities General Capital Projects Fund – This fund accounts for miscellaneous capital improvement projects.
- Facilities Park (THPRD) SDC Fund – This fund is used to account for system development charges in the northeastern part of the County's urban unincorporated area. Charges are to be used for park capital improvements in the area.
- ITS Capital Projects Fund – This fund accounts for the purchase of IT-related capital assets (software and hardware) for Special and General Fund organization units.
- Major Streets Capital Projects Fund – This fund accounts for the activities necessary for installing, constructing, and extending extra capacity street facilities.
- OTIA Capital Projects Fund – This fund accounts for resources made available to the County under House Bill 2041 for the creation of the Oregon Transportation Investment Act III (OTIA3) State Bridge Delivery Program. OTIA3 was created to maximize ease of traffic movement, while providing expedient project delivery and economic stimulus through the use of Oregon firms and their employees. Funds received are expended to repair or replace selected County bridge facilities.
- Parks and Open Spaces Opportunity Projects Fund – This fund is used to account for resources set aside for greenspace acquisitions.
- Transportation Development Tax Fund – This fund is used to account for resources provided by the County's new transportation tax on development that was approved by voters in November 2008.

INTERNAL SERVICE FUNDS

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

- Fleet Management Fund – This fund accounts for maintenance and repair services provided to County users of the fleet. Costs are billed to the user's department based upon a specified hourly rate.
- Fleet Replacement Fund – This fund provides for the purchase and disposition of fleet vehicles and equipment. Replacement costs are billed to other departments at an amount estimated to cover depreciation on the fleet.
- Internal Support Services Fund – This fund accounts for all departmental costs for postage, office supplies, printing, training, and other support services costs. Actual costs are billed to user departments as services are used.
- Liability/Casualty Insurance Fund – This fund is a self-insurance fund that provides the funds necessary to cover liability and casualty claims. Costs are billed to user departments at an amount estimated to cover actual and incurred but not reported claims.
- Life Insurance Fund – This fund accounts for collection and payment of life and long-term disability insurance premiums for the various departments of the County.
- Medical Insurance Fund – This fund accounts for all administrative and claims costs associated with the County's medical and dental plans. Costs are billed to the departments based on number of employees.
- PERS Rate Stabilization Fund – This fund is used to account for monies set aside to fund future rate increases. The funds may be used for employer PERS costs, costs of managing and maintaining the fund and costs related to PERS litigation.

INTERNAL SERVICE FUNDS (Continued)

- Unemployment Insurance Fund – This fund accounts for all unemployment claims of departments and centralizes accounting of charges. Costs are billed to the departments based on historical claims.
- Workers' Compensation Insurance Fund – This fund accounts for the paying of workers' compensation costs. Costs are billed to the user department based on actual expenses.

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Summary
June 30, 2010
(Dollars in thousands)

Assets	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Non-major Funds
Cash and investments	\$ 82,846	52	7,234	90,132
Property taxes receivable	2,122	293	—	2,415
Assessments receivable	95	—	—	95
Accounts receivable	4,631	—	476	5,107
Investment interest receivable	465	—	—	465
Contracts receivable	4,275	—	—	4,275
Inventory	3	—	—	3
Supplies	2	—	—	2
Other assets	39	—	1	40
	<u>94,478</u>	<u>345</u>	<u>7,711</u>	<u>102,534</u>
Liabilities and Fund Balances (Deficit)				
Liabilities:				
Accounts payable	5,085	—	840	5,925
Accrued payroll liabilities	2,527	—	—	2,527
Deposits payable	794	—	—	794
Amounts held in trust	25	—	—	25
Accrued OHP Reserve	1,770	—	—	1,770
Due to other funds	1,639	128	199	1,966
Deferred revenue	7,945	247	—	8,192
	<u>19,785</u>	<u>375</u>	<u>1,039</u>	<u>21,199</u>
Fund balances(deficit):				
Reserved for:				
Inventory	3	—	—	3
Capital projects	—	—	142	142
Unreserved:				
Capital projects	—	—	6,530	6,530
Debt service	—	(30)	—	(30)
Special revenue	74,690	—	—	74,690
	<u>74,693</u>	<u>(30)</u>	<u>6,672</u>	<u>81,335</u>
Total fund balances (deficit)	<u>74,693</u>	<u>(30)</u>	<u>6,672</u>	<u>81,335</u>
Total liabilities and fund balances (deficit) \$	<u>94,478</u>	<u>345</u>	<u>7,711</u>	<u>102,534</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Special Revenue Funds
June 30, 2010
(Dollars in thousands)

Assets	Aging, Disability & Veterans Services Fund	Animal Services Gifts and Donation Fund	Building Equipment Replace- ment Fund	Building Services Fund	Child Abuse Multidisciplinary Intervention Fund	Children and Youth Services Commission Fund
Cash and investments	\$ 695	531	2,156	7,922	—	988
Accounts receivable	261	—	—	27	124	583
Total assets	<u>956</u>	<u>531</u>	<u>2,156</u>	<u>7,949</u>	<u>124</u>	<u>1,571</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	164	—	107	12	92	543
Accrued payroll liabilities	50	—	—	196	4	35
Deposits payable	—	—	—	177	—	—
Due to other funds	—	—	—	—	3	—
Deferred revenue	65	67	—	12	—	592
Total liabilities	<u>279</u>	<u>67</u>	<u>107</u>	<u>397</u>	<u>99</u>	<u>1,170</u>
Fund balances:						
Unreserved	<u>677</u>	<u>464</u>	<u>2,049</u>	<u>7,552</u>	<u>25</u>	<u>401</u>
Total fund balances	<u>677</u>	<u>464</u>	<u>2,049</u>	<u>7,552</u>	<u>25</u>	<u>401</u>
Total liabilities and fund balances	<u>\$ 956</u>	<u>531</u>	<u>2,156</u>	<u>7,949</u>	<u>124</u>	<u>1,571</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2010
(Dollars in thousands)

Assets	Community Corrections Fund	Cooperative Library Services Fund	County- wide Traffic Impact Fee Fund	Court Security Fund	Department of Housing Services Fund
Cash and investments	\$ 1,761	4,723	17,522	189	134
Property taxes receivable	—	325	—	—	—
Assessments receivable	—	—	91	—	—
Accounts receivable	51	—	—	22	120
Inventory	2	—	—	—	—
Other assets	2	—	—	—	—
Total assets	1,816	5,048	17,613	211	254
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	135	59	1,669	33	113
Accrued payroll liabilities	342	112	—	—	141
Amounts held in trust	24	—	—	—	—
Deferred revenue	—	274	91	—	—
Total liabilities	501	445	1,760	33	254
Fund balances:					
Reserved for inventory	2	—	—	—	—
Unreserved	1,313	4,603	15,853	178	—
Total fund balances	1,315	4,603	15,853	178	—
Total liabilities and fund balances	\$ 1,816	5,048	17,613	211	254

WASHINGTON COUNTY, OREGON

Combining Balance Sheet, Continued

Non-major Governmental Funds - Special Revenue Funds

June 30, 2010

(Dollars in thousands)

Assets	Development Services Fund	District Patrol Fund	Emergency Medical Services Fund	Enhanced Sheriff Patrol District Fund (Component Unit)
Cash and investments	\$ 1,087	676	1,742	13,192
Property taxes receivable	—	—	—	821
Accounts receivable	75	—	3	—
Total assets	1,162	676	1,745	14,013
 Liabilities and Fund Balances				
Liabilities:				
Accounts payable	18	39	15	—
Accrued payroll liabilities	87	637	13	—
Deposits payable	255	—	—	—
Deferred revenue	50	—	—	693
Total liabilities	410	676	28	693
Fund balances:				
Unreserved	752	—	1,717	13,320
Total fund balances	752	—	1,717	13,320
Total liabilities and fund balances	\$ 1,162	676	1,745	14,013

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2010
(Dollars in thousands)

Assets	Human Services HB-2145 Fund	Human Services OHP Fund	ITS Systems Replacement Fund	Jail Commissary Fund	Juvenile Conciliation Services Fund	Juvenile Grants Fund
Cash and investments	\$ 750	9,285	1,362	330	13	—
Accounts receivable	—	—	—	7	1	204
Total assets	<u>750</u>	<u>9,285</u>	<u>1,362</u>	<u>337</u>	<u>14</u>	<u>204</u>
Liabilities and Fund Balances (Deficit)						
Liabilities:						
Accounts payable	1	482	—	—	10	3
Accrued payroll liabilities	—	49	—	—	21	22
Accrued OHP payable	—	1,770	—	—	—	—
Due to other funds	—	—	—	—	—	63
Deferred revenue	—	—	—	—	—	6
Total liabilities	<u>1</u>	<u>2,301</u>	<u>—</u>	<u>—</u>	<u>31</u>	<u>94</u>
Fund balances (deficit):						
Unreserved	749	6,984	1,362	337	(17)	110
Total fund balances (deficit)	<u>749</u>	<u>6,984</u>	<u>1,362</u>	<u>337</u>	<u>(17)</u>	<u>110</u>
Total liabilities and fund balances (deficit) \$	<u>750</u>	<u>9,285</u>	<u>1,362</u>	<u>337</u>	<u>14</u>	<u>204</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2010
(Dollars in thousands)

Assets	Juvenile High Risk Prevention Fund	Law Library Capital Construction Reserve Fund	Law Library Fund	Local Option Levy Fund	Maintenance Improvement District Fund
Cash and investments	\$ 90	348	646	6,507	243
Property taxes receivable	—	—	—	817	—
Accounts receivable	400	—	—	81	—
Inventory	1	—	—	—	—
Supplies	—	—	2	—	—
Other assets	—	—	2	—	—
	<u>491</u>	<u>348</u>	<u>650</u>	<u>7,405</u>	<u>243</u>
Total assets					
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	27	—	8	151	—
Accrued payroll liabilities	69	—	7	601	—
Deferred revenue	27	—	—	769	—
	<u>123</u>	<u>—</u>	<u>15</u>	<u>1,521</u>	<u>—</u>
Total liabilities					
Fund balances:					
Reserved for inventory	1	—	—	—	—
Unreserved	367	348	635	5,884	243
	<u>368</u>	<u>348</u>	<u>635</u>	<u>5,884</u>	<u>243</u>
Total fund balances					
Total liabilities and fund balances	<u>\$ 491</u>	<u>348</u>	<u>650</u>	<u>7,405</u>	<u>243</u>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet, Continued

Non-major Governmental Funds - Special Revenue Funds

June 30, 2010

(Dollars in thousands)

Assets	Metzger Park Fund	Office of Community Development Grant Fund	Real Property Management Fund
Cash and investments	\$ 91	—	1
Assessments receivable	4	—	—
Accounts receivable	—	1,219	—
Investment interest receivable	—	465	—
Contracts receivable	—	4,275	—
	<hr/>	<hr/>	<hr/>
Total assets	95	5,959	1
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Fund Balances (Deficit)			
Liabilities:			
Accounts payable	2	301	1
Accrued payroll liabilities	4	29	—
Deposits payable	1	—	—
Due to other funds	—	937	—
Deferred revenue	3	4,779	—
	<hr/>	<hr/>	<hr/>
Total liabilities	10	6,046	1
	<hr/>	<hr/>	<hr/>
Fund balance (deficit):			
Unreserved	85	(87)	—
	<hr/>	<hr/>	<hr/>
Total fund balances (deficit)	85	(87)	—
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances (deficit) \$	95	5,959	1
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

WASHINGTON COUNTY, OREGON

Combining Balance Sheet, Continued

Non-major Governmental Funds - Special Revenue Funds

June 30, 2010

(Dollars in thousands)

Assets	Senate Bill 1145 Fund	Sheriff's Office Contract Services Fund	Sheriff's Office Forfeitures Fund	Sheriff's Office Grants & Donations Fund	Strategic Investment Program Fund
Cash and investments	\$ 88	—	776	—	1
Accounts receivable	—	100	—	644	—
Total assets	<u>88</u>	<u>100</u>	<u>776</u>	<u>644</u>	<u>1</u>
Liabilities and Fund Balances (Deficit)					
Liabilities:					
Accounts payable	—	1	5	71	—
Accrued payroll liabilities	—	5	—	4	—
Due to other funds	—	94	—	542	—
Deferred revenue	—	—	—	280	—
Total liabilities	<u>—</u>	<u>100</u>	<u>5</u>	<u>897</u>	<u>—</u>
Fund balances (deficit):					
Unreserved	88	—	771	(253)	1
Total fund balances (deficit)	<u>88</u>	<u>—</u>	<u>771</u>	<u>(253)</u>	<u>1</u>
Total liabilities and fund balances (deficit) \$	<u>88</u>	<u>100</u>	<u>776</u>	<u>644</u>	<u>1</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet, Continued
Non-major Governmental Funds - Special Revenue Funds
June 30, 2010
(Dollars in thousands)

Assets	Survey Fund	Surveyor - Public Land Corner Fund	Tourism Dedicated Lodging Tax Fund	Urban Road Maintenance Service District Fund (Component Unit)	Washington County Fair Fund	West Slope Library Fund	Total Special Revenue Funds
Cash and investments	\$ 987	2,204	1,330	3,600	556	320	82,846
Property taxes receivable	—	—	—	159	—	—	2,122
Assessments receivable	—	—	—	—	—	—	95
Accounts receivable	61	8	458	—	182	—	4,631
Investment interest receivable	—	—	—	—	—	—	465
Contracts receivable	—	—	—	—	—	—	4,275
Inventory	—	—	—	—	—	—	3
Supplies	—	—	—	—	—	—	2
Other assets	—	—	—	—	35	—	39
Total assets	1,048	2,212	1,788	3,759	773	320	94,478
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	24	—	523	407	61	8	5,085
Accrued payroll liabilities	17	31	—	—	29	22	2,527
Deposits payable	361	—	—	—	—	—	794
Amounts held in trust	—	—	—	—	1	—	25
Accrued OHP IBNR Reserve	—	—	—	—	—	—	1,770
Due to other funds	—	—	—	—	—	—	1,639
Deferred revenue	—	—	—	134	103	—	7,945
Total liabilities	402	31	523	541	194	30	19,785
Fund balances:							
Reserved for inventory	—	—	—	—	—	—	3
Unreserved	646	2,181	1,265	3,218	579	290	74,690
Total fund balances	646	2,181	1,265	3,218	579	290	74,693
Total liabilities and fund balances	\$ 1,048	2,212	1,788	3,759	773	320	94,478

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Debt Service Funds
June 30, 2010
(Dollars in thousands)

Assets	Criminal Justice Bond Fund	Miscellaneous Debt Service Fund	Total Debt Service Funds
Cash and investments	\$ —	52	52
Property tax receivable	293	—	293
Total assets	<u>293</u>	<u>52</u>	<u>345</u>
Liabilities and Fund Deficits			
Liabilities:			
Due to other funds	63	65	128
Deferred revenue	247	—	247
Total liabilities	<u>310</u>	<u>65</u>	<u>375</u>
Fund deficits:			
Unreserved	(17)	(13)	(30)
Total fund deficits	<u>(17)</u>	<u>(13)</u>	<u>(30)</u>
Total liabilities and fund deficits	<u>\$ 293</u>	<u>52</u>	<u>345</u>

WASHINGTON COUNTY, OREGON
Combining Balance Sheet
Non-major Governmental Funds - Capital Projects Funds
June 30, 2010
(Dollars in thousands)

Assets	Facilities General Capital Projects Fund	Facilities Park (THPRD) SDC Fund	ITS Capital Projects Fund	Major Streets Capital Projects Fund	OTIA Capital Projects Fund	Parks and Open Spaces Opportunity Projects Fund	Transportation Development Tax Fund	Total Capital Projects Funds
Cash and investments	\$ —	141	393	4,667	627	577	829	7,234
Accounts receivable	257	—	—	215	—	—	4	476
Other assets	—	1	—	—	—	—	—	1
Total assets	257	142	393	4,882	627	577	833	7,711
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	58	—	98	123	560	1	—	840
Due to other funds	199	—	—	—	—	—	—	199
Total liabilities	257	—	98	123	560	1	—	1,039
Fund balances:								
Reserved for capital projects	—	142	—	—	—	—	—	142
Unreserved	—	—	295	4,759	67	576	833	6,530
Total fund balances	—	142	295	4,759	67	576	833	6,672
Total liabilities and fund balances \$	257	142	393	4,882	627	577	833	7,711

WASHINGTON COUNTY, OREGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Non-major Governmental Funds - Summary

For the fiscal year ended June 30, 2010

(Dollars in thousands)

	<u>Total Special Revenue Funds</u>	<u>Total Debt Service Funds</u>	<u>Total Capital Projects Funds</u>	<u>Total Non-major Funds</u>
Revenues:				
Taxes	\$ 50,137	6,333	—	56,470
Licenses and permits	2,369	—	—	2,369
Intergovernmental revenues	26,421	—	3,144	29,565
Charges for services	33,247	—	995	34,242
Fines and forfeitures	323	—	—	323
Special assessments	124	—	—	124
Miscellaneous revenues	22,468	5	88	22,561
Interfund revenues	15,190	—	666	15,856
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	150,279	6,338	4,893	161,510
Expenditures:				
Current:				
General government	7	—	—	7
Public safety and justice	67,822	—	—	67,822
Land use, housing and transportation	25,525	—	7,019	32,544
Health and human services	22,624	—	—	22,624
Culture, education and recreation	25,407	—	—	25,407
Nonoperating	5,670	2	—	5,672
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Total current	147,055	2	7,019	154,076
Capital outlay	1,954	—	1,681	3,635
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Debt service:				
Principal	26	8,540	—	8,566
Interest	1	4,981	—	4,982
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Total debt service	27	13,521	—	13,548
Total expenditures	149,036	13,523	8,700	171,259
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Revenues over (under) expenditures	1,243	(7,185)	(3,807)	(9,749)
Other financing sources(uses):				
Transfers in	19,194	7,179	2,292	28,665
Transfers out	(21,502)	—	(39)	(21,541)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources(uses)	(2,308)	7,179	2,253	7,124
Net change in fund balances(deficits)	(1,065)	(6)	(1,554)	(2,625)
Fund balances (deficit) July 1, 2009	75,758	(24)	8,226	83,960
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Fund balances (deficit) June 30, 2010	\$ 74,693	(30)	6,672	81,335
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WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances(deficit)
Non-major Governmental Funds - Special Revenue Funds
For the fiscal year ended June 30, 2010
(Dollars in thousands)

	Aging, Disability & Veterans Services Fund	Animal Services Gifts and Donation Fund	Building Equipment Replac- ment Fund	Building Services Fund	Child Abuse Multidisciplinary Intervention Fund	Children and Youth Services Commission Fund
Revenues:						
Licenses and permits	\$ —	—	—	1,867	—	—
Intergovernmental revenues	1,992	—	—	29	—	3,103
Charges for services	—	—	—	1,427	—	96
Fines and forfeitures	—	—	—	11	—	—
Miscellaneous revenues	7	228	31	199	615	78
Interfund revenues	1	—	—	197	—	82
Total revenues	<u>2,000</u>	<u>228</u>	<u>31</u>	<u>3,730</u>	<u>615</u>	<u>3,359</u>
Expenditures:						
Current:						
Public safety and justice	—	—	—	—	514	—
Land use, housing and transportation	—	—	—	5,944	—	—
Health and human services	2,209	2	—	—	—	3,546
Total current	<u>2,209</u>	<u>2</u>	<u>—</u>	<u>5,944</u>	<u>514</u>	<u>3,546</u>
Capital outlay	—	—	900	—	—	—
Total expenditures	<u>2,209</u>	<u>2</u>	<u>900</u>	<u>5,944</u>	<u>514</u>	<u>3,546</u>
Revenues over (under) expenditures	<u>(209)</u>	<u>226</u>	<u>(869)</u>	<u>(2,214)</u>	<u>101</u>	<u>(187)</u>
Other financing sources (uses):						
Transfers in	246	—	97	25	—	185
Transfers out	—	—	—	(311)	—	—
Total other financing sources (uses)	<u>246</u>	<u>—</u>	<u>97</u>	<u>(286)</u>	<u>—</u>	<u>185</u>
Net change in fund balances (deficit)	37	226	(772)	(2,500)	101	(2)
Fund balances (deficit) July 1, 2009	<u>640</u>	<u>238</u>	<u>2,821</u>	<u>10,052</u>	<u>(76)</u>	<u>403</u>
Fund balances June 30, 2010	<u>\$ 677</u>	<u>464</u>	<u>2,049</u>	<u>7,552</u>	<u>25</u>	<u>401</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued
Non-major Governmental Funds - Special Revenue Funds
For the fiscal year ended June 30, 2010
(Dollars in thousands)

	Community Corrections Fund	Cooperative Library Fund	County- wide Traffic Impact Fee Fund	Court Security Fund	Department of Housing Services Fund	Development Services Fund
Revenues:						
Taxes	\$ —	7,436	—	—	—	—
Intergovernmental revenues	6,017	37	500	—	1,761	53
Charges for services	779	8	672	—	—	1,150
Fines and forfeitures	—	—	—	311	—	1
Special assessments	—	—	18	—	—	—
Miscellaneous revenues	75	95	214	3	3,223	18
Interfund revenues	1,255	—	—	—	—	323
Total revenues	<u>8,126</u>	<u>7,576</u>	<u>1,404</u>	<u>314</u>	<u>4,984</u>	<u>1,545</u>
Expenditures:						
Current:						
Public safety and justice	10,082	—	—	361	—	—
Land use, housing and transportation	—	—	2,873	—	5,247	2,534
Culture, education and recreation	—	21,332	—	—	—	—
Total current	<u>10,082</u>	<u>21,332</u>	<u>2,873</u>	<u>361</u>	<u>5,247</u>	<u>2,534</u>
Capital outlay	—	102	252	—	—	—
Total expenditures	<u>10,082</u>	<u>21,434</u>	<u>3,125</u>	<u>361</u>	<u>5,247</u>	<u>2,534</u>
Revenues under expenditures	<u>(1,956)</u>	<u>(13,858)</u>	<u>(1,721)</u>	<u>(47)</u>	<u>(263)</u>	<u>(989)</u>
Other financing sources (uses):						
Transfers in	2,666	14,631	—	—	262	363
Transfers out	—	(646)	(106)	—	—	(131)
Total other financing sources (uses)	<u>2,666</u>	<u>13,985</u>	<u>(106)</u>	<u>—</u>	<u>262</u>	<u>232</u>
Net change in fund balances	710	127	(1,827)	(47)	(1)	(757)
Fund balances July 1, 2009	<u>605</u>	<u>4,476</u>	<u>17,680</u>	<u>225</u>	<u>1</u>	<u>1,509</u>
Fund balances June 30, 2010	<u>\$ 1,315</u>	<u>4,603</u>	<u>15,853</u>	<u>178</u>	<u>—</u>	<u>752</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued
Non-major Governmental Funds - Special Revenue Funds
For the fiscal year ended June 30, 2010
(Dollars in thousands)

	District Patrol Fund	Emergency Medical Services Fund	Enhanced Sheriff Patrol District Fund (Component Unit)	Human Services HB-2145 Fund	Human Services OHP Fund	Indirect Cost Reimburse- ment Fund
Revenues:						
Taxes	\$ —	—	18,297	—	—	—
Licenses and permits	—	472	—	—	—	—
Intergovernmental revenues	—	—	—	—	—	47
Charges for services	39	5	—	—	16,192	—
Miscellaneous revenues	16,065	20	172	—	108	—
Interfund revenues	—	2	—	313	—	12,847
Total revenues	16,104	499	18,469	313	16,300	12,894
Expenditures:						
Current:						
Public safety and justice	15,894	—	15,985	—	—	—
Health and human services	—	463	—	—	16,404	—
Nonoperating	—	—	—	—	—	458
Total current	15,894	463	15,985	—	16,404	458
Capital outlay	210	—	—	—	—	—
Total expenditures	16,104	463	15,985	—	16,404	458
Revenues over (under) expenditures	—	36	2,484	313	(104)	12,436
Other financing uses:						
Transfers out	—	—	—	(300)	(102)	(12,436)
Total other financing uses	—	—	—	(300)	(102)	(12,436)
Net change in fund balances	—	36	2,484	13	(206)	—
Fund balances July 1, 2009	—	1,681	10,836	736	7,190	—
Fund balances June 30, 2010	<u>\$ —</u>	<u>1,717</u>	<u>13,320</u>	<u>749</u>	<u>6,984</u>	<u>—</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued
Non-major Governmental Funds - Special Revenue Funds
For the fiscal year ended June 30, 2010
(Dollars in thousands)

	ITS Systems Replacement Fund	Jail Commissary Fund	Juvenile Conciliation Services Fund	Juvenile Grants Fund	Juvenile High Risk Prevention Fund	Law Library Capital Construction Reserve Fund	Law Library Fund
Revenues:							
Licenses and permits	\$ —	—	30	—	—	—	—
Intergovernmental revenues	—	—	—	888	2,008	—	—
Charges for services	—	—	450	—	—	—	513
Miscellaneous revenues	16	103	—	5	27	1	10
Interfund revenues	—	—	80	—	—	—	—
Total revenues	<u>16</u>	<u>103</u>	<u>560</u>	<u>893</u>	<u>2,035</u>	<u>1</u>	<u>523</u>
Expenditures:							
Current:							
Public safety and justice	—	70	580	789	2,167	1	373
Total current	<u>—</u>	<u>70</u>	<u>580</u>	<u>789</u>	<u>2,167</u>	<u>1</u>	<u>373</u>
Total expenditures	<u>—</u>	<u>70</u>	<u>580</u>	<u>789</u>	<u>2,167</u>	<u>1</u>	<u>373</u>
Revenues over (under) expenditures	<u>16</u>	<u>33</u>	<u>(20)</u>	<u>104</u>	<u>(132)</u>	<u>—</u>	<u>150</u>
Other financing uses:							
Transfers out	—	—	—	—	—	—	(18)
Total other financing uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(18)</u>
Net change in fund balances	<u>16</u>	<u>33</u>	<u>(20)</u>	<u>104</u>	<u>(132)</u>	<u>—</u>	<u>132</u>
Fund balances July 1, 2009	<u>1,346</u>	<u>304</u>	<u>3</u>	<u>6</u>	<u>500</u>	<u>348</u>	<u>503</u>
Fund balances (deficit) June 30, 2010	<u>\$ 1,362</u>	<u>337</u>	<u>(17)</u>	<u>110</u>	<u>368</u>	<u>348</u>	<u>635</u>

WASHINGTON COUNTY, OREGON

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

Non-major Governmental Funds - Special Revenue Funds

For the fiscal year ended June 30, 2010

(Dollars in thousands)

	<u>Local Option Levy Fund</u>	<u>Maintenance Improvement District Fund</u>	<u>Metzger Park Fund</u>	<u>Office of Community Development Grant Fund</u>
Revenues:				
Taxes	\$ 18,381	—	—	—
Intergovernmental revenues	374	—	—	4,953
Charges for services	60	—	—	—
Special assessments	—	18	88	—
Miscellaneous revenues	147	2	20	107
Interfund revenues	26	—	—	—
	<u>18,988</u>	<u>20</u>	<u>108</u>	<u>5,060</u>
Total revenues				
Expenditures:				
Current:				
Public safety and justice	16,029	—	—	—
Land use, housing and transportation	—	4	—	5,132
Culture, education and recreation	—	—	137	—
	<u>16,029</u>	<u>4</u>	<u>137</u>	<u>5,132</u>
Total current				
Capital outlay	161	—	—	—
	<u>16,190</u>	<u>4</u>	<u>137</u>	<u>5,132</u>
Total expenditures				
Revenues over (under) expenditures	<u>2,798</u>	<u>16</u>	<u>(29)</u>	<u>(72)</u>
Other financing uses:				
Transfers out	—	(1)	(11)	—
	<u>—</u>	<u>(1)</u>	<u>(11)</u>	<u>—</u>
Total other financing uses				
Net change in fund balances(deficit)	2,798	15	(40)	(72)
Fund balances (deficit) July 1, 2009	<u>3,086</u>	<u>228</u>	<u>125</u>	<u>(15)</u>
Fund balances (deficit) June 30, 2010	\$ <u>5,884</u>	<u>243</u>	<u>85</u>	<u>(87)</u>

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances(deficit), Continued
Non-major Governmental Funds - Special Revenue Funds
For the fiscal year ended June 30, 2010
(Dollars in thousands)

	Real Property Management Fund	Senate Bill 1145 Fund	Sheriff's Office Contract Services Fund	Sheriff's Office Forfeitures Fund	Sheriff's Office Grants & Donations Fund	Strategic Investment Program Fund
Revenues:						
Intergovernmental revenues	\$ —	3,330	692	—	592	—
Charges for services	—	—	15	—	—	1,315
Miscellaneous revenues	7	7	—	355	1	2
Interfund revenues	—	36	—	—	—	—
Total revenues	<u>7</u>	<u>3,373</u>	<u>707</u>	<u>355</u>	<u>593</u>	<u>1,317</u>
Expenditures:						
Current:						
General government	7	—	—	—	—	—
Public safety and justice	—	3,378	675	181	743	—
Nonoperating	—	—	—	—	—	1,726
Total current	<u>7</u>	<u>3,378</u>	<u>675</u>	<u>181</u>	<u>743</u>	<u>1,726</u>
Capital outlay	—	—	—	88	—	—
Total expenditures	<u>7</u>	<u>3,378</u>	<u>675</u>	<u>269</u>	<u>743</u>	<u>1,726</u>
Revenues over (under) expenditures	<u>—</u>	<u>(5)</u>	<u>32</u>	<u>86</u>	<u>(150)</u>	<u>(409)</u>
Net change in fund balances(deficit)	—	(5)	32	86	(150)	(409)
Fund balances (deficits) July 1, 2009	<u>—</u>	<u>93</u>	<u>(32)</u>	<u>685</u>	<u>(103)</u>	<u>410</u>
Fund balances (deficit) June 30, 2010	<u>\$ —</u>	<u>88</u>	<u>—</u>	<u>771</u>	<u>(253)</u>	<u>1</u>

WASHINGTON COUNTY, OREGON

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

Non-major Governmental Funds - Special Revenue Funds

For the fiscal year ended June 30, 2010

(Dollars in thousands)

	1999 Strategic Investment Program Fund	Survey Fund	Surveyor - Public Land Corner Fund	Tourism Dedicated Lodging Tax Fund	Urban Road Maintenance Service District Fund (Component Unit)	Washington County Fair Fund	West Slope Library Fund	Total Special Revenue Funds
Revenues:								
Taxes	\$ —	—	—	1,888	3,506	629	—	50,137
Licenses and permits	—	—	—	—	—	—	—	2,369
Intergovernmental revenues	—	—	—	—	—	42	3	26,421
Charges for services	9,331	283	485	—	—	427	—	33,247
Fines and forfeitures	—	—	—	—	—	—	—	323
Special assessments	—	—	—	—	—	—	—	124
Miscellaneous revenues	(5)	12	27	17	48	384	24	22,468
Interfund revenues	—	23	5	—	—	—	—	15,190
Total revenues	9,326	318	517	1,905	3,554	1,482	27	150,279
Expenditures:								
Current:								
General government	—	—	—	—	—	—	—	7
Public safety and justice	—	—	—	—	—	—	—	67,822
Land use, housing and transportation	—	522	824	—	2,445	—	—	25,525
Health and human services	—	—	—	—	—	—	—	22,624
Culture, education and recreation	—	—	—	1,893	—	1,474	571	25,407
Nonoperating	3,486	—	—	—	—	—	—	5,670
Total current	3,486	522	824	1,893	2,445	1,474	571	147,055
Capital outlay	—	—	—	—	—	241	—	1,954
Debt service:								
Principal	—	—	—	—	—	26	—	26
Interest	—	—	—	—	—	1	—	1
Total debt service	—	—	—	—	—	27	—	27
Total expenditures	3,486	522	824	1,893	2,445	1,742	571	149,036
Revenues over (under) expenditures	5,840	(204)	(307)	12	1,109	(260)	(544)	1,243
Other financing sources (uses):								
Transfers in	—	73	—	—	—	—	646	19,194
Transfers out	(7,281)	(40)	(53)	—	(11)	(55)	—	(21,502)
Total other financing sources(uses)	(7,281)	33	(53)	—	(11)	(55)	646	(2,308)
Net change in fund balances	(1,441)	(171)	(360)	12	1,098	(315)	102	(1,065)
Fund balances July 1, 2009	1,441	817	2,541	1,253	2,120	894	188	75,758
Fund balances June 30, 2010	\$ —	646	2,181	1,265	3,218	579	290	74,693

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances(deficit)

Debt Service Funds
For the fiscal year ended June 30, 2010
(Dollars in thousands)

	Criminal Justice Bond Fund	Miscellaneous Debt Service Fund	Total Debt Service Funds
Revenues:			
Taxes	\$ 6,333	—	6,333
Miscellaneous revenues	5	—	5
Total revenues	<u>6,338</u>	<u>—</u>	<u>6,338</u>
Expenditures:			
Current:			
Nonoperating	1	1	2
Total current	<u>1</u>	<u>1</u>	<u>2</u>
Debt service:			
Principal	5,245	3,295	8,540
Interest	1,109	3,872	4,981
Total debt service	<u>6,354</u>	<u>7,167</u>	<u>13,521</u>
Total expenditures	<u>6,355</u>	<u>7,168</u>	<u>13,523</u>
Revenues under expenditures	<u>(17)</u>	<u>(7,168)</u>	<u>(7,185)</u>
Other financing sources:			
Transfers in	—	7,179	7,179
Total other financing sources	<u>—</u>	<u>7,179</u>	<u>7,179</u>
Net change in fund balance(deficit)	(17)	11	(6)
Fund balance (deficit) July 1, 2009	<u>—</u>	<u>(24)</u>	<u>(24)</u>
Fund deficits June 30, 2010	<u>\$ (17)</u>	<u>(13)</u>	<u>(30)</u>

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

Capital Projects Funds

For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Facilities General Capital Projects Fund	Facilities Park (THPRD) SDC Fund	ITS Capital Projects Fund	Major Streets Capital Projects Fund	OTIA Capital Projects Fund	Parks and Open Spaces Opportunity Projects Fund	Transportation Development Tax Fund	Total Capital Projects Funds
Revenues:								
Intergovernmental revenues	\$ —	—	—	755	2,389	—	—	3,144
Charges for services	—	54	107	—	—	—	834	995
Miscellaneous revenues	—	2	6	54	12	7	7	88
Interfund revenues	284	—	382	—	—	—	—	666
Total revenues	<u>284</u>	<u>56</u>	<u>495</u>	<u>809</u>	<u>2,401</u>	<u>7</u>	<u>841</u>	<u>4,893</u>
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	1,614	5,397	—	8	7,019
Total current	—	—	—	1,614	5,397	—	8	7,019
Capital outlay	586	—	837	—	186	72	—	1,681
Total expenditures	<u>586</u>	<u>—</u>	<u>837</u>	<u>1,614</u>	<u>5,583</u>	<u>72</u>	<u>8</u>	<u>8,700</u>
Revenues over (under) expenditures	<u>(302)</u>	<u>56</u>	<u>(342)</u>	<u>(805)</u>	<u>(3,182)</u>	<u>(65)</u>	<u>833</u>	<u>(3,807)</u>
Other financing sources(uses):								
Transfers in	302	—	429	61	1,500	—	—	2,292
Transfers out	—	—	—	(20)	(19)	—	—	(39)
Total other financing sources	<u>302</u>	<u>—</u>	<u>429</u>	<u>41</u>	<u>1,481</u>	<u>—</u>	<u>—</u>	<u>2,253</u>
Net change in fund balances	—	56	87	(764)	(1,701)	(65)	833	(1,554)
Fund balances July 1, 2009	—	86	208	5,523	1,768	641	—	8,226
Fund balances June 30, 2010	<u>\$ —</u>	<u>142</u>	<u>295</u>	<u>4,759</u>	<u>67</u>	<u>576</u>	<u>833</u>	<u>6,672</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Aging, Disability & Veterans' Services Fund				Animal Services Gifts and Donations Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 1,560	2,050	1,992	(58)	12	12	—	(12)
Miscellaneous revenues	20	20	7	(13)	23	23	228	205
Interfund revenues	8	8	1	(7)	—	—	—	—
Total revenues	1,588	2,078	2,000	(78)	35	35	228	193
Expenditures:								
Current:								
Health and human services	2,020	2,510	2,209	301	114	114	2	112
Nonoperating	—	—	—	—	—	122	—	122
Operating contingency	466	466	—	466	122	122	—	122
Total current	2,486	2,976	2,209	767	236	358	2	356
Total expenditures	2,486	2,976	2,209	767	236	358	2	356
Revenues over (under) expenditures	(898)	(898)	(209)	689	(201)	(323)	226	549
Other financing sources:								
Transfers in from other funds	246	246	246	—	—	—	—	—
Total other financing sources	246	246	246	—	—	—	—	—
Net change in fund balances	(652)	(652)	37	689	(201)	(323)	226	549
Fund balances July 1, 2009	652	652	640	(12)	201	323	238	(85)
Fund balances June 30, 2010	\$ —	—	677	677	—	—	464	464

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Building Equipment Replacement Fund				Building Services Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Licenses and permits	\$ —	—	—	—	2,547	2,547	1,867	(680)
Intergovernmental revenues	—	—	—	—	32	32	29	(3)
Charges for services	—	—	—	—	1,772	1,772	1,427	(345)
Fines and forfeitures	—	—	—	—	3	3	11	8
Miscellaneous revenues	46	46	31	(15)	151	151	199	48
Interfund revenues	—	—	—	—	336	336	197	(139)
Total revenues	46	46	31	(15)	4,841	4,841	3,730	(1,111)
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	7,569	7,569	5,944	1,625
Operating contingency	1,494	1,494	—	1,494	7,071	7,071	—	7,071
Total current	1,494	1,494	—	1,494	14,640	14,640	5,944	8,696
Capital outlay	1,336	1,336	900	436	—	—	—	—
Total expenditures	2,830	2,830	900	1,930	14,640	14,640	5,944	8,696
Revenues under expenditures	(2,784)	(2,784)	(869)	1,915	(9,799)	(9,799)	(2,214)	7,585
Other financing sources (uses):								
Transfers in from other funds	97	97	97	—	25	25	25	—
Transfers out to other funds	—	—	—	—	(311)	(311)	(311)	—
Total other financing sources(uses)	97	97	97	—	(286)	(286)	(286)	—
Net change in fund balances	(2,687)	(2,687)	(772)	1,915	(10,085)	(10,085)	(2,500)	7,585
Fund balances July 1, 2009	2,687	2,687	2,821	134	10,085	10,085	10,052	(33)
Fund balances June 30, 2010	\$ —	—	2,049	2,049	—	—	7,552	7,552

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	<u>Child Abuse Multidisciplinary Intervention Fund</u>				<u>Children and Youth Services Commission Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)*</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	4,126	4,126	3,103	(1,023)
Charges for services	—	—	—	—	120	120	96	(24)
Miscellaneous revenues	479	498	615	117	84	84	78	(6)
Interfund revenues	—	—	—	—	—	—	82	82
Total revenues	<u>479</u>	<u>498</u>	<u>615</u>	<u>117</u>	<u>4,330</u>	<u>4,330</u>	<u>3,359</u>	<u>(971)</u>
Expenditures:								
Current:								
Public safety and justice	478	497	514	(17)	—	—	—	—
Health and human services	—	—	—	—	4,438	4,438	3,546	892
Operating contingency	33	33	—	33	376	376	—	376
Total current	<u>511</u>	<u>530</u>	<u>514</u>	<u>16</u>	<u>4,814</u>	<u>4,814</u>	<u>3,546</u>	<u>1,268</u>
Total expenditures	<u>511</u>	<u>530</u>	<u>514</u>	<u>16</u>	<u>4,814</u>	<u>4,814</u>	<u>3,546</u>	<u>1,268</u>
Revenues over (under) expenditures	<u>(32)</u>	<u>(32)</u>	<u>101</u>	<u>133</u>	<u>(484)</u>	<u>(484)</u>	<u>(187)</u>	<u>297</u>
Other financing sources:								
Transfers in from other funds	—	—	—	—	83	83	185	102
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>83</u>	<u>83</u>	<u>185</u>	<u>102</u>
Net change in fund balances(deficit)	<u>(32)</u>	<u>(32)</u>	<u>101</u>	<u>133</u>	<u>(401)</u>	<u>(401)</u>	<u>(2)</u>	<u>399</u>
Fund balance (deficit) July 1, 2009	<u>32</u>	<u>32</u>	<u>(76)</u>	<u>(108)</u>	<u>401</u>	<u>401</u>	<u>403</u>	<u>2</u>
Fund balance June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>25</u>	<u>25</u>	<u>—</u>	<u>—</u>	<u>401</u>	<u>401</u>

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

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Community Corrections Fund				Cooperative Library Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Taxes	\$ —	—	—	—	7,486	7,486	7,436	(50)
Intergovernmental revenues	6,542	6,542	6,017	(525)	43	43	37	(6)
Charges for services	746	746	779	33	6	6	8	2
Miscellaneous revenues	70	70	75	5	185	185	95	(90)
Interfund revenues	1,323	1,323	1,255	(68)	—	—	—	—
Total revenues	8,681	8,681	8,126	(555)	7,720	7,720	7,576	(144)
Expenditures:								
Current:								
Public safety and justice	11,966	11,966	10,082	1,884	—	—	—	—
Culture, education and recreation	—	—	—	—	21,935	21,935	21,332	603
Operating contingency	—	—	—	—	3,917	3,917	—	3,917
Total current	11,966	11,966	10,082	1,884	25,852	25,852	21,332	4,520
Capital outlay	—	—	—	—	99	99	102	(3)
Total expenditures	11,966	11,966	10,082	1,884	25,951	25,951	21,434	4,517
Revenues under expenditures	(3,285)	(3,285)	(1,956)	1,329	(18,231)	(18,231)	(13,858)	4,373
Other financing sources (uses):								
Transfers in from other funds	2,666	2,666	2,666	—	14,631	14,631	14,631	—
Transfers out to other funds	—	—	—	—	(645)	(645)	(646)	(1)
Total other financing sources	2,666	2,666	2,666	—	13,986	13,986	13,985	(1)
Net change in fund balances	(619)	(619)	710	1,329	(4,245)	(4,245)	127	4,372
Fund balances July 1, 2009	619	619	605	(14)	4,245	4,245	4,476	231
Fund balances June 30, 2010	\$ —	—	1,315	1,315	—	—	4,603	4,603

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

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	<u>Countywide Traffic Impact Fee Fund</u>				<u>Court Security Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Intergovernmental revenues	\$ 250	250	500	250	—	—	—	—
Charges for services	373	373	672	299	—	—	—	—
Fines and forfeitures	—	—	—	—	296	296	311	15
Special assessments	—	—	18	18	—	—	—	—
Miscellaneous revenues	228	228	214	(14)	6	6	3	(3)
Total revenues	<u>851</u>	<u>851</u>	<u>1,404</u>	<u>553</u>	<u>302</u>	<u>302</u>	<u>314</u>	<u>12</u>
Expenditures:								
Current:								
Public safety and justice	—	—	—	—	473	473	361	112
Land use, housing and transportation	14,591	14,591	2,873	11,718	—	—	—	—
Operating contingency	—	—	—	—	48	48	—	48
Total current	<u>14,591</u>	<u>14,591</u>	<u>2,873</u>	<u>11,718</u>	<u>521</u>	<u>521</u>	<u>361</u>	<u>160</u>
Capital outlay	900	900	252	648	—	—	—	—
Total expenditures	<u>15,491</u>	<u>15,491</u>	<u>3,125</u>	<u>12,366</u>	<u>521</u>	<u>521</u>	<u>361</u>	<u>160</u>
Revenues under expenditures	<u>(14,640)</u>	<u>(14,640)</u>	<u>(1,721)</u>	<u>12,919</u>	<u>(219)</u>	<u>(219)</u>	<u>(47)</u>	<u>172</u>
Other financing sources(uses):								
Transfers in from other funds	500	—	—	—	—	—	—	—
Transfers out to other funds	(1,045)	(1,045)	(106)	939	—	—	—	—
Total other financing uses	<u>(545)</u>	<u>(1,045)</u>	<u>(106)</u>	<u>939</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(15,185)</u>	<u>(15,685)</u>	<u>(1,827)</u>	<u>13,858</u>	<u>(219)</u>	<u>(219)</u>	<u>(47)</u>	<u>172</u>
Fund balances July 1, 2009	15,185	15,685	17,680	1,995	219	219	225	6
Fund balances June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>15,853</u>	<u>15,853</u>	<u>—</u>	<u>—</u>	<u>178</u>	<u>178</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	<u>Department of Housing Services Fund</u>				<u>Development Services Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Intergovernmental revenues	\$ 1,973	1,973	1,761	(212)	273	273	53	(220)
Charges for services	—	—	—	—	1,521	1,521	1,150	(371)
Fines and forfeitures	—	—	—	—	—	—	1	1
Miscellaneous revenues	3,629	3,629	3,223	(406)	20	20	18	(2)
Interfund revenues	—	—	—	—	181	181	323	142
Total revenues	<u>5,602</u>	<u>5,602</u>	<u>4,984</u>	<u>(618)</u>	<u>1,995</u>	<u>1,995</u>	<u>1,545</u>	<u>(450)</u>
Expenditures:								
Current:								
Land use, housing and transportation	5,764	5,764	5,247	517	3,327	3,327	2,534	793
Operating contingency	100	100	—	100	446	446	—	446
Total current	<u>5,864</u>	<u>5,864</u>	<u>5,247</u>	<u>617</u>	<u>3,773</u>	<u>3,773</u>	<u>2,534</u>	<u>1,239</u>
Total expenditures	<u>5,864</u>	<u>5,864</u>	<u>5,247</u>	<u>617</u>	<u>3,773</u>	<u>3,773</u>	<u>2,534</u>	<u>1,239</u>
Revenues under expenditures	<u>(262)</u>	<u>(262)</u>	<u>(263)</u>	<u>(1)</u>	<u>(1,778)</u>	<u>(1,778)</u>	<u>(989)</u>	<u>789</u>
Other financing sources(uses):								
Transfers in from other funds	262	262	262	—	579	579	363	(216)
Transfers out to other funds	—	—	—	—	(131)	(131)	(131)	—
Total other financing sources	<u>262</u>	<u>262</u>	<u>262</u>	<u>—</u>	<u>448</u>	<u>448</u>	<u>232</u>	<u>(216)</u>
Net change in fund balances	—	—	(1)	(1)	(1,330)	(1,330)	(757)	573
Fund balances July 1, 2009	—	—	1	1	1,330	1,330	1,509	179
Fund balances June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>752</u>	<u>752</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	<u>District Patrol Fund</u>				<u>Emergency Medical Services Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Licenses and permits	\$ —	—	—	—	445	445	472	27
Charges for services	21	21	39	18	10	10	5	(5)
Miscellaneous revenues	17,529	17,529	16,065	(1,464)	22	22	20	(2)
Interfund revenues	—	—	—	—	—	—	2	2
Total revenues	<u>17,550</u>	<u>17,550</u>	<u>16,104</u>	<u>(1,446)</u>	<u>477</u>	<u>477</u>	<u>499</u>	<u>22</u>
Expenditures:								
Current:								
Public safety and justice	16,904	16,904	15,894	1,010	—	—	—	—
Health and human services	—	—	—	—	689	689	463	226
Operating contingency	418	418	—	418	1,358	1,358	—	1,358
Total current	<u>17,322</u>	<u>17,322</u>	<u>15,894</u>	<u>1,428</u>	<u>2,047</u>	<u>2,047</u>	<u>463</u>	<u>1,584</u>
Capital outlay	228	228	210	18	25	25	—	25
Total expenditures	<u>17,550</u>	<u>17,550</u>	<u>16,104</u>	<u>1,446</u>	<u>2,072</u>	<u>2,072</u>	<u>463</u>	<u>1,609</u>
Revenues over (under) expenditures	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,595)</u>	<u>(1,595)</u>	<u>36</u>	<u>1,631</u>
Net change in fund balances	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,595)</u>	<u>(1,595)</u>	<u>36</u>	<u>1,631</u>
Fund balances July 1, 2009	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,595</u>	<u>1,595</u>	<u>1,681</u>	<u>86</u>
Fund balances June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,717</u>	<u>1,717</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

Enhanced Sheriff Patrol District Fund (Component Unit)				
	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:				
Taxes	\$ 18,229	18,229	18,297	68
Miscellaneous revenues	258	258	172	(86)
Total revenues	18,487	18,487	18,469	(18)
Expenditures:				
Current:				
Public safety and justice	17,528	17,528	15,985	1,543
Operating contingency	11,547	11,547	—	11,547
Total current	29,075	29,075	15,985	13,090
Total expenditures	29,075	29,075	15,985	13,090
Revenues over (under) expenditures	(10,588)	(10,588)	2,484	13,072
Net change in fund balance	(10,588)	(10,588)	2,484	13,072
Fund balance July 1, 2009	10,588	10,588	10,836	248
Fund balance June 30, 2010	\$ —	—	13,320	13,320

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Human Services HB-2145 Fund				Human Services OHP Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ —	—	—	—	14,261	14,261	16,192	1,931
Miscellaneous revenues	—	—	—	—	250	250	108	(142)
Interfund revenues	—	—	313	313	—	—	—	—
Total revenues	—	—	313	313	14,511	14,511	16,300	1,789
Expenditures:								
Current:								
Health and human services	—	—	—	—	14,293	16,543	16,404	139
Operating contingency	72	72	—	72	6,159	3,909	—	3,909
Total current	72	72	—	72	20,452	20,452	16,404	4,048
Total expenditures	72	72	—	72	20,452	20,452	16,404	4,048
Revenues over (under) expenditures	(72)	(72)	313	385	(5,941)	(5,941)	(104)	5,837
Other financing uses:								
Transfers out to other funds	(300)	(300)	(300)	—	(1,380)	(1,380)	(102)	1,278
Total other financing uses	(300)	(300)	(300)	—	(1,380)	(1,380)	(102)	1,278
Net change in fund balances	(372)	(372)	13	385	(7,321)	(7,321)	(206)	7,115
Fund balances July 1, 2009	372	372	736	364	7,321	7,321	7,190	(131)
Fund balances June 30, 2010	\$ —	—	749	749	—	—	6,984	6,984

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	<u>Indirect Cost Reimbursement Fund</u>				<u>ITS Systems Replacement Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Intergovernmental revenues	\$ 48	48	47	(1)	—	—	—	—
Miscellaneous revenues	—	—	—	—	20	20	16	(4)
Interfund revenues	<u>12,847</u>	<u>12,847</u>	<u>12,847</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total revenues	<u>12,895</u>	<u>12,895</u>	<u>12,894</u>	<u>(1)</u>	<u>20</u>	<u>20</u>	<u>16</u>	<u>(4)</u>
Expenditures:								
Current:								
Nonoperating	458	458	458	—	—	—	—	—
Operating contingency	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,320</u>	<u>1,320</u>	<u>—</u>	<u>1,320</u>
Total current	<u>458</u>	<u>458</u>	<u>458</u>	<u>—</u>	<u>1,320</u>	<u>1,320</u>	<u>—</u>	<u>1,320</u>
Total expenditures	<u>458</u>	<u>458</u>	<u>458</u>	<u>—</u>	<u>1,320</u>	<u>1,320</u>	<u>—</u>	<u>1,320</u>
Revenues over (under) expenditures	<u>12,437</u>	<u>12,437</u>	<u>12,436</u>	<u>(1)</u>	<u>(1,300)</u>	<u>(1,300)</u>	<u>16</u>	<u>1,316</u>
Other financing uses:								
Transfers out to other funds	<u>(12,436)</u>	<u>(12,436)</u>	<u>(12,436)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing uses	<u>(12,436)</u>	<u>(12,436)</u>	<u>(12,436)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	1	1	—	(1)	(1,300)	(1,300)	16	1,316
Fund balances July 1, 2009	<u>(1)</u>	<u>(1)</u>	<u>—</u>	<u>1</u>	<u>1,300</u>	<u>1,300</u>	<u>1,346</u>	<u>46</u>
Fund balances June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,362</u>	<u>1,362</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Jail Commissary Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:				
Miscellaneous revenues	\$ 102	102	103	1
Total revenues	<u>102</u>	<u>102</u>	<u>103</u>	<u>1</u>
Expenditures:				
Current:				
Public safety and justice	134	134	70	64
Operating contingency	202	202	—	202
Total current	<u>336</u>	<u>336</u>	<u>70</u>	<u>266</u>
Total expenditures	<u>336</u>	<u>336</u>	<u>70</u>	<u>266</u>
Revenues over (under) expenditures	<u>(234)</u>	<u>(234)</u>	<u>33</u>	<u>267</u>
Net change in fund balance	(234)	(234)	33	267
Fund balance July 1, 2009	<u>234</u>	<u>234</u>	<u>304</u>	<u>70</u>
Fund balance June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>337</u>	<u>337</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	<u>Juvenile Conciliation Services Fund</u>				<u>Juvenile Grants Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Licenses and permits	\$ 44	44	30	(14)	—	—	—	—
Intergovernmental revenues	—	—	—	—	780	780	888	108
Charges for services	581	581	450	(131)	—	—	—	—
Miscellaneous revenues	1	1	—	(1)	14	14	5	(9)
Interfund revenues	60	60	80	20	—	—	—	—
Total revenues	<u>686</u>	<u>686</u>	<u>560</u>	<u>(126)</u>	<u>794</u>	<u>794</u>	<u>893</u>	<u>99</u>
Expenditures:								
Current:								
Public safety and justice	686	686	580	106	1,018	1,018	789	229
Operating contingency	15	15	—	15	15	15	—	15
Total current	701	701	580	121	1,033	1,033	789	244
Capital outlay	—	—	—	—	—	—	—	—
Total expenditures	<u>701</u>	<u>701</u>	<u>580</u>	<u>121</u>	<u>1,033</u>	<u>1,033</u>	<u>789</u>	<u>244</u>
Revenues over (under) expenditures	<u>(15)</u>	<u>(15)</u>	<u>(20)</u>	<u>(5)</u>	<u>(239)</u>	<u>(239)</u>	<u>104</u>	<u>343</u>
Net change in fund balances	(15)	(15)	(20)	(5)	(239)	(239)	104	343
Fund balances June 30, 2010	<u>15</u>	<u>15</u>	<u>3</u>	<u>(12)</u>	<u>239</u>	<u>239</u>	<u>6</u>	<u>(233)</u>
Fund balance (deficit) June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>(17)</u>	<u>(17)</u>	<u>—</u>	<u>—</u>	<u>110</u>	<u>110</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	<u>Juvenile High Risk Prevention Fund</u>				<u>Law Library Capital Construction Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Intergovernmental revenues	\$ 2,252	2,252	2,008	(244)	—	—	—	—
Miscellaneous revenues	30	30	27	(3)	9	9	1	(8)
Total revenues	<u>2,282</u>	<u>2,282</u>	<u>2,035</u>	<u>(247)</u>	<u>9</u>	<u>9</u>	<u>1</u>	<u>(8)</u>
Expenditures:								
Current:								
Public safety and justice	2,537	2,537	2,167	370	1	1	1	—
Operating contingency	50	50	—	50	358	358	—	358
Total current	<u>2,587</u>	<u>2,587</u>	<u>2,167</u>	<u>420</u>	<u>359</u>	<u>359</u>	<u>1</u>	<u>358</u>
Total expenditures	<u>2,587</u>	<u>2,587</u>	<u>2,167</u>	<u>420</u>	<u>359</u>	<u>359</u>	<u>1</u>	<u>358</u>
Revenues under expenditures	<u>(305)</u>	<u>(305)</u>	<u>(132)</u>	<u>173</u>	<u>(350)</u>	<u>(350)</u>	<u>—</u>	<u>350</u>
Net change in fund balances	<u>(305)</u>	<u>(305)</u>	<u>(132)</u>	<u>173</u>	<u>(350)</u>	<u>(350)</u>	<u>—</u>	<u>350</u>
Fund balances July 1, 2009	<u>305</u>	<u>305</u>	<u>500</u>	<u>195</u>	<u>350</u>	<u>350</u>	<u>348</u>	<u>(2)</u>
Fund balances June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>368</u>	<u>368</u>	<u>—</u>	<u>—</u>	<u>348</u>	<u>348</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Law Library Fund				Local Option Levy Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ —	—	—	—	18,433	18,433	18,381	(52)
Intergovernmental revenues	—	—	—	—	329	329	374	45
Charges for services	378	378	513	135	47	47	60	13
Miscellaneous revenues	9	9	10	1	191	191	147	(44)
Interfund revenues	—	—	—	—	—	—	26	26
Total revenues	<u>387</u>	<u>387</u>	<u>523</u>	<u>136</u>	<u>19,000</u>	<u>19,000</u>	<u>18,988</u>	<u>(12)</u>
Expenditures:								
Current:								
Public safety and justice	458	458	373	85	—	—	—	—
County administration	—	—	—	—	786	786	825	(39)
Sheriff's office administration	—	—	—	—	829	829	679	150
Law enforcement services	—	—	—	—	7,771	7,771	7,163	608
Sheriff's Office - Jail	—	—	—	—	1,656	1,656	1,558	98
District Attorney	—	—	—	—	1,877	1,877	1,827	50
Community corrections	—	—	—	—	986	986	986	—
Juvenile services	—	—	—	—	3,070	3,070	2,991	79
Operating contingency	262	262	—	262	4,676	4,676	—	4,676
Total current	<u>720</u>	<u>720</u>	<u>373</u>	<u>347</u>	<u>21,651</u>	<u>21,651</u>	<u>16,029</u>	<u>5,622</u>
Capital outlay	—	—	—	—	245	245	161	84
Debt service:								
Interest	—	—	—	—	50	50	—	50
Total debt service	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>50</u>	<u>50</u>	<u>—</u>	<u>50</u>
Total expenditures	<u>720</u>	<u>720</u>	<u>373</u>	<u>347</u>	<u>21,946</u>	<u>21,946</u>	<u>16,190</u>	<u>5,756</u>
Revenues over (under) expenditures	<u>(333)</u>	<u>(333)</u>	<u>150</u>	<u>483</u>	<u>(2,946)</u>	<u>(2,946)</u>	<u>2,798</u>	<u>5,744</u>
Other financing uses:								
Transfers out to other funds	(18)	(18)	(18)	—	(2,000)	(2,000)	(2,000)	—
Total other financing uses	<u>(18)</u>	<u>(18)</u>	<u>(18)</u>	<u>—</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>—</u>
Net change in fund balances	<u>(351)</u>	<u>(351)</u>	<u>132</u>	<u>483</u>	<u>(4,946)</u>	<u>(4,946)</u>	<u>798</u>	<u>5,744</u>
Fund balances July 1, 2009	<u>351</u>	<u>351</u>	<u>503</u>	<u>152</u>	<u>4,946</u>	<u>4,946</u>	<u>5,086</u>	<u>140</u>
Fund balances June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>635</u>	<u>635</u>	<u>—</u>	<u>—</u>	<u>5,884</u>	<u>5,884</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Maintenance Improvement District Fund				Metzger Park LID Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Special assessments	\$ 18	18	18	—	87	87	88	1
Miscellaneous revenues	3	3	2	(1)	30	30	20	(10)
Total revenues	<u>21</u>	<u>21</u>	<u>20</u>	<u>(1)</u>	<u>117</u>	<u>117</u>	<u>108</u>	<u>(9)</u>
Expenditures:								
Current:								
Land use, housing and transportation	216	216	4	212	—	—	—	—
Culture, education and recreation	—	—	—	—	150	150	137	13
Operating contingency	10	10	—	10	78	78	—	78
Total current	<u>226</u>	<u>226</u>	<u>4</u>	<u>222</u>	<u>228</u>	<u>228</u>	<u>137</u>	<u>91</u>
Total expenditures	<u>226</u>	<u>226</u>	<u>4</u>	<u>222</u>	<u>228</u>	<u>228</u>	<u>137</u>	<u>91</u>
Revenues over (under) expenditures	<u>(205)</u>	<u>(205)</u>	<u>16</u>	<u>221</u>	<u>(111)</u>	<u>(111)</u>	<u>(29)</u>	<u>82</u>
Other financing uses:								
Transfers out to other funds	(1)	(1)	(1)	—	(11)	(11)	(11)	—
Total other financing uses	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>—</u>	<u>(11)</u>	<u>(11)</u>	<u>(11)</u>	<u>—</u>
Net change in fund balances	<u>(206)</u>	<u>(206)</u>	<u>15</u>	<u>221</u>	<u>(122)</u>	<u>(122)</u>	<u>(40)</u>	<u>82</u>
Fund balances July 1, 2009	<u>206</u>	<u>206</u>	<u>228</u>	<u>22</u>	<u>122</u>	<u>122</u>	<u>125</u>	<u>3</u>
Fund balances June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>243</u>	<u>243</u>	<u>—</u>	<u>—</u>	<u>85</u>	<u>85</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Office of Community Development Block Grant Fund				Real Property Management Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 3,593	7,706	4,953	(2,753)	—	—	—	—
Miscellaneous revenues	227	227	107	(120)	7	7	7	—
Total revenues	<u>3,820</u>	<u>7,933</u>	<u>5,060</u>	<u>(2,873)</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>—</u>
Expenditures:								
Current:								
General government	—	—	—	—	7	7	7	—
Land use, housing and transportation	3,812	7,926	5,132	2,794	—	—	—	—
Operating contingency	7	7	—	7	—	—	—	—
Total current	<u>3,819</u>	<u>7,933</u>	<u>5,132</u>	<u>2,801</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>—</u>
Total expenditures	<u>3,819</u>	<u>7,933</u>	<u>5,132</u>	<u>2,801</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>—</u>
Revenues over (under) expenditures	<u>1</u>	<u>—</u>	<u>(72)</u>	<u>(72)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund deficit	1	—	(72)	(72)	—	—	—	—
Fund balance (deficit) July 1, 2009	<u>(1)</u>	<u>—</u>	<u>(15)</u>	<u>(15)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance (deficit) June 30, 2010	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>(87)</u></u>	<u><u>(87)</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	<u>Senate Bill 1145 Fund</u>				<u>Sheriff's Office Contract Services Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Intergovernmental revenues	\$ 3,499	3,499	3,330	(169)	755	755	692	(63)
Charges for services	—	—	—	—	—	—	15	15
Miscellaneous revenues	18	18	7	(11)	—	—	—	—
Interfund revenues	—	—	36	36	—	—	—	—
Total revenues	<u>3,517</u>	<u>3,517</u>	<u>3,373</u>	<u>(144)</u>	<u>755</u>	<u>755</u>	<u>707</u>	<u>(48)</u>
Expenditures:								
Current:								
Public safety and justice	3,540	3,540	3,378	162	755	755	675	80
Operating contingency	73	73	—	73	—	—	—	—
Total current	<u>3,613</u>	<u>3,613</u>	<u>3,378</u>	<u>235</u>	<u>755</u>	<u>755</u>	<u>675</u>	<u>80</u>
Total expenditures	<u>3,613</u>	<u>3,613</u>	<u>3,378</u>	<u>235</u>	<u>755</u>	<u>755</u>	<u>675</u>	<u>80</u>
Revenues over (under) expenditures	<u>(96)</u>	<u>(96)</u>	<u>(5)</u>	<u>91</u>	<u>—</u>	<u>—</u>	<u>32</u>	<u>32</u>
Net change in fund balance(deficit)	<u>(96)</u>	<u>(96)</u>	<u>(5)</u>	<u>91</u>	<u>—</u>	<u>—</u>	<u>32</u>	<u>32</u>
Fund balance (deficit) July 1, 2009	<u>96</u>	<u>96</u>	<u>93</u>	<u>(3)</u>	<u>—</u>	<u>—</u>	<u>(32)</u>	<u>(32)</u>
Fund balances June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>88</u>	<u>88</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	<u>Sheriff's Office Forfeitures Fund</u>				<u>Sheriff's Office Grants & Donations Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)*</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	1,709	1,906	592	(1,314)
Miscellaneous revenues	210	210	355	145	—	—	1	1
Total revenues	<u>210</u>	<u>210</u>	<u>355</u>	<u>145</u>	<u>1,709</u>	<u>1,906</u>	<u>593</u>	<u>(1,313)</u>
Expenditures:								
Current:								
Public safety and justice	470	470	181	289	1,660	1,857	743	1,114
Operating contingency	11	11	—	11	—	—	—	—
Total current	<u>481</u>	<u>481</u>	<u>181</u>	<u>300</u>	<u>1,660</u>	<u>1,857</u>	<u>743</u>	<u>1,114</u>
Capital outlay	—	—	88	(88)	50	50	—	50
Total expenditures	<u>481</u>	<u>481</u>	<u>269</u>	<u>212</u>	<u>1,710</u>	<u>1,907</u>	<u>743</u>	<u>1,164</u>
Revenues over (under) expenditures	<u>(271)</u>	<u>(271)</u>	<u>86</u>	<u>357</u>	<u>(1)</u>	<u>(1)</u>	<u>(150)</u>	<u>(149)</u>
Net change in fund balance(deficit)	(271)	(271)	86	357	(1)	(1)	(150)	(149)
Fund balance (deficit) July 1, 2009	<u>271</u>	<u>271</u>	<u>685</u>	<u>414</u>	<u>1</u>	<u>1</u>	<u>(103)</u>	<u>(104)</u>
Fund balance (deficit) June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>771</u>	<u>771</u>	<u>—</u>	<u>—</u>	<u>(253)</u>	<u>(253)</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	<u>Strategic Investment Program Fund</u>				<u>1999 Strategic Investment Program Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)*</u>
Revenues:								
Charges for services	\$ 1,400	1,400	1,315	(85)	8,564	10,717	9,331	(1,386)
Miscellaneous revenues	5	5	2	(3)	50	50	(5)	(55)
Total revenues	<u>1,405</u>	<u>1,405</u>	<u>1,317</u>	<u>(88)</u>	<u>8,614</u>	<u>10,767</u>	<u>9,326</u>	<u>(1,441)</u>
Expenditures:								
Current:								
Nonoperating	<u>1,800</u>	<u>1,800</u>	<u>1,726</u>	<u>74</u>	<u>3,241</u>	<u>3,241</u>	<u>3,486</u>	<u>(245)</u>
Total current	<u>1,800</u>	<u>1,800</u>	<u>1,726</u>	<u>74</u>	<u>3,241</u>	<u>3,241</u>	<u>3,486</u>	<u>(245)</u>
Total expenditures	<u>1,800</u>	<u>1,800</u>	<u>1,726</u>	<u>74</u>	<u>3,241</u>	<u>3,241</u>	<u>3,486</u>	<u>(245)</u>
Revenues over (under) expenditures	<u>(395)</u>	<u>(395)</u>	<u>(409)</u>	<u>(14)</u>	<u>5,373</u>	<u>7,526</u>	<u>5,840</u>	<u>(1,686)</u>
Other financing uses:								
Transfers out to other funds	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(5,374)</u>	<u>(7,527)</u>	<u>(7,281)</u>	<u>246</u>
Total other financing uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(5,374)</u>	<u>(7,527)</u>	<u>(7,281)</u>	<u>246</u>
Net change in fund balances	<u>(395)</u>	<u>(395)</u>	<u>(409)</u>	<u>(14)</u>	<u>(1)</u>	<u>(1)</u>	<u>(1,441)</u>	<u>(1,440)</u>
Fund balances July 1, 2009	<u>395</u>	<u>395</u>	<u>410</u>	<u>15</u>	<u>1</u>	<u>1</u>	<u>1,441</u>	<u>1,440</u>
Fund balances June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>1</u>	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

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

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	<u>Survey Fund</u>				<u>Surveyor-Public Land Corner Fund</u>			
	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>	<u>Adopted budget</u>	<u>Revised budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:								
Charges for services	\$ 277	277	283	6	350	350	485	135
Miscellaneous revenues	11	11	12	1	35	35	27	(8)
Interfund revenues	11	11	23	12	11	11	5	(6)
Total revenues	<u>299</u>	<u>299</u>	<u>318</u>	<u>19</u>	<u>396</u>	<u>396</u>	<u>517</u>	<u>121</u>
Expenditures:								
Current:								
Land use, housing and transportation	688	688	522	166	1,048	1,048	824	224
Operating contingency	347	347	—	347	1,634	1,634	—	1,634
Total current	<u>1,035</u>	<u>1,035</u>	<u>522</u>	<u>513</u>	<u>2,682</u>	<u>2,682</u>	<u>824</u>	<u>1,858</u>
Capital outlay	5	5	—	5	—	—	—	—
Total expenditures	<u>1,040</u>	<u>1,040</u>	<u>522</u>	<u>518</u>	<u>2,682</u>	<u>2,682</u>	<u>824</u>	<u>1,858</u>
Revenues over (under) expenditures	<u>(741)</u>	<u>(741)</u>	<u>(204)</u>	<u>537</u>	<u>(2,286)</u>	<u>(2,286)</u>	<u>(307)</u>	<u>1,979</u>
Other financing sources(uses):								
Transfers in from other funds	73	73	73	—	—	—	—	—
Transfers out to other funds	(40)	(40)	(40)	—	(53)	(53)	(53)	—
Total other financing sources(uses)	<u>33</u>	<u>33</u>	<u>33</u>	<u>—</u>	<u>(53)</u>	<u>(53)</u>	<u>(53)</u>	<u>—</u>
Net change in fund balances	<u>(708)</u>	<u>(708)</u>	<u>(171)</u>	<u>537</u>	<u>(2,339)</u>	<u>(2,339)</u>	<u>(360)</u>	<u>1,979</u>
Fund balances July 1, 2009	<u>708</u>	<u>708</u>	<u>817</u>	<u>109</u>	<u>2,339</u>	<u>2,339</u>	<u>2,541</u>	<u>202</u>
Fund balances June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>646</u>	<u>646</u>	<u>—</u>	<u>—</u>	<u>2,181</u>	<u>2,181</u>

WASHINGTON COUNTY, OREGON

Budgetary Comparison, Continued

Non-major Governmental Funds - Special Revenue Funds

For the fiscal year ended June 30, 2010

(Dollars in thousands)

	Tourism Dedicated Lodging Tax Fund				Urban Road Maintenance Service District Fund (Component Unit)			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 2,079	2,079	1,888	(191)	3,424	3,424	3,506	82
Miscellaneous revenues	—	—	17	17	31	31	48	17
Total revenues	<u>2,079</u>	<u>2,079</u>	<u>1,905</u>	<u>(174)</u>	<u>3,455</u>	<u>3,455</u>	<u>3,554</u>	<u>99</u>
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	2,398	2,448	2,445	3
Culture, education and recreation	3,623	3,623	1,893	1,730	—	—	—	—
Operating contingency	—	—	—	—	3,114	3,064	—	3,064
Total current	<u>3,623</u>	<u>3,623</u>	<u>1,893</u>	<u>1,730</u>	<u>5,512</u>	<u>5,512</u>	<u>2,445</u>	<u>3,067</u>
Total expenditures	<u>3,623</u>	<u>3,623</u>	<u>1,893</u>	<u>1,730</u>	<u>5,512</u>	<u>5,512</u>	<u>2,445</u>	<u>3,067</u>
Revenues over (under) expenditures	<u>(1,544)</u>	<u>(1,544)</u>	<u>12</u>	<u>1,556</u>	<u>(2,057)</u>	<u>(2,057)</u>	<u>1,109</u>	<u>3,166</u>
Other financing uses:								
Transfers out to other funds	—	—	—	—	(11)	(11)	(11)	—
Total other financing uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(11)</u>	<u>(11)</u>	<u>(11)</u>	<u>—</u>
Net change in fund balances	<u>(1,544)</u>	<u>(1,544)</u>	<u>12</u>	<u>1,556</u>	<u>(2,068)</u>	<u>(2,068)</u>	<u>1,098</u>	<u>3,166</u>
Fund balances July 1, 2009	<u>1,544</u>	<u>1,544</u>	<u>1,253</u>	<u>(291)</u>	<u>2,068</u>	<u>2,068</u>	<u>2,120</u>	<u>52</u>
Fund balances June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>1,265</u>	<u>1,265</u>	<u>—</u>	<u>—</u>	<u>3,218</u>	<u>3,218</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Special Revenue Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Washington County Fair Fund				West Slope Library Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 710	710	629	(81)	—	—	—	—
Intergovernmental revenues	50	50	42	(8)	3	3	3	—
Charges for services	476	476	427	(49)	—	—	—	—
Miscellaneous revenues	326	326	384	58	27	27	24	(3)
Total revenues	1,562	1,562	1,482	(80)	30	30	27	(3)
Expenditures:								
Current:								
Culture, education and recreation	1,540	1,540	1,474	66	644	644	571	73
Operating contingency	528	528	—	528	153	153	—	153
Total current	2,068	2,068	1,474	594	797	797	571	226
Capital outlay	340	340	241	99	—	—	—	—
Debt service:								
Principal	30	30	26	4	—	—	—	—
Interest	2	2	1	1	—	—	—	—
Total debt service	32	32	27	5	—	—	—	—
Total expenditures	2,440	2,440	1,742	698	797	797	571	226
Revenues under expenditures	(878)	(878)	(260)	618	(767)	(767)	(544)	223
Other financing sources(uses):								
Transfers in from other funds	—	—	—	—	645	645	646	1
Transfers out to other funds	(55)	(55)	(55)	—	—	—	—	—
Total other financing sources(uses)	(55)	(55)	(55)	—	645	645	646	1
Net change in fund balances	(933)	(933)	(315)	618	(122)	(122)	102	224
Fund balances July 1, 2009	933	933	894	(39)	122	122	188	66
Fund balances June 30, 2010	\$ —	—	579	579	—	—	290	290

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Debt Service Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Criminal Justice Bond Fund				Miscellaneous Debt Service Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Taxes	\$ 6,279	6,279	6,333	54	—	—	—	—
Miscellaneous revenues	75	75	5	(70)	63	63	—	(63)
Total revenues	<u>6,354</u>	<u>6,354</u>	<u>6,338</u>	<u>(16)</u>	<u>63</u>	<u>63</u>	<u>—</u>	<u>(63)</u>
Expenditures:								
Current:								
Nonoperating	1	1	1	—	7	7	1	6
Total current	<u>1</u>	<u>1</u>	<u>1</u>	<u>—</u>	<u>7</u>	<u>7</u>	<u>1</u>	<u>6</u>
Debt service:								
Principal	5,245	5,245	5,245	—	3,295	3,295	3,295	—
Interest	1,109	1,109	1,109	—	3,945	3,945	3,872	73
Total debt service	<u>6,354</u>	<u>6,354</u>	<u>6,354</u>	<u>—</u>	<u>7,240</u>	<u>7,240</u>	<u>7,167</u>	<u>73</u>
Total expenditures	<u>6,355</u>	<u>6,355</u>	<u>6,355</u>	<u>—</u>	<u>7,247</u>	<u>7,247</u>	<u>7,168</u>	<u>79</u>
Revenues under expenditures	<u>(1)</u>	<u>(1)</u>	<u>(17)</u>	<u>(16)</u>	<u>(7,184)</u>	<u>(7,184)</u>	<u>(7,168)</u>	<u>16</u>
Other financing sources:								
Transfers in from other funds	—	—	—	—	7,180	7,180	7,179	(1)
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,180</u>	<u>7,180</u>	<u>7,179</u>	<u>(1)</u>
Net change in fund balance	<u>(1)</u>	<u>(1)</u>	<u>(17)</u>	<u>(16)</u>	<u>(4)</u>	<u>(4)</u>	<u>11</u>	<u>15</u>
Fund balance (deficit) July 1, 2009	1	1	—	(1)	4	4	(24)	(28)
Fund deficits June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>(17)</u>	<u>(17)</u>	<u>—</u>	<u>—</u>	<u>(13)</u>	<u>(13)</u>

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Facilities General Capital Projects Fund				Facilities Park (THPRD) SDC Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ 1,917	1,917	—	(1,917)	—	—	—	—
Charges for services	—	—	—	—	25	25	54	29
Miscellaneous revenues	—	—	—	—	2	2	2	—
Interfund revenues	488	488	284	(204)	—	—	—	—
Total revenues	2,405	2,405	284	(2,121)	27	27	56	29
Expenditures:								
Current:								
Nonoperating	—	—	—	—	2	2	—	2
Total current	—	—	—	—	2	2	—	2
Capital outlay	3,895	3,895	586	3,309	132	132	—	132
Total expenditures	3,895	3,895	586	3,309	134	134	—	134
Revenues over (under) expenditures	(1,490)	(1,490)	(302)	1,188	(107)	(107)	56	163
Other financing sources:								
Proceeds from debt	1,100	1,100	—	(1,100)	—	—	—	—
Transfers in from other funds	390	390	302	(88)	—	—	—	—
Total other financing sources	1,490	1,490	302	(1,188)	—	—	—	—
Net change in fund balances	—	—	—	—	(107)	(107)	56	163
Fund balances July 1, 2009	—	—	—	—	107	107	86	(21)
Fund balances June 30, 2010	\$ —	—	—	—	—	—	142	142

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	ITS Capital Projects Fund				Major Streets Capital Projects Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ —	—	—	—	2,185	2,185	755	(1,430)
Charges for services	4	4	107	103	—	—	—	—
Miscellaneous revenues	—	—	6	6	2,493	2,493	54	(2,439)
Interfund revenues	1,047	1,047	382	(665)	—	—	—	—
Total revenues	1,051	1,051	495	(556)	4,678	4,678	809	(3,869)
Expenditures:								
Current:								
Land use, housing and transportation	—	—	—	—	10,340	10,340	1,614	8,726
Total current	—	—	—	—	10,340	10,340	1,614	8,726
Capital outlay	2,037	2,037	837	1,200	25	25	—	25
Total expenditures	2,037	2,037	837	1,200	10,365	10,365	1,614	8,751
Revenues under expenditures	(986)	(986)	(342)	644	(5,687)	(5,687)	(805)	4,882
Other financing sources(uses):								
Transfers in from other funds	796	796	429	(367)	30	30	61	31
Transfers out to other funds	—	—	—	—	(20)	(20)	(20)	—
Total other financing sources	796	796	429	(367)	10	10	41	31
Net change in fund balances	(190)	(190)	87	277	(5,677)	(5,677)	(764)	4,913
Fund balances July 1, 2009	190	190	208	18	5,677	5,677	5,523	(154)
Fund balances June 30, 2010	\$ —	—	295	295	—	—	4,759	4,759

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	OTIA Capital Projects Fund				Parks and Open Spaces Opportunity Projects Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)*	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Intergovernmental revenues	\$ —	—	2,389	2,389	—	—	—	—
Miscellaneous revenues	35	35	12	(23)	16	16	7	(9)
Total revenues	35	35	2,401	2,366	16	16	7	(9)
Expenditures:								
Current:								
Land use, housing and transportation	6,709	6,709	5,397	1,312	—	—	—	—
Nonoperating	—	—	—	—	50	50	—	50
Total current	6,709	6,709	5,397	1,312	50	50	—	50
Capital outlay	100	100	186	(86)	612	612	72	540
Total expenditures	6,809	6,809	5,583	1,226	662	662	72	590
Revenues under expenditures	(6,774)	(6,774)	(3,182)	3,592	(646)	(646)	(65)	581
Other financing sources(uses):								
Transfers in from other funds	4,500	4,500	1,500	(3,000)	—	—	—	—
Transfers out to other funds	(19)	(19)	(19)	—	—	—	—	—
Total other financing sources	4,481	4,481	1,481	(3,000)	—	—	—	—
Net change in fund balances	(2,293)	(2,293)	(1,701)	592	(646)	(646)	(65)	581
Fund balances July 1, 2009	2,293	2,293	1,768	(525)	646	646	641	(5)
Fund balances June 30, 2010	\$ —	—	67	67	—	—	576	576

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

WASHINGTON COUNTY, OREGON
 Budgetary Comparison, Continued
 Non-major Governmental Funds - Capital Projects Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Transportation Development Tax Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:				
Charges for services	\$ 1,384	1,384	834	(550)
Miscellaneous revenues	16	16	7	(9)
Total revenues	<u>1,400</u>	<u>1,400</u>	<u>841</u>	<u>(559)</u>
Expenditures:				
Current:				
Land use, housing and transportation	<u>1,399</u>	<u>1,399</u>	<u>8</u>	<u>1,391</u>
Total current	<u>1,399</u>	<u>1,399</u>	<u>8</u>	<u>1,391</u>
Total expenditures	<u>1,399</u>	<u>1,399</u>	<u>8</u>	<u>1,391</u>
Revenues over expenditures	<u>1</u>	<u>1</u>	<u>833</u>	<u>832</u>
Net change in fund balance	<u>1</u>	<u>1</u>	<u>833</u>	<u>832</u>
Fund balance (deficit) July 1, 2009	<u>(1)</u>	<u>(1)</u>	<u>—</u>	<u>1</u>
Fund balance June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>833</u>	<u>833</u>

WASHINGTON COUNTY, OREGON

Combining Statement of Net Assets

Internal Service Funds

June 30, 2010

(Dollars in thousands)

Assets	Fleet Management Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/ Casualty Insurance Fund	Life Insurance Fund	Medical Insurance Fund
Current assets:						
Cash and investments	\$ 533	7,065	429	3,934	102	595
Accounts receivable	9	89	2	—	—	—
Prepays	—	—	—	—	—	45
Inventory	368	—	30	—	—	—
Total current assets	910	7,154	461	3,934	102	640
Capital assets, net of accumulated depreciation	—	7,697	390	—	—	—
Total assets	910	14,851	851	3,934	102	640
Liabilities and Net Assets						
Current liabilities:						
Accounts payable	150	—	36	53	—	27
Accrued payroll liabilities	140	—	34	—	—	—
Accrued self-insurance	—	—	—	1,947	—	—
Total current liabilities	290	—	70	2,000	—	27
Noncurrent liabilities:						
Net OPEB obligation	14	—	38	—	—	—
Total liabilities	304	—	108	2,000	—	27
Net assets:						
Invested in capital assets, net of related debt	—	7,697	390	—	—	—
Unrestricted	606	7,154	353	1,934	102	613
Total net assets	606	14,851	743	1,934	102	613
Total liabilities and net assets	\$ 910	14,851	851	3,934	102	640

WASHINGTON COUNTY, OREGON
Combining Statement of Net Assets (Deficit), Continued
Internal Service Funds
June 30, 2010
(Dollars in thousands)

Assets	PERS Rate Stabilization Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total Internal Service Funds
Current assets:				
Cash and investments	\$ 10,483	557	1,815	25,513
Accounts receivable	—	—	10	110
Prepays	—	—	—	45
Inventory	—	—	—	398
Total current assets	<u>10,483</u>	<u>557</u>	<u>1,825</u>	<u>26,066</u>
Capital assets, net of accumulated depreciation	—	—	—	8,087
Total assets	<u><u>10,483</u></u>	<u><u>557</u></u>	<u><u>1,825</u></u>	<u><u>34,153</u></u>
Liabilities and Net Assets (Deficit)				
Current liabilities:				
Accounts payable	—	102	144	512
Accrued payroll liabilities	—	—	—	174
Accrued self-insurance	—	—	2,092	4,039
Total current liabilities	—	102	2,236	4,725
Noncurrent liabilities:				
Net OPEB obligation	—	—	—	52
Total liabilities	—	102	2,236	4,777
Net assets (deficit):				
Invested in capital assets, net of related debt	—	—	—	8,087
Unrestricted	10,483	455	(411)	21,289
Total net assets (deficit)	<u>10,483</u>	<u>455</u>	<u>(411)</u>	<u>29,376</u>
Total liabilities and net assets (deficit)	<u><u>\$ 10,483</u></u>	<u><u>557</u></u>	<u><u>1,825</u></u>	<u><u>34,153</u></u>

WASHINGTON COUNTY, OREGON

Combining Statement of Revenues, Expenses
and Changes in Net Assets

Internal Service Funds

For the fiscal year ended June 30, 2010

(Dollars in thousands)

	Fleet Management Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/ Casualty Insurance Fund	Life Insurance Fund	Medical Insurance Fund
Operating revenues:						
Charges for services	\$ 3,272	1,715	1,712	479	—	18,716
Other	572	—	—	89	371	1,253
Total operating revenues	3,844	1,715	1,712	568	371	19,969
Operating expenses:						
Labor and fringe benefits	1,376	—	485	—	—	—
Utilities	29	—	—	—	—	—
Professional services	8	—	—	242	—	159
Supplies	1,659	—	824	—	—	—
Administrative costs	468	239	233	801	4	62
Depreciation and amortization	—	1,497	153	—	—	—
Insurance claims and premiums	—	—	—	1,448	342	21,603
Repairs and maintenance	286	53	1	—	—	—
Total operating expenses	3,826	1,789	1,696	2,491	346	21,824
Operating income (loss)	18	(74)	16	(1,923)	25	(1,855)
Nonoperating income:						
Interest income	4	80	4	53	1	15
Gain (loss) on sale of capital assets	—	451	(4)	—	—	—
Total nonoperating income	4	531	—	53	1	15
Change in net assets	22	457	16	(1,870)	26	(1,840)
Net assets July 1, 2009	584	14,394	727	3,804	76	2,453
Net assets June 30, 2010	\$ 606	14,851	743	1,934	102	613

WASHINGTON COUNTY, OREGON
Combining Statement of Revenues, Expenses
and Changes in Net Assets (Deficit), Continued
Internal Service Funds
For the fiscal year ended June 30, 2010
(Dollars in thousands)

	PERS Rate Stabilization Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total Internal Service Funds
Operating revenues:				
Charges for services	\$ —	418	1,084	27,396
Other	—	—	174	2,459
Total operating revenues	<u>—</u>	<u>418</u>	<u>1,258</u>	<u>29,855</u>
Operating expenses:				
Labor and fringe benefits	—	—	—	1,861
Utilities	—	—	—	29
Professional services	—	4	3	416
Supplies	—	—	—	2,483
Administrative costs	39	6	139	1,991
Depreciation and amortization	—	—	—	1,650
Insurance claims and premiums	—	439	1,715	25,547
Repairs and maintenance	—	—	—	340
Total operating expenses	<u>39</u>	<u>449</u>	<u>1,857</u>	<u>34,317</u>
Operating loss	<u>(39)</u>	<u>(31)</u>	<u>(599)</u>	<u>(4,462)</u>
Nonoperating income:				
Interest income	124	7	21	309
Gain on sale of capital assets	—	—	—	447
Total nonoperating income	<u>124</u>	<u>7</u>	<u>21</u>	<u>756</u>
Change in net assets	85	(24)	(578)	(3,706)
Net assets July 1, 2009	<u>10,398</u>	<u>479</u>	<u>167</u>	<u>33,082</u>
Net assets (deficit) June 30, 2010	<u>\$ 10,483</u>	<u>455</u>	<u>(411)</u>	<u>29,376</u>

WASHINGTON COUNTY, OREGON

Combining Statement of Cash Flows

Internal Service Funds

For the fiscal year ended June 30, 2010

(Dollars in thousands)

	Fleet Management Fund	Fleet Replacement Fund	Internal Support Services Fund	Liability/ Casualty Insurance Fund	Life Insurance Fund	Medical Insurance Fund
Cash flows from(used in) operating activities:						
Cash received for services provided	\$ 3,263	1,801	1,710	480	371	18,716
Cash payments for labor and fringe benefits	(1,352)	—	(463)	—	—	—
Cash payments for goods and services	(2,408)	(1,112)	(1,107)	(2,181)	(346)	(21,872)
Other operating revenue	452	—	—	89	—	1,253
Other receipts	120	—	—	—	—	—
Net cash provided by(used in) operating activities	75	689	140	(1,612)	25	(1,903)
Cash flows provided by(used in) capital and related financing activities:						
Acquisition of capital assets	—	(1,449)	(256)	—	—	—
Proceeds from sale of capital assets	—	737	5	—	—	—
Net cash used in capital and related financing activities	—	(712)	(251)	—	—	—
Cash flows from investing activities:						
Interest on investments	4	80	4	53	1	15
Net cash provided by investing activities	4	80	4	53	1	15
Net increase (decrease) in cash and investments	79	57	(107)	(1,559)	26	(1,888)
Cash and investments, July 1, 2009	454	7,008	536	5,493	76	2,483
Cash and investments, June 30, 2010	533	7,065	429	3,934	102	595
Reconciliation of operating income(loss) to net cash provided by(used in) operating activities:						
Operating income (loss)	18	(74)	16	(1,923)	25	(1,855)
Adjustments to reconcile operating income (loss) to net cash provided by(used in) operating activities:						
Depreciation	—	1,497	153	—	—	—
Other expense	—	—	—	—	—	(46)
Increase (decrease) in accounts payable	—	(819)	(38)	48	—	(2)
Increase in accrued liabilities	25	—	21	263	—	—
Decrease (increase) in accounts receivable	(9)	85	(3)	—	—	—
Decrease (increase) in supply inventory	41	—	(9)	—	—	—
Net cash provided by (used in) operating activities	\$ 75	689	140	(1,612)	25	(1,903)

WASHINGTON COUNTY, OREGON
Combining Statement of Cash Flows, Continued
Internal Service Funds
For the fiscal year ended June 30, 2010
(Dollars in thousands)

	PERS Rate Stabilization Fund	Unemployment Insurance Fund	Workers' Compensation Insurance Fund	Total Internal Service Funds
Cash provided by(used in) operating activities:				
Cash received for services provided	\$ —	417	1,083	27,841
Cash payments for labor and fringe benefits	—	—	—	(1,815)
Cash payments for goods and services	(39)	(470)	(1,397)	(30,932)
Other operating revenue	—	—	174	1,968
Other receipts	—	—	—	120
Net cash used in operating activities	<u>(39)</u>	<u>(53)</u>	<u>(140)</u>	<u>(2,818)</u>
Cash provided by (used in) capital and related financing activities:				
Acquisition of capital assets	—	—	—	(1,705)
Proceeds from sale of capital assets	—	—	—	742
Net cash used in capital and related financing activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>(963)</u>
Cash flows from investing activities:				
Interest on investments	124	7	21	309
Net cash provided by investing activities	<u>124</u>	<u>7</u>	<u>21</u>	<u>309</u>
Net increase (decrease) in cash and investments	85	(46)	(119)	(3,472)
Cash and investments, July 1, 2009	10,398	603	1,934	28,985
Cash and investments, June 30, 2010	<u>10,483</u>	<u>557</u>	<u>1,815</u>	<u>25,513</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	(39)	(31)	(599)	(4,462)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	—	—	—	1,650
Other expense	—	—	—	(46)
Increase (decrease) in accounts payable	—	(22)	71	(762)
Increase in accrued liabilities	—	—	389	698
Decrease (increase) in accounts receivable	—	—	(1)	72
Increase in supply inventory	—	—	—	32
Net cash used in operating activities	<u>\$ (39)</u>	<u>(53)</u>	<u>(140)</u>	<u>(2,818)</u>

WASHINGTON COUNTY, OREGON
 Schedule of Revenues and Expenditures -
 Budget and Actual (Budgetary Basis)
 Internal Service Funds
 For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Fleet Management Fund				Fleet Replacement Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Intergovernmental revenues	\$ —	—	4	4	—	—	—	—
Charges for services	4,220	4,220	3,715	(505)	1,603	1,603	1,717	114
Miscellaneous revenues	11	11	8	(3)	408	408	866	458
Interfund revenues	70	70	120	50	—	—	—	—
Total revenues	4,301	4,301	3,847	(454)	2,011	2,011	2,583	572
Expenditures:								
Current:								
General government	4,299	4,299	3,818	481	—	—	—	—
Nonoperating	—	—	—	—	561	561	639	(78)
Operating contingency	648	648	—	648	5,998	5,998	—	5,998
Total current	4,947	4,947	3,818	1,129	6,559	6,559	639	5,920
Capital outlay	—	—	—	—	2,024	2,024	1,152	872
Total expenditures	4,947	4,947	3,818	1,129	8,583	8,583	1,791	6,792
Revenues over (under) expenditures	(646)	(646)	29	675	(6,572)	(6,572)	792	7,364
Fund balances July 1, 2009	646	646	591	(55)	6,572	6,572	6,362	(210)
Fund balances June 30, 2010	\$ —	—	620	620	—	—	7,154	7,154

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

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

Internal Service Funds

For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Internal Support Services Fund				Liability/Casualty Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive - (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)*
Revenues:								
Charges for services	\$ 1,888	1,888	1,716	(172)	493	493	479	(14)
Miscellaneous revenues	10	10	5	(5)	103	103	142	39
Total revenues	<u>1,898</u>	<u>1,898</u>	<u>1,721</u>	<u>(177)</u>	<u>596</u>	<u>596</u>	<u>621</u>	<u>25</u>
Expenditures:								
Current:								
General government	1,724	1,724	1,612	112	—	—	—	—
Nonoperating	—	—	—	—	2,432	2,432	2,491	(59)
Operating contingency	359	359	—	359	1,112	1,112	—	1,112
Total current	<u>2,083</u>	<u>2,083</u>	<u>1,612</u>	<u>471</u>	<u>3,544</u>	<u>3,544</u>	<u>2,491</u>	<u>1,053</u>
Capital outlay	185	185	175	10	—	—	—	—
Debt service:								
Principal	26	26	—	26	—	—	—	—
Interest	6	6	—	6	—	—	—	—
Total debt service	<u>32</u>	<u>32</u>	<u>—</u>	<u>32</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>2,300</u>	<u>2,300</u>	<u>1,787</u>	<u>513</u>	<u>3,544</u>	<u>3,544</u>	<u>2,491</u>	<u>1,053</u>
Revenues under expenditures	(402)	(402)	(66)	336	(2,948)	(2,948)	(1,870)	1,078
Fund balances July 1, 2009	402	402	457	55	2,948	2,948	3,804	856
Fund balances June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>391</u>	<u>391</u>	<u>—</u>	<u>—</u>	<u>1,934</u>	<u>1,934</u>

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

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

Internal Service Funds

For the fiscal year ended June 30, 2010
 (Dollars in thousands)

	Life Insurance Fund				Medical Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ —	—	—	—	20,043	20,043	18,716	(1,327)
Miscellaneous revenues	395	395	371	(24)	1,041	1,041	1,268	227
Total revenues	395	395	371	(24)	21,084	21,084	19,984	(1,100)
Expenditures:								
Current:								
Nonoperating	363	363	345	18	22,233	22,233	21,824	409
Operating contingency	107	107	—	107	1,613	1,613	—	1,613
Total current	470	470	345	125	23,846	23,846	21,824	2,022
Total expenditures	470	470	345	125	23,846	23,846	21,824	2,022
Revenues over (under) expenditures	(75)	(75)	26	101	(2,762)	(2,762)	(1,840)	922
Fund balances July 1, 2009	75	75	76	1	2,762	2,762	2,453	(309)
Fund balances June 30, 2010	\$ —	—	102	102	—	—	613	613

WASHINGTON COUNTY, OREGON
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis)
Internal Service Funds
For the fiscal year ended June 30, 2010
(Dollars in thousands)

	PERS Rate Stabilization Fund				Unemployment Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:								
Charges for services	\$ —	—	—	—	426	426	417	(9)
Miscellaneous revenues	156	156	123	(33)	9	9	7	(2)
Total revenues	156	156	123	(33)	435	435	424	(11)
Expenditures:								
Current:								
Nonoperating	10,520	10,520	38	10,482	709	709	448	261
Operating contingency	—	—	—	—	320	320	—	320
Total current	10,520	10,520	38	10,482	1,029	1,029	448	581
Total expenditures	10,520	10,520	38	10,482	1,029	1,029	448	581
Revenues over (under) expenditures	(10,364)	(10,364)	85	10,449	(594)	(594)	(24)	570
Fund balances July 1, 2009	10,364	10,364	10,398	34	594	594	479	(115)
Fund balances June 30, 2010	\$ —	—	10,483	10,483	—	—	455	455

WASHINGTON COUNTY, OREGON

Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis)

Internal Service Funds

For the fiscal year ended June 30, 2010

(Dollars in thousands)

	Workers' Compensation Insurance Fund			
	Adopted budget	Revised budget	Actual	Variance positive (negative)
Revenues:				
Charges for services	\$ 1,096	1,096	1,084	(12)
Miscellaneous revenues	172	172	195	23
Total revenues	<u>1,268</u>	<u>1,268</u>	<u>1,279</u>	<u>11</u>
Expenditures:				
Current:				
Nonoperating	<u>1,729</u>	<u>1,729</u>	<u>1,857</u>	<u>(128)</u>
Total current	<u>1,729</u>	<u>1,729</u>	<u>1,857</u>	<u>(128)</u>
Total expenditures	<u>1,729</u>	<u>1,729</u>	<u>1,857</u>	<u>(128)</u>
Revenues under expenditures	(461)	(461)	(578)	(117)
Fund balance July 1, 2009	<u>461</u>	<u>461</u>	<u>167</u>	<u>(294)</u>
Fund deficit June 30, 2010	<u>\$ —</u>	<u>—</u>	<u>(411)</u>	<u>(411)</u>

WASHINGTON COUNTY, OREGON
 Reconciliation of Fund Balance to Net Assets
 Internal Service Funds

June 30, 2010
 (Dollars in thousands)

	Fleet Management Fund	Fleet Replacement Fund	Internal Support Services Fund
Fund balance	\$ 620	7,154	391
Add capital assets reported on combining balance sheet	—	7,697	390
Less OPEB obligation	(14)	—	(38)
Total Net Assets	\$ 606	14,851	743

WASHINGTON COUNTY, OREGON
Statement of Changes in Assets and Liabilities
Agency Fund
For the fiscal year ended June 30, 2010
(Dollars in thousands)

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2010</u>
Assets:				
Cash and investments	\$ 3,752	9,072,518	9,071,994	4,276
Accounts receivable	1,440	38,516	37,502	2,454
Property taxes receivable	24,038	12,155	9,866	26,327
Total assets	<u>29,230</u>	<u>9,123,189</u>	<u>9,119,362</u>	<u>33,057</u>
Liabilities:				
Accounts payable	365	1,376,820	1,376,820	365
Amounts held in trust	4,828	785,895	784,358	6,365
Uncollected taxes	24,037	12,156	9,866	26,327
Total liabilities	<u>\$ 29,230</u>	<u>2,174,871</u>	<u>2,171,044</u>	<u>33,057</u>

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OTHER FINANCIAL SCHEDULES

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WASHINGTON COUNTY, OREGON
Schedule of Property Tax and Assessment
Transactions and Outstanding Balances
For the fiscal year ended June 30, 2010
(Dollars in thousands)

	Taxes receivable July, 1 2009	Certified levies	Corrections and adjustments	Collections	Discounts allowed	Interest on delinquent taxes	Taxes receivable June 30, 2010
2009-10	\$ —	766,166	(2,421)	(723,398)	(19,261)	273	21,359
2008-09	21,877	—	(1,223)	(13,689)	26	881	7,872
2007-08	5,661	—	(493)	(2,786)	9	469	2,860
2006-07	1,867	—	(205)	(1,316)	3	313	662
2005-06	542	—	(82)	(422)	4	120	162
2004-05	227	—	(70)	(31)	1	25	152
2003-04 & prior	353	—	(70)	(49)	—	31	265
	<u>\$ 30,527</u>	<u>766,166</u>	<u>(4,564)</u>	<u>(741,691)</u>	<u>(19,218)</u>	<u>2,112</u>	<u>33,332</u>

Reconciliation to Receivables on Basic Financial Statements:

Governmental Activities property taxes receivable	\$ 6,920
Agency funds property taxes receivable	26,327
Assessments receivable for Lighting District	81
Payment-in-lieu-of-taxes	4
	<u>\$ 33,332</u>

WASHINGTON COUNTY, OREGON

Schedule of Accountability of Independently Elected Officials

For the fiscal year ended June 30, 2010

(Dollars in thousands)

Oregon Revised Statutes (ORS) Section 297 requires a statement of accountability for each independently elected official collecting or receiving money in the municipal corporation. In compliance with ORS 297, there are no independently elected officials that collect or receive money on behalf of Washington County.

**WASHINGTON COUNTY,
OREGON**

**STATISTICAL
SECTION**

SECTION III

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STATISTICAL INFORMATION SECTION NARRATIVE (UNAUDITED)

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

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

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

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FINANCIAL TRENDS

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WASHINGTON COUNTY, OREGON

Net Assets by Component

Last Nine Fiscal Years

(Dollars in thousands)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	
Governmental activities										
Invested in capital assets, net of related debt	\$ 166,737	197,258	244,404	242,734	2,148,086	2,151,850	2,135,921	2,134,940	2,108,850	⁽¹⁾
Restricted	9,039	9,039	4,314	1,272	1,069	170	239	911	6,530	
Unrestricted	<u>146,029</u>	<u>147,703</u>	<u>179,689</u>	<u>206,770</u>	<u>250,676</u>	<u>236,359</u>	<u>245,409</u>	<u>230,574</u>	<u>219,822</u>	
Total governmental activities net assets	<u>321,805</u>	<u>354,000</u>	<u>428,407</u>	<u>450,776</u>	<u>2,399,831</u>	<u>2,388,379</u>	<u>2,381,569</u>	<u>2,366,425</u>	<u>2,335,202</u>	
Business-type activities										
Invested in capital assets, net of related debt	194,903	214,979	234,007	245,840	328,060	363,438	395,163	389,728	395,461	⁽²⁾
Restricted	82,397	80,944	57,268	58,656	58,052	28,948	27,582	52,406	57,052	
Unrestricted	<u>38,782</u>	<u>35,655</u>	<u>47,474</u>	<u>49,249</u>	<u>50,035</u>	<u>64,206</u>	<u>55,872</u>	<u>52,806</u>	<u>48,554</u>	
Total business-type activities net assets	<u>316,082</u>	<u>331,578</u>	<u>338,749</u>	<u>353,745</u>	<u>436,147</u>	<u>456,592</u>	<u>478,617</u>	<u>494,940</u>	<u>501,067</u>	
Primary government										
Invested in capital assets, net of related debt	361,640	412,237	478,411	488,574	2,476,146	2,515,288	2,531,084	2,524,668	2,504,311	
Restricted	91,436	89,983	61,582	59,928	59,121	29,118	27,821	53,317	63,582	
Unrestricted	<u>184,811</u>	<u>183,358</u>	<u>227,163</u>	<u>256,019</u>	<u>300,711</u>	<u>300,565</u>	<u>301,281</u>	<u>283,380</u>	<u>268,376</u>	
Total primary government net assets	<u>\$ 637,887</u>	<u>685,578</u>	<u>767,156</u>	<u>804,521</u>	<u>2,835,978</u>	<u>2,844,971</u>	<u>2,860,186</u>	<u>2,861,365</u>	<u>2,836,269</u>	

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

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

Source: Current and prior years' financial statements.

WASHINGTON COUNTY, OREGON

Changes in Net Assets by Component

Last Nine Fiscal Years

(Dollars in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Primary Government									
Governmental activities:									
General government	\$ 7,629	28,068	28,535	29,711	30,466	35,283	41,833	42,319	42,869
Public safety	69,373	75,719	72,858	79,547	89,097	107,566	101,859	97,512	98,562
Land use, housing and transportation	37,118	51,453	26,514	52,167	138,315	181,858	111,906	106,306	108,616
Health and human Services	43,931	48,775	52,168	58,364	61,292	56,507	51,555	56,474	58,467
Culture, education and recreation	14,990	15,696	14,644	14,181	15,038	27,854	23,218	25,728	26,261
Non-operating expense	24,162	7,746	8,605	15,048	-	5,119	21,078	11,663	10,653
Interest expense	9,217	7,764	7,381	821	5,882	6,370	6,818	5,665	5,013
Total governmental activities	206,420	235,221	210,705	249,839	340,090	420,557	358,267	345,667	350,441
Business-type activities:									
Housing authority	19,746	25,371	25,921	26,104	24,579	25,967	27,112	27,421	28,132
Sanitation and surface water	63,079	65,367	72,083	75,061	81,589	84,199	87,319	91,279	97,252
Street lighting district	1,598	1,687	1,601	1,667	1,671	1,726	1,775	1,856	1,842
Total business-type activities expenses	84,423	92,425	99,605	102,832	107,839	111,892	116,206	120,556	127,226
Total primary government expenses	290,843	327,646	310,310	352,671	447,929	532,449	474,473	466,223	477,667
Program Revenues									
Governmental activities:									
Charges for services:									
General government	4,709	8,918	8,161	7,199	32,572	21,499	24,551	6,363	5,371
Public safety	145	814	4,637	6,324	17,935	3,651	1,683	5,536	5,719
Land use, housing and transportation	3,958	3,057	13,061	15,488	17,297	20,591	33,387	10,837	10,568
Health and human Services	2,884	4,684	12,387	16,350	5,431	12,253	11,526	19,671	21,800
Culture, education and recreation	1,098	1,298	1,393	1,303	961	571	1,030	1,488	1,241
Non-operating revenue	3,991	12,227	11,767	27,571	-	22,868	24,628	16,387	16,604
Operating grants and contributions	94,679	92,644	91,037	90,677	106,147	98,844	88,512	91,902	92,531
Capital grants and contributions	2,225	2,516	10,751	5,349	3,751	71,081	1,690	1,851	686
Total governmental activities program revenue	113,689	126,158	153,194	170,261	184,094	251,358	187,007	154,035	154,520
Business-type activities:									
Charges for services:									
Housing authority	4,281	4,124	4,094	4,102	4,201	4,295	5,212	5,099	5,779
Sanitation and surface Water	61,476	62,873	66,457	70,387	75,216	78,523	84,754	89,585	96,329
Street lighting district	1,325	1,639	1,654	1,724	1,707	1,902	1,840	1,828	1,725
Operating grants and contributions	17,662	18,839	19,298	19,039	19,203	18,920	19,801	20,141	20,855
Capital grants and contributions	-	14,580	10,684	16,970	18,056	17,732	22,442	16,629	6,803
Total business-type activities program revenue	84,744	102,055	102,187	112,222	118,383	121,372	134,049	133,282	131,491
Total primary government program revenue	198,433	228,213	255,381	282,483	302,477	372,730	321,056	287,317	286,011
Net Revenue(expense)									
Governmental activities	(92,731)	(109,063)	(57,511)	(79,578)	(155,996)	(169,199)	(171,260)	(191,632)	(195,921)
Prior period adjustment(restatement)	-	-	-	(26,940)	1,965,931	-	-	(993)	- ⁽¹⁾
Total	(92,731)	(109,063)	(57,511)	(106,518)	1,809,935	(169,199)	(171,260)	(192,625)	(195,921)
Business-type activities	321	9,630	2,582	9,390	10,544	9,480	17,843	12,726	4,265
Prior period adjustment(restatement)	-	-	-	-	63,351	(193)	(1,935)	-	- ⁽¹⁾
Total	321	9,630	2,582	9,390	73,895	9,287	15,908	12,726	4,265
Total primary government net revenues(expenses)	\$ (92,410)	(99,433)	(54,929)	(97,128)	1,883,830	(159,912)	(155,352)	(179,899)	(191,656)

⁽¹⁾ Years prior to restatements have not been restated

Source: Current and prior years' financial statements

(Continued)

WASHINGTON COUNTY, OREGON

Changes in Net Assets by Component

Last Nine Fiscal Years

(Dollars in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total primary government net revenues(expenses) (<i>brought forward</i>)	\$ (92,410)	(99,433)	(54,929)	(97,128)	1,883,830	(159,912)	(155,352)	(179,899)	(191,656)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes									
Property taxes, levied for general purposes	95,434	100,171	103,935	108,025	112,150	104,314	135,409	142,298	147,250
Property taxes, levied for debt service	8,036	7,807	7,805	8,056	7,886	7,633	7,770	6,137	6,335
Other taxes	5,565	6,003	6,907	8,264	9,878	10,124	10,253	7,775	7,497
Interest income	5,979	3,698	2,135	4,535	9,197	13,031	10,377	8,247	3,197
Gain (loss) on sale of capital assets	5,221	(25)	(163)	-	-	-	-	-	-
Miscellaneous revenue	12,520	15,118	11,299	7	9	22,645	641	13,024	419
Capital contributions	12,103	8,486	-	-	-	-	-	-	-
Transfers	2,237	-	-	-	-	-	-	-	-
Total governmental activities revenue	147,095	141,258	131,918	128,887	139,120	157,747	164,450	177,481	164,698
Business-type activities:									
Taxes									
Property taxes, levied for general purposes	1	-	-	-	-	-	-	-	-
Interest income	4,469	2,413	1,245	2,159	3,563	4,922	3,475	2,636	1,514
Gain (loss) on sale of capital assets	110	-	332	-	-	-	2,724	1,031	418
Loss on equity in joint venture	-	-	-	-	-	-	(82)	(70)	-
Miscellaneous revenue	50	3,453	3,012	3,448	4,944	6,236	-	-	(70)
Capital contributions	15,890	-	-	-	-	-	-	-	-
Transfers	(2,237)	-	-	-	-	-	-	-	-
Total business-type activities revenue	18,283	5,866	4,589	5,607	8,507	11,158	6,117	3,597	1,862
Total primary government	165,378	147,124	136,507	134,494	147,627	168,905	170,567	181,078	166,560
Change in Net Assets									
Governmental activities	54,364	32,195	74,407	22,369	1,949,055	(11,452)	(6,810)	(15,144)	(31,223)
Business-type activities	18,604	15,496	7,171	14,997	82,402	20,445	22,025	16,323	6,127
Total primary government	\$ 72,968	47,691	81,578	37,366	2,031,457	8,993	15,215	1,179	(25,096)

Source: Current and prior years' financial statements

WASHINGTON COUNTY, OREGON

Fund Balances of Governmental Funds

Last Nine Fiscal Years

(modified accrual basis of accounting)

(Dollars in thousands)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Reserved fund balances:									
Advances	\$ —	—	—	—	—	—	4,000	2,000	—
Inventory	—	—	—	—	—	—	—	234	330
Debt service	667	338	3,869	149	543	170	237	—	—
Working capital	—	230	100	100	100	100	—	—	—
Capital projects	—	—	445	564	526	773	1,082	86	142
Total reserved fund balances	<u>667</u>	<u>568</u>	<u>4,414</u>	<u>813</u>	<u>1,169</u>	<u>1,043</u>	<u>5,319</u>	<u>2,320</u>	<u>472</u>
Unreserved fund balances(deficits):									
Major funds:									
General fund	23,796	24,652	27,211	33,253	41,792	43,480	37,522	30,806	33,874
HOME fund	—	—	—	—	—	—	1	(2)	(2)
Human Services Fund	1,755	1,191	1,078	833	1,172	1,361	2,115	2,983	3,253
MSTIP III Fund	32,167	30,594	36,818	34,383	68,164	57,077	55,908	47,623	44,399
Road Fund	11,196	12,420	20,712	19,972	14,609	14,360	14,044	11,853	13,265
Non-major funds:									
Special Revenue Funds	52,173	51,986	61,540	70,147	74,896	69,034	76,004	82,985	74,690
Capital Projects Funds	1,640	1,123	1,036	1,123	1,539	1,378	942	849	6,530
Debt Service Funds	—	—	—	—	—	—	—	(24)	(30)
Total unreserved fund balances	<u>122,727</u>	<u>121,966</u>	<u>148,395</u>	<u>159,711</u>	<u>202,172</u>	<u>186,690</u>	<u>186,536</u>	<u>177,073</u>	<u>175,979</u>
Total fund balances	<u>\$ 123,394</u>	<u>122,534</u>	<u>152,809</u>	<u>160,524</u>	<u>203,341</u>	<u>187,733</u>	<u>191,855</u>	<u>179,393</u>	<u>176,451</u>

Source: Current and prior years' financial statements.

WASHINGTON COUNTY, OREGON

Changes in Fund Balances of Governmental Funds

Last Nine Fiscal Years

(modified accrual basis of accounting)

(Dollars in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:									
Taxes	\$ 108,937	113,451	118,582	124,866	130,181	121,977	149,442	154,379	160,234
Licenses and permits	7,895	8,051	8,596	9,613	10,253	8,882	9,213	8,126	8,200
Intergovernmental revenues	85,861	88,427	88,273	94,351	104,434	152,681	85,993	89,839	90,197
Charges for services	23,853	42,579	50,151	47,440	34,457	30,525	41,039	39,625	41,179
Fines and forfeitures	1,924	2,213	2,736	3,029	3,210	3,728	3,533	2,826	3,059
Special assessments	319	237	167	211	235	249	224	241	190
Miscellaneous revenues	31,794	14,066	23,132	29,633	33,363	35,697	37,069	34,534	28,247
Interfund revenues	19,658	25,884	23,491	24,187	23,417	26,272	28,283	28,423	29,159
Total revenues	<u>280,241</u>	<u>294,908</u>	<u>315,128</u>	<u>333,330</u>	<u>339,550</u>	<u>380,011</u>	<u>354,796</u>	<u>357,993</u>	<u>360,465</u>
Expenditures:									
Current:									
General government	24,037	24,866	26,243	29,125	30,123	31,134	32,609	36,136	34,265
Public safety and justice	84,108	90,575	91,322	97,605	100,587	104,517	114,416	120,744	121,021
Land use, housing and transportation	79,269	83,831	74,360	91,616	81,633	127,152	94,595	99,590	92,495
Health and human services	45,225	50,373	54,156	59,418	60,526	68,393	52,605	58,405	60,313
Culture, education and recreation	14,700	15,761	14,810	14,402	14,751	15,655	23,081	25,774	26,353
Nonoperating	5,613	6,354	6,182	8,025	7,013	6,359	7,902	7,372	5,672
Capital outlay	18,375	6,874	8,470	7,703	13,716	26,176	9,360	8,739	9,288
Debt service:									
Principal	8,348	8,393	7,327	11,598	14,897	9,485	44,049	8,452	8,908
Interest	7,897	7,138	6,749	6,399	5,352	6,750	6,186	5,748	5,098
Total expenditures	<u>287,572</u>	<u>294,165</u>	<u>289,619</u>	<u>325,891</u>	<u>328,598</u>	<u>395,621</u>	<u>384,803</u>	<u>370,960</u>	<u>363,413</u>
Excess(deficiency) of revenues over (under) expenditures	<u>(7,331)</u>	<u>743</u>	<u>25,509</u>	<u>7,439</u>	<u>10,952</u>	<u>(15,610)</u>	<u>(30,007)</u>	<u>(12,967)</u>	<u>(2,948)</u>
Other financing sources(uses):									
Proceeds from debt	13,210	294	4,343	274	83,401	—	34,125	—	—
Advance refunding of debt principal	(6,730)	—	—	—	(51,540)	—	—	—	—
Advance payment on pension obligation	(17,617)	—	—	—	—	—	—	—	—
Transfers in from other funds	36,374	56,393	60,481	70,271	80,292	91,364	69,224	73,738	79,801
Transfers out to other funds	(36,974)	(58,290)	(60,058)	(70,267)	(80,288)	(91,362)	(69,224)	(73,234)	(79,795)
Total other financing sources(uses)	<u>(11,737)</u>	<u>(1,603)</u>	<u>4,766</u>	<u>278</u>	<u>31,865</u>	<u>2</u>	<u>34,125</u>	<u>504</u>	<u>6</u>
Net change in fund balances	\$ <u>(19,068)</u>	<u>(860)</u>	<u>30,275</u>	<u>7,717</u>	<u>42,817</u>	<u>(15,608)</u>	<u>4,118</u>	<u>(12,463)</u>	<u>(2,942)</u>
Debt service as a percentage of noncapital expenditures	6.75%	5.71%	5.73%	5.95%	7.05%	4.83%	14.49%	4.49%	4.20%

Source: Current and prior years' financial statements.

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REVENUE CAPACITY

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

Fiscal year ended June 30	Assessed Value				Total	Total direct tax rate ⁽¹⁾	True cash valuation	Ratio of assessed valuation to true cash valuation
	Real property	Personal property	Public utility property					
2001	\$ 26,616,267	\$ 1,546,626	\$ 936,735	\$ 29,099,628	\$ 2.53	\$ 38,375,452	75.83 %	
2002	28,359,299	1,655,117	1,155,253	31,169,669	2.96	42,641,803	73.10	
2003	30,082,720	1,771,620	1,185,317	33,039,657	2.92	45,004,178	73.41	
2004	31,411,567	1,668,488	1,178,235	34,258,290	2.90	50,523,742	67.81	
2005	33,025,666	1,626,433	1,140,884	35,792,983	2.87	52,646,589	67.99	
2006	34,866,509	1,608,701	1,155,643	37,630,853	2.84	58,389,427	64.45	
2007	36,728,957	1,652,098	1,198,560	39,579,615	2.45	69,903,003	56.62	
2008	38,669,431	1,760,359	1,266,893	41,696,683	3.03	76,919,205	54.21	
2009	40,540,532	1,911,303	1,411,287	43,863,122	2.98	79,498,937	55.17	
2010	41,974,973	1,833,195	1,591,315	45,399,483	2.98	75,512,292	60.12	

⁽¹⁾ The total direct tax rate reported is for Washington County only and does not include any component unit tax rates.

Source: Washington County Department of Assessment and Taxation

WASHINGTON COUNTY, OREGON

Certified Property Tax Levies -
Direct and Overlapping Governments

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal year ended June 30	Total Tax Levies	Component units of ⁽²⁾			
		Washington County ⁽¹⁾	Washington County	School Districts	Fire Districts
2001	\$ 425,819	\$ 72,380	\$ 13,360	\$ 185,009	\$ 35,727
2002	491,097	92,476	13,909	215,997	43,376
2003	520,050	96,229	14,490	233,208	45,345
2004	559,547	98,991	16,445	257,872	47,067
2005	565,497	102,382	18,695	251,279	49,269
2006	610,402	106,501	18,980	282,295	52,089
2007	598,942	96,775	19,575	269,116	54,774
2008	690,047	125,988	19,988	310,212	59,800
2009	715,850	130,338	23,855	313,624	61,864
2010	766,167	135,477	24,234	334,352	65,439

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

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

Source: Washington County Department of Assessment and Taxation

<u>Cities</u>	<u>Park and recreation</u>	<u>Development and urban renewal agencies</u>	<u>Port of Portland</u>	<u>Portland Community College</u>	<u>Metropolitan Service District</u>	<u>Other</u>
\$ 61,975	\$ 17,780	\$ 12,301	\$ 2,099	\$ 10,529	\$ 8,998	\$ 5,661
67,730	18,661	4,156	2,200	17,077	9,392	6,123
73,626	19,374	4,557	2,305	16,174	8,685	6,057
78,318	20,040	6,306	2,381	17,302	9,178	5,647
81,830	20,804	4,587	2,488	18,017	13,053	3,093
86,783	21,736	4,868	2,616	18,386	14,053	2,113
92,893	22,776	5,348	2,750	19,099	13,729	2,107
98,422	23,818	6,145	2,894	20,771	19,848	2,162
108,078	25,139	6,652	3,040	21,738	19,398	2,124
112,334	31,528	7,180	3,145	28,367	21,948	2,163

WASHINGTON COUNTY, OREGON

Property Tax Levies and Collections⁽¹⁾

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal year ended June 30	Certified tax levies			Current tax collections	Current tax collections as a percentage of current levy	Delinquent tax collections	Total tax collections
	General Fund	Special levies	Total				
2001	\$ 64,700	\$ 21,253	\$ 85,953	\$ 83,514	97.16	% 2,428	\$ 85,942
2002	70,387	35,998	106,385	103,530	97.32	2,281	105,811
2003	74,563	36,339	110,902	108,085	97.46	2,754	110,839
2004	77,079	38,358	115,437	112,738	97.66	2,721	115,459
2005	80,327	40,901	121,228	118,529	97.77	2,511	121,040
2006	84,583	41,013	125,596	123,189	98.08	2,726	125,915
2007	88,968	27,501	116,469	114,058	97.93	2,375	116,433
2008	93,588	45,498	139,086	135,706	97.57	2,295	138,001
2009	98,297	56,017	154,314	149,598	96.94	3,015	152,614
2010	102,210	57,501	159,711	155,259	97.21	3,959	159,218

⁽¹⁾Includes small levies paid off early to other jurisdictions by the General Fund totaling \$410 in 2009-10.

Source: Washington County Finance Division

Total tax collections as a percentage of current levy	Uncollected taxes	Uncollected taxes as a percentage of current levy
99.99 % \$	3,795	4.42 %
99.46	4,170	3.92
99.94	4,232	3.82
100.02	4,207	3.64
99.84	3,761	3.10
100.25	3,519	2.80
99.97	3,554	3.05
99.22	4,642	3.34
98.90	6,514	4.22
99.69	7,005	4.39

WASHINGTON COUNTY, OREGON

Principal Taxpayers Within the County
Current Year and Nine Years Ago

(Dollars in Thousands)

	2010				2001		
	Rank	Assessed valuation	Percent of total		Rank	Assessed valuation	Percent of total
Private enterprises:							
Intel Corporation	1	\$ 1,053,478	2.3 %	1	\$ 720,202	2.5 %	
Verizon Northwest Inc.	2	436,478	1.0		—	—	
Nike, Inc.	3	429,873	0.9	2	257,593	0.9	
Pacific Realty Associates	5	294,193	0.6	4	186,574	0.6	
Comcast Corporation	7	212,605	0.5		—	—	
Maxim Integrated Products, Inc.	8	155,112	0.3	6	148,892	0.5	
Tektronix, Inc.	9	132,746	0.3	5	156,230	0.5	
PS Business Parks	10	104,442	0.2		—	—	
Integrated Device/Sumitomo Bank		—	—	7	112,551	0.4	
Komatsu Silicon America, Inc.		—	—	3	212,241	0.7	
Public utilities:							
Portland General Electric	4	355,704	0.8	9	253,473	0.9	
Northwest Natural Gas Co.	6	300,944	0.7	10	145,466	0.5	
GTE Northwest, Inc.		—	—	8	317,952	1.1	
All other taxpayers		<u>41,923,908</u>	<u>92.4</u>		<u>26,588,454</u>	<u>91.4</u>	
Total		<u>\$ 45,399,483</u>	<u>100.0</u>		<u>\$ 29,099,628</u>	<u>100.0</u>	

Source: Washington County Department of Assessment and Taxation

DEBT CAPACITY

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WASHINGTON COUNTY, OREGON

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

<u>Fiscal Year</u>	<u>Governmental Activities Bonds Payable</u>	<u>Business-Type Activities Bonds Payable</u>	<u>Total Bonds Payable</u>	<u>Total Taxable Assessed Value</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Debt Outstanding Per Capita</u>
2001	\$ 72,933	\$ 214,055	\$ 286,988	\$ 29,099,628	1.0 %	\$ 639
2002	67,275	273,595	340,870	31,169,669	1.1	748
2003	62,150	258,815	320,965	33,039,657	1.0	693
2004	56,980	259,495	316,475	34,258,290	0.9	669
2005	51,545	243,855	295,400	35,792,983	0.8	615
2006	46,015	227,640	273,655	37,630,853	0.7	558
2007	40,260	210,735	250,995	39,579,614	0.6	501
2008	33,570	193,100	226,670	41,696,683	0.5	444
2009	28,570	233,375	261,945	43,863,122	0.6	504
2010	23,325	284,260	307,585	45,399,483	0.7	583

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

WASHINGTON COUNTY, OREGON

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

<u>Fiscal Year</u>	<u>Governmental Activities</u>				<u>Capital Lease Obligations</u>
	<u>Bonds Payable</u>	<u>Notes Payable</u>	<u>Contracts Payable</u>		
2001	\$ 72,933	\$ 78,868	\$ 869	\$	2,548
2002	67,275	83,449	827		2,388
2003	62,150	81,493	838		2,537
2004	56,980	77,853	741		2,344
2005	51,545	72,176	696		2,153
2006	46,015	94,593	650		1,951
2007	40,260	91,108	603		1,754
2008	33,570	88,121	555		1,525
2009	28,570	84,930	505		1,343
2010	23,325	81,510	454		1,160

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

Source: Washington County Finance Division

Business-Type Activities				Total Primary Government	Percentage of Personal Income	Outstanding Debt Per Capita
Bonds Payable	Notes Payable	Contracts Payable				
\$ 214,055	\$ 2,572	\$ 1,253	\$ 373,098	2.5	% \$ 831	
273,595	938	3,960	432,432	2.9	948	
258,815	3,667	746	410,246	2.8	886	
259,495	4,699	569	402,681	2.6	851	
243,855	4,754	386	375,565	2.3	782	
227,640	4,488	196	375,533	2.2	766	
210,735	3,717	—	348,177	1.9	695	
193,100	3,266	—	320,137	1.6	626	
233,375	2,826	—	351,549	1.6	676	
284,260	31,818	—	422,526	N/A	802	

WASHINGTON COUNTY, OREGON

Legal Debt Margin Information

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Washington County:					
-ORS 287.054 provides a debt limit on general obligation bonds of 2% of the real market value of all taxable property within the County's legal boundaries.					
Real market value	\$ 75,512,292	79,498,937	76,919,205	69,903,003	58,389,427
Debt limit rate	2.00%	2.00%	2.00%	2.00%	2.00%
Debt limit	1,510,246	1,589,979	1,538,384	1,398,060	1,167,789
Less general obligation debt at June 30	23,325	28,570	33,570	40,260	46,015
Legal debt margin	<u>1,486,921</u>	<u>1,561,409</u>	<u>1,504,814</u>	<u>1,357,800</u>	<u>1,121,774</u>
Total net debt applicable to the limit as a percentage of debt limit	1.54%	1.80%	2.18%	2.88%	3.94%
-ORS 287.053 provides a debt limit on full faith and credit bonds of 1% of the real market value of all taxable property within the County's legal boundaries.					
Real market value	<u>75,512,292</u>	<u>79,498,937</u>	<u>76,919,205</u>	<u>69,903,003</u>	<u>58,389,427</u>
Debt limit rate	1.00%	1.00%	1.00%	1.00%	1.00%
Debt limit	755,123	794,989	769,192	699,030	583,894
Less full faith and credit obligation debt at June 30	79,715	82,920	85,905	88,695	91,990
Legal debt margin	<u>675,408</u>	<u>712,069</u>	<u>683,287</u>	<u>610,335</u>	<u>491,904</u>
Total net debt applicable to the limit as a percentage of debt limit	10.56%	10.43%	11.17%	12.69%	15.75%
Housing Authority of Washington County:					
-ORS 451.545 provides a debt limit on general obligation bonds of 13% of the real market value of all taxable property within the agency's legal boundaries.					
Real market value	<u>75,512,292</u>	<u>79,498,937</u>	<u>76,919,205</u>	<u>69,903,003</u>	<u>58,389,427</u>
Debt limit rate	13.00%	13.00%	13.00%	13.00%	13.00%
Debt limit	9,816,598	10,334,862	9,999,497	9,087,390	7,590,626
Less general obligation debt at June 30	—	—	—	—	—
Legal debt margin	<u>9,816,598</u>	<u>10,334,862</u>	<u>9,999,497</u>	<u>9,087,390</u>	<u>7,590,626</u>
Total net debt applicable to the limit as a percentage of debt limit	—	—	—	—	—
Clean Water Services:					
-ORS 451.545 provides a debt limit on general obligation bonds of 13% of the real market value of all taxable property within the agency's legal boundaries					
Real market value	<u>67,333,674</u>	<u>67,466,438</u>	<u>65,485,068</u>	<u>59,132,300</u>	<u>48,348,600</u>
Debt limit rate	13.00%	13.00%	13.00%	13.00%	13.00%
Debt limit	8,753,378	8,770,637	8,513,059	7,687,199	6,285,318
Less general obligation debt at June 30	—	—	—	—	—
Legal debt margin	<u>\$ 8,753,378</u>	<u>8,770,637</u>	<u>8,513,059</u>	<u>7,687,199</u>	<u>6,285,318</u>
Total net debt applicable to the limit as a percentage of debt limit	—	—	—	—	—

Source: Washington County Finance Division

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<u>52,646,589</u>	<u>50,523,742</u>	<u>45,004,178</u>	<u>42,641,803</u>	<u>38,375,452</u>
2.00%	2.00%	2.00%	2.00%	2.00%
1,052,932	1,010,475	900,084	852,836	767,509
<u>51,545</u>	<u>56,980</u>	<u>62,150</u>	<u>67,275</u>	<u>72,933</u>
<u>1,001,387</u>	<u>953,495</u>	<u>837,934</u>	<u>785,561</u>	<u>694,576</u>
4.90%	5.64%	6.90%	7.89%	9.50%
<u>52,646,589</u>	<u>50,523,742</u>	<u>45,004,178</u>	<u>42,641,803</u>	<u>38,375,452</u>
1.00%	1.00%	1.00%	1.00%	1.00%
526,466	505,237	450,042	426,418	383,755
<u>69,395</u>	<u>75,195</u>	<u>69,710</u>	<u>74,780</u>	<u>70,165</u>
<u>457,071</u>	<u>430,042</u>	<u>380,332</u>	<u>351,638</u>	<u>313,590</u>
13.18%	14.88%	15.49%	17.54%	18.28%
<u>52,646,589</u>	<u>50,523,742</u>	<u>45,004,178</u>	<u>42,641,803</u>	<u>38,375,452</u>
13.00%	13.00%	13.00%	13.00%	13.00%
6,844,057	6,568,086	5,850,543	5,543,434	4,988,809
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>6,844,057</u>	<u>6,568,086</u>	<u>5,850,543</u>	<u>5,543,434</u>	<u>4,988,809</u>
—	—	—	—	—
<u>48,571,562</u>	<u>41,464,678</u>	<u>41,464,678</u>	<u>39,274,295</u>	<u>35,179,581</u>
13.00%	13.00%	13.00%	13.00%	13.00%
6,314,303	5,390,408	5,390,408	5,105,658	4,573,346
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>340</u>
<u>6,314,303</u>	<u>5,390,408</u>	<u>5,390,408</u>	<u>5,105,658</u>	<u>4,573,006</u>
—	—	—	—	0.01%

WASHINGTON COUNTY, OREGON

Direct and Overlapping Governmental Activities Debt

June 30, 2010

(Dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable to County</u>
Debt repaid with property taxes:			
Overlapping debt outstanding:			
Banks Fire District #13	\$ 1,115	100.0 %	\$ 1,115
City of Banks	—	100.0	—
City of Beaverton	—	100.0	—
City of Cornelius	—	100.0	—
City of Durham	1,445	100.0	1,445
City of Forest Grove	—	100.0	—
City of Hillsboro	—	100.0	—
City of Lake Oswego	32	0.2	—
City of Portland	316	0.2	1
City of Sherwood	8,779	100.0	8,779
City of Tigard	16,708	100.0	16,708
City of Tualatin	9,054	88.2	7,986
City of Wilsonville	—	10.7	—
Clackamas County Education Service District	—	0.4	—
Clackamas County School District 3J (West Linn - Wilsonville)	4,259	1.7	72
Clackamas County School District 7J (Lake Oswego)	969	0.9	9
Columbia County School District 1J (Scappoose)	147	0.4	1
Columbia County School District 47J (Vernonia)	199	0.4	1
Forest Grove Rural Fire Protection District	155	100.0	155
Gaston Rural Fire Protection District	266	78.1	208
Metro	48,687	31.1	15,161
Multnomah County School District 1J (Portland)	2,681	0.6	16
Multnomah Education Service District	—	0.4	—
Northwest Regional Education Service District	—	75.3	—
Port of Portland	—	30.4	—
Portland Community College	93,192	42.6	39,737
Tri-Met	8,691	31.6	2,745
Tualatin Hills Parks & Recreation District	66,935	100.0	66,935
Tualatin Valley Fire & Rescue District	22,802	81.2	18,522
Washington County School District 13 (Banks)	9,820	100.0	9,820
Washington County School District 15 (Forest Grove)	70,296	100.0	70,296
Washington County School District 1J (Hillsboro)	358,871	100.0	358,799
Washington County School District 29 (Reedville Bond)	395	100.0	395
Washington County School District 23J (Tigard - Tualatin)	128,448	97.2	124,903
Washington County School District 48J (Beaverton)	568,966	99.5	566,235
Washington County School District 511J (Gaston)	2,961	81.4	2,409
Washington County School District 88J (Sherwood)	123,359	92.0	113,478
Willamette Education Service District	8	0.4	—
Yamhill County School District 29J (Newberg)	2,925	4.1	119
Total overlapping debt outstanding	1,552,481		1,426,050
Direct debt outstanding:			
Washington County	23,325	100.00	23,325
Total direct and overlapping debt outstanding	\$ 1,575,806		\$ 1,449,375

Source: Oregon State Treasury, Debt Management Division

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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WASHINGTON COUNTY, OREGON

Demographic Statistics

Last Ten Fiscal Years

(Dollars in thousands)

<u>Fiscal Year</u>	<u>Population (estimated)</u>		<u>Personal Income</u>		<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2001	449	\$	14,881	\$	33	5.1 %
2002	456		14,844		33	6.6
2003	463		14,973		32	8.3
2004	473		15,419		33	6.3
2005	480		16,121		34	5.1
2006	490		17,254		35	4.4
2007	501		18,767		37	4.3
2008	511		19,945		39	4.8
2009	520		21,186		41	10.2
2010	527		N/A		N/A	8.4

N/A: Information not available as of printing.

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

WASHINGTON COUNTY, OREGON

Major Employment Industries

Current Year and Nine Years Ago

	2010*		2001	
	Annual Average	% of Total	Annual Average	% of Total
Construction	10,149	4%	12,591	6%
Manufacturing:				
Wood products	1,025		1,613	
Fabricated metal products	2,597		2,672	
Food	1,634		1,807	
Plastics and rubber products	1,470		1,714	
Computer and electronic products	24,774		31,031	
Machinery	3,147		3,656	
Other	6,144		8,379	
Total Manufacturing	40,791	17%	50,872	22%
Trade, Transportation, and Utilities:				
Wholesale	15,813		14,478	
Retail	27,056		26,865	
Transportation, Warehousing, and Utilities	3,069		4,500	
Total Trade, Transportation, and Utilities	45,938	20%	45,843	20%
Information:				
Publishing	3,189		5,650	
Telecommunications	2,057		2,003	
Other (broadcasting, ISP's, etc.)	2,512		1,035	
Total Information	7,758	3%	8,688	4%
Financial Activities:				
Finance and Insurance	10,386		9,976	
Real Estate	3,253		3,164	
Total Financial Activities	13,639	6%	13,140	6%
Professional and Business Services	33,355	14%	34,296	15%
Educational Services	4,671	2%	3,552	2%
Healthcare and Social Assistance	23,927	10%	15,533	7%
Leisure and Hospitality	19,401	8%	16,607	7%
Other Services (agriculture, repairs, private homes, misc.)	10,576	6%	10,870	4%
Government (federal, state, and local)	24,152	10%	16,517	7%
Total Employment	<u>234,357</u>	<u>100%</u>	<u>228,509</u>	<u>100%</u>

*Fiscal Year 2010 information includes data through December 31, 2009.

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

OPERATING INFORMATION

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WASHINGTON COUNTY, OREGON

Full-time Equivalent Employees by Function

Last Nine Fiscal Years

<u>Function/Program</u>	Full-time equivalent employees as of June 30,							2009	2010
	2002	2003	2004	2005	2006	2007	2008		
General government	251.1	275.1	270.1	279.6	280.5	284.4	292.8	299.8	297.0
Public safety and justice	760.6	777.5	767.4	775.4	772.3	782.8	815.3	834.3	836.9
Land use, housing and transportation	430.8	412.8	408.8	405.4	398.6	416.6	426.0	423.9	391.8
Health and human services	196.1	214.6	221.1	222.1	220.6	228.8	231.8	240.2	239.4
Culture, education and recreation	42.7	44.6	38.6	36.6	36.6	36.6	40.0	44.3	45.3
Total	<u>1,681.3</u>	<u>1,724.5</u>	<u>1,705.9</u>	<u>1,719.0</u>	<u>1,708.6</u>	<u>1,749.2</u>	<u>1,805.8</u>	<u>1,842.4</u>	<u>1,810.3</u>

Source: Washington County Support Services Department

WASHINGTON COUNTY, OREGON

Operating Indicators by Function/Program

Last Nine Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government:									
Assessment & Taxation:									
Real property accounts	151,190	154,285	157,241	160,490	164,548	168,846	173,542	177,155	177,924
Personal property accounts	21,137	21,033	20,944	21,141	22,283	23,278	23,791	24,100	24,591
Mobile home accounts	6,640	6,522	6,387	6,227	6,092	5,930	5,569	5,336	5,239
Utility property accounts	1,044	1,084	1,097	1,072	941	997	977	940	1,026
County Counsel:									
Hours booked for General Fund programs	N/A	4,970	5,191	6,517	5,650	5,670	6,023	6,072	8,376
Hours booked for Special Revenue funds and miscellaneous	N/A	5,808	6,903	6,918	6,628	7,118	6,938	7,081	5,639
Hours booked for internal work	N/A	2,032	2,086	2,021	2,456	2,519	2,406	2,087	2,187
Support Services:									
Number of budgeted permanent FTE positions within the County	1,682	1,725	1,709	1,720	1,709	1,749	1,806	1,843	1,810
Number of collective bargaining units	4	4	4	4	5	5	5	5	5
Public Safety & Justice:									
Sheriff (measured in calendar years):									
Citizen generated calls for service	48,450	49,339	52,506	52,394	51,632	52,121	52,481	49,296	N/A
Officer-initiated calls for service (including traffic responses)	47,571	62,870	61,756	70,006	76,595	75,023	72,432	88,239	N/A
Bookings per year at Jail	19,235	18,149	19,015	20,600	19,329	19,181	18,560	18,698	N/A
Average length of stay in Jail (in days)	10	11	12	11	17	17	10	19	N/A
Average daily Jail population	495	530	579	589	554	547	545	551	N/A
Case numbers issued (all documented law enforcement actions taken)	28,676	26,363	26,800	27,552	25,619	23,030	21,536	20,657	N/A
Juvenile (measured in calendar years):									
Total referrals to juvenile department	4,159	3,621	3,677	3,642	3,961	4,416	4,646	4,087	4,106
Percent of youth with no new offenses	73%	76%	73%	75%	72%	72%	71%	74%	N/A
Total admissions to secure detention	625	549	515	538	547	586	632	724	727
Total admissions to shelter care evaluation	132	158	164	156	147	167	165	163	160
Community Corrections:									
Number of offenders residing at the Community Corrections Center	1,871	2,040	1,902	2,000	1,946	2,030	2,100	2,026	2,040
Average daily Community Corrections Center population	177	180	175	180	181	198	190	194	198
Average length of stay in Community Corrections Center (in days)	28	31	32	31	34	37	36	33	36
Number of offenders on supervision	4,089	3,999	4,137	3,962	4,059	4,176	4,205	4,162	4,123
Law Library:									
Total in-library users	4,280	4,854	6,917	6,165	6,968	8,788	9,214	9,797	9,630
Items checked out	456	608	675	786	1,022	864	800	802	865
Land Use, Housing, & Transportation:									
Land Use & Transportation (measured in calendar years):									
Total land use case files	542	542	538	518	596	278	434	413	N/A
Total land use actions	662	662	657	621	773	360	549	488	N/A
New subdivisions	36	36	43	54	83	25	14	4	N/A
Building permits issued (single family residential & remodels/additions)	1,194	1,194	1,458	1,504	1,648	1,639	1,212	988	N/A
Measure 37 claims received	N/A	—	33	404	469	—	—	—	N/A
Housing Services:									
Rent subsidies (units)	2,462	2,535	2,536	2,569	2,569	2,569	2,581	2,610	2,810
Affordable housing (units)	1,833	1,973	1,973	2,684	2,684	2,684	2,684	2,684	2,005
Public housing (units)	297	297	297	297	297	297	265	257	255
Homeownership (units)	5	1	—	4	3	2	2	2	2
Homeless services (beds)	512	595	622	624	625	483	548	544	604
Community Development:									
Number of people served by all CDBG programs	5,846	22,349	16,102	14,257	57,107	30,647	24,767	19,978	14,509
Number of households served by all CDBG programs	267	329	268	355	512	293	468	341	523
Health & Human Services:									
Health & Human Services:									
Swimming pool inspections, reviews, investigations	1,061	1,164	1,072	1,130	1,130	1,178	1,156	1,328	1,264
Solid Waste and Recycling phone calls received	3,542	3,683	3,269	3,127	3,082	3,500	3,187	3,442	3,502
Health Clinic - communicable disease client visits	13,589	15,606	14,053	13,666	12,500	11,862	11,683	10,378	11,169
Birth certificates received	7,065	7,529	7,498	7,511	7,500	8,177	4,172	N/A	N/A
Emergency Medical Services:									
CPR/AED people trained (measured in calendar years)	46	92	226	505	663	686	1,002	605	N/A
Ambulance licenses issued	87	86	112	94	110	113	103	98	99
Total ambulances inspected	15	25	40	35	37	27	—	7	10
Wheelchair car licenses issued	82	114	112	106	119	103	131	134	135
Culture, Education, & Recreation:									
Cooperative Library Services:									
Total library materials circulated	5,832,491	6,584,078	6,583,730	6,813,881	7,121,182	7,389,681	8,442,266	9,776,585	11,143,345
New users registered	32,731	34,621	34,521	38,730	36,104	38,189	41,715	44,797	38,108
Attendance at summer reading programs and events	17,948	16,652	19,685	26,621	25,050	36,672	38,966	41,234	48,136
Items delivered to member libraries via WCCLS couriers	1,516,199	1,713,589	1,794,180	1,852,787	2,011,235	2,125,504	2,714,141	3,170,517	3,721,876

N/A: Information not available

Source: Washington County Support Services Department

WASHINGTON COUNTY, OREGON

Capital Assets

Last Nine Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government:									
Facilities:									
Number of buildings - owned	25	25	25	25	25	22	23	24	23
Number of buildings - leased	7	8	9	9	9	10	8	8	9
Square feet - owned space	1,168,876	1,168,876	1,168,876	1,168,876	1,168,876	1,297,265	1,304,265	1,304,265	1,295,365
Square feet - leased space	29,463	32,424	36,821	36,821	36,821	31,642	24,282	24,282	34,979
Fleet:									
Number of units maintained	494	497	511	513	532	542	549	564	561
Gallons of fuel dispensed	356,208	384,273	400,812	404,661	421,373	408,405	450,074	439,539	431,506
Miles driven	4,418,108	4,277,224	4,293,800	4,309,245	4,543,847	4,475,521	4,705,659	4,554,668	4,620,550
Number of work orders	4,824	4,269	4,049	4,202	4,101	3,821	4,229	4,444	3,847
Information Technology Services:									
Computers supported	1,272	1,532	1,559	1,617	1,675	1,739	2,028	2,127	2,116
Applications supported	N/A	360	360	363	358	608	630	665	698
Land Use, Housing, and Transportation:									
County road system (measured in calendar years):									
Total miles maintained	1,264	1,264	1,277	1,277	1,276	1,285	1,271	1,271	N/A
Paved miles	996	996	1,014	1,017	1,017	1,033	1,035	1,035	N/A
Gravel miles	268	268	263	260	259	252	236	236	N/A
Urban miles	582	582	617	616	615	627	630	630	N/A
Rural miles	682	682	660	661	661	657	641	641	N/A
Bridges	185	185	186	186	187	187	187	187	N/A
Traffic signals	291	291	300	322	325	325	369	379	N/A

Source: Washington County Support Services Department

N/A: Information not available

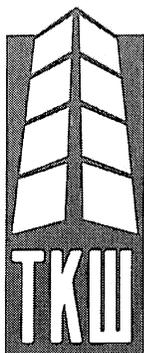
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**WASHINGTON COUNTY,
OREGON**

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS**

SECTION IV

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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

December 17, 2010

Board of Commissioners
Washington County
Hillsboro, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Washington County, Oregon (the County), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 17, 2010. We did not audit the financial statements of the business-type activities of Clean Water Services (the District), a component unit of the County, which is both presented as a major fund, and is 94 percent, 98 percent, and 78 percent, respectively, of the assets, net assets, and revenues of business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the District is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement and except for the District as noted above, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.

Talbot, Korvola & Warwick, LLP
Certified Public Accountants & Consultants

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**INDEPENDENT AUDITOR'S REPORT
 REQUIRED BY OREGON STATE REGULATIONS (Continued)**

COMPLIANCE (Continued)

- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing, nothing came to our attention that caused us to believe the County was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except as follows:

- The County had the following deficit fund balances at June 30, 2010:

	<u>Amount</u>
Special Revenue Funds	
HOME	\$ (2,000)
Juvenile Conciliation Service	(17,000)
Office Community Development Grant Fund	(87,000)
Sheriff's Office Grants and Donations	(253,000)
Debt Service Funds	
Criminal Justice Bond	\$ (17,000)
Miscellaneous Debt Service	(13,000)

- Over expenditures were noted as follows:

<u>Fund</u>	<u>Category</u>	<u>Amount</u>
Local Option Levy	County administration	\$ 39,000
1999 Strategic Investment Program	Nonoperating	245,000
Workers Compensation Insurance	Nonoperating	128,000

OAR 162-10-230 INTERNAL CONTROL

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements.

Our report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements in accordance with *Government Auditing Standards*, dated December 17, 2010, is presented under separate cover.

* * * * *

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS (Continued)**

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



Certified Public Accountants

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