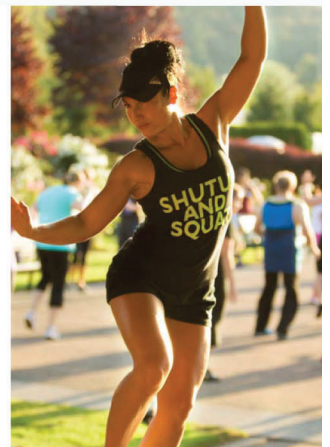
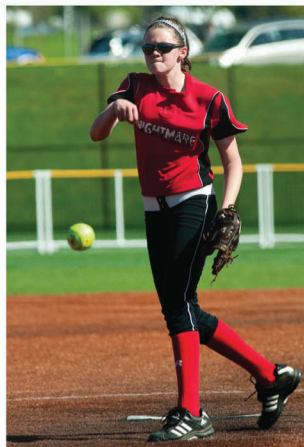




# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015



**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT  
(A Component Unit of Clackamas County, Oregon)**

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

Prepared by:

Clackamas County Department of Business & Community Services and Department of Finance  
Gary Barth, Director of Business and Community Services  
Laura Zentner, Deputy Director, Business and Community Services, CPA  
Marc S. Gonzales, Director of Finance  
David Bodway, Finance Manager  
Christa Bosserman Wolfe, Assistant Finance Director, CPA

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**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**

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**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT  
(A Component Unit of Clackamas County, Oregon)**

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## **INTRODUCTORY SECTION**

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**NORTH CLACKAMAS**  
**PARKS & RECREATION DISTRICT**  

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*Administration*

150 Beaver Creek Rd.  
Oregon City, OR 97045  
503.742.4348 phone 503.742.4349 fax  
ncprd.com

November 2, 2015

To the Honorable Chair John Ludlow, Commissioner Jim Bernard, Commissioner Paul Savas, Commissioner Martha Schrader, Commissioner Tootie Smith and Citizens of the North Clackamas Parks and Recreation District (NCPRD):

State law requires that every local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls 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.

Moss Adams, LLP, Certified Public Accountants, have issued an unmodified opinion on NCPRD's financial statements for the year ended June 30, 2015. The Independent Auditor's Report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### *Profile of the Government*

NCPRD (the District), created November 6, 1990, is located in the urbanized northwest portion of Clackamas County (the County) one of Oregon's fastest growing regions. The District includes the Cities of Milwaukie and Happy Valley and a large area of urban unincorporated Clackamas County. It does not include the cities of Gladstone or Johnson City. The District is bounded on the east by SE 177<sup>th</sup> Avenue, on the west by the Willamette River, by the Multnomah/Clackamas County boundary to the north, and by the Clackamas River to the south. The District includes key areas of economic activity within the County: one of the State's largest commercial concentrations at Clackamas Town Center and the Clackamas Promenade shopping center, both thriving retail centers. Another strong area of economic activity is the industrial/commercial corridor along Highway 212/224.

The District is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by State statute to extend its boundaries by annexation.

The District was established as a County Service District (under ORS 451) and is a component unit of the County. The five-member Board of County Commissioners serves as the Board of

Directors (Board) for the District and the Commissioners are elected on a non-partisan basis. The Board appoints the County Administrator who oversees the District Director. Board members serve four-year terms and the Chair is specifically elected by voters. The Chair and other Board members are elected not by geographic region but at large.

The Budget Committee is composed of the Commissioners and five citizen members made up of District residents, who review and approve the budget for the fiscal year. A nine-member citizen District Advisory Board exists to make recommendations to the Board of Directors and Budget Committee.

The District provides a full range of park and recreation services to the community. These services include natural and developed park areas, recreational programs and activities, a full-service senior center providing social and recreational programs, a full-service aquatic center with multiple pools, water recreation, and instruction programs and a full-service sports complex with all-weather turf ball fields and a walking path.

Each year by June 30 the Board is required to adopt a budget for the upcoming fiscal year. Fiscal years run from July 1 through the following June 30. This annual budget serves as the foundation for the District's financial planning and control. The budget is prepared by fund in accordance with Oregon Budget Law.

### *Local Economy*

The local economic climate has been relatively healthy for the District from its inception in 1990 until the significant economic downturn in 2008. The 2008 downturn resulted in annual property tax revenue increasing at a rate below the 3 percent allowed by law. In addition, System Development Charges revenue was impacted by the downturn. Fortunately, the revenue picture has improved with annual property tax revenue once again above the 3 percent allowed by Measure 47/50. In addition, strong construction activity continues throughout the eastern portion of the District resulting in increased revenues to respond to increased demand for services.

The U.S. economic expansion is now entering its 6<sup>th</sup> year, and there are no signs that the growth is going to end anytime soon. The current expansion, at 75 months is younger than both the 1980 and 1990 expansions and just passed the mid-2000s expansion. The nation's unemployment rate, one of the most significant economic indicators, hit a low of 5.1 percent in September 2015. Even though this is considered full employment, there are still indications that the economy, and labor market in particular, are still recovering - increased number of employees working part-time who want full-time work, wage growth is still weak and the participation in the labor market remains weak. For comparison purposes and to illustrate the nation's job growth over the past few years, in September 2015 the unemployment rate was 5.1 percent, down from 9.8 percent six years ago in September 2009. However, all expansions eventually end and the economy may be closer to its next recession than one may think. Once an economy reaches full employment and based on the past three expansion cycles, we have an average of 3 years before the next recession.

Similar to the nation, Oregon's economy in 2015 continued to see an improving job market, fueling growth in Oregon tax revenues. Oregon added nearly 60,000 jobs in the past year, a growth rate of 3.4 percent. In addition, Oregon has regained its traditional advantage in growth



relative to the nation, with Oregon's job growth increasing one percentage point faster than in the typical state. Another important factor to note is that the average Oregon worker is now experiencing stronger wage gains and the state is experiencing better wage growth than the typical state. While there remains much room for improvement in average income levels in Oregon, wages have not been this high, relatively, for more than a generation. One of the factors contributing to the job growth is the influx of new workers from other states.

According to the recent job growth rankings, published by Arizona State University W.P. Carey School of Business in June 2015, Oregon ranked 4th in the nation for job growth, up from a ranking of 9<sup>th</sup> last year. Over the past year the state has added 59,300 jobs, an increase of 3.4 percent. For comparison purposes and to illustrate Oregon's acceleration over the past few years, in 2013 Oregon ranked 11<sup>th</sup> fastest with growth of just 2.1 percent.

In the second quarter of 2015, Oregon private sector jobs grew at a rate of 3.5 percent, up from 2.8 percent in 2014. Public sector jobs grew at a rate of 2.8 percent, up from 1.1 percent in second quarter of 2014. These rates of growth are the best Oregon has experienced since 2006, the height of the housing boom. While Oregon's economic and labor market recoveries are improving and even accelerating, these gains have not been uniform across the state. For the most part, the counties within Oregon that experienced an average or below average hit during the recession have fared better so far in recovery as well. Recovery rates in the Tri-County area have also varied. Washington County has added back 45,500 or 176 percent of the 25,900 jobs lost since the start of the recession. Multnomah County has added back 59,200 or 136 percent of the 43,500 jobs lost during the recession. Finally, Clackamas County has added back 15,400 or 84 percent of jobs lost since the start of the recession but still needs to add 3,000 jobs to fully recover. This variance is reflective of the type of industry located in each area. Clackamas County has a large percentage of employment in the manufacturing sector – metals, machinery, computer, and electrical equipment manufacturing which had some of the largest job losses during the recession.

Currently five major industries account for over 40 percent of statewide jobs. The *Private Sector Education, Health, and Food Manufacturing* industries never really suffered losses during the recession. The *Professional and Business Services and Leisure and Hospitality* industries have now regained all of their recession losses and are leading in growth today. Among the hardest hit industries during the recession were the *Wood Products, Construction, Mining and Logging, and Financial Services*. These housing-related sectors are now beginning to recover, although they still have a long way to go. *Metals and Machinery Manufacturing*, along with *Mining and Logging*, have shown the largest improvements since the depths of the recession. Also, Oregon's *Food Processing* industry continues to boom.

The State of Oregon unemployment rate was at its lowest level in eight years, sitting at 5.2 percent in April 2015. The rate has increased to 6.2 percent as of September 2015 down from 6.9 percent one year ago in September 2014. The measurements of the labor market are showing steady improvements with wages, jobs being added and the unemployment rate declining. Finally, since the beginning of 2013, Oregon job growth has picked up from 1.5 to 2.0 percent to 3.5 percent today. The forecast is for this growth to continue for another two years.

Consistent with the past several years, there are many risks in the near-term economic outlook for both the State of Oregon and Clackamas County. These include the federal fiscal policy, the strength and durability of the housing market recovery, ongoing European debt problems, commodity price inflation, federal timber payments and the economic slowdown in China. Newly added to this list of risks are the drought and its impact on much of the West Coast and Southern United States. This drought has reached the southern and eastern counties in Oregon and is largely impacting the agriculture industry. The severity and duration is unknown at this time but remains a risk to rural economies. Because the federal government has a small presence in Oregon, the federal fiscal policy risk is significantly lower in Oregon than in other states. However, federal funding for transportation is a major local concern and federal policy changes could directly impact Clackamas County. Oregon is also heavily impacted by other factors such as the housing market recovery and inflation. The housing market grew briskly in terms of home sales and new construction in 2012, stalled out in 2013 and has had moderate growth in 2014. How long this unusual pattern of growth lasts will have a direct impact on Oregon and Clackamas County. Fortunately, Oregon with the rest of the nation is predicted to see continued improvements of construction activity in 2015 and 2016. Finally, commodity price inflation is a risk and commodity prices are tied to growth. Always worrisome is the possibility of higher oil and gasoline prices as anytime there is a surge in gas prices, it takes away consumers disposable income leaving less to spend on all other goods and services. Foremost, the slowdown and weakness from China is concerning and presents a risk. Not only does the US trade heavily with China, approximately one-third of global economic growth since 2010 is from China alone. As the world's second largest economy and an integral part of the global economy, China's current slowdown could turn into something much worse.

As mentioned above, the growth pattern in Oregon's construction industry has been unusual with up and downs. This data aligns well with Clackamas County data which also reflects an uneven growth pattern. NCPRD is directly impacted by the construction industry and housing market with regards to the collection of Parks System Development Charges. During fiscal year 2014/15, in all areas of the District excluding the City of Happy Valley, Clackamas County issued 101 residential and commercial permits for new construction, an increase from 71 permits issued in fiscal year 2013/14. The City of Happy Valley building activity remains strong; however, activity has been trending down in comparison to the prior year. During fiscal year 2014/15, the City issued 256 commercial and residential permits for new construction, a decrease from 340 in fiscal year 2013/14 again reflective of the unusual growth pattern. Having said that, Oregon and Clackamas County are expected to see continued growth in the construction industry in 2015 and 2016.

Like much of the nation, the GDP and economic output within Clackamas County has been growing at a faster rate than job growth, with GDP and output increasing by over 4 percent over the past decade. This is an indication that companies are becoming much more efficient and productive - adding fewer employees who are producing greater output.

According to IHS Economics, the extended outlook for Oregon is that we will fare well relative to the rest of the country in the coming years. Real Gross State Product is projected to be the third fastest among all states across the country in terms of growth with gains averaging 3.8 percent through 2020. Oregon's total employment is expected to be the tenth strongest among all states at an annualized rate of 1.8 percent. Employment manufacturing is expected to be the second fastest in the country at 1.7 percent. Finally total personal income growth is expected to be the ninth fastest among all states or 5.3 percent per year.

### *Long-term Financial Planning*

In order to preserve a strong financial position, the District Advisory Board established a reserve/contingency policy for the District's General Fund in April 2001. This policy has recently been updated and it will be reviewed annually to ensure it is reflective of the current cash flow projections for the District. This policy has proven to be a prudent financial decision and has allowed the District to avoid borrowing in the early months of each fiscal year to fund operations while awaiting property tax proceeds, the bulk of which are received in November of each year.

The General Fund ending fund balance at June 2014 was \$3.3 million and increased to \$3.5 million at the end of fiscal year 2014/15. This increase can be largely attributed to an increase in property tax revenue and lower expenditures due to two vacant positions during the fiscal year.

The Business Operations Director has also enhanced the financial reporting of the District to include a five-year forecast as well as quarterly financial updates. This additional reporting has provided the management team, the District Advisory Board and the District Budget Committee with insight and knowledge of the District's current and projected fiscal position. This enhanced reporting has enabled District staff to continually assess operations, set priorities, evaluate services and programs, and pursue new ways to deliver services more effectively and efficiently to District residents.

District staff completed their annual analysis update of the capital assets inventory which is used to determine the dollars needed each year for the replacement and repair of the District's aging assets. This analysis and annual update help to ensure that funds are systematically set aside each year to make certain capital assets are replaced as needed and remain in good repair. The analysis and information have also been incorporated into the District's Five-Year Forecast.

Over the past several years, the District has had an ambitious long-term capital improvement projects plan. Although the District's capital improvement plan has been somewhat curtailed by limited capital funding, the District continued to move forward with the planning of several District parks and the construction of two District parks during fiscal year 2014/2015.

The District partnered with the City of Milwaukie to supervise construction of phase two improvements to Milwaukie Riverfront Park including: new entries and exits to the site, new traffic control and pedestrian crossings, new parking and stormwater facilities, a river walk, new boat ramp and boating floats, and a new restroom facility. Additionally, NCPRD is assuming maintenance responsibilities for the new park features, including an expansive open lawn area. The grand opening for the much improved park was held on May 1, 2015.

The District partnered with Metro and Happy Valley to acquire and develop the new Scouter Mountain Nature Park. NCPRD wrote a state parks grant for \$295,000 that was awarded to Metro for construction. Staff also assisted with design and construction management, and took part in a public art selection process. The site includes a large picnic facility with a restroom, parking, a one-mile trail system, viewpoints and public art installations. The park was opened to the public in August 2014.

The District partnered with the City of Milwaukie to further efforts to develop four future park sites including preliminary construction drawings for Wichita Neighborhood Park and master

plans for Balfour, Bowman and Brae Neighborhood Parks, and for Kronberg Nature Park. City approvals for the master plans are in process and future efforts will focus on identifying potential funding sources for project implementation.

### *Major Initiatives*

#### **Master Plan/Election Results**

Fiscal year 2014/2015 was a critical year for NCPRD as the District completed the final draft of an updated District-wide Master Plan to guide the District for the next 10 years. The new Master Plan provided the history, investments and funding sources of the District. Most importantly, it provided input from our residents regarding their wants and needs for parks and recreation facilities and services in the future.

The **Primary Recommendations** of the 2014 Master Plan supported many of the same key recommendations from the 2004 Master Plan. Following are the primary recommendations of the 2014 Master Plan:

- Adopt an aspirational Capital Improvement Plan to meet the needs of residents and balance levels of service throughout the District.
- Identify funding sources for the aspirational Capital Improvement Plan: explore issuing a bond for capital.
- Review and update System Development Charge zones, rates and methodology.
- Identify funding sources for additional recreational programming and operations and maintenance; consider increasing the District's permanent tax rate.
- If re-forming the District to increase the permanent tax rate, consider re-forming as a Special Parks and Recreation District under ORS 266 in order to get the benefits of representative governance and the focus of a special purpose board.

Based on the Master Plan recommendations, approval from the District Advisory Board and approval from the Board of County Commissioners, the District put a measure on the November 2014 ballot with the goal of establishing a sustainable, long-term funding strategy for the District moving forward. This measure would have:

- Reformed the District as a new, independent park and recreation district with its own, local, elected governing board.
- Established a tax rate of .89 cents/\$1,000 in assessed home value (this was a 35 cents per \$1,000 increase from current rates or \$7 per month more for a \$250,000 home).

The increased funding would have:

1. Enabled the District to repair, replace and refurbish aging assets.
2. Enhanced efforts to acquire and protect land important for wildlife habitat and natural ecological processes while providing high quality passive recreation.
3. Expanded recreational programs and services to meet growing demand, particularly for older adults and youth.
4. Allowed the District to acquire and develop new trail links.
5. Allowed the District to create partnership opportunities to develop sports fields, improve spaces for seniors and establish community gathering spaces.

Unfortunately Measure 3-451 did not pass - with 46 percent of District voters supporting the measure and 56 percent opposing the measure.

Based on the outcome of the election, District staff was directed by the Board to update the Master Plan and SDC Ordinance to reflect the results of Measure 3-451. This update will include revisions to the Capital Improvement Plan including a revision of capital projects as well as revisions to the SDC rates to reflect the funding that will be available. This update will also include a revised forecast of the assessed value growth projected throughout the District and the estimated SDC revenue to be collected in the future throughout the District.

### **Performance Clackamas Initiative**

In September 2014, Clackamas County embarked on a new strategic initiative, Performance Clackamas. Adoption of Performance Clackamas demonstrates the county's intent to focus on the customer outcomes while also keeping taxpayers informed about how public funds are being used to achieve adopted County Goals. The format of Performance Clackamas is based on Managing for Results (MFR), a comprehensive and integrated management system focused on achieving results for the customer. Five basic components capture the essence of MFR:

1. Identify the priorities the county is trying to address on behalf of its residents.
2. Develop an overall plan for addressing those priorities.
3. Develop policies, programs, activities and services that align to those priority areas.
4. Organize and implement budgeting, accounting and management systems to support the strategies, goals and objectives specified in the plan.
5. Develop and track costs and performance data to allow the county and its residents to gauge the county's progress toward reaching its goals and objectives.

NCPRD is part of Business and Community Services, and was one of three departments in the County that was selected to be the first to implement Performance Clackamas. To that end, the NCPRD managers and staff spent two intensive weeks learning about the MFR process, identifying NCPRD services and breaking those services into Lines of Business and various programs.

During fiscal year 2015/2016, NCPRD staff will continue learning about MFR and begin implementing Performance Clackamas; however, the budget document will not reflect the new MFR format until fiscal year 2016/2017. Performance Clackamas also aligns well with the implementation of NCPRD's Cost Recovery Pyramid Plan and we anticipate incorporating critical elements of the cost recovery pyramid into the Performance Clackamas Management approach.



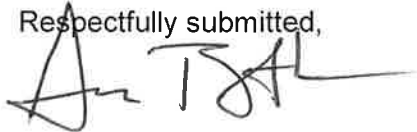
### *Awards and Acknowledgements*

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Clackamas Parks and Recreation District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This was the twentieth consecutive year the District has received the award. In order to be awarded such a Certificate, the District had to publish an easily-readable, efficiently-organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the Government Finance Officers Association to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the North Clackamas Parks & Recreation District and Finance Departments. We express appreciation to all staff members who assisted and contributed to its preparation. Credit must also be given to the Board of County Commissioners for their support in maintaining the highest standards of public service in the management of NCPRD and to our citizen advisors who serve on the District Advisory Board.

Respectfully submitted,



Gary Barth  
Director  
North Clackamas Parks and Recreation District



Laura Zentner, CPA  
Deputy Director/Business Operations Director  
North Clackamas Parks and Recreation District



Government Finance Officers Association

**Certificate of  
Achievement for  
Excellence in  
Financial  
Reporting**

Presented to

**North Clackamas Parks  
and Recreation District, Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**

**GOVERNING BODY UNDER ORS 451.485**  
**BOARD OF COUNTY COMMISSIONERS**  
**CLACKAMAS COUNTY, OREGON**

Public Services Building  
2051 Kaen Road  
Oregon City, Oregon 97045

**COMMISSIONERS AS OF JUNE 30, 2015**

| <u>Name</u>   | <u>Term Expires</u> |
|---|---------------------|
| John Ludlow, Chair<br>Public Services Building            | December 31, 2016   |
| Jim Bernard, Commissioner<br>Public Services Building     | December 31, 2018   |
| Paul Savas, Commissioner<br>Public Services Building      | December 31, 2018   |
| Martha Schrader, Commissioner<br>Public Services Building | December 31, 2016   |
| Tootie Smith, Commissioner<br>Public Services Building    | December 31, 2016   |

**DIRECTOR**  
Gary Barth

**ADMINISTRATIVE OFFICES**  
Clackamas County, Oregon  
2051 Kaen Road  
Oregon City, Oregon 97045

**LEGAL COUNSEL AND REGISTERED AGENT**  
Steven Madkour  
2051 Kaen Road  
Oregon City, Oregon 97045

## **FINANCIAL SECTION**



**REPORT OF INDEPENDENT AUDITORS**

## REPORT OF INDEPENDENT AUDITORS

Board of County Commissioners of  
Clackamas County, Oregon, as Governing Body of  
North Clackamas Parks and Recreation District  
Oregon City, Oregon

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund, Nutrition and Transportation Fund, System Development Charges District-Wide Fund, and System Development Charges Zone 3 Fund of North Clackamas Parks and Recreation District (the District), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## MOSS-ADAMS<sub>LLP</sub>

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparisons for the General Fund, Nutrition and Transportation Fund, System Development Charges District-Wide Fund, and System Development Charges Zone 3 Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules and schedule of property tax transactions are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, and schedule of property tax transactions are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2015 on our consideration of the District's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 2, 2015, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink, reading "James C. Lazarotta".

For Moss Adams, LLP  
Eugene, Oregon  
November 2, 2015

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2015**

This discussion and analysis of the North Clackamas Parks and Recreation District's financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

**FINANCIAL HIGHLIGHTS**

- Assets of the District exceeded liabilities at the close of the fiscal year by \$47,612,094. Of this amount, \$6,835,003 may be used to meet ongoing obligations.
- Net position increased by \$5,808,238. The increase is due to the excess of program and general revenues over program expenses as seen in the Statement of Activities.
- Governmental funds reported combined ending fund balances of \$15,527,221 an increase of \$3,914,780 from prior year. Please see the Reconciliation of Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balances to Statement of Activities on page 16 which reconciles in detail the increase in fund balances to the increase in net position.
- The District's total debt decreased by \$685,000 due to payments on existing debt principal.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements presented herein include activities of the North Clackamas Parks and Recreation District (District) using the integrated approach as prescribed by Governmental Accounting Standards Board Statement No. 34.

The government-wide financial statements, including the Statement of Net Position and the Statement of Activities, present the financial picture of the District as a whole from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets) as well as all liabilities (including long-term debt). Current year revenues and expenses are taken into account regardless of when cash is received or paid. Additionally, certain adjustments have occurred to eliminate interfund activity such as payables and receivables.

The Statement of Net Position and the Statement of Activities report District-wide net position and change from prior year. Net position is the difference between assets and liabilities and represents a measurement of financial health. Over time, increases or decreases in net position indicate whether financial health is improving or deteriorating.

The focus of the Statement of Activities is to match program costs to revenues. To the extent that program costs exceed program-specific revenue, those costs are paid from general District resources. This statement aids the user in determining the extent to which a program is self-supporting or subsidized by general revenues.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2015**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

Following the government-wide financial statements are the governmental fund financial statements which are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Major funds are reported individually and the remaining funds are combined. Reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences in the two methods of reporting.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, the net position of the District increased over the prior year. The increase arises in the excess of revenue over expenses in the Statement of Activities and flows to the Statement of Net Position.

**Statement of Net Position**

A condensed version of the Statement of Net Position for fiscal years ended June 30, 2015 and June 30, 2014 follows:

|  | 2015                 | 2014                 |
|--|----------------------|----------------------|
| <b>Assets:</b>                             |                      |                      |
| Current assets                             | \$ 16,447,740        | \$ 13,608,958        |
| Capital assets                             | 41,526,298           | 39,430,985           |
| <b>Total assets</b>                        | <b>57,974,038</b>    | <b>53,039,943</b>    |
| <b>Deferred Outflows of Resources</b>      | <b>144,566</b>       | <b>173,477</b>       |
| <b>Liabilities:</b>                        |                      |                      |
| Current liabilities                        | 1,172,697            | 1,359,178            |
| Liabilities due after one year             | 9,333,813            | 10,050,386           |
| <b>Total liabilities</b>                   | <b>10,506,510</b>    | <b>11,409,564</b>    |
| <b>Net position:</b>                       |                      |                      |
| Net investment in capital assets           | 31,487,485           | 28,695,599           |
| Restricted for debt service                | 108,956              | 108,503              |
| Restricted for acquisition and development | 9,180,650            | 5,888,077            |
| Unrestricted                               | 6,835,003            | 7,111,677            |
| <b>Total net position</b>                  | <b>\$ 47,612,094</b> | <b>\$ 41,803,856</b> |

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

Total net position from governmental activities increased by \$5,808,238 or 13.9%. Net investment in capital assets increased by \$2,791,886 or 9.7%. This increase can be attributed to payment of principal on the debt in the amount of \$685,000 and the net effect of capital asset additions, deletions and depreciation expense during the fiscal year. The most significant capital asset additions were *Contributed Capital* for sport fields at North Clackamas Park and the addition of a playground at Hood View Park. Net position restricted for acquisition and development increased by \$3,292,573 or 55.9%. These restricted assets are primarily system development charge revenues which are generated by commercial and residential development activity.

It should be noted that the Statement of Net Position reflects the implementation of GASB 65. The Deferred Outflow of Resources in the amount of \$144,566 reflects the reclassification of the deferred debt refunding expense being reclassified to Deferred Outflows of Resources.

**Statement of Activities** The Statement of Activities for fiscal years ended June 30, 2015 and 2014 follows:

|                                    | 2015                        | 2014                        |
|------------------------------------|-----------------------------|-----------------------------|
| <b>Revenues</b>                    |                             |                             |
| Program revenues:                  |                             |                             |
| Charges for services               | \$ 5,095,950                | \$ 4,892,226                |
| Operating grants and contributions | 1,283,192                   | 1,099,899                   |
| Capital grants and contributions   | 3,590,561                   | 508,379                     |
| <b>Total program revenues</b>      | <u>9,969,703</u>            | <u>6,500,504</u>            |
| General revenues:                  |                             |                             |
| Property taxes                     | 6,240,654                   | 5,989,488                   |
| Earnings on investments            | 61,274                      | 52,818                      |
| Miscellaneous                      | 19,828                      | 47,322                      |
| <b>Total general revenues</b>      | <u>6,321,756</u>            | <u>6,089,628</u>            |
| <b>Total revenues</b>              | <u>16,291,459</u>           | <u>12,590,132</u>           |
| <b>Expenses</b>                    |                             |                             |
| Culture and recreation             | 6,941,053                   | 6,400,741                   |
| Health and welfare                 | 3,151,514                   | 2,557,450                   |
| Interest on long-term debt         | 390,654                     | 462,994                     |
| <b>Total expenses</b>              | <u>10,483,221</u>           | <u>9,421,185</u>            |
| Changes in net position            | 5,808,238                   | 3,168,947                   |
| Net position, beginning of year    | <u>41,803,856</u>           | <u>38,634,909</u>           |
| Net position, end of year          | <u><u>\$ 47,612,094</u></u> | <u><u>\$ 41,803,856</u></u> |

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

District program expenditure categories include culture, education and recreation, and health and welfare. Culture, education and recreation include all activities in the aquatic, sports and leisure program areas, park planning, and maintenance. Health and welfare activities include nutrition, transportation, and recreation and education programs for older adults, with the majority of activities taking place at the Milwaukie Center.

District program revenues increased by \$3,469,199 or 53.4%. This increase can be attributed to an increase in *Contributed Capital* from prior year by over \$3 million for sports fields at North Clackamas Park, Lot Whitcomb and View Acres schools. In addition, charges for services increased due to an overall increase in System Development Charges revenue.

District general revenues increased by \$232,128 or 3.8%, in part due to increased property tax receipts of approximately \$251,166. *Miscellaneous revenue* decreased by \$27,494 due to a concerted effort to properly post revenue to the correct category. Finally, earnings on investments increased by \$8,456 due to a higher cash balance throughout the fiscal year and slightly higher interest rates; unfortunately, the interest rates continue to remain low.

Program specific expenses increased by \$1,062,036 or 11.3%, largely due to an increase in the depreciation expense from prior year in the amount of \$448,918. In addition, the District added a new Sports program which contributed to the increase. The District continues to put forth a strong effort to provide services in the most cost effective manner possible; however we are also faced with a steady increase in wage, benefit and energy costs.

Program specific expenses exceeded program revenues in 2015 by \$513,518. The change is largely reflective of the increase in *Contributed Capital* in the amount of over \$3 million from prior year due to the addition of the sports fields at North Clackamas Park, Lot Whitcomb and View Acres Schools.

The District continues to work on a cost analysis methodology to determine the actual costs of running individual programs. With this detailed information, we can strategically decide which programs the District will subsidize and to what degree those programs will be subsidized with property tax dollars.

**FUND ANALYSIS**

The primary fund of the District, the General Fund, ended the year with a fund balance of \$3,560,178 - an increase of \$160,625 from prior year. The key factors contributing to this increase are the increase in property tax revenue of over \$250,000 from prior year and an increase in Charges for Services revenue of over \$160,000 related to the addition of a new Sports program. Operating expenditures also increased by approximately \$690,000 from prior year related to the additional expenditures of a new Sports program and expenditures related to placing Measure 3-451 on the ballot in November 2014.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2015**

**FUND ANALYSIS (Continued)**

The Nutrition and Transportation Fund ended the year with a fund balance of \$352,593, down \$257,126 from 2014. The decrease is primarily due to an increase in a Transfers Out to the Capital Asset Replacement Fund in the amount of \$200,000 to fund a capital project. Expenditures exceed revenues in this fund; therefore a transfer from the General Fund of \$100,000 was needed to subsidize program expenditures.

The Capital Projects Fund ended the year with an ending fund balance of \$1,785,343, a decrease of \$881,211 from prior year. This decrease can primarily be attributed to the transfer of \$1,157,086 to the System Development Charges Fund Zone 3 which reflects the District's change in procedure for managing capital projects to a reimbursement basis – the System Development Charge revenue is transferred to the Capital Projects Fund only after the expenditure occurs.

The System Development Charges Fund (District-wide) ended the year with an ending fund balance of \$0. This is reflective of a new Ordinance passed in November 2014 which eliminated the District-wide System Development Charges Fund and stipulated that all system development charge revenue be directly deposited into the Zone from which the revenue was generated.

The System Development Charges Fund (Zone 3) ended the year with an ending fund balance of \$6,285,193, an increase of \$4,847,342 from prior year. This increase is primarily due the new Ordinance mentioned above which eliminated the District-wide System Development Charges Fund and stipulated that all revenue be directly deposited into the Zone from which the revenue was generated. The increase is also reflective of a District change in the procedure for managing System Development Charges (SDC's) where SDC's are only transferred to the Capital Projects Fund on a reimbursement basis after the expenditure has occurred; in the past, transfers occurred prior to the expenditure and annually as SDC's were received.

The Capital Asset Replacement Fund ended the year with an ending fund balance of \$2,187,916, an increase of \$680,612 from prior year. This increase can be attributed to an increase in the General Fund transfer to the Capital Asset Replacement Fund of approximately \$192,500 as well as not repairing and replacing a portion of the items that were budgeted to be replaced in fiscal year 2014/2015. The remaining fund balance will carry forward for future repair and replacement needs.

**General Fund Budgetary Highlights**

When comparing final budget to actual revenues, total actual General Fund revenues are higher than budget by \$120,499. This variance is primarily due to the property taxes revenue category which came in higher than budget by \$89,715. Total expenditures (excluding contingency) in the General Fund Programs are under budget by \$1,032,266. This is primarily due to an intentional staff effort to examine and reduce expenditures where possible and also reflects two vacant positions during fiscal year 2014/2015. To ensure that we optimize the use of taxpayer dollars while continuing to provide a high level of service to the citizens of the District, NCPRD management continued a comprehensive review of District operations, capital assets and staffing levels.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2015**

**FUND ANALYSIS (Continued)**

The General Fund expenditure budget was amended two times during fiscal year 2014/2015 in various divisions to account for additional expenditures related to program changes and to recognize additional beginning fund balance for programs and projects.

**CAPITAL ASSETS**

As of June 30, 2015 and 2014, the District had invested \$41,526,298 and \$39,430,985 in capital assets, respectively, net of depreciation as reflected in the following table:

|                          | 2015                 | 2014                 |
|--------------------------|----------------------|----------------------|
| Land                     | \$ 18,359,560        | \$ 18,313,129        |
| Construction in progress | 437,624              | 362,312              |
| Buildings                | 1,549,678            | 1,726,659            |
| Office equipment         | 304,912              | 151,173              |
| Improvements             | 20,736,083           | 18,696,894           |
| Vehicles                 | 138,441              | 180,818              |
|                          | <u>\$ 41,526,298</u> | <u>\$ 39,430,985</u> |

Overall, investment in capital assets increased \$2,095,313 during the year. This increase is due to the combination of depreciation expense on current assets as well as the addition of *Contributed Capital* for sports fields at North Clackamas Park, Lot Whitcomb and View Acres Schools. Please refer to Notes to Basic Financial Statements - Note 1 for capital asset policy, and Note 6 for a detailed summary of activity.

**DEBT ADMINISTRATION**

Full Faith and Credit Refunding Bonds were issued in 2010 to refund the Limited Tax Revenue Refunding Bonds issued in 2000. The original debt was issued in 1993 to pay for the construction of the District's Aquatic Facility and construction of several neighborhood parks. The payment of principal and interest is payable from property taxes assessed by Clackamas County to residents of the District. The new Refunding Bonds have a term of fifteen years and interest rate between 2.5% and 4.0% over the life of the debt.

Oregon Full Faith and Credit bonds were issued in 2008 to acquire and develop approximately 35 acres of land in the City of Happy Valley for District facilities. In FY 2009-10, the District completed Phase I of this 35-acre sports complex which includes four full-size, all-weather turf softball/baseball fields with lights, one overlaid multipurpose field, a gravel walking trail, parking areas, utilities, landscaping and a concessions building. The Full Faith and Credit Obligations have a term of twenty years and a variable interest rate of 3.25 to 4.00% per annum.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2015**

**DEBT ADMINISTRATION (Continued)**

The following condensed schedule compares year end balances for 2015 and 2014. Please refer to Notes to Basic Financial Statements - Note 10 for additional detail.

|                                   | 2015         | 2014          |
|-----------------------------------|--------------|---------------|
| Full Faith and Credit Obligations | \$ 9,925,000 | \$ 10,610,000 |
|                                   | \$ 9,925,000 | \$ 10,610,000 |

**ECONOMIC FACTORS**

Property taxes represent a significant revenue source for the District's governmental funds, 38.3% and 47.6% of total revenues in 2015 and 2014, respectively. This decrease in the percentage of property taxes in relation to total revenues in fiscal year 2014/2015 is reflective of the addition of sports fields at North Clackamas Park, Lot Whitcomb and View Acres schools. Property tax revenue increased by \$251,166 or 4.2% from prior year due in part to the assessed value of properties in the District increasing. All program areas are dependent upon property taxes; therefore, it is appropriate in this section to discuss the continued effect Measure 50 is having on the District.

The property tax limitation measure approved by voters in May 1997 amended Oregon's constitution to cut local property taxes and limit their growth. Measure 50 rolled back assessed values to 90 percent of 1995-96 levels and established permanent tax rates and limited assessed value growth for individual properties to 3 percent per year with exceptions for new construction, subdivision and rezoning. Certain taxes, such as those to pay bonded debt, were exempted from Measure 50 reductions. The maximum permanent tax rate for the North Clackamas Parks and Recreation District as calculated by the Oregon Department of Revenue is \$.5382 per \$1,000 of assessed value.

The District is also dependent on System Development Charges revenue which is generated through new residential and commercial development throughout the District. These resources are used to fund "growth related" capital projects within the District. In fiscal year 2013/2014, System Development Charge revenue was \$2,609,006 and increased to \$2,970,066 in fiscal year 2014/2015. This increase is partially due to a large development in the unincorporated area of the District. Since SDCs are one of the only revenue sources available to construct new capital assets throughout the District, staff must monitor and forecast this revenue on a consistent basis to ensure projections reflect the economic climate of the County and surrounding Portland Metro area.

**FINANCIAL CONTACT**

The District's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, please contact the Chief Financial Officer at 150 Beaver Creek Road, Oregon City, Oregon 97045. The District's telephone number is (503)742-4351. You can also reach us through our web page at <http://ncprd.com>.

## **BASIC FINANCIAL STATEMENTS**



**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| <b>ASSETS:</b>                             |                                    |
| Cash and investments                       | \$ 15,650,655                      |
| Property taxes receivable                  | 369,013                            |
| Accounts receivable                        | 377,310                            |
| Prepaid expense                            | 50,762                             |
| Capital assets                             |                                    |
| Capital assets not being depreciated       | 18,797,184                         |
| Capital assets being depreciated, net      | <u>22,729,114</u>                  |
| <b>TOTAL ASSETS</b>                        | <u>57,974,038</u>                  |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>     |                                    |
| Deferred charge on debt refunding          | <u>144,566</u>                     |
| <b>LIABILITIES:</b>                        |                                    |
| Accounts payable                           | 149,599                            |
| Accrued interest payable                   | 66,765                             |
| Due to Clackamas County                    | 251,333                            |
| Long-term liabilities:                     |                                    |
| Portion due or payable within one year:    |                                    |
| Bonds payable                              | 705,000                            |
| Portion due or payable after one year:     |                                    |
| Bonds payable                              | <u>9,333,813</u>                   |
| <b>TOTAL LIABILITIES</b>                   | <u>10,506,510</u>                  |
| <b>NET POSITION:</b>                       |                                    |
| Net investment in capital assets           | 31,487,485                         |
| Restricted for debt service                | 108,956                            |
| Restricted for acquisition and development | 9,180,650                          |
| Unrestricted                               | <u>6,835,003</u>                   |
| <b>TOTAL NET POSITION</b>                  | <u><u>\$ 47,612,094</u></u>        |

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

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

| FUNCTIONS/PROGRAMS                         | Expenses     | Program Revenues        |  |  | Net<br>(Expense)<br>Revenue<br>and<br>Change in<br>Net Position |
|--|--------------|-------------------------|--|--|---|
|  |              | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |   |
| Culture, education and recreation          | \$ 6,941,053 | \$ 3,469,954            | \$ 760,915                               | \$ 3,590,561                           | \$ 880,377  |
| Health and welfare                         | 3,151,514    | 1,625,996               | 522,277                                  | -                                      | (1,003,241)   |
| Interest on long-term debt                 | 390,654      | -                       | -  | -                                      | (390,654)   |
| Total                                      | 10,483,221   | 5,095,950               | 1,283,192                                | 3,590,561                              | (513,518)   |
| <b>GENERAL REVENUES</b>                    |              |                         |  |  |   |
| Property taxes levied for general purposes |              |                         |  |  | 6,240,654   |
| Earnings on investments                    |              |                         |  |  | 61,274  |
| Miscellaneous                              |              |                         |  |  | 19,828  |
| <b>TOTAL GENERAL REVENUES</b>              |              |                         |  |  | <u>6,321,756</u>  |
| <b>CHANGE IN NET POSITION</b>              |              |                         |  |  | 5,808,238   |
| <b>NET POSITION, July 1, 2014</b>          |              |                         |  |  | <u>41,803,856</u>   |
| <b>NET POSITION, June 30, 2015</b>         |              |                         |  |  | <u><u>\$ 47,612,094</u></u>                                     |

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

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

|  | Special Revenue Funds |   |  |   |                          |                                      |                                |                      |
|--|-----------------------|---|--|---|--------------------------|--------------------------------------|--------------------------------|----------------------|
|  | General Fund          | Nutrition and<br>Transportation<br>Fund | System<br>Development<br>Charges District -<br>Wide Fund | System<br>Development<br>Charges Zone 3<br>Fund | Capital Projects<br>Fund | Capital Asset<br>Replacement<br>Fund | Other<br>Governmental<br>Funds | Total                |
| <b>ASSETS</b>  |                       |   |  |   |                          |                                      |                                |                      |
| Cash and investments   | \$ 3,821,615          | \$ 370,531                              | \$ -   | \$ 6,108,802                                    | \$ 1,826,986             | \$ 2,187,004                         | \$ 1,335,718                   | \$ 15,650,656        |
| Taxes receivable   | 369,013               | -                                       | -  | -   | -                        | -                                    | -                              | 369,013              |
| Accounts receivable  | 43,560                | -                                       | -  | 170,316   | 20,464                   | 142,970                              | -                              | 377,310              |
| Due from Clackamas County  | -                     | -                                       | -  | 6,075   | -                        | 912                                  | 20,280                         | 27,267               |
| Prepaid items  | 18,362                | -                                       | -  | -   | 32,400                   | -                                    | -                              | 50,762               |
| <b>TOTAL ASSETS</b>  | <u>\$ 4,252,550</u>   | <u>\$ 370,531</u>                       | <u>\$ -</u>  | <u>\$ 6,285,193</u>                             | <u>\$ 1,879,850</u>      | <u>\$ 2,330,886</u>                  | <u>\$ 1,355,998</u>            | <u>\$ 16,475,008</u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b>       |                       |   |  |   |                          |                                      |                                |                      |
| <b>LIABILITIES</b>   |                       |   |  |   |                          |                                      |                                |                      |
| Accounts payable   | \$ 115,836            | \$ 9,801                                | \$ -   | \$ -  | \$ 23,962                | \$ -                                 | \$ -                           | \$ 149,599           |
| Due to Clackamas County  | 252,782               | 8,137                                   | -  | -   | 17,681                   | -                                    | -                              | 278,600              |
| <b>TOTAL LIABILITIES</b>   | <u>368,618</u>        | <u>17,938</u>                           | <u>-</u>   | <u>-</u>  | <u>41,643</u>            | <u>-</u>                             | <u>-</u>                       | <u>428,199</u>       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                       |   |  |   |                          |                                      |                                |                      |
| Unavailable revenue  | 323,754               | -                                       | -  | -   | 52,864                   | 142,970                              | -                              | 519,588              |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                     | <u>323,754</u>        | <u>-</u>                                | <u>-</u>   | <u>-</u>  | <u>52,864</u>            | <u>142,970</u>                       | <u>-</u>                       | <u>519,588</u>       |
| <b>FUND BALANCES</b>   |                       |   |  |   |                          |                                      |                                |                      |
| Nonspendable   | 18,362                | -                                       | -  | -   | 32,400                   | -                                    | -                              | 50,762               |
| Restricted   | -                     | -                                       | -  | 6,285,193                                       | 1,752,943                | -                                    | 1,251,470                      | 9,289,606            |
| Assigned   | -                     | 352,593                                 | -  | -   | -                        | 2,187,916                            | 104,528                        | 2,645,037            |
| Unassigned   | 3,541,816             | -                                       | -  | -   | -                        | -                                    | -                              | 3,541,816            |
| <b>TOTAL FUND BALANCES</b>   | <u>3,560,178</u>      | <u>352,593</u>                          | <u>-</u>   | <u>6,285,193</u>                                | <u>1,785,343</u>         | <u>2,187,916</u>                     | <u>1,355,998</u>               | <u>15,527,221</u>    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES, AND FUND BALANCES</b> | <u>\$ 4,252,550</u>   | <u>\$ 370,531</u>                       | <u>\$ -</u>  | <u>\$ 6,285,193</u>                             | <u>\$ 1,879,850</u>      | <u>\$ 2,330,886</u>                  | <u>\$ 1,355,998</u>            | <u>\$ 16,475,008</u> |

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

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE**  
**SHEET TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

|  |              |  |               |
|--|--------------|--|---------------|
| TOTAL FUND BALANCE   |              |  | \$ 15,527,221 |
| Total net position shown in the Statement of Net Position and the Statement of Activities are different because:   |              |  |               |
| Capital assets are not financial resources for fund reporting purposes and therefore are not reported in the governmental funds.   |              |  |               |
|  |              |  | 41,526,298    |
| A portion of the District's receivables are collected after year-end; but they are not collected soon enough to be available as financial resources for the current year. The revenues related to these receivables are deferred and not reported in the governmental funds.   |              |  |               |
|  |              |  | 519,588       |
| Long-term assets, such as bond discounts, are not reported as governmental fund assets and liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when it is due. These long-term assets and liabilities consist of: |              |  |               |
| Deferred charge on debt refunding  | 144,566      |  |               |
| Accrued interest payable   | (66,765)     |  |               |
| Bonds payable, net of bond premium   | (10,038,814) |  |               |
| Total effect of long-term assets and liabilities   |              |  | (9,961,013)   |
| TOTAL NET POSITION   |              |  | \$ 47,612,094 |

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

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|  | Special Revenue Funds |                                   |   |  |                       |                                |                          | Total                |
|--|-----------------------|-----------------------------------|---|--|-----------------------|--------------------------------|--------------------------|----------------------|
|  | General Fund          | Nutrition and Transportation Fund | System Development Charges District - Wide Fund | System Development Charges Zone 3 Fund | Capital Projects Fund | Capital Asset Replacement Fund | Other Governmental Funds |                      |
| <b>REVENUES:</b>   |                       |                                   |   |  |                       |                                |                          |                      |
| Property taxes   | \$ 6,230,823          | \$ -                              | \$ -  | \$ -                                   | \$ -                  | \$ -                           | \$ -                     | \$ 6,230,823         |
| Licenses and permits   | -                     | -                                 | 1,063,939                                       | 1,814,724                              | -                     | -                              | 979,724                  | 3,858,387            |
| Interest   | 18,268                | 2,062                             | 10,586  | 9,651                                  | 11,313                | 6,961                          | 2,433                    | 61,274               |
| Intergovernmental  | 136,968               | 352,685                           | -   | -                                      | 584,062               | 12,000                         | -                        | 1,085,715            |
| Charges for services   | 2,092,702             | 32,771                            | -   | -                                      | 410                   | -                              | -                        | 2,125,883            |
| Donations  | 22,678                | 169,592                           | -   | -                                      | -                     | -                              | -                        | 192,270              |
| Miscellaneous  | 9,723                 | -                                 | 616   | 526                                    | -                     | 8,963                          | -                        | 19,828               |
| <b>TOTAL REVENUES</b>  | <b>8,511,162</b>      | <b>557,110</b>                    | <b>1,075,141</b>                                | <b>1,824,901</b>                       | <b>595,785</b>        | <b>27,924</b>                  | <b>982,157</b>           | <b>13,574,180</b>    |
| <b>EXPENDITURES:</b>   |                       |                                   |   |  |                       |                                |                          |                      |
| Current:   |                       |                                   |   |  |                       |                                |                          |                      |
| Culture, education and recreation                                | 5,841,971             | -                                 | -   | -                                      | 32,382                | -                              | 700                      | 5,875,053            |
| Health and welfare   | 1,552,929             | 692,955                           | -   | -                                      | -                     | 5,800                          | -                        | 2,251,684            |
| Capital outlay   | -                     | -                                 | -   | -                                      | 329,770               | 141,512                        | -                        | 471,282              |
| Debt service:  |                       |                                   |   |  |                       |                                |                          |                      |
| Principal  | -                     | -                                 | -   | -                                      | -                     | -                              | 685,000                  | 685,000              |
| Interest and fiscal charges                                      | -                     | -                                 | -   | -                                      | -                     | -                              | 376,381                  | 376,381              |
| <b>TOTAL EXPENDITURES</b>  | <b>7,394,900</b>      | <b>692,955</b>                    | <b>-</b>  | <b>-</b>                               | <b>362,152</b>        | <b>147,312</b>                 | <b>1,062,081</b>         | <b>9,659,400</b>     |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b> | <b>1,116,262</b>      | <b>(135,845)</b>                  | <b>1,075,141</b>                                | <b>1,824,901</b>                       | <b>233,633</b>        | <b>(119,388)</b>               | <b>(79,924)</b>          | <b>3,914,780</b>     |
| <b>OTHER FINANCING SOURCES (USES):</b>                           |                       |                                   |   |  |                       |                                |                          |                      |
| Transfers in   | 273,135               | 100,000                           | -   | 3,022,441                              | 42,242                | 800,000                        | 1,067,000                | 5,304,818            |
| Transfers out  | (1,228,772)           | (221,281)                         | (2,684,209)                                     | -                                      | (1,157,086)           | -                              | (13,470)                 | (5,304,818)          |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                      | <b>(955,637)</b>      | <b>(121,281)</b>                  | <b>(2,684,209)</b>                              | <b>3,022,441</b>                       | <b>(1,114,844)</b>    | <b>800,000</b>                 | <b>1,053,530</b>         | <b>-</b>             |
| <b>NET CHANGE IN FUND BALANCE</b>                                | <b>160,625</b>        | <b>(257,126)</b>                  | <b>(1,609,068)</b>                              | <b>4,847,342</b>                       | <b>(881,211)</b>      | <b>680,612</b>                 | <b>973,606</b>           | <b>3,914,780</b>     |
| <b>FUND BALANCE, JUNE 30, 2014</b>                               | <b>3,399,553</b>      | <b>609,719</b>                    | <b>1,609,068</b>                                | <b>1,437,851</b>                       | <b>2,666,554</b>      | <b>1,507,304</b>               | <b>382,392</b>           | <b>11,612,441</b>    |
| <b>FUND BALANCE, JUNE 30, 2015</b>                               | <b>\$ 3,560,178</b>   | <b>\$ 352,593</b>                 | <b>\$ -</b>                                     | <b>\$ 6,285,193</b>                    | <b>\$ 1,785,343</b>   | <b>\$ 2,187,916</b>            | <b>\$ 1,355,998</b>      | <b>\$ 15,527,221</b> |

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

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|  |                    |                            |
|--|--------------------|----------------------------|
| NET CHANGE IN FUND BALANCES  |                    | \$ 3,914,780               |
| The change in net position reported in the Statement of Activities is different because:   |                    |                            |
| Government funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is capitalized. Their value is allocated over their estimated useful lives and reported as depreciation expense.  |                    |                            |
| Capital outlay   | 463,565            |                            |
| Contributed capital asset  | 3,590,561          |                            |
| Loss on disposal of asset  | (3,801)            |                            |
| Depreciation   | <u>(1,955,012)</u> | 2,095,313                  |
| Long-term debt principal payments are recorded as expenditures in the governmental funds and issuance of long-term debt is recorded as an other financing source. In the Statement of Activities issuance of long-term debt reduces net position and the payment of long-term debt principal increases net position. |                    |                            |
| Amortization of bond premium   |                    | 11,573                     |
| Amortization of deferred refunding   |                    | (28,911)                   |
| Payment of long-term debt principal  |                    | 685,000                    |
| In the Statement of Activities interest is accrued on long-term debt and the expense reduces net position. In the governmental funds interest expense is only recognized when it is due.   |                    |                            |
|  |                    | 3,767                      |
| Receivables that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities they are recognized as revenue when levied or earned.   |                    |                            |
|  |                    | <u>(873,284)</u>           |
| CHANGE IN NET POSITION   |                    | <u><u>\$ 5,808,238</u></u> |

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

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|  | Budget             |                    |                     | Variance with       |
|--|--------------------|--------------------|---------------------|---------------------|
|  | Original           | Final              | Actual              | Final Budget        |
| <b>REVENUES:</b>                       |                    |                    |                     |                     |
| Property taxes                         | \$ 6,151,741       | \$ 6,151,741       | \$ 6,241,456        | \$ 89,715           |
| Charges for services                   | 2,079,725          | 2,079,725          | 2,092,702           | 12,977              |
| Intergovernmental                      | 128,830            | 128,830            | 136,968             | 8,138               |
| Interest                               | 15,000             | 15,000             | 18,268              | 3,268               |
| Donations                              | 24,000             | 24,000             | 22,678              | (1,322)             |
| Miscellaneous                          | 2,000              | 2,000              | 9,723               | 7,723               |
| <b>TOTAL REVENUES</b>                  | <b>8,401,296</b>   | <b>8,401,296</b>   | <b>8,521,795</b>    | <b>120,499</b>      |
| <b>EXPENDITURES:</b>                   |                    |                    |                     |                     |
| Current:                               |                    |                    |                     |                     |
| Administration                         | 716,094            | 730,094            | 669,020             | 61,074              |
| Park services                          | 1,869,179          | 1,984,397          | 1,695,972           | 288,425             |
| Program services                       | 441,408            | 475,240            | 398,983             | 76,257              |
| Sports                                 | 978,057            | 1,053,908          | 925,359             | 128,549             |
| Milwaukie Center                       | 655,696            | 711,557            | 691,320             | 20,237              |
| Aquatic Park                           | 1,876,679          | 2,014,148          | 1,875,227           | 138,921             |
| Marketing and communications           | 368,244            | 420,418            | 350,996             | 69,422              |
| Planning and development               | 621,403            | 655,167            | 466,598             | 188,569             |
| Natural Resources                      | 350,647            | 382,237            | 321,425             | 60,812              |
| Contingency                            | 2,199,276          | 2,228,426          | -                   | 2,228,426           |
| <b>TOTAL EXPENDITURES</b>              | <b>10,076,683</b>  | <b>10,655,592</b>  | <b>7,394,900</b>    | <b>3,260,692</b>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES</b> |                    |                    |                     |                     |
| <b>OVER (UNDER) EXPENDITURES</b>       | <b>(1,675,387)</b> | <b>(2,254,296)</b> | <b>1,126,895</b>    | <b>3,381,191</b>    |
| <b>OTHER FINANCING SOURCES (USES):</b> |                    |                    |                     |                     |
| Transfers in                           | 273,135            | 273,135            | 273,135             | -                   |
| Transfers out                          | (1,362,500)        | (1,362,500)        | (1,228,772)         | 133,728             |
| <b>TOTAL OTHER FINANCING</b>           |                    |                    |                     |                     |
| <b>SOURCES (USES)</b>                  | <b>(1,089,365)</b> | <b>(1,089,365)</b> | <b>(955,637)</b>    | <b>133,728</b>      |
| <b>NET CHANGE IN FUND BALANCE</b>      | <b>(2,764,752)</b> | <b>(3,343,661)</b> | <b>171,258</b>      | <b>3,514,919</b>    |
| <b>FUND BALANCE, JUNE 30, 2014</b>     | <b>2,764,752</b>   | <b>3,343,661</b>   | <b>3,343,661</b>    | <b>-</b>            |
| <b>FUND BALANCE, JUNE 30, 2015</b>     | <b>\$ -</b>        | <b>\$ -</b>        | <b>\$ 3,514,919</b> | <b>\$ 3,514,919</b> |

**ADJUSTMENT TO ACCOUNTING PRINCIPLES**

**GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (U.S. GAAP BASIS):**

Property taxes susceptible to accrual  
recognized as revenue on the U.S. GAAP basis

45,259

**FUND BALANCE (U.S. GAAP BASIS) - June 30, 2015**

\$ 3,560,178

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

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NUTRITION AND TRANSPORTATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|  | Budget           |                  |                   | Variance with     |
|--|------------------|------------------|-------------------|-------------------|
|  | Original         | Final            | Actual            | Final Budget      |
| <b>REVENUES:</b>                       |                  |                  |                   |                   |
| Charges for services                   | \$ 31,000        | \$ 31,000        | \$ 32,771         | \$ 1,771          |
| Intergovernmental                      | 315,395          | 315,395          | 352,685           | 37,290            |
| Interest                               | 2,300            | 2,300            | 2,062             | (238)             |
| Donations                              | 134,500          | 134,500          | 169,592           | 35,092            |
| <b>TOTAL REVENUES</b>                  | <b>483,195</b>   | <b>483,195</b>   | <b>557,110</b>    | <b>73,915</b>     |
| <b>EXPENDITURES:</b>                   |                  |                  |                   |                   |
| Current:                               |                  |                  |                   |                   |
| Health and welfare                     |                  |                  |                   |                   |
| Nutrition Division                     | 493,248          | 538,248          | 505,566           | 32,682            |
| Transportation Division                | 209,301          | 209,301          | 187,389           | 21,912            |
| Contingency                            | 329,941          | 284,941          | -                 | 284,941           |
| <b>TOTAL EXPENDITURES</b>              | <b>1,032,490</b> | <b>1,032,490</b> | <b>692,955</b>    | <b>339,535</b>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES</b> |                  |                  |                   |                   |
| <b>OVER (UNDER) EXPENDITURES</b>       | <b>(549,295)</b> | <b>(549,295)</b> | <b>(135,845)</b>  | <b>413,450</b>    |
| <b>OTHER FINANCING SOURCES (USES):</b> |                  |                  |                   |                   |
| Transfers in                           | 100,000          | 100,000          | 100,000           | -                 |
| Transfers out                          | (221,281)        | (221,281)        | (221,281)         | -                 |
| <b>TOTAL OTHER FINANCING</b>           |                  |                  |                   |                   |
| <b>SOURCES (USES)</b>                  | <b>(121,281)</b> | <b>(121,281)</b> | <b>(121,281)</b>  | <b>-</b>          |
| <b>NET CHANGE IN FUND BALANCE</b>      | <b>(670,576)</b> | <b>(670,576)</b> | <b>(257,126)</b>  | <b>413,450</b>    |
| <b>FUND BALANCE, JUNE 30, 2014</b>     | <b>670,576</b>   | <b>670,576</b>   | <b>609,719</b>    | <b>(60,857)</b>   |
| <b>FUND BALANCE, JUNE 30, 2015</b>     | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ 352,593</b> | <b>\$ 352,593</b> |

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



**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**SYSTEM DEVELOPMENT CHARGES DISTRICT-WIDE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|  | Budget             |                    |                    | Variance with    |
|--|--------------------|--------------------|--------------------|------------------|
|  | Original           | Final              | Actual             | Final Budget     |
| <b>REVENUES:</b>   |                    |                    |                    |                  |
| Licenses and permits   | \$ 1,118,537       | \$ 1,118,537       | \$ 1,063,939       | \$ (54,598)      |
| Interest   | 4,000              | 4,000              | 10,586             | 6,586            |
| Miscellaneous  | -                  | -                  | 616                | 616              |
| <b>TOTAL REVENUES</b>  | <u>1,122,537</u>   | <u>1,122,537</u>   | <u>1,075,141</u>   | <u>(47,396)</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <u>1,122,537</u>   | <u>1,122,537</u>   | <u>1,075,141</u>   | <u>(47,396)</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>                               |                    |                    |                    |                  |
| Transfers out  | <u>(2,967,437)</u> | <u>(2,967,437)</u> | <u>(2,684,209)</u> | <u>283,228</u>   |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                          | <u>(2,967,437)</u> | <u>(2,967,437)</u> | <u>(2,684,209)</u> | <u>283,228</u>   |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | (1,844,900)        | (1,844,900)        | (1,609,068)        | 235,832          |
| <b>FUND BALANCE, JUNE 30, 2014</b>                                   | <u>1,844,900</u>   | <u>1,844,900</u>   | <u>1,609,068</u>   | <u>(235,832)</u> |
| <b>FUND BALANCE, JUNE 30, 2015</b>                                   | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>      |

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

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**SYSTEM DEVELOPMENT CHARGES ZONE 3 FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|  | Budget             |                    |                     | Variance with       |
|--|--------------------|--------------------|---------------------|---------------------|
|  | Original           | Final              | Actual              | Final Budget        |
| <b>REVENUES:</b>   |                    |                    |                     |                     |
| Licenses and permits   | \$ 858,168         | \$ 858,168         | \$ 1,814,724        | \$ 956,556          |
| Interest   | 3,000              | 3,000              | 9,651               | 6,651               |
| Miscellaneous  | -                  | -                  | 526                 | 526                 |
| <b>TOTAL REVENUES</b>  | <b>861,168</b>     | <b>861,168</b>     | <b>1,824,901</b>    | <b>963,733</b>      |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>861,168</b>     | <b>861,168</b>     | <b>1,824,901</b>    | <b>963,733</b>      |
| <b>OTHER FINANCING SOURCES (USES):</b>                               |                    |                    |                     |                     |
| Transfers in   | 2,876,545          | 2,876,545          | 3,022,441           | 145,896             |
| Transfers out  | (5,338,453)        | (5,338,453)        | -                   | 5,338,453           |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                          | <b>(2,461,908)</b> | <b>(2,461,908)</b> | <b>3,022,441</b>    | <b>5,484,349</b>    |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <b>(1,600,740)</b> | <b>(1,600,740)</b> | <b>4,847,342</b>    | <b>6,448,082</b>    |
| <b>FUND BALANCE, JUNE 30, 2014</b>                                   | <b>1,600,740</b>   | <b>1,600,740</b>   | <b>1,437,851</b>    | <b>(162,889)</b>    |
| <b>FUND BALANCE, JUNE 30, 2015</b>                                   | <b>\$ -</b>        | <b>\$ -</b>        | <b>\$ 6,285,193</b> | <b>\$ 6,285,193</b> |

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**The District**

The North Clackamas Parks and Recreation District (the District), a blended component unit of Clackamas County, Oregon, (the County), was formed under the provisions of Oregon Revised Statutes Chapter 451, "County Service Facilities". The District has evaluated potential component units and determined there are no component units. As provided by ORS 451.485 the Clackamas County Board of Commissioners (the Board) is the governing body of the District. The District provides a full range of park and recreation services to the community. These services include natural and developed park areas, recreational programs and activities, a full-service senior center providing social and recreational programs, a full-service aquatic center with multiple pools, water recreation, instruction programs, and a full-service sports complex with world-class ball fields with all-weather turf and a walking path. Personnel of the Clackamas County Finance Department provide partial assistance to Business and Community Services staff, which is responsible for District fiscal and accounting functions. Since the County is financially accountable for and significantly influences the operations of the District, the District is included in the financial statements of the County.

**Basis of Presentation, Measurement Focus, and Basis of Accounting**

**Government-wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the District, including all of its financial activities. The effect of interfund activities has been removed from these statements. Governmental activities are financed primarily through property taxes and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the District's programs. Direct expenses are those that are specifically associated with a program and, therefore, are clearly identifiable to that program. The District partially allocates indirect expenses. Program revenues include (a) fees and charges paid for services and (b) operating grants and contributions. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

Net position is reported as restricted when constraints placed on them are either externally restricted, imposed by creditors (such as through debt covenants, grantors, contributors, or laws), or are imposed through constitutional provisions or enabling legislation.

**Fund Financial Statements**

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as other governmental funds.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation, Measurement Focus, and Basis of Accounting (Continued)**

**Fund Financial Statements (Continued)**

The District reports the following major funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources, except those accounted for in another fund.

The Nutrition and Transportation Fund, a special revenue fund, accounts for the District's operations to coordinate and manage nutrition and transportation services for older adults and people with disabilities and assist them in remaining healthy and independent. Major revenues are receipts from intergovernmental agreements and contributions. The District deems the Fund is important enough to be reported as major for qualitative reasons.

The System Development Charges District – Wide Fund is a special revenue fund accounting for the District – Wide system development fees on new residential and commercial development benefiting residents in the entire District. The fund has been closed as of June 30, 2015 and has no proposed budget for fiscal-year ending June 30, 2016. The Fund does not meet the calculations of a major fund, and the District believes the closure of the Fund is important enough to merit major fund reporting. The remaining resources of the fund were transferred to the System Development Charges Zone 3 Fund.

The System Development Charges Zone 3 Fund is a special revenue fund accounting for the system development fees on new residential and commercial development in the City of Happy Valley, the City's urban growth management area, the unincorporated County area east of I-205, and the portion of the City of Damascus within the District's boundaries. The fund's resources are transferred to the Capital Projects Fund on a reimbursement basis for construction of specific capital projects in Zone 3's boundaries.

The Capital Projects Fund accounts for expenditures funded primarily by the issuance of long-term debt, system development charges, and grant revenue designated for the construction of specific capital projects.

The Capital Asset Replacement Fund accounts for expenditures primarily funded by transfers from other funds for the repair and replacement of capital assets.

The District reports the following fund types:

General Fund: Main operating fund used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds: Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital projects funds: Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation, Measurement Focus, and Basis of Accounting (Continued)**

Debt Service Funds: Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Measurement Focus and Basis of Accounting**

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible in the current period or soon enough to pay the liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual. Capital asset acquisitions are reported as expenditures. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are only recorded when payment is due.

**Fund Balances**

In the financial statements, assets and deferred outflows of resources in excess of liabilities and deferred inflows of resources are presented as either fund balances or net position, depending on the measurement focus used for financial reporting in the fund.

Governmental funds report assets in excess of liabilities as fund balances and will be reported in the classifications that comprise a hierarchy based on the extent that the District is bound to honor those constraints on the specific purposes for which amounts in those funds can be spent.

Fund balance is reported as *Non-spendable* when the resources cannot ever be spent, whether due to legal restrictions (such as a permanent fund) or items not spendable in form such as inventory balances or interfund loans/receivables.

Fund balance is reported as *Restricted* when the resources have legal externally enforceable restrictions, representing a spending constraint such as grants or contracts, fines and forfeitures, lender requirements, or laws and regulations of other governments.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Balances (Continued)**

Fund balance is reported as *Committed* when the Board of County Commissioners passes a resolution, the formal action of the District's highest decision-making level of authority, to establish a specific spending constraint on how the resources may be used. The Board can also modify or rescind the resolution through the passage of another formal resolution.

It is the policy of the Board of County Commissioners to report as *Assigned* fund balance any unrestricted or uncommitted resources that are constrained by the government's intent to use them for a specific purpose. Intent may be expressed by the Board of County Commissioners, or officials the Board has delegated authority to, such as the County Administrator and Finance Director.

Fund balance is reported as *Unassigned* for the General Fund when resources are not otherwise reported as non-spendable, restricted, committed, or assigned. This classification is also used to report any negative fund balance amounts in other governmental funds.

The Board of County Commissioners has adopted Resolution No. 2011-55 approving the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted resources are available for the specific purpose for which it is restricted. When unrestricted fund balance is spent, the District will consider that committed amounts will be reduced first, followed by assigned amounts, and lastly, unassigned fund balance.

Fund balances by classification for the year ended June 30, 2015 were as follows:

|                             | General<br>Fund     | Nutrition and<br>Transportation<br>Fund | System<br>Development<br>Charges Zone 3<br>Fund | Capital Projects<br>Fund | Capital Asset<br>Replacement<br>Fund | Other<br>Governmental<br>Fund | Total                |
|-----------------------------|---------------------|---|---|--------------------------|--------------------------------------|-------------------------------|----------------------|
| Nonspendable:               |                     |   |   |                          |                                      |                               |                      |
| Prepaids                    | \$ 18,362           | \$ -                                    | \$ -  | \$ 32,400                | \$ -                                 | \$ -                          | \$ 50,762            |
| Restricted for:             |                     |   |   |                          |                                      |                               |                      |
| Debt service reserve        | -                   | -                                       | -   | -                        | -                                    | 108,956                       | 108,956              |
| Acquisition and development | -                   | -                                       | 6,285,193                                       | 1,752,943                | -                                    | 1,142,514                     | 9,180,650            |
| Assigned to:                |                     |   |   |                          |                                      |                               |                      |
| Health and welfare          | -                   | 352,593                                 | -   | -                        | -                                    | -                             | 352,593              |
| Debt service reserve        | -                   | -                                       | -   | -                        | -                                    | 104,528                       | 104,528              |
| Acquisition and development | -                   | -                                       | -   | -                        | 2,187,916                            | -                             | 2,187,916            |
| Unassigned:                 | 3,541,816           | -                                       | -   | -                        | -                                    | -                             | 3,541,816            |
| Total fund balances         | <u>\$ 3,560,178</u> | <u>\$ 352,593</u>                       | <u>\$ 6,285,193</u>                             | <u>\$ 1,785,343</u>      | <u>\$ 2,187,916</u>                  | <u>\$ 1,355,998</u>           | <u>\$ 15,527,221</u> |

**Use of Estimates**

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

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Investments**

ORS 294.035 authorizes the District to invest in general obligations of the United States and its agencies, debt obligations of the state of Oregon, California, Idaho, and Washington and their political subdivisions, banker's acceptances, corporate indebtedness, commercial paper, repurchase agreements, time certificates of deposit, fixed or variable life insurance contracts, and the State Treasurer's Local Government Investment Pool (LGIP). Cash and investments comprise funds held and invested by the County Treasurer and the LGIP. Authority to manage the investment program is granted to the publicly elected County Treasurer, and the District may not engage in an investment transaction without approval of the Treasurer. All bank deposits shall be held in qualified Oregon depositories in accordance with ORS Chapter 295. Financial information required by Governmental Accounting Standards Board Statements (GASB) No. 3 and No. 40 regarding the accounting and financial reporting for the District's pooled cash and investments, held by the County Treasurer, has been disclosed in the County's Comprehensive Annual Financial Report for the year ended June 30, 2015.

**Property Taxes Receivable**

Real and personal property taxes are assessed and become a lien against the property as of July 1 each year, and are payable in three installments on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 15 are considered delinquent. All property taxes receivable are due from property owners within the District.

**Accounts Receivable**

Accounts receivable primarily consist of outstanding system development charges generated from new residential and commercial development throughout the District. All accounts receivable are shown net of an allowance for uncollectible accounts. As of June 30, 2015, the District believes all accounts receivable are fully collectible and an allowance for uncollectible accounts is not warranted.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the balance sheet reports a separate section for *deferred outflows of resources*, which represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the balance sheet reports a separate section for *deferred inflows of resources*, which represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The recorded balance is a portion of the District's revenue that is collected after year-end and meets the recognition in future periods requirement of deferred inflows of resources.



**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The District defines capital assets as assets with an initial cost of \$5,000 and an estimated life in excess of one year. Interest incurred during construction is not capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives: buildings - 10 to 20 years, office equipment - 5 to 6 years, park equipment - 10 years, vehicles - 5 to 10 years, improvements - 10 to 50 years.

**Pension Plan**

The District's personnel are employees of the County. Substantially all of the County's employees are participants in the Oregon Public Employees Retirement Fund (OPERF), a state-wide agent multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System. Contributions to OPERF are made on a current basis as required by the plan and are charged to expenditures. The District is paying for contracted services from the County that includes the amount to cover employee benefits. Since District personnel are employees of the County, the District has no obligation for related personnel expense accruals not currently reimbursed through the contracted rate.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY [BUDGET]**

A budget is prepared and legally adopted for all funds on the modified accrual basis of accounting, except for property taxes in the General Fund which are budgeted on the cash basis. The budget is adopted by the Board, appropriations made and the tax levy is declared no later than June 30. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The General Fund has appropriations made at the program level – administration, park services, program services, Milwaukie Center, Aquatic Center, marketing and communications, planning and natural resources, contingency, and transfers to other funds. The Nutrition and Transportation Fund has appropriations made at the program level – Nutrition Division, Transportation Division, and contingency. The other funds have appropriations made at the principal object level - materials and services (including contractual payments), special payments, capital outlay, debt service, operating contingency and operating transfers - are the levels of control established by the resolution. The detail budget document, however, is required to contain more specific, detailed information for the above mentioned expenditure categories. The budget is adopted on a modified accrual basis with the exception of the following:

- Property taxes susceptible to accrual are recognized on a cash basis.

Management may make transfers of appropriations within object levels. However, transfers of appropriations between object levels require the approval of the Board. Unexpected additional resources may be added to the budget through the use of a supplemental budget. The Board at a regular Board meeting may adopt supplemental budgets less than 10% of the fund's original budget. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between object levels and require approval by the Board. The Board adopted two supplemental budgets during the year for less than 10% of the fund's original budget. Appropriations lapse as of fiscal year-end.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

**3. CASH AND INVESTMENTS**

Cash and investments are comprised of the following:

|  |                             |
|--|-----------------------------|
| Petty cash/change fund                                       | \$ 3,571                    |
| Cash and cash equivalents with the County Treasurer          | 127,826                     |
| State of Oregon Treasurer's Local Government Investment Pool | <u>15,519,258</u>           |
|  | <u><u>\$ 15,650,655</u></u> |

Investments with the County Treasurer represent the District's equity in pooled accounts maintained by the County Treasurer. Investments with a remaining maturity of more than one year, at the time of purchase, are stated at fair value, which approximates cost. Fair value is determined by the quoted market price, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. State statutes authorize the District to invest in general obligations of the U.S. Government and in its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements and bankers' acceptances, among others. Reference should be made to the June 30, 2015 Comprehensive Annual Financial Report of Clackamas County for compliance with these statutes.

Investments in the LGIP are stated at fair value, which approximates cost. The Oregon State Treasury administers the LGIP. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local government in Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board, which is not registered with the U.S. Securities and Exchange Commission as an investment company. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. The Oregon Short-Term Fund financial statements and its portfolio rules can be obtained at [www.ost.state.or.us](http://www.ost.state.or.us). The LGIP is not rated by any national rating service. The LGIP is stated at fair value, which approximates cost. Fair value is the same as the District's value in the pool shares.

**4. ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2015, are as follows:

|                                    | System                  |                          |                         |                          |                          |
|------------------------------------|-------------------------|--------------------------|-------------------------|--------------------------|--------------------------|
|                                    | General                 | Development              | Capital                 | Capital Asset            |                          |
|                                    | Fund                    | Charges Zone 3           | Projects                | Replacement              |                          |
| Accounts receivable                | Fund                    | Fund                     | Fund                    | Fund                     | Total                    |
| System development charges         | \$ -                    | \$ 170,316               | \$ -                    | \$ -                     | \$ 170,316               |
| Energy incentives tax credit       | -                       | -                        | -                       | 142,970                  | 142,970                  |
| Intergovernmental                  | 7,586                   | -                        | 20,464                  | -                        | 28,050                   |
| Charges for services               | <u>35,974</u>           | <u>-</u>                 | <u>-</u>                | <u>-</u>                 | <u>35,974</u>            |
| Gross receivables                  | 43,560                  | 170,316                  | 20,464                  | 142,970                  | 377,310                  |
| Less: allowance for uncollectibles | <u>-</u>                | <u>-</u>                 | <u>-</u>                | <u>-</u>                 | <u>-</u>                 |
| Net total accounts receivable      | <u><u>\$ 43,560</u></u> | <u><u>\$ 170,316</u></u> | <u><u>\$ 20,464</u></u> | <u><u>\$ 142,970</u></u> | <u><u>\$ 377,310</u></u> |

\* Accounts receivable at June 30, 2015 includes deferred inflows of resources of \$142,970 for the Energy Incentives Tax Credit.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015 was as follows:

|   | Balance<br>June 30, 2014 | Increases           | Transfers   | Deletions         | Balance<br>June 30, 2015 |
|---|--------------------------|---------------------|-------------|-------------------|--------------------------|
| Capital assets not being depreciated:       |                          |                     |             |                   |                          |
| Land  | \$ 18,313,129            | \$ 46,431           | \$ -        | \$ -              | \$ 18,359,560            |
| Construction in progress                    | 362,312                  | 107,319             | (32,007)    | -                 | 437,624                  |
| Total capital assets not being depreciated  | 18,675,441               | 153,750             | (32,007)    | -                 | 18,797,184               |
| Capital assets being depreciated:           |                          |                     |             |                   |                          |
| Buildings                                   | 12,355,056               | -                   | -           | -                 | 12,355,056               |
| Office equipment                            | 701,159                  | 194,507             | -           | -                 | 895,666                  |
| Improvements                                | 22,504,051               | 3,705,869           | 32,007      | -                 | 26,241,927               |
| Vehicles                                    | 593,984                  | -                   | -           | (38,011)          | 555,973                  |
| Total capital assets being depreciated      | 36,154,250               | 3,900,376           | 32,007      | (38,011)          | 40,048,622               |
| Less accumulated depreciation for:          |                          |                     |             |                   |                          |
| Buildings                                   | (10,628,397)             | (176,981)           | -           | -                 | (10,805,378)             |
| Office equipment                            | (549,986)                | (40,768)            | -           | -                 | (590,754)                |
| Improvements                                | (3,807,157)              | (1,698,687)         | -           | -                 | (5,505,844)              |
| Vehicles                                    | (413,166)                | (38,576)            | -           | 34,210            | (417,532)                |
| Total accumulated depreciation              | (15,398,706)             | (1,955,012)         | -           | 34,210            | (17,319,508)             |
| Total capital assets being depreciated, net | 20,755,544               | 1,945,364           | 32,007      | (3,801)           | 22,729,114               |
| Total capital assets, net                   | <u>\$ 39,430,985</u>     | <u>\$ 2,099,114</u> | <u>\$ -</u> | <u>\$ (3,801)</u> | <u>\$ 41,526,298</u>     |

Depreciation expense was charged as follows:

|                        |                     |
|------------------------|---------------------|
| Culture and recreation | \$ 1,407,609        |
| Health and welfare     | 547,403             |
|                        | <u>\$ 1,955,012</u> |

**6. DUE TO/FROM CLACKAMAS COUNTY**

\$251,333 is due to Clackamas County as of June 30, 2015 related to services received.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

**7. TRANSFERS TO/FROM OTHER FUNDS**

Transfers to/from other funds for the year ended June 30, 2015, consisted of the following:

| Amount              | Description  |
|---------------------|--|
| \$ 500,000          | From the General Fund to Other Governmental Funds for bond payments.   |
| 600,000             | From the General Fund to the Capital Asset Replacement Fund for capital asset repair, replacement and acquisition.   |
| 100,000             | From the General Fund to the Nutrition and Transportation Fund to support the Nutrition and Transportation programs.   |
| 28,772              | From the General Fund to the Capital Projects Fund for capital construction and acquisition.   |
| 21,281              | From the Nutrition and Transportation Fund to the General Fund for the reimbursement of various utility costs.   |
| 200,000             | From the Nutrition and Transportation Fund to the Capital Asset Replacement Fund for capital asset repair, replacement and acquisition.  |
| 251,854             | From the System Development Charges District-Wide Fund to the General Fund to reimburse labor expenditures related to capital asset construction and acquisition.  |
| 567,000             | From the System Development Charges District-Wide Fund to other governmental funds for bond payments.  |
| 1,865,355           | From the System Development Charges District-Wide Fund to the SDC Charges Zone 3 Fund due to the adoption of Ordinance 06-2014 which eliminated the District-Wide Fund and stipulated that all SDC fees stay within the zone where they are generated. |
| 1,157,086           | From the Capital Projects Fund to clear out unspent dollars and return to the originating SDC Charges Zone 3 Fund.   |
| 13,470              | From the System Development Charges Zone 1 Fund to the Capital Projects Fund for capital asset construction and acquisition.   |
| <u>\$ 5,304,818</u> |  |

**8. RISK MANAGEMENT**

The District is exposed to various risks of loss related to errors and omissions; automobile; damage to and destruction of assets; and bodily injury for which the District carries commercial insurance. The District participates in the County's self-insurance program where not commercially insured. The District makes payments to the County's self-insurance internal service funds based on historical cost information estimates of the amounts needed to pay prior year and current year claims, claim reserves, premiums, and administrative costs of the program.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

**8. RISK MANAGEMENT (CONTINUED)**

All personnel of the District are employees of the County and the County bears all risk of loss. The County is fully self-insured for unemployment benefits and short-term disability benefits. The County is also partially self-insured for dental benefits, workers' compensation and general liability claims. General liability claims are limited by state statute to \$500,000 per occurrence. The County carries coverage in excess of \$1,000,000 with an outside insurer for workers' compensation claims. There have been no significant reductions in insurance coverage from the prior year for any category of risk and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

**9. LONG-TERM DEBT**

In 2008 the District issued Full Faith and Credit Obligations in the amount of \$8,000,000 to fund the creation of a new District park. The remaining annual principal and semi-annual interest payments are approximately \$574,000 per year with the final payment scheduled on December 1, 2027.

The Aquatic Park debt issued in 1993 was refunded in May 2000 by the issuance of \$8,560,000 in Limited Tax Revenue Refunding Bonds. To take advantage of low interest rates, the debt was again refunded in January 2010 by the issuance of Full Faith and Credit Refunding Bonds in the amount of \$5,660,000; life of debt was extended by 5 years. The remaining annual principal and semi-annual interest payments are approximately \$494,000 per year with the final payment scheduled on March 1, 2025.

Changes in long-term debt for the year ended June 30, 2015, are as follows:

|  | Interest<br>Rates | Original<br>Amount | Outstanding<br>June 30, 2014 | Increases | Decreases    | Outstanding<br>June 30, 2015 |
|--|-------------------|--------------------|------------------------------|-----------|--------------|------------------------------|
| Full Faith and Credit Obligations        |                   |                    |                              |           |              |                              |
| Series 2008                              | 3.25% - 4.00%     | \$ 8,000,000       | \$ 6,225,000                 | \$ -      | \$ (345,000) | \$ 5,880,000                 |
| Full Faith and Credit<br>Refunding Bonds |                   |                    |                              |           |              |                              |
| Series 2010                              | 2.50% - 4.00%     | 5,660,000          | 4,385,000                    | -         | (340,000)    | 4,045,000                    |
|  |                   |                    | 10,610,000                   | -         | (685,000)    | 9,925,000                    |
| Premiums                                 |                   |                    | 125,386                      | -         | (11,573)     | 113,813                      |
|  |                   |                    | 10,735,386                   | \$ -      | \$ (696,573) | 10,038,813                   |
| Current Portion                          |                   |                    |                              |           |              | (705,000)                    |
|  |                   |                    |                              |           |              | <u>\$ 9,333,813</u>          |

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

**9. LONG-TERM DEBT (CONTINUED)**

Future maturities are as follows:

| Fiscal<br>Year | Full Faith & Credit Obligations<br>Series 2008 |                     | Full Faith and Credit Refunding<br>Bonds Series 2010 |                   | Total               |                     |
|----------------|--|---------------------|--|-------------------|---------------------|---------------------|
|                | Principal                                      | Interest            | Principal  | Interest          | Principal           | Interest            |
| 2016           | \$ 355,000                                     | \$ 210,206          | \$ 350,000   | \$ 146,300        | \$ 705,000          | \$ 356,506          |
| 2017           | 365,000  | 198,506             | 355,000  | 136,675           | 720,000             | 335,181             |
| 2018           | 380,000  | 186,305             | 370,000  | 126,025           | 750,000             | 312,330             |
| 2019           | 395,000  | 173,320             | 380,000  | 114,925           | 775,000             | 288,245             |
| 2020           | 410,000  | 159,430             | 395,000  | 101,625           | 805,000             | 261,055             |
| 2021-2025      | 2,330,000                                      | 553,028             | 2,195,000  | 270,400           | 4,525,000           | 823,428             |
| 2026-2028      | 1,645,000                                      | 99,825              | -  | -                 | 1,645,000           | 99,825              |
|                | <u>\$ 5,880,000</u>                            | <u>\$ 1,580,620</u> | <u>\$ 4,045,000</u>                                  | <u>\$ 895,950</u> | <u>\$ 9,925,000</u> | <u>\$ 2,476,570</u> |

**10. GROUND LEASE**

The District entered into a ground lease agreement as the lessor, with a lessee in July 2003. As part of the agreement, the lessee dedicated thirty-one acres (31) of land adjacent to Eagle Landing to NCPRD. NCPRD leased back fifteen (15) acres for the development and operation of a par three golf course, club house and park. The lessee is responsible for all costs and expenses associated with the operation and maintenance of the Premises and the Improvements. The term of the leased land is twenty-five years (25) years with options to extend the lease for three (3) periods of five (5) years each. Annual rent is one dollar (\$1.00) for the initial term of the lease. The title to all improvements will remain with the lessee until the expiration of the Term, unless the lease is terminated sooner. Upon expiration, title to the improvements automatically pass and belong to the District.

**11. RELATED-PARTY TRANSACTIONS**

Labor and fringe benefit costs, administrative expenses for accounting, risk management, human resource management, technology services, public and government affairs, records management and other professional services totaling \$5,341,242 were paid to various County departments. At June 30, 2015, the District owed the County \$251,333 for such services. Internal County departments allocate their expenses to all county departments including the District. Labor and fringe benefit costs for the District are based on actual costs and all other administrative costs are based on historical actual costs and allocated based on an activity based costing methodology.

**12. COMMITMENTS**

The District has commitments under various contracts for approximately \$8,829 at June 30, 2015.

**13. SUBSEQUENT EVENTS**

During fiscal year 2014/2015, the Board of County Commissioners transferred the Hawthorne Park property from the Clackamas County Development Agency to North Clackamas Parks and Recreation District in the amount of \$358,000. The deed was recorded on October 7, 2015.

## **SUPPLEMENTARY INFORMATION**

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

|                              | Special<br>Revenue<br>Funds                     |   | Debt<br>Service<br>Funds         |                                  |                     |
|------------------------------|---|---|----------------------------------|----------------------------------|---------------------|
|                              | System<br>Development<br>Charges Zone 1<br>Fund | System<br>Development<br>Charges Zone 2<br>Fund | Series 2010 Debt<br>Service Fund | Series 2008 Debt<br>Service Fund | Total               |
| <b><u>ASSETS:</u></b>        |   |   |                                  |                                  |                     |
| Cash and investments         | \$ 780,976                                      | \$ 341,258                                      | \$ 104,528                       | \$ 108,956                       | \$ 1,335,718        |
| Due from Clackamas County    | -   | 20,280  | -                                | -                                | 20,280              |
| <b>TOTAL ASSETS</b>          | <u>780,976</u>                                  | <u>361,538</u>                                  | <u>104,528</u>                   | <u>108,956</u>                   | <u>1,355,998</u>    |
| <b><u>FUND BALANCES:</u></b> |   |   |                                  |                                  |                     |
| Restricted                   | 780,976   | 361,538   | -                                | 108,956                          | 1,251,470           |
| Assigned                     | -   | -   | 104,528                          | -                                | 104,528             |
| <b>TOTAL FUND BALANCES</b>   | <u>\$ 780,976</u>                               | <u>\$ 361,538</u>                               | <u>\$ 104,528</u>                | <u>\$ 108,956</u>                | <u>\$ 1,355,998</u> |



**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**OTHER GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|  | Special<br>Revenue<br>Funds                     |   | Debt<br>Service<br>Funds            |                                     |                     |
|--|---|---|-------------------------------------|-------------------------------------|---------------------|
|  | System<br>Development<br>Charges Zone 1<br>Fund | System<br>Development<br>Charges Zone 2<br>Fund | Series 2010<br>Debt Service<br>Fund | Series 2008<br>Debt Service<br>Fund | Total               |
| <b>REVENUES:</b>   |   |   |                                     |                                     |                     |
| Licenses and permits   | \$ 785,603                                      | \$ 194,121                                      | \$ -                                | \$ -                                | \$ 979,724          |
| Interest   | 720   | 936   | 393                                 | 384                                 | 2,433               |
| <b>TOTAL REVENUES</b>  | <b>786,323</b>                                  | <b>195,057</b>                                  | <b>393</b>                          | <b>384</b>                          | <b>982,157</b>      |
| <b>EXPENDITURES:</b>   |   |   |                                     |                                     |                     |
| Current:   |   |   |                                     |                                     |                     |
| Culture and recreation   | -   | -   | 350                                 | 350                                 | 700                 |
| Debt service:  |   |   |                                     |                                     |                     |
| Principal  | -   | -   | 340,000                             | 345,000                             | 685,000             |
| Interest and fiscal charges  | -   | -   | 154,800                             | 221,581                             | 376,381             |
| <b>TOTAL EXPENDITURES</b>  | <b>-</b>  | <b>-</b>  | <b>495,150</b>                      | <b>566,931</b>                      | <b>1,062,081</b>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>786,323</b>                                  | <b>195,057</b>                                  | <b>(494,757)</b>                    | <b>(566,547)</b>                    | <b>(79,924)</b>     |
| <b>OTHER FINANCING SOURCES (USES):</b>                               |   |   |                                     |                                     |                     |
| Transfers in   | -   | -   | 500,000                             | 567,000                             | 1,067,000           |
| Transfers out  | (13,470)  | -   | -                                   | -                                   | (13,470)            |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>                      | <b>(13,470)</b>                                 | <b>-</b>  | <b>500,000</b>                      | <b>567,000</b>                      | <b>1,053,530</b>    |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <b>772,853</b>                                  | <b>195,057</b>                                  | <b>5,243</b>                        | <b>453</b>                          | <b>973,606</b>      |
| <b>FUND BALANCE, JUNE 30, 2014</b>                                   | <b>8,123</b>                                    | <b>166,481</b>                                  | <b>99,285</b>                       | <b>108,503</b>                      | <b>382,392</b>      |
| <b>FUND BALANCE, JUNE 30, 2015</b>                                   | <b>\$ 780,976</b>                               | <b>\$ 361,538</b>                               | <b>\$ 104,528</b>                   | <b>\$ 108,956</b>                   | <b>\$ 1,355,998</b> |

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**SYSTEM DEVELOPMENT CHARGES ZONE 1 FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|  | Budget          |                 |                   | Variance with     |
|--|-----------------|-----------------|-------------------|-------------------|
|  | Original        | Final           | Actual            | Final Budget      |
| <b>REVENUES:</b>   |                 |                 |                   |                   |
| Licenses and permits   | \$ 3,290        | \$ 3,290        | \$ 785,603        | \$ 782,313        |
| Interest   | 15              | 15              | 720               | 705               |
| <b>TOTAL REVENUES</b>  | <b>3,305</b>    | <b>3,305</b>    | <b>786,323</b>    | <b>783,018</b>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>3,305</b>    | <b>3,305</b>    | <b>786,323</b>    | <b>783,018</b>    |
| <b>OTHER FINANCING SOURCES (USES):</b>                               |                 |                 |                   |                   |
| Transfers out  | (13,470)        | (13,470)        | (13,470)          | -                 |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                          | <b>(13,470)</b> | <b>(13,470)</b> | <b>(13,470)</b>   | <b>-</b>          |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <b>(10,165)</b> | <b>(10,165)</b> | <b>772,853</b>    | <b>783,018</b>    |
| <b>FUND BALANCE, JUNE 30, 2014</b>                                   | <b>10,165</b>   | <b>10,165</b>   | <b>8,123</b>      | <b>(2,042)</b>    |
| <b>FUND BALANCE, JUNE 30, 2015</b>                                   | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ 780,976</b> | <b>\$ 780,976</b> |

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**SYSTEM DEVELOPMENT CHARGES ZONE 2 FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|  | Budget           |                  |                   | Variance with     |
|--|------------------|------------------|-------------------|-------------------|
|  | Original         | Final            | Actual            | Final Budget      |
| <b>REVENUES:</b>   |                  |                  |                   |                   |
| Licenses and permits   | \$ 99,459        | \$ 99,459        | \$ 194,121        | \$ 94,662         |
| Interest   | 250              | 250              | 936               | 686               |
| <b>TOTAL REVENUES</b>  | <u>99,709</u>    | <u>99,709</u>    | <u>195,057</u>    | <u>95,348</u>     |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <u>99,709</u>    | <u>99,709</u>    | <u>195,057</u>    | <u>95,348</u>     |
| <b>OTHER FINANCING SOURCES (USES):</b>                               |                  |                  |                   |                   |
| Transfers in   | 380,541          | 380,541          | -                 | (380,541)         |
| Transfers out  | <u>(681,804)</u> | <u>(681,804)</u> | <u>-</u>          | <u>681,804</u>    |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                          | <u>(301,263)</u> | <u>(301,263)</u> | <u>-</u>          | <u>301,263</u>    |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | (201,554)        | (201,554)        | 195,057           | 396,611           |
| <b>FUND BALANCE, JUNE 30, 2014</b>                                   | <u>201,554</u>   | <u>201,554</u>   | <u>166,481</u>    | <u>(35,073)</u>   |
| <b>FUND BALANCE, JUNE 30, 2015</b>                                   | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 361,538</u> | <u>\$ 361,538</u> |

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**SERIES 2010 DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|  | Budget            |                   |                   | Variance with   |
|--|-------------------|-------------------|-------------------|-----------------|
|  | Original          | Final             | Actual            | Final Budget    |
| <b>REVENUES:</b>   |                   |                   |                   |                 |
| Interest   | \$ 200            | \$ 200            | \$ 393            | \$ 193          |
| <b>TOTAL REVENUES</b>  | <u>200</u>        | <u>200</u>        | <u>393</u>        | <u>193</u>      |
| <b>EXPENDITURES:</b>   |                   |                   |                   |                 |
| Current:   |                   |                   |                   |                 |
| Materials and services   | 500               | 500               | 350               | 150             |
| Debt Service:  |                   |                   |                   |                 |
| Principal  | 340,000           | 340,000           | 340,000           | -               |
| Interest and fiscal charges  | <u>155,000</u>    | <u>155,000</u>    | <u>154,800</u>    | <u>200</u>      |
| <b>TOTAL EXPENDITURES</b>  | <u>495,500</u>    | <u>495,500</u>    | <u>495,150</u>    | <u>350</u>      |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <u>(495,300)</u>  | <u>(495,300)</u>  | <u>(494,757)</u>  | <u>543</u>      |
| <b>OTHER FINANCING SOURCE:</b>                                       |                   |                   |                   |                 |
| Transfers in   | <u>500,000</u>    | <u>500,000</u>    | <u>500,000</u>    | <u>-</u>        |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <u>4,700</u>      | <u>4,700</u>      | <u>5,243</u>      | <u>543</u>      |
| <b>FUND BALANCE, JUNE 30, 2014</b>                                   | <u>98,375</u>     | <u>98,375</u>     | <u>99,285</u>     | <u>910</u>      |
| <b>FUND BALANCE, JUNE 30, 2015</b>                                   | <u>\$ 103,075</u> | <u>\$ 103,075</u> | <u>\$ 104,528</u> | <u>\$ 1,453</u> |

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**SERIES 2008 DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|  | Budget            |                   |                   | Variance with   |
|--|-------------------|-------------------|-------------------|-----------------|
|  | Original          | Final             | Actual            | Final Budget    |
| <b>REVENUES:</b>   |                   |                   |                   |                 |
| Interest   | \$ 200            | \$ 200            | \$ 384            | \$ 184          |
| <b>TOTAL REVENUES</b>  | <u>200</u>        | <u>200</u>        | <u>384</u>        | <u>184</u>      |
| <b>EXPENDITURES:</b>   |                   |                   |                   |                 |
| Current:   |                   |                   |                   |                 |
| Materials and services   | 1,000             | 1,000             | 350               | 650             |
| Debt Service:  |                   |                   |                   |                 |
| Principal  | 345,000           | 345,000           | 345,000           | -               |
| Interest and fiscal charges  | <u>222,000</u>    | <u>222,000</u>    | <u>221,581</u>    | <u>419</u>      |
| <b>TOTAL EXPENDITURES</b>  | <u>568,000</u>    | <u>568,000</u>    | <u>566,931</u>    | <u>1,069</u>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <u>(567,800)</u>  | <u>(567,800)</u>  | <u>(566,547)</u>  | <u>1,253</u>    |
| <b>OTHER FINANCING SOURCE:</b>                                       |                   |                   |                   |                 |
| Transfers in   | <u>567,000</u>    | <u>567,000</u>    | <u>567,000</u>    | <u>-</u>        |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | (800)             | (800)             | 453               | 1,253           |
| <b>FUND BALANCE, JUNE 30, 2014</b>                                   | <u>107,750</u>    | <u>107,750</u>    | <u>108,503</u>    | <u>753</u>      |
| <b>FUND BALANCE, JUNE 30, 2015</b>                                   | <u>\$ 106,950</u> | <u>\$ 106,950</u> | <u>\$ 108,956</u> | <u>\$ 2,006</u> |

**MAJOR FUND BUDGETARY SCHEDULES**

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|  | Budget             |                    |                     | Variance with       |
|--|--------------------|--------------------|---------------------|---------------------|
|  | Original           | Final              | Actual              | Final Budget        |
| <b>REVENUES:</b>   |                    |                    |                     |                     |
| Charges for services   | \$ 21,015          | \$ 21,015          | \$ 410              | \$ (20,605)         |
| Interest   | 4,000              | 4,000              | 11,313              | 7,313               |
| Intergovernmental  | 921,500            | 921,500            | 584,062             | (337,438)           |
| <b>TOTAL REVENUES</b>  | <u>946,515</u>     | <u>946,515</u>     | <u>595,785</u>      | <u>(350,730)</u>    |
| <b>EXPENDITURES:</b>   |                    |                    |                     |                     |
| Current:   |                    |                    |                     |                     |
| Materials and services   | 20,137             | 50,137             | 32,382              | 17,755              |
| Capital outlay   | 8,604,604          | 8,650,656          | 329,770             | 8,320,886           |
| <b>TOTAL EXPENDITURES</b>  | <u>8,624,741</u>   | <u>8,700,793</u>   | <u>362,152</u>      | <u>8,338,641</u>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <u>(7,678,226)</u> | <u>(7,754,278)</u> | <u>233,633</u>      | <u>7,987,911</u>    |
| <b>OTHER FINANCING SOURCES (USES):</b>                               |                    |                    |                     |                     |
| Transfers in   | 6,244,810          | 6,244,810          | 42,242              | (6,202,568)         |
| Transfers out  | (1,157,086)        | (1,157,086)        | (1,157,086)         | -                   |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                          | <u>5,087,724</u>   | <u>5,087,724</u>   | <u>(1,114,844)</u>  | <u>(6,202,568)</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <u>(2,590,502)</u> | <u>(2,666,554)</u> | <u>(881,211)</u>    | <u>1,785,343</u>    |
| <b>FUND BALANCE, JUNE 30, 2014</b>                                   | <u>2,590,502</u>   | <u>2,666,554</u>   | <u>2,666,554</u>    | <u>-</u>            |
| <b>FUND BALANCE, JUNE 30, 2015</b>                                   | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ 1,785,343</u> | <u>\$ 1,785,343</u> |

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**CAPITAL ASSET REPLACEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|  | Budget             |                    |                     | Variance with       |
|--|--------------------|--------------------|---------------------|---------------------|
|  | Original           | Final              | Actual              | Final Budget        |
| <b>REVENUES:</b>   |                    |                    |                     |                     |
| Intergovernmental  | \$ -               | \$ -               | \$ 12,000           | \$ 12,000           |
| Interest   | 3,000              | 3,000              | 6,961               | 3,961               |
| Miscellaneous  | -                  | -                  | 8,963               | 8,963               |
| <b>TOTAL REVENUES</b>  | <u>3,000</u>       | <u>3,000</u>       | <u>27,924</u>       | <u>24,924</u>       |
| <b>EXPENDITURES:</b>   |                    |                    |                     |                     |
| Current:   |                    |                    |                     |                     |
| Materials and services   | 37,000             | 37,000             | 5,800               | 31,200              |
| Capital outlay   | 1,697,747          | 1,697,747          | 141,512             | 1,556,235           |
| Contingency  | 350,000            | 350,000            | -                   | 350,000             |
| <b>TOTAL EXPENDITURES</b>  | <u>2,084,747</u>   | <u>2,084,747</u>   | <u>147,312</u>      | <u>1,937,435</u>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <u>(2,081,747)</u> | <u>(2,081,747)</u> | <u>(119,388)</u>    | <u>1,962,359</u>    |
| <b>OTHER FINANCING SOURCE:</b>                                       |                    |                    |                     |                     |
| Transfers in   | <u>800,000</u>     | <u>800,000</u>     | <u>800,000</u>      | <u>-</u>            |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <u>(1,281,747)</u> | <u>(1,281,747)</u> | <u>680,612</u>      | <u>1,962,359</u>    |
| <b>FUND BALANCE, JUNE 30, 2014</b>                                   | <u>1,281,747</u>   | <u>1,281,747</u>   | <u>1,507,304</u>    | <u>225,557</u>      |
| <b>FUND BALANCE, JUNE 30, 2015</b>                                   | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ 2,187,916</u> | <u>\$ 2,187,916</u> |



**OTHER FINANCIAL SCHEDULE**

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

| <u>Tax Year</u>      | <u>Taxes Receivable<br/>June 30, 2014</u> | <u>Levy as Extended by<br/>Assessor</u> | <u>Discounts Allowed</u> | <u>Interest</u>  | <u>Adjustments</u> | <u>Collections</u>    | <u>Taxes Receivable<br/>June 30, 2015</u> |
|----------------------|---|---|--------------------------|------------------|--------------------|-----------------------|---|
| 2014-15              | \$ -                                      | \$ 6,387,501                            | \$ (163,782)             | \$ 2,846         | \$ (9,112)         | \$ (6,068,477)        | \$ 148,976                                |
| 2013-14              | 153,259                                   | -                                       | 49                       | 6,523            | (2,752)            | (80,001)              | 77,078                                    |
| 2012-13              | 86,600                                    | -                                       | 4                        | 6,585            | (408)              | (37,200)              | 55,581                                    |
| 2011-12              | 60,572                                    | -                                       | 8                        | 8,447            | (528)              | (32,828)              | 35,671                                    |
| 2010-11              | 34,944                                    | -                                       | 6                        | 4,532            | (486)              | (15,071)              | 23,925                                    |
| 2009-10              | 24,871                                    | -                                       | -                        | 1,453            | (653)              | (4,043)               | 21,628                                    |
| 2008-09 and<br>prior | 9,569                                     | -                                       | -                        | 1,337            | (915)              | (3,837)               | 6,154                                     |
|                      | <u>\$ 369,815</u>                         | <u>\$ 6,387,501</u>                     | <u>\$ (163,715)</u>      | <u>\$ 31,723</u> | <u>\$ (14,854)</u> | <u>\$ (6,241,457)</u> | <u>\$ 369,013</u>                         |

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## **STATISTICAL INFORMATION**

## Statistical Section

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This part of the District'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 District's overall financial health.

| <b><u>Contents</u></b>   | <b><u>Page</u></b> |
|--|--------------------|
| <b><i>Financial Trends</i></b>   |                    |
| These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.  | 41-44              |
| <b><i>Revenue Capacity</i></b>   |                    |
| These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.  | 45-48              |
| <b><i>Debt Capacity</i></b>  |                    |
| These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.                    | 49-52              |
| <b><i>Demographic and Economic Information</i></b>   |                    |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.   | 53-55              |
| <b><i>Operating Information</i></b>  |                    |
| These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. | 56-57              |

### Sources:

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The District implemented GASB Statement 34 in fiscal year ending 2002 and GASB Statement 44 in fiscal year ending 2006; schedules presenting government-wide information include information beginning in that year.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

| <u>Fiscal<br/>Year<br/>Ended<br/>June 30,</u> | <u>Net Investment<br/>in<br/>Capital Assets</u> | <u>Restricted<br/>for<br/>Debt<br/>Service</u> | <u>Restricted<br/>for<br/>Acquisition and<br/>Development</u> | <u>Unrestricted</u> | <u>Total<br/>Net Position</u> |
|---|---|--|---|---------------------|-------------------------------|
| 2006  | \$ 3,229,644                                    | \$ 48,789                                      | \$ 2,090,582  | \$ 3,477,350        | \$ 8,846,365                  |
| 2007  | 6,396,425                                       | 45,392   | 2,805,568   | 3,655,242           | 12,902,627                    |
| 2008  | 11,866,883                                      | 70,624   | 3,576,174   | 4,188,699           | 19,702,380                    |
| 2009  | 17,554,633                                      | 188,378  | 410,134   | 4,503,977           | 22,657,122                    |
| 2010  | 19,206,774                                      | 83,072   | 811,687   | 4,855,999           | 24,957,532                    |
| 2011 (Restated)                               | 21,055,761                                      | 83,344   | 1,882,388   | 5,188,746           | 28,210,239                    |
| 2012  | 21,277,204                                      | 196,938  | 3,554,234   | 5,412,404           | 30,440,780                    |
| 2013  | 28,149,582                                      | 108,550  | 5,190,846   | 5,185,931           | 38,634,909                    |
| 2014  | 28,695,599                                      | 108,503  | 5,888,077   | 7,111,677           | 41,803,856                    |
| 2015  | 31,487,485                                      | 108,956  | 9,180,650   | 6,835,003           | 47,612,094                    |

Source: Clackamas County Finance Department

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

|  | Fiscal Year         |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | 2006                | 2007                | 2008                | 2009                |
| Expenses:                                  |                     |                     |                     |                     |
| Culture, education and recreation          | \$ 3,369,398        | \$ 3,884,175        | \$ 4,433,921        | \$ 5,517,296        |
| Health and welfare                         | 1,314,110           | 1,488,166           | 1,895,318           | 2,162,530           |
| Interest on long-term debt                 | 418,824             | 407,458             | 485,395             | 638,719             |
| Total expenses                             | <u>5,102,332</u>    | <u>5,779,799</u>    | <u>6,814,634</u>    | <u>8,318,545</u>    |
| Program Revenues:                          |                     |                     |                     |                     |
| Charges for services:                      |                     |                     |                     |                     |
| Culture, education and recreation          | 2,195,110           | 4,203,073           | 2,435,062           | 1,814,058           |
| Health and welfare                         | 29,569              | 26,767              | 1,094,013           | 815,012             |
| Operating grants and contributions:        |                     |                     |                     |                     |
| Culture, education and recreation          | 32,139              | 212,603             | 3,284,676           | 919,061             |
| Health and welfare                         | 585,932             | 666,391             | 1,475,724           | 412,911             |
| Capital grants and contributions:          |                     |                     |                     |                     |
| Culture, education and recreation          | -                   | -                   | -                   | -                   |
| Total program revenues                     | <u>2,842,750</u>    | <u>5,108,834</u>    | <u>8,289,475</u>    | <u>3,961,042</u>    |
| Net Expense                                | <u>(2,259,582)</u>  | <u>(670,965)</u>    | <u>1,474,841</u>    | <u>(4,357,503)</u>  |
| General Revenues:                          |                     |                     |                     |                     |
| Property taxes levied for general purposes | 3,467,569           | 4,331,039           | 4,644,258           | 4,912,438           |
| Earnings on investments                    | 216,720             | 363,496             | 433,408             | 196,715             |
| Interagency transfer in                    | -                   | -                   | -                   | 2,000,000           |
| Loss on disposal of capital assets         | -                   | -                   | -                   | -                   |
| Miscellaneous                              | 78,853              | 32,692              | 247,246             | 203,092             |
| Total general revenues                     | <u>3,763,142</u>    | <u>4,727,227</u>    | <u>5,324,912</u>    | <u>7,312,245</u>    |
| Change In Net Position                     | <u>1,503,560</u>    | <u>4,056,262</u>    | <u>6,799,753</u>    | <u>2,954,742</u>    |
| Cumulative effect of correction of error   | -                   | -                   | -                   | -                   |
| Total Change In Net Position               | <u>\$ 1,503,560</u> | <u>\$ 4,056,262</u> | <u>\$ 6,799,753</u> | <u>\$ 2,954,742</u> |

Notes:

(1) All detail reported for changes in net position represents governmental activity, as the District engages in no business-type activities.

Source: Clackamas County Finance Department

| Fiscal Year         |                     |                     |                     |                     |                     |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2010                | 2011 (Restated)     | 2012                | 2013                | 2014                | 2015                |
| \$ 5,151,374        | \$ 6,003,725        | \$ 5,686,708        | \$ 6,594,107        | \$ 6,400,741        | \$ 6,941,053        |
| 2,185,918           | 2,429,902           | 2,282,523           | 2,653,230           | 2,557,450           | 3,151,514           |
| 603,945             | 475,573             | 430,037             | 409,488             | 462,994             | 390,654             |
| <u>7,941,237</u>    | <u>8,909,200</u>    | <u>8,399,268</u>    | <u>9,656,825</u>    | <u>9,421,185</u>    | <u>10,483,221</u>   |
| 2,490,750           | 2,409,847           | 3,102,933           | 3,220,860           | 3,501,228           | 3,469,954           |
| 1,119,032           | 1,082,685           | 1,206,696           | 1,315,563           | 1,390,998           | 1,625,996           |
| 811,586             | 780,870             | 383,558             | 328,305             | 650,916             | 760,915             |
| 364,626             | 350,825             | 493,329             | 484,537             | 448,983             | 522,277             |
| -                   | -                   | -                   | 6,892,951           | 508,379             | 3,590,561           |
| <u>4,785,994</u>    | <u>4,624,227</u>    | <u>5,186,516</u>    | <u>12,242,216</u>   | <u>6,500,504</u>    | <u>9,969,703</u>    |
| <u>(3,155,243)</u>  | <u>(4,284,973)</u>  | <u>(3,212,752)</u>  | <u>2,585,391</u>    | <u>(2,920,681)</u>  | <u>(513,518)</u>    |
| 5,089,720           | 5,168,112           | 5,347,036           | 5,414,332           | 5,989,488           | 6,240,654           |
| 32,243              | 22,844              | 36,493              | 50,801              | 52,818              | 61,274              |
| -                   | -                   | -                   | -                   | -                   | -                   |
| -                   | -                   | -                   | (10,782)            | -                   | -                   |
| <u>333,690</u>      | <u>110,349</u>      | <u>59,764</u>       | <u>154,387</u>      | <u>47,322</u>       | <u>19,828</u>       |
| <u>5,455,653</u>    | <u>5,301,305</u>    | <u>5,443,293</u>    | <u>5,608,738</u>    | <u>6,089,628</u>    | <u>6,321,756</u>    |
| <u>2,300,410</u>    | <u>1,016,332</u>    | <u>2,230,541</u>    | <u>8,194,129</u>    | <u>3,168,947</u>    | <u>5,808,238</u>    |
| -                   | 2,236,375           | -                   | -                   | -                   | -                   |
| <u>\$ 2,300,410</u> | <u>\$ 3,252,707</u> | <u>\$ 2,230,541</u> | <u>\$ 8,194,129</u> | <u>\$ 3,168,947</u> | <u>\$ 5,808,238</u> |



**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

|                                    | Fiscal Year         |                     |                     |                     |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                    | 2006                | 2007                | 2008                | 2009                |
| General Fund:                      |                     |                     |                     |                     |
| Reserved for prepaid items         | \$ -                | \$ -                | \$ 52,650           | \$ 53,375           |
| Unreserved                         | 2,456,136           | 2,373,420           | 2,731,915           | 1,547,530           |
| Nonspendable                       | -                   | -                   | -                   | -                   |
| Unassigned                         | -                   | -                   | -                   | -                   |
| Total General Fund                 | <u>\$ 2,456,136</u> | <u>\$ 2,373,420</u> | <u>\$ 2,784,565</u> | <u>\$ 1,600,905</u> |
| All Other Governmental Funds:      |                     |                     |                     |                     |
| Special revenue funds:             |                     |                     |                     |                     |
| Unreserved                         | \$ 2,230,820        | \$ 3,016,770        | \$ 3,964,821        | \$ 954,203          |
| Nonspendable                       | -                   | -                   | -                   | -                   |
| Restricted                         | -                   | -                   | -                   | -                   |
| Assigned                           | -                   | -                   | -                   | -                   |
| Capital project funds:             |                     |                     |                     |                     |
| Unreserved                         | 894,724             | 1,046,500           | 5,293,877           | 2,137,160           |
| Nonspendable                       | -                   | -                   | -                   | -                   |
| Restricted                         | -                   | -                   | -                   | -                   |
| Assigned                           | -                   | -                   | -                   | -                   |
| Debt service funds:                |                     |                     |                     |                     |
| Unreserved                         | 48,789              | 45,392              | 70,624              | 188,378             |
| Restricted                         | -                   | -                   | -                   | -                   |
| Assigned                           | -                   | -                   | -                   | -                   |
| Total All Other Governmental Funds | <u>\$ 3,174,333</u> | <u>\$ 4,108,662</u> | <u>\$ 9,329,322</u> | <u>\$ 3,279,741</u> |

Notes:

(1) Implementation of GASB 54 in the fiscal year ended June 30, 2010 required additional fund balance classifications.

Source: Clackamas County Finance Department

| Fiscal Year         |                     |                     |                     |                     |                      |
|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| 2010                | 2011                | 2012                | 2013                | 2014                | 2015                 |
| \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 |
| -                   | -                   | -                   | -                   | -                   | -                    |
| 7,167               | 840                 | 1,640               | 12,530              | 1,582               | 18,362               |
| 2,857,900           | 3,369,492           | 2,719,137           | 2,993,589           | 3,397,971           | 3,541,816            |
| <u>\$ 2,865,067</u> | <u>\$ 3,370,332</u> | <u>\$ 2,720,777</u> | <u>\$ 3,006,119</u> | <u>\$ 3,399,553</u> | <u>\$ 3,560,178</u>  |
|                     |                     |                     |                     |                     |                      |
| \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 |
| -                   | -                   | 99                  | -                   | 120                 | -                    |
| 811,687             | 1,590,255           | 2,596,596           | 2,324,381           | 3,221,523           | 7,427,707            |
| 673,843             | 763,252             | 763,156             | 632,599             | 609,599             | 352,593              |
| -                   | -                   | -                   | -                   | -                   | -                    |
| -                   | -                   | -                   | -                   | -                   | 32,400               |
| 595,725             | 393,982             | 1,036,967           | 2,866,465           | 2,666,554           | 1,752,943            |
| 321,766             | 572,292             | 1,424,499           | 1,041,265           | 1,507,304           | 2,187,916            |
| -                   | -                   | -                   | -                   | -                   | -                    |
| 249                 | 251                 | 196,938             | 108,550             | 108,503             | 108,956              |
| 82,823              | 83,092              | -                   | 95,741              | 99,285              | 104,528              |
| <u>\$ 2,486,093</u> | <u>\$ 3,403,124</u> | <u>\$ 6,018,255</u> | <u>\$ 7,069,001</u> | <u>\$ 8,212,888</u> | <u>\$ 11,967,043</u> |

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

|  | Fiscal Year         |                   |                     |                       |
|--|---------------------|-------------------|---------------------|-----------------------|
|  | 2006                | 2007              | 2008                | 2009                  |
| Revenues:  |                     |                   |                     |                       |
| Property taxes   | \$ 3,478,838        | \$ 4,299,108      | \$ 4,588,601        | \$ 4,850,010          |
| Charges for services   | 1,313,467           | 1,251,602         | 1,962,160           | 1,752,008             |
| Intergovernmental  | 677,230             | 943,009           | 4,509,277           | 570,109               |
| Licenses and permits   | 674,111             | 2,719,057         | 1,566,915           | 877,062               |
| Interest   | 216,720             | 363,496           | 433,408             | 196,715               |
| Contributions  | 256,794             | 227,858           | 182,750             | 188,442               |
| Grants   | -                   | -                 | 68,373              | 573,421               |
| Miscellaneous  | -                   | -                 | 247,246             | 203,092               |
| Total revenues   | <u>6,617,160</u>    | <u>9,804,130</u>  | <u>13,558,730</u>   | <u>9,210,859</u>      |
| Expenditures:  |                     |                   |                     |                       |
| Culture and recreation                                       | 2,756,578           | 3,271,209         | 4,048,501           | 4,965,560             |
| Health and welfare   | 1,305,173           | 1,473,169         | 1,722,159           | 1,916,666             |
| Capital outlay   | 251,440             | 3,449,743         | 9,420,705           | 10,248,820            |
| Debt service:  |                     |                   |                     |                       |
| Interest   | 330,000             | 345,000           | 365,000             | 713,054               |
| Principal  | 424,505             | 413,397           | 388,558             | 600,000               |
| Bond miscellaneous charges                                   | -                   | -                 | -                   | -                     |
| Total expenditures   | <u>5,067,696</u>    | <u>8,952,518</u>  | <u>15,944,923</u>   | <u>18,444,100</u>     |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>1,549,464</u>    | <u>851,612</u>    | <u>(2,386,193)</u>  | <u>(9,233,241)</u>    |
| Other Financing Sources:                                     |                     |                   |                     |                       |
| Bond sale proceeds   | -                   | -                 | 8,000,000           | -                     |
| Bond premium   | -                   | -                 | 17,998              | -                     |
| Interagency transfer in                                      | -                   | -                 | -                   | 2,000,000             |
| Payment to the escrow account<br>for refunding debt          | -                   | -                 | -                   | -                     |
| Total other financing sources                                | <u>-</u>            | <u>-</u>          | <u>8,017,998</u>    | <u>2,000,000</u>      |
| Net Change in Fund Balances                                  | <u>\$ 1,549,464</u> | <u>\$ 851,612</u> | <u>\$ 5,631,805</u> | <u>\$ (7,233,241)</u> |
| Debt service as a percentage of<br>noncapital expenditures   | 15.7%               | 13.8%             | 11.6%               | 16.0%                 |

Source: Clackamas County Finance Department

| Fiscal Year       |                     |                     |                     |                     |                     |
|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2010              | 2011                | 2012                | 2013                | 2014                | 2015                |
| \$ 5,076,968      | \$ 5,190,484        | \$ 5,292,033        | \$ 5,414,738        | \$ 5,978,500        | \$ 6,230,823        |
| 2,628,682         | 1,403,186           | 1,733,102           | 1,982,668           | 2,307,795           | 2,125,883           |
| 759,979           | 22,844              | 749,943             | 883,538             | 741,117             | 1,085,715           |
| 981,100           | 891,019             | 2,576,527           | 2,483,299           | 1,720,686           | 3,858,387           |
| 32,243            | 2,089,346           | 36,493              | 50,801              | 52,817              | 61,274              |
| 176,137           | 182,152             | 126,944             | 158,187             | 162,202             | 192,270             |
| -                 | -                   | -                   | -                   | -                   | -                   |
| 333,691           | 110,349             | 59,764              | 154,387             | 28,702              | 19,828              |
| <u>9,988,800</u>  | <u>9,889,380</u>    | <u>10,574,806</u>   | <u>11,127,618</u>   | <u>10,991,819</u>   | <u>13,574,180</u>   |
| 4,523,581         | 4,728,427           | 4,984,606           | 5,367,104           | 5,297,436           | 5,875,053           |
| 1,947,534         | 1,945,635           | 2,008,466           | 2,158,197           | 2,104,611           | 2,251,684           |
| 1,723,430         | 735,632             | 559,030             | 1,210,641           | 993,113             | 471,282             |
| 564,755           | 457,391             | 427,128             | 410,588             | 394,338             | 376,381             |
| 700,000           | 600,000             | 630,000             | 645,000             | 665,000             | 685,000             |
| 167,987           | -                   | -                   | -                   | -                   | -                   |
| <u>9,627,287</u>  | <u>8,467,085</u>    | <u>8,609,230</u>    | <u>9,791,530</u>    | <u>9,454,498</u>    | <u>9,659,400</u>    |
| 361,513           | 1,422,295           | 1,965,576           | 1,336,088           | 1,537,321           | 3,914,780           |
| 5,820,100         | -                   | -                   | -                   | -                   | -                   |
| -                 | -                   | -                   | -                   | -                   | -                   |
| -                 | -                   | -                   | -                   | -                   | -                   |
| (5,711,099)       | -                   | -                   | -                   | -                   | -                   |
| <u>109,001</u>    | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>            |
| <u>\$ 470,514</u> | <u>\$ 1,422,295</u> | <u>\$ 1,965,576</u> | <u>\$ 1,336,088</u> | <u>\$ 1,537,321</u> | <u>\$ 3,914,780</u> |
| 16.0%             | 13.7%               | 13.1%               | 12.3%               | 12.5%               | 11.6%               |

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

| Fiscal<br>Year<br>Ended<br>June 30, | Real<br>Property | Personal<br>Property | Manufactured<br>Structures | Utilities      | Less:<br>Tax-Exempt<br>Property |
|-------------------------------------|------------------|----------------------|----------------------------|----------------|---------------------------------|
| 2006                                | \$ 7,449,304,590 | \$ 329,099,861       | \$ 47,158,845              | \$ 144,738,575 | \$ 693,321,506                  |
| 2007                                | 8,868,116,348    | 317,851,180          | 46,306,758                 | 143,420,970    | 753,409,368                     |
| 2008                                | 9,536,743,361    | 321,849,290          | 46,697,288                 | 164,021,680    | 814,691,217                     |
| 2009                                | 10,213,372,174   | 348,185,015          | 46,657,462                 | 170,819,050    | 894,355,117                     |
| 2010                                | 10,663,564,256   | 438,992,435          | 44,405,581                 | 246,059,663    | 1,073,825,814                   |
| 2011                                | 11,003,575,011   | 436,101,204          | 33,947,637                 | 253,070,684    | 1,160,989,821                   |
| 2012                                | 11,354,569,712   | 386,090,839          | 32,711,207                 | 247,419,694    | 1,241,400,122                   |
| 2013                                | 11,632,776,998   | 410,864,016          | 32,752,744                 | 243,708,401    | 1,330,931,617                   |
| 2014                                | 12,148,737,452   | 412,784,559          | 31,933,209                 | 253,752,914    | 1,400,266,009                   |
| 2015                                | 12,707,922,936   | 418,777,464          | 33,753,256                 | 273,526,828    | 1,441,606,174                   |

(1) A property tax limitation measure became effective in fiscal year 1998. The measure limited taxes on each property by reducing the 1997-98 assessed value of each property to 90% of its 1995-96 value. The measure also limits growth of taxable value to 3% per year with certain exceptions, as well as establishing permanent tax rates for Oregon's local taxing districts, which replaced the former tax base amounts of the District. Because of the tax limitation, taxable assessed value is significantly below true cash value, which is the comparative measure tracked by the County and reported in this schedule.

(2) For all property within the North Clackamas Parks and Recreation District.

Source: Clackamas County Department of Assessment and Taxation

|    | Total Taxable<br>Assessed<br>Value | Total<br>Direct<br>Tax<br>Rate | True Cash<br>Value | Assessed<br>Value as a<br>Percentage of<br>True Cash Value |
|----|------------------------------------|--------------------------------|--------------------|--|
| \$ | 7,276,980,365                      | \$ 0.49                        | \$ 10,134,214,099  | 71.81 %  |
|    | 8,622,285,888                      | 0.51                           | 13,401,583,777     | 64.34  |
|    | 9,254,620,402                      | 0.51                           | 15,555,384,495     | 59.49  |
|    | 9,884,678,584                      | 0.51                           | 16,512,824,110     | 59.86  |
|    | 10,319,196,121                     | 0.50                           | 14,799,900,037     | 69.72  |
|    | 10,565,704,715                     | 0.50                           | 13,285,445,756     | 79.53  |
|    | 10,779,391,330                     | 0.51                           | 12,527,289,343     | 86.05  |
|    | 10,989,170,542                     | 0.51                           | 13,497,590,811     | 81.42  |
|    | 11,446,942,125                     | 0.53                           | 12,850,318,591     | 89.08  |
|    | 11,992,374,310                     | 0.50                           | 14,260,099,520     | 84.10  |

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES (1)**  
**LAST TEN FISCAL YEARS**  
**(Rate per \$1,000 of Assessed Value)**

| Year | North Clackamas Parks<br>& Recreation District |  |                     | Overlapping Rates <sup>(3)</sup> |         |         |                 |         |                  |                                  |                | Total<br>Direct &<br>Overlapping<br>Range |
|------|--|--|---------------------|----------------------------------|---------|---------|-----------------|---------|------------------|----------------------------------|----------------|---|
|      | General<br>Operations                          | Total<br>Direct <sup>(2)</sup><br>Rate | Clackamas<br>County | County<br>Component<br>Units     | Cities  | Schools | College/<br>ESD | Fire    | Other<br>Special | Total<br>Direct &<br>Overlapping |                |   |
| 2006 | \$ 0.49  | \$ 0.49                                | \$ 2.70             | \$ 1.43                          | \$ 0.86 | \$ 5.66 | \$ 1.12         | \$ 2.38 | \$ 0.52          | \$ 15.16                         | \$ 13.93-17.90 |   |
| 2007 | 0.51   | 0.51                                   | 2.67                | 0.91                             | 1.13    | 5.94    | 1.08            | 2.39    | 0.47             | 15.10                            | 13.73-17.49    |   |
| 2008 | 0.51   | 0.51                                   | 2.93                | 0.93                             | 1.05    | 6.57    | 1.06            | 2.38    | 0.67             | 16.10                            | 10.09-19.03    |   |
| 2009 | 0.51   | 0.51                                   | 2.90                | 0.94                             | 1.18    | 6.64    | 1.09            | 2.37    | 0.63             | 16.26                            | 14.91-20.14    |   |
| 2010 | 0.50   | 0.50                                   | 2.91                | 1.44                             | 1.11    | 6.65    | 1.07            | 2.37    | 0.67             | 16.72                            | 15.46-19.49    |   |
| 2011 | 0.50   | 0.50                                   | 2.91                | 1.43                             | 1.12    | 6.74    | 1.05            | 2.36    | 0.64             | 16.75                            | 15.47-19.12    |   |
| 2012 | 0.51   | 0.51                                   | 2.91                | 1.42                             | 1.20    | 7.29    | 1.04            | 2.36    | 0.51             | 17.24                            | 15.60-19.58    |   |
| 2013 | 0.51   | 0.51                                   | 2.92                | 1.44                             | 1.15    | 6.88    | 1.06            | 2.36    | 0.54             | 16.86                            | 15.54-19.04    |   |
| 2014 | 0.53   | 0.53                                   | 2.92                | 0.82                             | 1.38    | 7.10    | 1.05            | 2.44    | 0.62             | 16.87                            | 15.45-18.95    |   |
| 2015 | 0.50   | 0.50                                   | 2.77                | 0.84                             | 1.34    | 6.59    | 1.01            | 2.27    | 0.58             | 15.91                            | 15.17-20.43    |   |

Notes:

- (1) Rates are summary for all Tax Code Areas where North Clackamas Parks and Recreation District taxes are assessed. From 2014 Tax District Summary for FY ending 06/30/2015 found on the Clackamas County website under the Department of Assessment and Taxation.
- (2) Direct Rate is actual rate charged each property that falls within the boundaries of the North Clackamas Parks and Recreation District for district support after application of property tax limitation.
- (3) Overlapping rates are those of local governments that apply to property owners within District geographical boundaries. Not all overlapping rates apply to all District property owners; for example, although County property taxes apply to all District property owners, only those in the cities of Damascus, Happy Valley and Milwaukie pay the city rate for Clackamas County. Other property owners pay County taxes at the rural rate. Only a small portion of the taxpayers within the cities of Happy Valley and Milwaukie are within the District boundaries. The average rate has been used for each category for comparison purposes, but a range of total rates has also been provided.
- (4) Property tax levies may only be approved by a majority vote in elections in which a majority of voters cast a ballot. In November elections of even numbered years a majority vote in favor of a tax levy is sufficient to enact a levy, regardless of voter turnout.

Source: Clackamas County Department of Assessment and Taxation

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**JUNE 30, 2015 AND NINE YEARS AGO**

| Taxpayer                          | 2015                         |      |   | 2006                         |      |   |
|-----------------------------------|------------------------------|------|---|------------------------------|------|---|
|                                   | Taxable<br>Assessed<br>Value | Rank | Percentage<br>of Total District<br>Taxable<br>Assessed<br>Value | Taxable<br>Assessed<br>Value | Rank | Percentage<br>of Total District<br>Taxable<br>Assessed<br>Value |
| General Growth Properties Inc.    | \$ 224,899,091               | 1    | 1.88 %  | \$ 121,719,056               | 2    | 1.67 %  |
| Clackamas Baking Plant/Fred Meyer | 113,405,630                  | 2    | 0.95  | 129,260,468                  | 1    | 1.78  |
| PCC Structurals Inc.              | 107,780,600                  | 3    | 0.90  | 57,850,016                   | 3    | 0.79  |
| Portland General Electric Company | 83,689,000                   | 4    | 0.70  | 41,238,939                   | 5    | 0.57  |
| Comcast Corporation               | 81,618,900                   | 5    | 0.68  |                              |      |   |
| Blount, Incorporated              | 72,338,200                   | 6    | 0.60  | 36,342,313                   | 8    | 0.50  |
| Marvin F Poer & Company           | 68,270,865                   | 7    | 0.57  |                              |      |   |
| Kaiser Foundation Hospital        | 56,014,627                   | 8    | 0.47  |                              |      |   |
| Northwest Natural Gas             | 53,905,800                   | 9    | 0.45  | 36,475,007                   | 7    | 0.50  |
| WH Portland Industrial LLC        | 47,927,840                   | 10   | 0.40  |                              |      |   |
| Warn Bellevue Inc.                |                              |      |   | 46,179,290                   | 4    | 0.63  |
| United Western Grocers            |                              |      |   | 36,604,900                   | 6    | 0.50  |
| CH Realty III/Clackamas LLC       |                              |      |   | 34,747,401                   | 9    | 0.48  |
| International Airport Centers     |                              |      |   | 28,644,308                   | 10   | 0.39  |
| Total                             | <u>\$ 909,850,553</u>        |      | <u>7.59 %</u>   | <u>\$ 569,061,698</u>        |      | <u>7.82 %</u>   |

Source: Clackamas County Department of Assessment and Taxation



**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

| Fiscal<br>Year<br>Ended<br>June 30, | Taxes Levied<br>for the<br>Fiscal Year | Collected within the<br>Fiscal Year of the Levy |                       | Collections<br>in Subsequent<br>Years | Total Collections to Date |                       |
|-------------------------------------|--|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
|                                     |  | Amount  | Percentage<br>of Levy |                                       | Amount                    | Percentage<br>of Levy |
| 2006                                | \$ 3,566,536                           | \$ 3,384,291                                    | 94.9 %                | \$ 88,295                             | \$ 3,472,586              | 97.4 %                |
| 2007                                | 4,428,044                              | 4,195,481                                       | 94.7                  | 124,674                               | 4,320,155                 | 97.6                  |
| 2008                                | 4,754,017                              | 4,471,437                                       | 94.1                  | 172,192                               | 4,643,629                 | 97.7                  |
| 2009                                | 5,031,319                              | 4,687,127                                       | 93.2                  | 237,064                               | 4,924,191                 | 97.9                  |
| 2010                                | 5,211,357                              | 4,883,899                                       | 93.7                  | 195,543                               | 5,079,442                 | 97.5                  |
| 2011                                | 5,330,887                              | 4,991,388                                       | 93.6                  | 188,500                               | 5,179,888                 | 97.2                  |
| 2012                                | 5,460,383                              | 5,132,683                                       | 94.0                  | 165,839                               | 5,298,522                 | 97.0                  |
| 2013                                | 5,552,565                              | 5,236,985                                       | 94.3                  | 130,917                               | 5,367,903                 | 96.7                  |
| 2014                                | 6,097,777                              | 5,782,712                                       | 94.8                  | 80,001                                | 5,862,713                 | 96.1                  |
| 2015                                | 6,387,502                              | 6,068,477                                       | 95.0                  | -                                     | 6,068,477                 | 95.0                  |

Source: Clackamas County Department of Assessment and Taxation

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

| Fiscal<br>Year | Governmental Activities |                                       |   |   |              | Total<br>Primary<br>Government | Percentage<br>of Personal<br>Income | Per<br>Capita |
|----------------|-------------------------|---------------------------------------|---|---|--------------|--------------------------------|-------------------------------------|---------------|
|                | Assessment<br>Debt      | Limited Tax<br>Revenue<br>Series 2000 | Full Faith & Credit<br>Obligations<br>Series 2008 | Full Faith & Credit<br>Obligations<br>Series 2010 |              |                                |                                     |               |
|                |                         | Refunding Bonds                       | Bonds   | Bonds   |              |                                |                                     |               |
| 2006           | \$ -                    | \$ 7,070,000                          | \$ -  | \$ -  | \$ 7,070,000 | 0.18 %                         | \$ 76.43                            |               |
| 2007           | -                       | 6,725,000                             | -   | -   | 6,725,000    | 0.16                           | 71.93                               |               |
| 2008           | -                       | 6,360,000                             | 8,017,712   | -   | 14,377,712   | 0.29                           | 127.91                              |               |
| 2009           | -                       | 5,975,000                             | 7,801,812   | -   | 13,776,812   | 0.28                           | 121.12                              |               |
| 2010           | -                       | -                                     | 7,505,912   | 5,705,248   | 13,211,160   | 0.26                           | 116.02                              |               |
| 2011           | -                       | -                                     | 7,200,012   | 5,411,095   | 12,611,107   | 0.24                           | 110.75                              |               |
| 2012           | -                       | -                                     | 6,889,112   | 5,091,942   | 11,981,054   | 0.22                           | 104.80                              |               |
| 2013           | -                       | -                                     | 6,568,212   | 4,767,842   | 11,336,054   | 0.20                           | 99.22                               |               |
| 2014           | -                       | -                                     | 6,237,312   | 4,498,074   | 10,735,386   | N/A                            | 92.15                               |               |
| 2015           | -                       | -                                     | 5,891,413   | 4,147,400   | 10,038,813   | N/A                            | 85.75                               |               |

Source: Clackamas County Finance Department

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>Limited Tax Revenue Refunding Bonds</u> | <u>Full Faith &amp; Credit Obligation Bonds</u> | <u>Total General Bonded Debt</u> | <u>Less Amounts Restricted to Repaying Principal</u> | <u>Net General Bonded Debt</u> | <u>Percentage of Actual Taxable Value of Property</u> | <u>Per Capita</u> |
|--------------------|--|---|----------------------------------|--|--------------------------------|---|-------------------|
| 2006               | \$ 7,070,000                               | \$ -  | \$ 7,070,000                     | \$ (48,789)  | \$ 7,021,211                   | 0.10 %  | \$ 75.90          |
| 2007               | 6,725,000                                  | -   | 6,725,000                        | (45,392)   | 6,679,608                      | 0.08  | 71.44             |
| 2008               | 6,360,000                                  | 8,000,000                                       | 14,360,000                       | (70,624)   | 14,289,376                     | 0.15  | 127.13            |
| 2009               | 5,975,000                                  | 7,785,000                                       | 13,760,000                       | (188,378)  | 13,571,622                     | 0.14  | 119.32            |
| 2010               | -  | 13,150,000                                      | 13,150,000                       | (83,072)   | 13,066,928                     | 0.13  | 114.75            |
| 2011               | -  | 12,550,000                                      | 12,550,000                       | (83,344)   | 12,466,656                     | 0.12  | 109.48            |
| 2012               | -  | 11,920,000                                      | 11,920,000                       | (196,938)  | 11,723,062                     | 0.11  | 102.55            |
| 2013               | -  | 11,275,000                                      | 11,275,000                       | (108,550)  | 11,166,450                     | 0.10  | 97.74             |
| 2014               | -  | 10,735,386                                      | 10,735,386                       | (108,503)  | 10,626,883                     | 0.09  | 91.21             |
| 2015               | -  | 10,038,813                                      | 10,038,813                       | (108,956)  | 9,929,857                      | 0.08  | 84.82             |

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2015**

| Governmental Unit                                      | Debt<br>Outstanding | Estimated<br>Percentage<br>Applicable | Estimated<br>Share of<br>Overlapping<br>Debt |
|--|---------------------|---------------------------------------|--|
| <b>Debt repaid with property taxes:</b>                |                     |                                       |  |
| Clackamas County                                       | \$ 98,780,000       | 28.7411 %                             | \$ 28,390,459                                |
| Clackamas County Rural Fire Protection District #1     | 0                   | 70.2973                               | 0  |
| Clackamas County School District #12 (North Clackamas) | 327,458,315         | 96.4972                               | 315,988,105                                  |
| Clackamas County School District #62 (Oregon City)     | 87,055,000          | 8.1354                                | 7,082,272                                    |
| Clackamas County School District #115 (Gladstone)      | 51,535,310          | 4.9336                                | 2,542,546                                    |
| Clackamas Community College                            | 66,116,012          | 39.2957                               | 25,980,750                                   |
| City of Happy Valley                                   | 3,750,000           | 100.0000                              | 3,750,000                                    |
| Metro  | 193,205,000         | 7.0818                                | 13,682,392                                   |
| Multnomah Cty SD 28J(Centennial)                       | 26,836,858          | 1.0414                                | 279,479                                      |
| Mt Hood Community College                              | 24,445,000          | 0.0975                                | 23,834                                       |
| <b>Other debt:</b>                                     |                     |                                       |  |
| Clackamas County                                       | 1,400,000           | 28.7411                               | 402,375                                      |
| Oak Lodge Sanitary District #2                         | 19,510,000          | 97.8430                               | 19,089,169                                   |
| Clackamas County Rural Fire Protection District #1     | 18,290,000          | 70.2973                               | 12,857,376                                   |
| Clackamas Community College                            | 28,045,000          | 39.2957                               | 11,020,479                                   |
| City of Gladstone                                      | 1,695,000           | 0.0018                                | 31   |
| City of Milwaukie                                      | 3,850,000           | 99.1378                               | 8,268,093                                    |
| Port of Portland                                       | 65,302,566          | 6.5067                                | 4,249,042                                    |
| Metro  | 30,420,000          | 7.0818                                | 2,154,284                                    |
| Multnomah Education Service District                   | 31,355,000          | 0.0279                                | 8,748  |
| Mt Hood Community College                              | 41,038,056          | 0.0975                                | 40,012                                       |
| Clackamas County Education Service District            | 23,405,000          | 30.2420                               | 7,078,140                                    |
| Subtotal overlapping debt                              |                     |                                       | 462,887,586                                  |
| District direct debt                                   |                     |                                       | 10,038,813                                   |
| Total direct and overlapping debt                      |                     |                                       | \$ 472,926,399                               |

**Note:**

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. The State of Oregon provides overlapping debt data based on real market value of properties for each jurisdiction.

Source: Municipal Debt Advisory Commission, State of Oregon, Office of the Treasurer

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**LEGAL DEBT MARGIN**  
**LAST TEN FISCAL YEARS**

| Year | True Cash Value   | Debt Percentage | Debt Limit       | Total net debt applicable to limit | Legal debt margin | Total net debt applicable to the limit as a percentage of debt limit |
|------|-------------------|-----------------|------------------|------------------------------------|-------------------|--|
| 2006 | \$ 10,134,214,099 | 13 %            | \$ 1,317,447,833 | \$ 7,070,000                       | \$ 1,310,377,833  | 0.54 %   |
| 2007 | 13,401,583,777    | 13              | 1,742,205,891    | 6,725,000                          | 1,735,480,891     | 0.39   |
| 2008 | 15,555,384,495    | 13              | 2,022,199,984    | 14,360,000                         | 2,007,839,984     | 0.71   |
| 2009 | 16,512,824,110    | 13              | 2,146,667,134    | 13,760,000                         | 2,132,907,134     | 0.64   |
| 2010 | 14,799,900,037    | 13              | 1,923,987,005    | 13,150,000                         | 1,910,837,005     | 0.68   |
| 2011 | 13,285,445,756    | 13              | 1,727,107,948    | 12,550,000                         | 1,714,557,948     | 0.73   |
| 2012 | 12,527,289,343    | 13              | 1,628,547,615    | 11,920,000                         | 1,616,627,615     | 0.73   |
| 2013 | 13,497,590,811    | 13              | 1,754,686,805    | 11,336,054                         | 1,743,350,751     | 0.65   |
| 2014 | 12,850,318,591    | 13              | 1,670,541,417    | 10,735,386                         | 1,659,806,031     | 0.64   |
| 2015 | 14,260,099,520    | 13              | 1,853,812,938    | 10,038,813                         | 1,843,774,125     | 0.54   |

**Note:**

ORS 451.545 (3) provides "The district's total outstanding bonds of all kinds shall at no time exceed in the aggregate 13 percent of the real market value of all property by law assessable for state and county purposes within the district..."

Source: Clackamas County Finance Department

ORS 451.545(3) The district's total outstanding general obligation bonds, including improvement bonds of the kind authorized by ORS 223.205 and 223.210 to 223.295, may not exceed in the aggregate 13 percent of the real market value of all property by law assessable for state and county purposes within the district as reflected in the last roll certified under ORS 311.105. [1961 c.576 §19; 1963 c.515 §19; 1969 c.646 §12; 1973 c.785 §20; 1981 c.804 §104; 1991 c.459 §406; 1995 c.79 §227; 2007 c.783 §192; 2009 c.538 §10]

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

| Year                | Population | Personal<br>Income<br>(thousands<br>of dollars) | Per Capita<br>Personal<br>Income <sup>(1)</sup> | Clackamas<br>County<br>Unemployment<br>Rate <sup>(5)</sup> |
|---------------------|------------|---|---|--|
| 2006                | 92,500     | \$ 3,827,465                                    | \$ 41,378                                       | 5.1 %  |
| 2007                | 93,500     | 4,110,728                                       | 43,965  | 4.6  |
| 2008 <sup>(2)</sup> | 112,404    | 5,036,036                                       | 44,803  | 4.7  |
| 2009 <sup>(3)</sup> | 113,742    | 4,964,383                                       | 43,646  | 8.4  |
| 2010 <sup>(4)</sup> | 113,869    | 5,118,867                                       | 44,954  | 10.4   |
| 2011 <sup>(4)</sup> | 113,869    | 5,228,295                                       | 45,915  | 9.5  |
| 2012                | 114,321    | 5,520,104                                       | 48,286  | 8.4  |
| 2013                | 114,251    | 5,650,055                                       | 49,453  | 7.5  |
| 2014                | 116,505    | N/A   | N/A   | 6.4  |
| 2015                | 117,064    | N/A   | N/A   | 5.6  |

Notes:

(1) Figures are for calendar year.

(2) Addition of City of Happy Valley to District in 2007. Population estimate from Metro.

(3) Metro provided us with an estimated annual population increase of 1.19% over the next five years for the general area.

(4) From Claritas Software from Nielsen Corp.

(5) This column has been updated to reflect rates specific to Clackamas County per the State of Oregon Employment Department.

N/A Not available

Sources: Center for Population Research and Census, School of Urban and Public Affairs, Portland State University  
Department of Human Resources, State of Oregon, Employment Department  
Portland Metropolitan Service District

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**PRINCIPAL EMPLOYERS (1)**  
**JUNE 30, 2015 AND NINE YEARS AGO**

| Employer                                       | 2015           |      |                     | 2006           |      |                     |
|--|----------------|------|---------------------|----------------|------|---------------------|
|  | Employees      | Rank | Percentage of Total | Employees      | Rank | Percentage of Total |
| Intel Corp.                                    | 17,500         | 1    | .02 %               | 15,000         | 1    | .01 %               |
| U.S. Federal Govt.                             | 17,500         | 1    | .02                 |                |      |                     |
| Providence Health System                       | 15,239         | 3    | .01                 | 14,007         | 2    | .01                 |
| Oregon Health & Sciences University            | 14,616         | 4    | .01                 | 11,400         | 4    | .01                 |
| State of Oregon                                | 14,200         | 5    | .01                 | 6,700          | 9    | .01                 |
| Kaiser Foundation Health Plan of the Northwest | 11,881         | 6    | .01                 | 7,797          | 8    | .01                 |
| Legacy Health System                           | 10,436         | 7    | .01                 | 7,900          | 7    | .01                 |
| Fred Meyer Stores                              | 10,237         | 8    | .01                 | 9,663          | 5    | .01                 |
| City of Portland                               | 8,558          | 9    | .01                 | 8,000          | 6    | .01                 |
| Nike Inc.                                      | 8,000          | 10   | .01                 | 6,100          | 10   | .01                 |
| Safeway, Inc., Portland Division               |                |      |                     | 13,453         | 3    | .01                 |
| Total  | <u>128,167</u> |      | <u>0.12 %</u>       | <u>100,020</u> |      | <u>0.10 %</u>       |

Sources;

(1) Statistics are the latest available data published in the Portland Business Journal *Book of Lists 2015* and *Book of Lists 2006*.  
The Business Journal Book of Lists ranks Portland Metropolitan Area employers.

(2) Total Portland Metropolitan Area employment used to calculate percentages is from the United States Department of Labor Bureau of Labor Statistics.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

| <u>Year Ended June 30,</u> | <u>Health and<br/>Welfare</u> | <u>Culture and<br/>Recreation</u> | <u>Total</u> |
|----------------------------|-------------------------------|-----------------------------------|--------------|
| 2006                       | 9.20                          | 20.40                             | 29.60        |
| 2007                       | 9.00                          | 20.35                             | 29.35        |
| 2008                       | 9.48                          | 22.54                             | 32.02        |
| 2009                       | 9.00                          | 24.54                             | 33.54        |
| 2010                       | 9.00                          | 26.35                             | 35.35        |
| 2011                       | 9.00                          | 25.67                             | 34.67        |
| 2012                       | 10.31                         | 25.94                             | 36.25        |
| 2013                       | 10.44                         | 26.84                             | 37.28        |
| 2014                       | 10.65                         | 26.85                             | 37.50        |
| 2015                       | 8.72                          | 25.90                             | 34.62        |

**Note:**

(1) Reported full-time equivalent employees are budgeted employees per final budgets at each year-end. Budgeted employees approximate actual.

Source: Clackamas County Finance Department.



**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**OPERATING INDICATORS**  
**LAST TEN FISCAL YEARS**

| Function   | Year Ended June 30, |         |         |         |         |         |         |         |         |         |
|--|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | 2006                | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    |
| Health and welfare:                                |                     |         |         |         |         |         |         |         |         |         |
| Social service units provided                      | 17,859              | 15,277  | 13,783  | 16,657  | 15,675  | 6,006   | 6,186   | 6,718   | 6,647   | 5,264   |
| Meals on Wheels and on-site meals served           | 66,983              | 73,777  | 75,821  | 72,850  | 66,903  | 66,903  | 65,752  | 66,299  | 70,966  | 69,756  |
| One way rides, older adults and disabled           | 12,310              | 11,440  | 11,210  | 14,652  | 14,662  | 12,967  | 12,541  | 11,935  | 10,360  | 10,240  |
| Culture and recreation:                            |                     |         |         |         |         |         |         |         |         |         |
| Recreation programs                                | 58                  | 53      | 67      | 66      | 69      | 66      | 80      | 95      | 97      | 60      |
| Recreation class participants                      | 2,180               | 2,273   | 3,083   | 3,486   | 3,419   | 3,355   | 4,281   | 4,443   | 4,483   | 3,381   |
| Recreation classes                                 | 185                 | 239     | 268     | 292     | 281     | 264     | 380     | 293     | 298     | 231     |
| Swim lesson participants <sup>(2)</sup>            | 3,612               | 4,292   | 4,347   | 4,306   | 4,481   | 4,593   | 5,303   | 4,247   | 4,253   | 4,488   |
| Aquatic park total customers served <sup>(1)</sup> | 245,928             | 238,703 | 251,056 | 246,857 | 245,905 | 312,909 | 271,638 | 250,863 | 262,812 | 253,086 |

(1) The Aquatic Park provides open swim, swim lessons, lap swim, big surf, aquatic exercise, swim team and rental opportunities. This number more accurately reflects operational outcomes.

(2) New swim lesson program with lower ratios.

Source: North Clackamas Parks and Recreation District budget documents and Clackamas County Finance Department

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**OPERATING INDICATORS - CAPITAL ASSETS STATISTICS**  
**LAST TEN FISCAL YEARS**

| Function  | Year Ending June 30, |       |       |      |       |       |       |      |      |       |
|---|----------------------|-------|-------|------|-------|-------|-------|------|------|-------|
|   | 2006                 | 2007  | 2008  | 2009 | 2010  | 2011  | 2012  | 2013 | 2014 | 2015  |
| Health and welfare:                                     |                      |       |       |      |       |       |       |      |      |       |
| Milwaukie Center (serving senior and disabled citizens) |                      |       |       |      |       |       |       |      |      |       |
| Activity Rooms  | 9                    | 9     | 9     | 9    | 9     | 9     | 9     | 9    | 9    | 9     |
| Congregate dining room & café                           | 1                    | 1     | 1     | 1    | 1     | 2     | 2     | 2    | 2    | 2     |
| Transportation vehicles (14, 16 & 20 passenger)         | 3                    | 3     | 3     | 3    | 3     | 3     | 3     | 4    | 3    | 4     |
| Culture and recreation:                                 |                      |       |       |      |       |       |       |      |      |       |
| Acreage-maintained                                      | 101.0                | 101.0 | 498.0 | 520  | 523.2 | 504.5 | 517.3 | 592  | 596  | 501.2 |
| Parks maintained  | 34                   | 34    | 54    | 60   | 60    | 51    | 52    | 53   | 55   | 63    |
| Play structures   | 26                   | 26    | 26    | 29   | 30    | 30    | 30    | 30   | 32   | 33    |
| Maintenance vehicles/equipment                          | 14                   | 14    | 20    | 21   | 22    | 25    | 30    | 30   | 31   | 32    |
| Passenger van (Recmobile)                               | 1                    | 1     | 1     | 1    | 1     | 1     | 2     | 1    | 1    | 1     |
| Buses (1)   | 4                    | 4     | 4     | 4    | 4     | 4     | 4     | 4    | 3    | -     |
| Aquatic Park (five pools, game room, activity rooms)    | 1                    | 1     | 1     | 1    | 1     | 1     | 1     | 1    | 1    | 1     |
| Sports fields:  |                      |       |       |      |       |       |       |      |      |       |
| Baseball  | 3                    | 5     | 5     | 9    | 11    | 11    | 11    | 11   | 11   | 11    |
| Soccer  | 3                    | 7     | 3     | 4    | 6     | 6     | 6     | 6    | 6    | 6     |
| Tennis courts   | 3                    | 3     | 3     | 3    | 3     | 3     | 3     | 3    | 3    | 3     |
| Basketball  | 15                   | 15    | 15    | 15   | 16    | 16    | 16    | 16   | 18   | 17    |
| Volleyball courts                                       | 2                    | 2     | 2     | 2    | 2     | 2     | 2     | 2    | 2    | 2     |
| Sports programs   | -                    | -     | -     | -    | -     | -     | -     | -    | -    | 127   |
| Sports program participants                             | -                    | -     | -     | -    | -     | -     | -     | -    | -    | 7,040 |
| Sports courses offered during the year                  | -                    | -     | -     | -    | -     | -     | -     | -    | -    | 248   |

(1) Buses under culture and recreation are the same as transportation vehicles under health and welfare.

Source: North Clackamas Parks and Recreation District budget documents and Clackamas County Finance Department

**REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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## REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of County Commissioners of  
Clackamas County, Oregon, as Governing Body of  
North Clackamas Parks and Recreation District  
Oregon City, Oregon

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund, Nutrition and Transportation Fund, System Development Charges District-Wide Fund, and System Development Charges Zone 3 Fund of North Clackamas Parks and Recreation District (the District), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 2, 2015.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Moss Adams, LLP".

Eugene, Oregon  
November 2, 2015

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *OREGON MINIMUM AUDIT STANDARDS***

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
 FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
 ACCORDANCE WITH OREGON MINIMUM AUDIT STANDARDS**

Board of County Commissioners of  
 Clackamas County, Oregon, as Governing Body of  
 North Clackamas Parks and Recreation District  
 Oregon City, Oregon

We have audited, the basic financial statements of North Clackamas Parks and Recreation District, Oregon (the District) as of and for the year ended June 30, 2015, and have issued our report thereon dated November 2, 2015. We conducted our audit in accordance with the 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, and the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules (OAR) 162-10-000 to 162-10-330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2015 and 2016.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State.





### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of compliance and internal control over financial reporting and the results of that testing, and not to provide an opinion on the effectiveness of the entity's compliance or on internal control. This report is an integral part of an audit performed in accordance with the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations* in considering the entity's compliance and internal control. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, reading "James C. Laganotto".

For Moss Adams LLP  
Eugene, Oregon  
November 2, 2015