



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended  
June 30, 2016

Choose your next adventure!



NCPRD is a service district of Clackamas County

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

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016

Prepared by:

Clackamas County Department of Business & Community Services and Department of Finance  
Scott Archer, Director, North Clackamas Parks and Recreation District  
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

(This page intentionally left blank)

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

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b><u>INTRODUCTORY SECTION:</u></b>	
Letter of Transmittal	i
Certificate of Achievement for Excellence in Financial Reporting	vii
Organization Chart	viii
List of Principal Officials	ix
 <b><u>FINANCIAL SECTION:</u></b>	
 <b>REPORT OF INDEPENDENT AUDITORS</b>	 1
 <b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	 4
 <b>BASIC FINANCIAL STATEMENTS:</b>	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet - Governmental Funds	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	17
Nutrition and Transportation Fund - Statement of Revenues, Expenditures and Changes In Fund Balance - Budget and Actual	18
System Development Charges Zone 3 Fund - Statement of Revenues, Expenditures and Changes In Fund Balance - Budget and Actual	19
Notes to Basic Financial Statements	20
 <b>SUPPLEMENTARY INFORMATION:</b>	
Other Governmental Funds:	
Combining Balance Sheet	32
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	33
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
System Development Charges Zone 1 Fund	34
System Development Charges Zone 2 Fund	35
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Series 2010 Debt Service Fund	36
Series 2008 Debt Service Fund	37

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

**TABLE OF CONTENTS**

**SUPPLEMENTARY INFORMATION (Continued):**

Major Fund Budgetary Schedules:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -	
Capital Projects Fund	38
Capital Asset Replacement Fund	39
Other Financial Schedule:	
Schedule of Property Tax Transactions	40

**STATISTICAL SECTION:**

Net Position By Component - Last Ten Fiscal Years	41
Changes in Net Position - Last Ten Fiscal Years	42
Fund Balances, Governmental Funds - Last Ten Fiscal Years	43
Changes in Fund Balances, Governmental Funds - Last Ten Years	44
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	45
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	46
Principal Property Tax Payers - June 30, 2016 and Nine Years Ago	47
Property Tax Levies and Collections - Last Ten Fiscal Years	48
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	49
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	50
Direct and Overlapping Governmental Activities Debt - June 30, 2016	51
Legal Debt Margin - Last Ten Fiscal Years	52
Demographic and Economic Statistics - Last Ten Fiscal Years	53
Principal Employers - June 30, 2016 and Nine Years Ago	54
Full-Time Equivalent Employees By Function - Last Ten Fiscal Years	55
Operating Indicators - Last Ten Fiscal Years	56
Operating Indicators - Capital Assets Statistics – Last Ten Fiscal Years	57

**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**

58

**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**

60

## **INTRODUCTORY SECTION**

(This page intentionally left blank)



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

---

*Administration*

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

November 8, 2016

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, 2016.

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, 2016. 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.



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 currently entering its 7<sup>th</sup> year, however, unlike in previous years trends now exist to suggest the economy is now closer to the next recession. A couple of specific trends have emerged. First, industrial production continues to be weak following the oil and gas bust of 2014 which spread through several subsectors of the industry. While production numbers have leveled off in some cases, producers of goods are still experiencing concentrated losses in a few industries and more widespread losses overall. Second, personal income growth nationwide has faced a slowdown. Wages have slowed while dividends and interest have remained flat. Supplements to wages such as worker benefits, and rental income, likely due to the hot housing market, are the only components of income to show increases. While there is no clear recession signal yet, and the Wall Street Journal consensus recession probability is only 21 percent for next year, multiple factors indicate a weakening economy. Business investment nationwide is essentially nonexistent today, personal income growth is slowing, and manufacturing has stalled indicating a recession is closer than before.

While the national picture shows worrisome trends, Oregon is still experiencing strong growth rates. Even though job gains in the state have slowed, they are still at levels that can be considered as normal labor market dynamics. Due to Oregon's industrial structure and strong immigration flows, the state is outpacing other states in the nation by a considerable margin for both job and income gains. Job growth has forced more competition for skilled workers as the pool of available applicants decreases – this creates a tighter labor market where businesses offer more competitive prices for the best employees, wages rise for workers, and individuals compete for the higher paying jobs.

Over the past year, Oregon has added 56,600 jobs, an increase of 3.2 percent. According to Arizona State University's W.P. Carey School of Business<sup>1</sup>, Oregon was ranked 3<sup>rd</sup> in the nation in job growth in July. Three industries – professional and business services, health services, and leisure and hospitality industries – have gained 29,400 jobs in the last year and account for 50 percent of all job gains across the state, a trend that has been consistent throughout the job recovery to date. Eight major industries are at all-time highs in the State of Oregon. Professional and business services and leisure and hospitality have regained all of their losses and are the current growth leaders. Private sector food manufacturing, education, and health slowed during the recession, but never truly suffered recessionary losses. Retail employment, other services, and the public sector are at all time-highs and have recently surpassed their pre-recession levels. The public sector accounts for 17 percent of all jobs; the seven private sector industries are at an all-time high and account for 55 percent of all statewide jobs.

Since the most recent recession was characterized by a housing bubble, the hardest hit industries of wood products, construction, mining and logging and financial services (most of the losses are real estate agents), comes as no surprise. The housing related sectors are now in recovery, but have not reached their pre-recession levels. Metals and machinery manufacturing, along with mining and logging, have displayed the largest improvements state-wide. Oregon's food processing industry continues to see growth. The state has seen manufacturing gains in recent years, however, regaining all lost jobs is unlikely. Oregon manufacturers typically outperform those in other states due to the unique local industry make-up.

In the second quarter of 2016, Oregon private sector jobs grew at a rate of 3.5 percent, the same as in 2015. Public sector jobs grew at a rate of 2.4 percent. These growth rates are among the best Oregon has experienced in the past generation, and are on par with the height of the housing boom. From August 2015 to August 2016 Clackamas County saw a net gain of 3,100 jobs. Consistent with the state, two of the county's largest increases were in public and business services and educational and health services jobs. Where Clackamas County differs from the state is in the increase in construction jobs. 1,200 of the net jobs gain, or 39%, was in the construction industry. The construction gains are consistent with an increase in housing starts – the second quarter of 2016 saw the highest level of construction since 2007 with 18,300 housing starts at an annual pace. The forecast calls for strong growth to continue with housing starts reaching nearly 19,000 in 2016 and 22,000 in 2017. In the longer run, starts are expected to average around 23,000 per year. Even while accounting for overbuilding that had occurred prior to the recession, new home construction state-wide is about one year behind the stable growth rates from before the boom.

The economic outlook for the State of Oregon and Clackamas County is faced with several major risks. Many of the risks are of on-going concern and include federal fiscal policy, the strength and durability of the housing market recovery, ongoing European debt problems, commodity price inflation, drought, legislative initiatives, federal timber payments and the economic slowdown in Asia. A new risk to consider is the recent Oregon Supreme Court decision to reverse prior changes enacted by legislature to the Public Employees Retirement System (PERS). The extent to which the decision will affect the local and state public sector is unknown, but is certainly a risk to note. Oregon has historically been more volatile than the nation overall – never missing a national recession or expansion. While the US is not currently in recession, should the nation fall into a recession, Oregon will follow suit. The housing market recovery has gone up and down in recent years in terms of new production and economic output. The uneven pattern has caused a housing crisis. Low inventory has caused home prices and rents to rise. However, construction is slated to continue growth in 2016 and 2017. Commodity price inflation is a risk and commodity

---

<sup>1</sup> <https://www.oregon.gov/das/OEA/Pages/forecastecorev.aspx>

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. With China now as a top destination for Oregon exports, the economic slowdown across much of eastern Asia poses a concern and 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 2015/2016, in all areas of the District excluding the City of Happy Valley and the City of Milwaukie, Clackamas County issued 159 residential and commercial permits for new construction, an increase from 101 permits issued in fiscal year 2014/2015. The City of Happy Valley building activity remains strong and has increased in comparison to the prior year. During fiscal year 2015/2016, the City of Happy Valley issued 404 commercial and residential permits for new construction, an increase from 256 in fiscal year 2014/2015. During the fiscal year 2015/2016 the City of Milwaukie issued 11 commercial and residential permits for new construction, an increase from 8 in fiscal year 2014/2015. Oregon and Clackamas County are expected to see continued growth in the construction industry in 2016 and 2017.

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 fourth fastest among all states across the country in terms of growth with gains averaging 3.0 percent through 2021. This is down slightly from the outlook last year which projected Oregon to be the third fastest with gains averaging 3.8 percent. The employment projections have improved - Oregon's total employment is expected to be the eighth strongest among all states, compared to last year at tenth, at an annualized rate of 1.5 percent. Employment manufacturing is expected to be the fourth fastest in the country at 1.2 percent. Finally total personal income growth is expected to be the eighth fastest among all states at 5.1 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 is 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 2015 was \$3.5 million and increased to \$4.4 million at the end of fiscal year 2015/2016. This increase can be largely attributed to an increase in property tax revenue and lower expenditures due to vacant positions during the fiscal year.

The Business Operations Director has 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. Also, 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 Spring Park during fiscal year 2015/2016.

The District partnered with multiple groups and agencies, including the City of Milwaukie, Metro, and Oregon State Parks, to restore the Spring Park Natural Area. Enhancements include habitat restoration for fish and wildlife, educational and interpretive signs, improved trails and viewing overlooks for all to enjoy. The Grand Opening for the Spring Park Natural Area was June 1, 2016.

### *Major Initiatives*

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

In 2014, 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, a recommendation 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, locally elected governing board and 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). 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 November 2014 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 is well underway. With the help of consultants and District staff, 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.

The governance and reformation of the District is a standing agenda item for the District Advisory Board monthly meetings. At the meeting held on October 12, 2016, County Counsel gave a presentation on the timeline and options for the District to reform as an ORS Chapter 266 entity with no rate increase. Counsel provided information regarding the Board of County Commissioners role as well the role of the DAB in the reformation process. The DAB is currently considering making a recommendation to place the reformation of the District on the November 2017 ballot with no rate increase. The proposal will need to go before both the City of Milwaukie's and City of Happy Valley's city councils as well as before the Board of County Commissioners prior to being placed on the ballot.

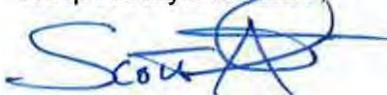
### *Awards and Acknowledgements*

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, 2015. This was the twenty first 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.

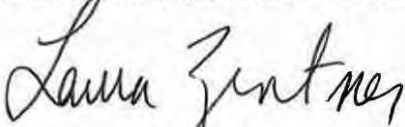
A Certificate of Achievement is valid for one year. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the Government Finance Officers Association to determine its eligibility for another certificate.

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 Department. 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,



Scott Archer  
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, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

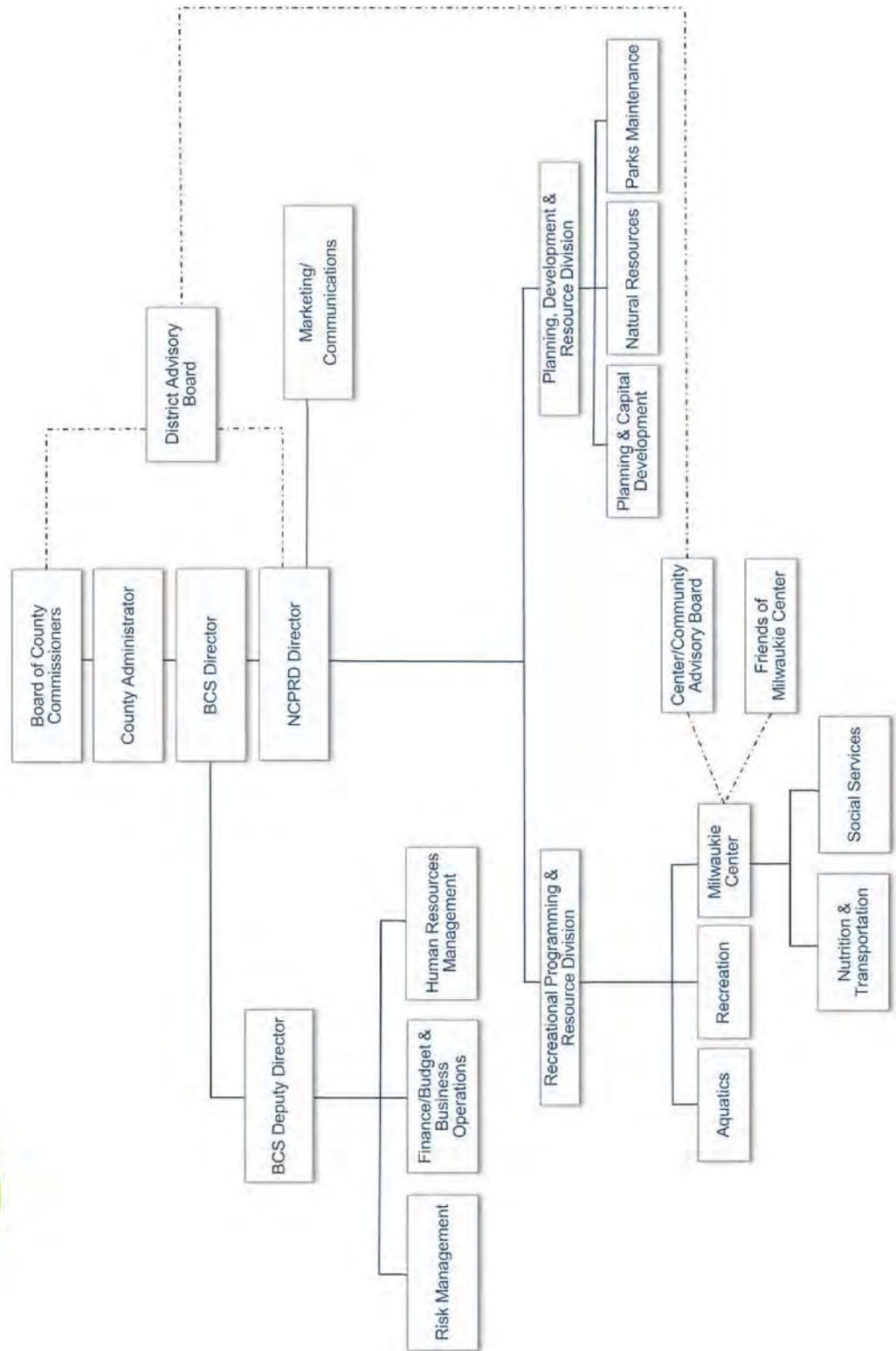
Executive Director/CEO



# North Clackamas Parks and Recreation District

## Organization Chart

Fiscal Year 2015/2016





**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, 2016**

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

**DIRECTOR**  
Scott Archer

**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



(This page intentionally left blank)

## **FINANCIAL SECTION**

(This page intentionally left blank)

**REPORT OF INDEPENDENT AUDITORS**

(This page intentionally left blank)

## 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, 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, 2016, 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.



### ***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, 2016, and the respective changes in financial position and the respective budgetary comparisons for the General Fund, Nutrition and Transportation 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 on pages 32-39 and schedule of property tax transactions on page 40 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.

## **Reports of Other Legal and Regulatory Requirements**

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2016 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.

### ***Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations***

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 8, 2016, 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. Layman".

For Moss Adams, LLP  
Eugene, Oregon  
November 8, 2016



(This page intentionally left blank)

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

(This page intentionally left blank)

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2016**

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, 2016. 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 \$53,807,191. Of this amount, \$7,948,666 may be used to meet ongoing obligations.
- Net position increased by \$6,195,097. 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 \$21,828,329 an increase of \$6,301,108 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 \$705,000 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.

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.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2016**

**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, 2016 and June 30, 2015 follows:

	2016	2015
<b>Assets:</b>		
Current assets	\$ 23,561,596	\$ 16,447,740
Capital assets	40,895,206	41,526,298
<b>Total assets</b>	<u>64,456,802</u>	<u>57,974,038</u>
<b>Deferred Outflows of Resources</b>	<u>115,653</u>	<u>144,566</u>
<b>Liabilities:</b>		
Current liabilities	2,163,078	1,172,697
Liabilities due after one year	8,602,186	9,333,813
<b>Total liabilities</b>	<u>10,765,264</u>	<u>10,506,510</u>
<b>Net position:</b>		
Net investment in capital assets	31,573,020	31,487,485
Restricted for debt service	1,609,806	108,956
Restricted for acquisition and development	12,675,699	9,180,650
Unrestricted	7,948,666	6,835,003
<b>Total net position</b>	<u>\$ 53,807,191</u>	<u>\$ 47,612,094</u>

Total net position from governmental activities increased by \$6,195,097 or 13%. Net investment in capital assets increased by \$85,535 or 0.3%. This increase can be attributed to payment of principal on the debt in the amount of \$705,000 and the net effect of capital asset additions, deletions and depreciation expense during the fiscal year. The most significant capital asset addition was the Spring Park Natural area project. Net position restricted for debt service increased \$1,500,850 or 1,377% due to a one-time intergovernmental transfer of urban renewal funds in the amount of \$1.5 million which is restricted for debt service. Net position restricted for acquisition and development increased by \$3,495,049 or 38%. These restricted assets are primarily system development charge revenues which are generated by commercial and residential development activity.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2016**

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

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 \$115,653 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, 2016 and 2015 follows:

	2016	2015
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 2,134,102	\$ 5,095,950
Operating grants and contributions	1,032,628	1,283,192
Capital grants and contributions	3,847,875	3,590,561
<b>Total program revenues</b>	<u>7,014,605</u>	<u>9,969,703</u>
General revenues:		
Property taxes	6,548,536	6,240,654
Earnings on investments	108,684	61,274
Intergovernmental	1,859,382	-
Miscellaneous	3,976	19,828
<b>Total general revenues</b>	<u>8,520,578</u>	<u>6,321,756</u>
<b>Total revenues</b>	<u>15,535,183</u>	<u>16,291,459</u>
<b>Expenses</b>		
Culture, education and recreation	6,546,071	6,941,053
Health and welfare	2,424,393	3,151,514
Interest on long-term debt	369,622	390,654
<b>Total expenses</b>	<u>9,340,086</u>	<u>10,483,221</u>
Changes in net position	6,195,097	5,808,238
Net position, beginning of year	47,612,094	41,803,856
Net position, end of year	<u>\$ 53,807,191</u>	<u>\$ 47,612,094</u>

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.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2016**

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

District program revenues decreased by \$2,955,098 or 29.64%. The decrease in Charges for Services of \$2,961,848 can be attributed to System Development Charges being classified as Charges for Services in prior year and being classified as Capital Grants and Contributions in fiscal year 2015/2016. If the classification had remained the same as prior year, the reader would see a significant decrease in Capital Grants and Contributions of over \$3 million and Charges for Services would increase slightly. Thus, the overall decrease in Program Revenues can be attributed to a decrease in *Contributed Capital* from prior year by over \$3 million for sports fields at North Clackamas Park, Lot Whitcomb and View Acres schools.

District general revenues increased by \$2,198,822 or 34.8%, in part due to increased property tax receipts of over \$300,000. Intergovernmental revenue increased by \$1,859,382 largely due to the receipt of \$1.5 million in urban renewal dollars to be used to pay debt. Finally, earnings on investments increased by \$47,410 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 decreased by \$1,143,135 or 10.9%, partially due to a decrease in the depreciation expense from prior year of over \$600,000. In addition, the District had several vacancies/retirements throughout the year and several delayed projects which resulted in decreased expenditures. In addition, the District continues to put forth a strong effort to provide services in the most cost effective manner possible.

Program specific expenses exceeded program revenues in 2016 by \$2,325,481 as compared to \$513,518 in prior year. The change is largely reflective of the decrease 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 \$4,378,667 - an increase of over \$800,000 from prior year. The key factors contributing to this increase are the increase in property tax revenue of over \$300,000 from prior year. In addition, operating expenditures also decreased by approximately \$570,000 from prior year due to several staff vacancies which resulted in decreased personnel expenditures.

The Nutrition and Transportation Fund ended the year with a fund balance of \$336,917, down \$15,676 from 2015. The decrease is primarily due to ongoing expenditures that exceed ongoing revenues. To help offset a portion of the difference between revenues and expenditures, the General Fund transfers \$100,000 each year to subsidize program expenditures.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2016**

**FUND ANALYSIS (Continued)**

The System Development Charges Fund (Zone 3) ended the year with an ending fund balance of \$9,763,281, an increase of \$3,478,088 from prior year. This increase is primarily due to the 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 increase is also reflective of a District change in the procedure for managing System Development Charges (SDCs) where SDCs 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 SDCs were received.

The Capital Projects Fund ended the year with an ending fund balance of \$501,452, a decrease of \$1,283,891 from prior year. This decrease can primarily be attributed to the transfers of \$1,285,669 to the System Development Charge Funds 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 Capital Asset Replacement Fund ended the year with an ending fund balance of \$2,720,531, an increase of \$532,615 from prior year. This increase can be attributed the General Fund transfer to the Capital Asset Replacement Fund of approximately \$600,000 as well as a delay in repairing and replacing a portion of the items that were budgeted to be replaced in fiscal year 2015/2016. 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 \$256,055. This variance is primarily due to the property taxes revenue category which came in higher than budget by \$169,053. Total expenditures (excluding contingency) in the General Fund Programs are under budget by \$1,122,699. This is primarily due to an intentional staff effort to examine and reduce expenditures where possible and also reflects several vacant positions during fiscal year 2015/2016. 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.

The General Fund and Nutrition & Transportation Fund budgets were amended one time during fiscal year 2015/2016 in various divisions to account for additional expenditures and to recognize additional beginning fund balance.



**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2016**

**CAPITAL ASSETS**

As of June 30, 2016 and 2015, the District had invested \$40,895,206 and \$41,526,298 in capital assets, respectively, net of depreciation as reflected in the following table:

	2016	2015
Land	\$ 18,522,933	\$ 18,359,560
Construction in progress	517,227	437,624
Buildings	1,388,089	1,549,678
Office equipment	356,907	304,912
Improvements	20,009,339	20,736,083
Vehicles	100,711	138,441
	<u>\$ 40,895,206</u>	<u>\$ 41,526,298</u>

Overall, investment in capital assets decreased \$631,092 during the year. This decrease is due to the combination of depreciation expense on current assets as well as the addition of *Contributed Capital* in fiscal year 2014/2015 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.

The following condensed schedule compares year end balances for 2016 and 2015. Please refer to Notes to Basic Financial Statements - Note 9 for additional detail.

	2016	2015
Full Faith and Credit Obligations	\$ 9,220,000	\$ 9,925,000
	<u>\$ 9,220,000</u>	<u>\$ 9,925,000</u>

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2016**

**ECONOMIC FACTORS**

Property taxes represent a significant revenue source for the District's governmental funds, 42.2% and 38.3% of total revenues in 2016 and 2015, respectively. This increase in the percentage of property taxes in relation to total revenues in fiscal year 2015/2016 is reflective of a combination of a decrease in contributed capital revenue from prior year of over \$3 million due to the addition of sports fields at North Clackamas Park, Lot Whitcomb and View Acres schools and an increase in intergovernmental revenues in fiscal year 2015/2016 of \$1.5 million from urban renewal funds. Property tax revenue increased by over \$300,000 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 2014/2015, System Development Charge revenue was \$2,970,066 and increased to \$4,043,707 in fiscal year 2015/2016. This increase is largely due to high growth on the east side of the District including both the unincorporated area and the City of Happy Valley. 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>.

(This page intentionally left blank)

## **BASIC FINANCIAL STATEMENTS**

(This page intentionally left blank)

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

**JUNE 30, 2016**

	Governmental Activities
	<hr/>
<b>ASSETS:</b>	
Cash and investments	\$ 22,722,835
Property taxes receivable	387,624
Accounts receivable	405,386
Grants receivable	36,115
Prepaid expense	9,636
Capital assets	
Capital assets not being depreciated	19,040,160
Capital assets being depreciated, net	<hr/> 21,855,046
<b>TOTAL ASSETS</b>	<hr/> 64,456,802
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred charge on debt refunding	<hr/> 115,653
<b>LIABILITIES:</b>	
Accounts payable	222,869
Accrued interest payable	62,595
Due to Clackamas County	1,157,614
Long-term liabilities:	
Portion due or payable within one year:	
Bonds payable	720,000
Portion due or payable after one year:	
Bonds payable	<hr/> 8,602,186
<b>TOTAL LIABILITIES</b>	<hr/> 10,765,264
<b>NET POSITION:</b>	
Net investment in capital assets	31,573,020
Restricted for debt service	1,609,806
Restricted for acquisition and development	12,675,699
Unrestricted	<hr/> 7,948,666
<b>TOTAL NET POSITION</b>	<hr/> \$ 53,807,191

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, 2016**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Culture, education and recreation	6,546,071	1,643,259	\$ 528,012	\$ 3,847,875	\$ (526,925)
Health and welfare	2,424,393	490,843	504,616	-	(1,428,934)
Interest on long-term debt	369,622	-	-	-	(369,622)
Total	9,340,086	2,134,102	1,032,628	3,847,875	(2,325,481)
<b>GENERAL REVENUES</b>					
Property taxes levied for general purposes					6,548,536
Earnings on investments					108,684
Intergovernmental					1,859,382
Miscellaneous					3,976
<b>TOTAL GENERAL REVENUES</b>					<u>8,520,578</u>
<b>CHANGE IN NET POSITION</b>					6,195,097
<b>NET POSITION, July 1, 2015</b>					<u>47,612,094</u>
<b>NET POSITION, June 30, 2016</b>					<u>\$ 53,807,191</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, 2016**

	Special Revenue Funds						
	General Fund	Nutrition and Transportation Fund	System Development Charges Zone 3 Fund	Capital Projects Fund	Capital Asset Replacement Fund	Other Governmental Funds	Total
<b>ASSETS</b>							
Cash and investments	\$ 5,510,273	\$ 454,162	\$ 9,413,341	\$ 375,955	\$ 2,813,213	\$ 4,155,891	\$ 22,722,835
Taxes receivable	387,624	-	-	-	-	-	387,624
Accounts receivable	40,650	-	364,558	-	-	178	405,386
Grants receivable	-	-	-	36,115	-	-	36,115
Due from other funds	34,935	1,568	6,075	106,484	-	-	149,062
Due from Clackamas County	30,345	12,952	-	-	-	14,646	57,943
Prepaid items	9,636	-	-	-	-	-	9,636
<b>TOTAL ASSETS</b>	<b>\$ 6,013,463</b>	<b>\$ 468,682</b>	<b>\$ 9,783,974</b>	<b>\$ 518,554</b>	<b>\$ 2,813,213</b>	<b>\$ 4,170,715</b>	<b>\$ 23,768,601</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 142,781	\$ 14,707	\$ -	\$ 17,008	\$ 48,373	\$ -	\$ 222,869
Due to other funds	44,150	-	19,733	-	44,309	40,870	149,062
Due to Clackamas County	1,095,081	117,058	960	94	-	2,364	1,215,557
<b>TOTAL LIABILITIES</b>	<b>1,282,012</b>	<b>131,765</b>	<b>20,693</b>	<b>17,102</b>	<b>92,682</b>	<b>43,234</b>	<b>1,587,488</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	352,784	-	-	-	-	-	352,784
<b>FUND BALANCES</b>							
Nonspendable	9,636	-	-	-	-	-	9,636
Restricted	-	-	9,763,281	501,452	-	4,020,772	14,285,505
Assigned	-	336,917	-	-	2,720,531	106,709	3,164,157
Unassigned	4,369,031	-	-	-	-	-	4,369,031
<b>TOTAL FUND BALANCES</b>	<b>4,378,667</b>	<b>336,917</b>	<b>9,763,281</b>	<b>501,452</b>	<b>2,720,531</b>	<b>4,127,481</b>	<b>21,828,329</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 6,013,463</b>	<b>\$ 468,682</b>	<b>\$ 9,783,974</b>	<b>\$ 518,554</b>	<b>\$ 2,813,213</b>	<b>\$ 4,170,715</b>	<b>\$ 23,768,601</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 GOVERNMENTAL FUNDS BALANCE**  
**SHEET TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

TOTAL FUND BALANCE			\$ 21,828,329
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.			
			40,895,206
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.			
			352,784
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		115,653	
Accrued interest payable		(62,595)	
Bonds payable, net of bond premium		(9,322,186)	
Total effect of long-term assets and liabilities			(9,269,128)
TOTAL NET POSITION			<u>\$ 53,807,191</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 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Special Revenue Funds						
	General Fund	Nutrition and Transportation Fund	System Development Charges Zone 3 Fund	Capital Projects Fund	Capital Asset Replacement Fund	Other Governmental Funds	Total
<b>REVENUES:</b>							
Property taxes	\$ 6,519,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,519,506
Licenses and permits	-	-	3,122,407	-	-	921,300	4,043,707
Interest	29,962	2,276	43,217	2,204	13,578	17,448	108,685
Intergovernmental	119,980	329,054	4,082	212,431	142,970	1,518,133	2,326,650
Charges for services	2,112,327	21,775	-	-	-	-	2,134,102
Donations	30,416	175,562	-	-	-	-	205,978
Miscellaneous	3,976	-	-	-	-	-	3,976
<b>TOTAL REVENUES</b>	<b>8,816,167</b>	<b>528,667</b>	<b>3,169,706</b>	<b>214,635</b>	<b>156,548</b>	<b>2,456,881</b>	<b>15,342,604</b>
<b>EXPENDITURES:</b>							
Current:							
Culture, education and recreation	5,358,009	-	1,271	19,757	7,699	6,579	5,393,315
Health and welfare	1,460,391	619,673	-	-	-	-	2,080,064
Capital outlay	-	-	-	334,686	171,925	-	506,611
Debt service:							
Principal	-	-	-	-	-	705,000	705,000
Interest and fiscal charges	-	-	-	-	-	356,506	356,506
<b>TOTAL EXPENDITURES</b>	<b>6,818,400</b>	<b>619,673</b>	<b>1,271</b>	<b>354,443</b>	<b>179,624</b>	<b>1,068,085</b>	<b>9,041,496</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,997,767</b>	<b>(91,006)</b>	<b>3,168,435</b>	<b>(139,808)</b>	<b>(23,076)</b>	<b>1,388,796</b>	<b>6,301,108</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	59,604	100,000	684,346	141,586	600,000	1,663,180	3,248,716
Transfers out	(1,238,882)	(24,670)	(374,693)	(1,285,669)	(44,309)	(280,493)	(3,248,716)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,179,278)</b>	<b>75,330</b>	<b>309,653</b>	<b>(1,144,083)</b>	<b>555,691</b>	<b>1,382,687</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>818,489</b>	<b>(15,676)</b>	<b>3,478,088</b>	<b>(1,283,891)</b>	<b>532,615</b>	<b>2,771,483</b>	<b>6,301,108</b>
<b>FUND BALANCE, JUNE 30, 2015</b>	<b>3,560,178</b>	<b>352,593</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>
<b>FUND BALANCE, JUNE 30, 2016</b>	<b>\$ 4,378,667</b>	<b>\$ 336,917</b>	<b>\$ 9,763,281</b>	<b>\$ 501,452</b>	<b>\$ 2,720,531</b>	<b>\$ 4,127,481</b>	<b>\$ 21,828,329</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, 2016**

NET CHANGE IN FUND BALANCES \$ 6,301,108

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	494,203	
Loss on disposal of asset	(183,852)	
Contributed capital asset	359,382	
Depreciation	(1,300,825)	(631,092)

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		11,628
Amortization of deferred refunding		(28,913)
Payment of long-term debt principal		705,000

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.

4,170

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.

(166,804)

CHANGE IN NET POSITION \$ 6,195,097

**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, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES:</b>				
Property taxes	\$ 6,360,872	\$ 6,360,872	\$ 6,529,925	\$ 169,053
Charges for services	2,030,499	2,030,499	2,112,327	81,828
Intergovernmental	134,600	134,600	119,980	(14,620)
Donations	24,000	24,000	30,416	6,416
Interest	16,000	16,000	29,962	13,962
Miscellaneous	4,560	4,560	3,976	(584)
<b>TOTAL REVENUES</b>	<b>8,570,531</b>	<b>8,570,531</b>	<b>8,826,586</b>	<b>256,055</b>
<b>EXPENDITURES:</b>				
Current:				
Administration	753,409	753,409	697,151	56,258
Park services	1,497,519	1,497,519	1,256,527	240,992
Program services	444,430	444,430	386,777	57,653
Sports	1,109,751	1,109,751	1,076,220	33,531
Milwaukie Center	723,735	723,735	657,694	66,041
Aquatic Park	1,959,163	1,959,163	1,702,477	256,686
Marketing and communications	373,789	373,789	226,230	147,559
Planning and development	400,610	400,610	249,425	151,185
Natural Resources	412,611	412,611	309,818	102,793
Special Payments	266,082	266,082	256,081	10,001
Contingency	2,341,068	2,977,763	-	2,977,763
<b>TOTAL EXPENDITURES</b>	<b>10,282,167</b>	<b>10,918,862</b>	<b>6,818,400</b>	<b>4,100,462</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,711,636)</b>	<b>(2,348,331)</b>	<b>2,008,186</b>	<b>4,356,517</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	276,222	276,222	59,604	(216,618)
Transfers out	(1,442,809)	(1,442,809)	(1,238,882)	203,927
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,166,587)</b>	<b>(1,166,587)</b>	<b>(1,179,278)</b>	<b>(12,691)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,878,223)</b>	<b>(3,514,918)</b>	<b>828,908</b>	<b>4,343,826</b>
<b>FUND BALANCE, JUNE 30, 2015</b>	<b>2,878,223</b>	<b>3,514,918</b>	<b>3,514,919</b>	<b>1</b>
<b>FUND BALANCE, JUNE 30, 2016</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,343,827</b>	<b>\$ 4,343,827</b>
<b>ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (U.S. GAAP BASIS):</b>				
Property taxes susceptible to accrual recognized as revenue on the U.S. GAAP basis			34,840	
<b>FUND BALANCE (U.S. GAAP BASIS) - June 30, 2016</b>			<b>\$ 4,378,667</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)**  
**NUTRITION AND TRANSPORTATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES:</b>				
Charges for services	\$ 34,250	\$ 34,250	\$ 21,775	\$ (12,475)
Intergovernmental	330,395	330,395	329,054	(1,341)
Interest	800	800	2,276	1,476
Donations	147,000	147,000	175,562	28,562
<b>TOTAL REVENUES</b>	<u>512,445</u>	<u>512,445</u>	<u>528,667</u>	<u>16,222</u>
<b>EXPENDITURES:</b>				
Current:				
Health and welfare				
Nutrition Division	492,966	492,966	475,534	17,432
Transportation Division	182,739	182,739	144,139	38,600
Special payments	5,000	5,000	-	5,000
Contingency	229,924	259,661	-	259,661
<b>TOTAL EXPENDITURES</b>	<u>910,629</u>	<u>940,366</u>	<u>619,673</u>	<u>320,693</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(398,184)</u>	<u>(427,921)</u>	<u>(91,006)</u>	<u>336,915</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	100,000	100,000	100,000	-
Transfers out	(24,670)	(24,670)	(24,670)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>75,330</u>	<u>75,330</u>	<u>75,330</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(322,854)</u>	<u>(352,591)</u>	<u>(15,676)</u>	<u>336,915</u>
<b>FUND BALANCE, JUNE 30, 2015</b>	<u>322,854</u>	<u>352,591</u>	<u>352,593</u>	<u>2</u>
<b>FUND BALANCE, JUNE 30, 2016</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336,917</u>	<u>\$ 336,917</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, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES:</b>				
Licenses and permits	\$ 1,898,396	\$ 1,898,396	\$ 3,122,407	\$ 1,224,011
Intergovernmental	5,000	5,000	4,082	(918)
Interest	7,000	7,000	43,217	36,217
<b>TOTAL REVENUES</b>	<u>1,910,396</u>	<u>1,910,396</u>	<u>3,169,706</u>	<u>1,259,310</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	<u>5,000</u>	<u>5,000</u>	<u>1,271</u>	<u>3,729</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,905,396</u>	<u>1,905,396</u>	<u>3,168,435</u>	<u>1,263,039</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,055,973	1,055,973	684,346	(371,627)
Transfers out	<u>(9,633,819)</u>	<u>(9,633,819)</u>	<u>(374,693)</u>	<u>9,259,126</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(8,577,846)</u>	<u>(8,577,846)</u>	<u>309,653</u>	<u>8,887,499</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(6,672,450)</u>	<u>(6,672,450)</u>	<u>3,478,088</u>	<u>10,150,538</u>
<b>FUND BALANCE, JUNE 30, 2015</b>	<u>6,672,450</u>	<u>6,672,450</u>	<u>6,285,193</u>	<u>(387,257)</u>
<b>FUND BALANCE, JUNE 30, 2016</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,763,281</u>	<u>\$ 9,763,281</u>

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

(This page intentionally left blank)

**NOTES TO BASIC FINANCIAL STATEMENTS**



(This page intentionally left blank)

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2016**

**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**  
**YEAR ENDED JUNE 30, 2016**

**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 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 District deems the Fund is important enough to be reported as major for qualitative reasons.

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.

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

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2016**

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

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

**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**  
**YEAR ENDED JUNE 30, 2016**

**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, 2016 were as follows:

	General Fund	Nutrition and Transportation Fund	System Development Charges Zone 3 Fund	Capital Projects Fund	Capital Asset Replacement Fund	Other Governmental Fund	Total
Nonspendable:							
Prepays	\$ 9,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,636
Restricted for:							
Debt service reserve	-	-	-	-	-	1,609,806	1,609,806
Acquisition and development	-	-	9,763,281	501,452	-	2,410,966	12,675,699
Assigned to:							
Health and welfare	-	336,917	-	-	-	-	336,917
Debt service reserve	-	-	-	-	-	106,709	106,709
Acquisition and development	-	-	-	-	2,720,531	-	2,720,531
Unassigned:	4,369,031	-	-	-	-	-	4,369,031
Total fund balances	<u>\$ 4,378,667</u>	<u>\$ 336,917</u>	<u>\$ 9,763,281</u>	<u>\$ 501,452</u>	<u>\$ 2,720,531</u>	<u>\$ 4,127,481</u>	<u>\$ 21,828,329</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**  
**YEAR ENDED JUNE 30, 2016**

**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, No. 31, No. 40, and No. 72 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, 2016.

**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 consists of charges for services and 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, 2016, 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**  
**YEAR ENDED JUNE 30, 2016**

**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**  
**YEAR ENDED JUNE 30, 2016**

**3. CASH AND INVESTMENTS**

Cash and investments are comprised of the following:

Petty cash/change fund	\$ 3,570
Cash and cash equivalents with the County Treasurer	863,396
State of Oregon Treasurer's Local Government Investment Pool	<u>21,855,869</u>
	<u>\$ 22,722,835</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.

Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 - unadjusted price quotations in active markets/exchanges for identical assets or liabilities, that each Fund has the ability to access.

Level 2 - other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs).

Level 3 - unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The categorization of a value determined for investments is based on the pricing transparency of the investments and is not necessarily an indication of the risks associated with investing in those securities.

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, 2016 Comprehensive Annual Financial Report of Clackamas County for compliance with these statutes.



**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2016**

**3. CASH AND INVESTMENTS (CONTINUED)**

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, 2016, are as follows:

	General	System Development Charges Zone 3	Other Governmental	Total
<u>Accounts receivable</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	
System development charges	\$ -	\$ 364,558	\$ 178	\$ 364,736
Charges for services	40,650	-	-	40,650
Gross receivables	40,650	364,558	178	405,386
Less: allowance for uncollectibles	-	-	-	-
Net total accounts receivable	<u>\$ 40,650</u>	<u>\$ 364,558</u>	<u>\$ 178</u>	<u>\$ 405,386</u>

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2016**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Increases	Transfers	Deletions	Balance June 30, 2016
Capital assets not being depreciated:					
Land	\$ 18,359,560	\$ 163,373	\$ -	\$ -	\$ 18,522,933
Construction in progress	437,624	263,455	-	(183,852)	517,227
Total capital assets not being depreciated	18,797,184	426,828	-	(183,852)	19,040,160
Capital assets being depreciated:					
Buildings	12,355,056	-	-	-	12,355,056
Office equipment	895,666	92,107	-	(8,392)	979,381
Improvements	26,241,927	334,650	-	(9,726)	26,566,851
Vehicles	555,973	-	-	-	555,973
Total capital assets being depreciated	40,048,622	426,757	-	(18,118)	40,457,261
Less accumulated depreciation for:					
Buildings	(10,805,378)	(161,589)	-	-	(10,966,967)
Office equipment	(590,754)	(40,112)	-	8,392	(622,474)
Improvements	(5,505,844)	(1,061,394)	-	9,726	(6,557,512)
Vehicles	(417,532)	(37,730)	-	-	(455,262)
Total accumulated depreciation	(17,319,508)	(1,300,825)	-	18,118	(18,602,215)
Total capital assets being depreciated, net	22,729,114	(874,068)	-	-	21,855,046
Total capital assets, net	\$ 41,526,298	\$ (447,240)	\$ -	\$ (183,852)	\$ 40,895,206

Depreciation expense was charged as follows:

Culture and recreation	\$ 1,001,635
Health and welfare	299,190
	<u>\$ 1,300,825</u>

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

\$1,157,614 is due to Clackamas County as of June 30, 2016 related to services received.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2016**

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

Transfers to/from other funds for the year ended June 30, 2016, consisted of the following:

Amount	Description
\$ 496,300	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.
42,582	From the General Fund to the Capital Projects Fund for capital construction and acquisition.
24,670	From the Nutrition and Transportation Fund to the General Fund for the reimbursement of various utility costs.
28,995	From the System Development Charges Zone 1 Fund to the General Fund to reimburse labor expenditures related to capital asset construction and acquisition.
151,946	From the System Development Charges Zone 1 Fund to other governmental funds for bond payments.
32,423	From the System Development Charges Zone 1 Fund to the Capital Projects Fund for capital asset construction and acquisition.
62,125	From the System Development Charges Zone 2 Fund to other governmental funds for bond payments.
5,004	From the System Development Charges Zone 2 Fund to the Capital Projects Fund for capital asset construction and acquisition.
5,939	From the System Development Charges Zone 3 Fund to the General Fund to reimburse labor expenditures related to capital asset construction and acquisition.
351,485	From the System Development Charges Zone 3 Fund to other governmental funds for bond payments.
17,268	From the System Development Charges Zone 3 Fund to the Capital Projects Fund for capital asset construction and acquisition.
22,852	From Capital Projects Fund to System Development Charges Zone 1.
578,472	From Capital Projects Fund to System Development Charges Zone 2.
684,346	From Capital Projects Fund to System Development Charges Zone 3.
44,309	From the Capital Assets Replacement Fund to the Capital Projects Fund for capital acquisition and/or construction.
<u>\$ 3,248,716</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**  
**YEAR ENDED JUNE 30, 2016**

**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 \$495,000 per year with the final payment scheduled on March 1, 2025.

Changes in long-term debt for the year ended June 30, 2016, are as follows:

	Interest Rates	Original Amount	Outstanding June 30, 2015	Increases	Decreases	Outstanding June 30, 2016
Full Faith and Credit Obligations						
Series 2008	3.25% - 4.00%	\$ 8,000,000	\$ 5,880,000	\$ -	\$ (355,000)	\$ 5,525,000
Full Faith and Credit Refunding Bonds						
Series 2010	2.50% - 4.00%	5,660,000	4,045,000	-	(350,000)	3,695,000
			9,925,000	-	(705,000)	9,220,000
Premiums			113,759	-	(11,573)	102,186
			10,038,759	\$ -	\$ (716,573)	9,322,186
Current Portion						(720,000)
						<u>\$ 8,602,186</u>

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2016**

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

Future maturities are as follows:

Fiscal Year	Full Faith & Credit Obligations Series 2008		Full Faith and Credit Refunding Bonds Series 2010		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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	430,000	144,515	405,000	87,800	835,000	232,315
2022-2026	2,425,000	463,275	1,790,000	182,600	4,215,000	645,875
2027-2028	1,120,000	45,063	-	-	1,120,000	45,063
	<u>\$ 5,525,000</u>	<u>\$ 1,370,414</u>	<u>\$ 3,695,000</u>	<u>\$ 749,650</u>	<u>\$ 9,220,000</u>	<u>\$ 2,120,064</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 \$5,577,819 were paid to various County departments. At June 30, 2016, the District owed the County \$1,157,614 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 \$187,561 at June 30, 2016.

## **SUPPLEMENTARY INFORMATION**

(This page intentionally left blank)

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	Special Revenue Funds		Debt Service Funds		
	System Development Charges Zone 1 Fund	System Development Charges Zone 2 Fund	Series 2010 Debt Service Fund	Series 2008 Debt Service Fund	Total
<b>ASSETS:</b>					
Cash and investments	\$ 1,304,650	\$ 1,134,726	\$ 1,606,709	\$ 109,806	\$ 4,155,891
Accounts receivable	178	-	-	-	178
Due from Clackamas County	-	14,646	-	-	14,646
<b>TOTAL ASSETS</b>	<b>\$ 1,304,828</b>	<b>\$ 1,149,372</b>	<b>\$ 1,606,709</b>	<b>\$ 109,806</b>	<b>\$ 4,170,715</b>
<b>LIABILITIES:</b>					
Due to other funds	\$ 39,988	\$ 882	\$ -	\$ -	\$ 40,870
Due to Clackamas County	1,281	1,083	-	-	2,364
<b>TOTAL LIABILITIES</b>	<b>41,269</b>	<b>1,965</b>	<b>-</b>	<b>-</b>	<b>43,234</b>
<b>FUND BALANCES:</b>					
Restricted	1,263,559	1,147,407	1,500,000	109,806	4,020,772
Assigned	-	-	106,709	-	106,709
<b>TOTAL FUND BALANCES</b>	<b>1,263,559</b>	<b>1,147,407</b>	<b>1,606,709</b>	<b>109,806</b>	<b>4,127,481</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,304,828</b>	<b>\$ 1,149,372</b>	<b>\$ 1,606,709</b>	<b>\$ 109,806</b>	<b>\$ 4,170,715</b>



**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, 2016**

	Special Revenue Funds		Debt Service Funds		
	System Development Charges Zone 1 Fund	System Development Charges Zone 2 Fund	Series 2010 Debt Service Fund	Series 2008 Debt Service Fund	Total
<b>REVENUES:</b>					
Licenses and permits	\$ 658,298	\$ 263,002	\$ -	\$ -	\$ 921,300
Intergovernmental	12,929	5,204	1,500,000	-	1,518,133
Interest	5,623	8,445	2,531	849	17,448
<b>TOTAL REVENUES</b>	<u>676,850</u>	<u>276,651</u>	<u>1,502,531</u>	<u>849</u>	<u>2,456,881</u>
<b>EXPENDITURES:</b>					
Current:					
Culture, education and recreation	3,754	2,125	350	350	6,579
Debt service:					
Principal	-	-	350,000	355,000	705,000
Interest and fiscal charges	-	-	146,300	210,206	356,506
<b>TOTAL EXPENDITURES</b>	<u>3,754</u>	<u>2,125</u>	<u>496,650</u>	<u>565,556</u>	<u>1,068,085</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>673,096</u>	<u>274,526</u>	<u>1,005,881</u>	<u>(564,707)</u>	<u>1,388,796</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	22,851	578,472	496,300	565,557	1,663,180
Transfers out	(213,364)	(67,129)	-	-	(280,493)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(190,513)</u>	<u>511,343</u>	<u>496,300</u>	<u>565,557</u>	<u>1,382,687</u>
<b>NET CHANGE IN FUND BALANCE</b>	482,583	785,869	1,502,181	850	2,771,483
<b>FUND BALANCE, JUNE 30, 2015</b>	<u>780,976</u>	<u>361,538</u>	<u>104,528</u>	<u>108,956</u>	<u>1,355,998</u>
<b>FUND BALANCE, JUNE 30, 2016</b>	<u>\$ 1,263,559</u>	<u>\$ 1,147,407</u>	<u>\$ 1,606,709</u>	<u>\$ 109,806</u>	<u>\$ 4,127,481</u>

**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, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES:</b>				
Licenses and permits	\$ 500,000	\$ 500,000	\$ 658,298	\$ 158,298
Intergovernmental	18,000	18,000	12,929	(5,071)
Interest	45	45	5,623	5,578
<b>TOTAL REVENUES</b>	<b>518,045</b>	<b>518,045</b>	<b>676,850</b>	<b>158,805</b>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	18,000	18,000	3,754	14,246
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>500,045</b>	<b>500,045</b>	<b>673,096</b>	<b>173,051</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	22,851	22,851
Transfers out	(1,059,089)	(1,059,089)	(213,364)	845,725
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,059,089)</b>	<b>(1,059,089)</b>	<b>(190,513)</b>	<b>868,576</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(559,044)</b>	<b>(559,044)</b>	<b>482,583</b>	<b>1,041,627</b>
<b>FUND BALANCE, JUNE 30, 2015</b>	<b>559,044</b>	<b>559,044</b>	<b>780,976</b>	<b>221,932</b>
<b>FUND BALANCE, JUNE 30, 2016</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,263,559</b>	<b>\$ 1,263,559</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, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES:</b>				
Licenses and permits	\$ 99,000	\$ 99,000	\$ 263,002	\$ 164,002
Intergovernmental	5,000	5,000	5,204	204
Interest	2,000	2,000	8,445	6,445
<b>TOTAL REVENUES</b>	<u>106,000</u>	<u>106,000</u>	<u>276,651</u>	<u>170,651</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	<u>5,000</u>	<u>5,000</u>	<u>2,125</u>	<u>2,875</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>101,000</u>	<u>101,000</u>	<u>274,526</u>	<u>173,526</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	410,541	410,541	578,472	167,931
Transfers out	<u>(821,251)</u>	<u>(821,251)</u>	<u>(67,129)</u>	<u>754,122</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(410,710)</u>	<u>(410,710)</u>	<u>511,343</u>	<u>922,053</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(309,710)</u>	<u>(309,710)</u>	<u>785,869</u>	<u>1,095,579</u>
<b>FUND BALANCE, JUNE 30, 2015</b>	<u>309,710</u>	<u>309,710</u>	<u>361,538</u>	<u>51,828</u>
<b>FUND BALANCE, JUNE 30, 2016</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,147,407</u>	<u>\$ 1,147,407</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, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000
Interest	375	375	2,531	2,156
<b>TOTAL REVENUES</b>	<u>375</u>	<u>375</u>	<u>1,502,531</u>	<u>1,502,156</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	500	500	350	150
Debt Service:				
Principal	350,000	350,000	350,000	-
Interest and fiscal charges	146,300	146,300	146,300	-
<b>TOTAL EXPENDITURES</b>	<u>496,800</u>	<u>496,800</u>	<u>496,650</u>	<u>150</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(496,425)</u>	<u>(496,425)</u>	<u>1,005,881</u>	<u>1,502,306</u>
<b>OTHER FINANCING SOURCE:</b>				
Transfers in	500,000	500,000	496,300	(3,700)
<b>NET CHANGE IN FUND BALANCE</b>	3,575	3,575	1,502,181	1,498,606
<b>FUND BALANCE, JUNE 30, 2015</b>	<u>104,185</u>	<u>104,185</u>	<u>104,528</u>	<u>343</u>
<b>FUND BALANCE, JUNE 30, 2016</b>	<u>\$ 107,760</u>	<u>\$ 107,760</u>	<u>\$ 1,606,709</u>	<u>\$ 1,498,949</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, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES:</b>				
Interest	\$ 400	\$ 400	\$ 849	\$ 449
<b>TOTAL REVENUES</b>	<u>400</u>	<u>400</u>	<u>849</u>	<u>449</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	1,000	1,000	350	650
Debt Service:				
Principal	355,000	355,000	355,000	-
Interest and fiscal charges	<u>211,000</u>	<u>211,000</u>	<u>210,206</u>	<u>794</u>
<b>TOTAL EXPENDITURES</b>	<u>567,000</u>	<u>567,000</u>	<u>565,556</u>	<u>1,444</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(566,600)</u>	<u>(566,600)</u>	<u>(564,707)</u>	<u>1,893</u>
<b>OTHER FINANCING SOURCE:</b>				
Transfers in	<u>600,000</u>	<u>600,000</u>	<u>565,557</u>	<u>(34,443)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>33,400</u>	<u>33,400</u>	<u>850</u>	<u>(32,550)</u>
<b>FUND BALANCE, JUNE 30, 2015</b>	<u>107,903</u>	<u>107,903</u>	<u>108,956</u>	<u>1,053</u>
<b>FUND BALANCE, JUNE 30, 2016</b>	<u>\$ 141,303</u>	<u>\$ 141,303</u>	<u>\$ 109,806</u>	<u>\$ (31,497)</u>

**MAJOR FUND BUDGETARY SCHEDULES**

(This page intentionally left blank)

**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, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ 1,265,434	\$ 1,265,434	\$ 212,431	\$ (1,053,003)
Interest	-	-	2,204	2,204
Miscellaneous revenue	150,075	150,075	-	(150,075)
<b>TOTAL REVENUES</b>	<u>1,415,509</u>	<u>1,415,509</u>	<u>214,635</u>	<u>(1,200,874)</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	30,000	30,000	19,757	10,243
Capital outlay	12,452,925	12,452,925	334,686	12,118,239
<b>TOTAL EXPENDITURES</b>	<u>12,482,925</u>	<u>12,482,925</u>	<u>354,443</u>	<u>12,128,482</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(11,067,416)</u>	<u>(11,067,416)</u>	<u>(139,808)</u>	<u>10,927,608</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	11,067,416	11,067,416	141,586	(10,925,830)
Transfers out	(1,466,514)	(1,466,514)	(1,285,669)	180,845
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>9,600,902</u>	<u>9,600,902</u>	<u>(1,144,083)</u>	<u>(10,744,985)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(1,466,514)</u>	<u>(1,466,514)</u>	<u>(1,283,891)</u>	<u>182,623</u>
<b>FUND BALANCE, JUNE 30, 2015</b>	<u>1,466,514</u>	<u>1,466,514</u>	<u>1,785,343</u>	<u>318,829</u>
<b>FUND BALANCE, JUNE 30, 2016</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 501,452</u>	<u>\$ 501,452</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, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 142,970	\$ 142,970
Interest	5,000	5,000	13,578	8,578
<b>TOTAL REVENUES</b>	<u>5,000</u>	<u>5,000</u>	<u>156,548</u>	<u>151,548</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	45,000	45,000	7,699	37,301
Capital outlay	2,229,088	2,229,088	171,925	2,057,163
Contingency	350,000	350,000	-	350,000
<b>TOTAL EXPENDITURES</b>	<u>2,624,088</u>	<u>2,624,088</u>	<u>179,624</u>	<u>2,444,464</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,619,088)</u>	<u>(2,619,088)</u>	<u>(23,076)</u>	<u>2,596,012</u>
<b>OTHER FINANCING SOURCE:</b>				
Transfers in	600,000	600,000	600,000	-
Transfers out	(162,000)	(162,000)	(44,309)	117,691
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>438,000</u>	<u>438,000</u>	<u>555,691</u>	<u>117,691</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(2,181,088)</u>	<u>(2,181,088)</u>	<u>532,615</u>	<u>2,713,703</u>
<b>FUND BALANCE, JUNE 30, 2015</b>	<u>2,181,088</u>	<u>2,181,088</u>	<u>2,187,916</u>	<u>6,828</u>
<b>FUND BALANCE, JUNE 30, 2016</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,720,531</u>	<u>\$ 2,720,531</u>

**OTHER FINANCIAL SCHEDULE**

(This page intentionally left blank)

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

<u>Tax Year</u>	<u>Taxes Receivable June 30, 2015</u>	<u>Levy as Extended by Assessor</u>	<u>Discounts Allowed</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Collections</u>	<u>Taxes Receivable June 30, 2016</u>
2015-16	\$ -	\$ 6,707,093	\$ (172,309)	\$ 3,050	\$ (9,594)	\$ (6,381,404)	\$ 146,836
2014-15	148,976	-	37	5,964	(2,632)	(73,181)	79,164
2013-14	77,078	-	9	5,195	(458)	(29,060)	52,764
2012-13	55,581	-	6	7,110	(325)	(27,813)	34,559
2011-12	35,671	-	1	4,025	(130)	(13,649)	25,918
2010-11 and prior	51,707	-	1	1,722	(229)	(4,818)	48,383
	<u>\$ 369,013</u>	<u>\$ 6,707,093</u>	<u>\$ (172,255)</u>	<u>\$ 27,066</u>	<u>\$ (13,368)</u>	<u>\$ (6,529,925)</u>	<u>\$ 387,624</u>

(This page intentionally left blank)

## **STATISTICAL INFORMATION**

(This page intentionally left blank)

---

## Statistical Section

---

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



(This page intentionally left blank)

**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 Year Ended June 30,</u>	<u>Net Investment in Capital Assets</u>	<u>Restricted for Debt Service</u>	<u>Restricted for Acquisition and Development</u>	<u>Unrestricted</u>	<u>Total Net Position</u>
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
2016	31,573,020	1,609,806	12,675,699	7,948,666	53,807,191

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			
	2007	2008	2009	2010
Expenses:				
Culture, education and recreation	\$ 3,884,175	\$ 4,433,921	\$ 5,517,296	\$ 5,151,374
Health and welfare	1,488,166	1,895,318	2,162,530	2,185,918
Interest on long-term debt	407,458	485,395	638,719	603,945
Total expenses	<u>5,779,799</u>	<u>6,814,634</u>	<u>8,318,545</u>	<u>7,941,237</u>
Program Revenues:				
Charges for services:				
Culture, education and recreation	4,203,073	2,435,062	1,814,058	2,490,750
Health and welfare	26,767	1,094,013	815,012	1,119,032
Operating grants and contributions:				
Culture, education and recreation	212,603	3,284,676	919,061	811,586
Health and welfare	666,391	1,475,724	412,911	364,626
Capital grants and contributions:				
Culture, education and recreation	-	-	-	-
Total program revenues	<u>5,108,834</u>	<u>8,289,475</u>	<u>3,961,042</u>	<u>4,785,994</u>
Net Expense	<u>(670,965)</u>	<u>1,474,841</u>	<u>(4,357,503)</u>	<u>(3,155,243)</u>
General Revenues:				
Property taxes levied for general purposes	4,331,039	4,644,258	4,912,438	5,089,720
Earnings on investments	363,496	433,408	196,715	32,243
Interagency transfer in	-	-	2,000,000	-
Loss on disposal of capital assets	-	-	-	-
Miscellaneous	32,692	247,246	203,092	333,690
Total general revenues	<u>4,727,227</u>	<u>5,324,912</u>	<u>7,312,245</u>	<u>5,455,653</u>
Change In Net Position	<u>4,056,262</u>	<u>6,799,753</u>	<u>2,954,742</u>	<u>2,300,410</u>
Cumulative effect of correction of error	-	-	-	-
Total Change In Net Position	<u>\$ 4,056,262</u>	<u>\$ 6,799,753</u>	<u>\$ 2,954,742</u>	<u>\$ 2,300,410</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					
2011 (Restated)	2012	2013	2014	2015	2016
\$ 6,003,725	\$ 5,686,708	\$ 6,594,107	\$ 6,400,741	\$ 6,941,053	\$ 6,546,071
2,429,902	2,282,523	2,653,230	2,557,450	3,151,514	2,424,393
475,573	430,037	409,488	462,994	390,654	369,622
<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>	<u>9,340,086</u>
2,409,847	3,102,933	3,220,860	3,501,228	3,469,954	1,643,259
1,082,685	1,206,696	1,315,563	1,390,998	1,625,996	490,843
780,870	383,558	328,305	650,916	760,915	528,012
350,825	493,329	484,537	448,983	522,277	504,616
-	-	6,892,951	508,379	3,590,561	3,847,875
<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>7,014,605</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>	<u>(2,325,481)</u>
5,168,112	5,347,036	5,414,332	5,989,488	6,240,654	6,548,536
22,844	36,493	50,801	52,818	61,274	108,684
-	-	-	-	-	1,859,382
-	-	(10,782)	-	-	-
110,349	59,764	154,387	47,322	19,828	3,976
<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>8,520,578</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>	<u>6,195,097</u>
2,236,375	-	-	-	-	-
<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>	<u>\$ 6,195,097</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			
	2007	2008	2009	2010
General Fund:				
Reserved for prepaid items	\$ -	\$ 52,650	\$ 53,375	\$ -
Unreserved	2,373,420	2,731,915	1,547,530	-
Nonspendable	-	-	-	7,167
Unassigned	-	-	-	2,857,900
Total General Fund	<u>\$ 2,373,420</u>	<u>\$ 2,784,565</u>	<u>\$ 1,600,905</u>	<u>\$ 2,865,067</u>
All Other Governmental Funds:				
Special revenue funds:				
Unreserved	\$ 3,016,770	\$ 3,964,821	\$ 954,203	\$ -
Nonspendable	-	-	-	-
Restricted	-	-	-	811,687
Assigned	-	-	-	673,843
Capital project funds:				
Unreserved	1,046,500	5,293,877	2,137,160	-
Nonspendable	-	-	-	-
Restricted	-	-	-	595,725
Assigned	-	-	-	321,766
Debt service funds:				
Unreserved	45,392	70,624	188,378	-
Restricted	-	-	-	249
Assigned	-	-	-	82,823
Total All Other Governmental Funds	<u>\$ 4,108,662</u>	<u>\$ 9,329,322</u>	<u>\$ 3,279,741</u>	<u>\$ 2,486,093</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					
2011	2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
840	1,640	12,530	1,582	18,362	9,636
3,369,492	2,719,137	2,993,589	3,397,971	3,541,816	4,369,031
<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>	<u>\$ 4,378,667</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	99	-	120	-	-
1,590,255	2,596,596	2,324,381	3,221,523	7,427,707	12,174,247
763,252	763,156	632,599	609,599	352,593	336,917
-	-	-	-	-	-
-	-	-	-	32,400	-
393,982	1,036,967	2,866,465	2,666,554	1,752,943	501,452
572,292	1,424,499	1,041,265	1,507,304	2,187,916	2,720,531
-	-	-	-	-	-
251	196,938	108,550	108,503	108,956	1,609,806
83,092	-	95,741	99,285	104,528	106,709
<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>	<u>\$17,449,662</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			
	2007	2008	2009	2010
Revenues:				
Property taxes	\$ 4,299,108	\$ 4,588,601	\$ 4,850,010	\$ 5,076,968
Charges for services	1,251,602	1,962,160	1,752,008	2,628,682
Intergovernmental	943,009	4,509,277	570,109	759,979
Licenses and permits	2,719,057	1,566,915	877,062	981,100
Interest	363,496	433,408	196,715	32,243
Contributions	227,858	182,750	188,442	176,137
Grants	-	68,373	573,421	-
Miscellaneous	-	247,246	203,092	333,691
Total revenues	<u>9,804,130</u>	<u>13,558,730</u>	<u>9,210,859</u>	<u>9,988,800</u>
Expenditures:				
Culture and recreation	3,271,209	4,048,501	4,965,560	4,523,581
Health and welfare	1,473,169	1,722,159	1,916,666	1,947,534
Capital outlay	3,449,743	9,420,705	10,248,820	1,723,430
Debt service:				
Interest	345,000	365,000	713,054	564,755
Principal	413,397	388,558	600,000	700,000
Bond miscellaneous charges	-	-	-	167,987
Total expenditures	<u>8,952,518</u>	<u>15,944,923</u>	<u>18,444,100</u>	<u>9,627,287</u>
Excess (deficiency) of revenues over (under) expenditures	<u>851,612</u>	<u>(2,386,193)</u>	<u>(9,233,241)</u>	<u>361,513</u>
Other Financing Sources:				
Bond sale proceeds	-	8,000,000	-	5,820,100
Bond premium	-	17,998	-	-
Interagency transfer in	-	-	2,000,000	-
Payment to the escrow account for refunding debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,711,099)</u>
Total other financing sources	<u>-</u>	<u>8,017,998</u>	<u>2,000,000</u>	<u>109,001</u>
Net Change in Fund Balances	<u>\$ 851,612</u>	<u>\$ 5,631,805</u>	<u>\$ (7,233,241)</u>	<u>\$ 470,514</u>
Debt service as a percentage of noncapital expenditures	13.8%	11.6%	16.0%	16.0%

Source: Clackamas County Finance Department

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 5,190,484	\$ 5,292,033	\$ 5,414,738	\$ 5,978,500	\$ 6,230,823	\$ 6,519,506
1,403,186	1,733,102	1,982,668	2,307,795	2,125,883	2,134,102
22,844	749,943	883,538	741,117	1,085,715	2,326,650
891,019	2,576,527	2,483,299	1,720,686	3,858,387	4,043,707
2,089,346	36,493	50,801	52,817	61,274	108,685
182,152	126,944	158,187	162,202	192,270	205,978
-	-	-	-	-	-
110,349	59,764	154,387	28,702	19,828	3,976
<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>	<u>15,342,604</u>
4,728,427	4,984,606	5,367,104	5,297,436	5,875,053	5,393,315
1,945,635	2,008,466	2,158,197	2,104,611	2,251,684	2,080,064
735,632	559,030	1,210,641	993,113	471,282	506,611
457,391	427,128	410,588	394,338	376,381	705,000
600,000	630,000	645,000	665,000	685,000	356,506
-	-	-	-	-	-
<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>	<u>9,041,496</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>	<u>6,301,108</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>\$ 6,301,108</u>
13.7%	13.1%	12.3%	12.5%	11.6%	12.4%



**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 Year Ended June 30,	Real Property	Personal Property	Manufactured Structures	Utilities	Less: Tax-Exempt Property
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
2016	13,370,875,216	416,757,236	36,633,306	296,184,300	1,495,786,659

(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 Assessed Value	Total Direct Tax Rate	True Cash Value	Assessed Value as a Percentage of True Cash Value
\$ 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
12,624,663,399	0.54	15,927,771,309	79.26

**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 & Recreation District		Overlapping Rates <sup>(3)</sup>										Total Direct & Overlapping Range
	General Operations	Total Direct <sup>(2)</sup> Rate	Clackamas County	County Component Units	Cities	Schools	College/ ESD	Fire	Other Special	Total Direct & Overlapping			
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		
2016	0.54	0.54	2.94	0.78	1.30	7.23	1.10	2.49	0.54	16.92	15.46-20.84		

Notes:

- (1) Rates are summary for all Tax Code Areas where North Clackamas Parks and Recreation District taxes are assessed. From 2015 Tax District Summary for FY ending 06/30/2016 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, 2016 AND NINE YEARS AGO**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
General Growth Properties Inc.	\$ 240,171,889	1	1.90 %	\$ 124,799,445	1	1.45 %
PCC Structural Inc.	121,406,607	2	0.96	62,020,189	3	0.72
Clackamas Baking Plant/Fred Meyer	121,273,745	3	0.96	120,881,216	2	1.40
Portland General Electric Company	98,896,000	4	0.78	45,995,000	6	0.53
Comcast Corporation	84,067,500	5	0.67			
Marvin F Poer & Company	71,047,743	6	0.56	51,821,157	4	0.60
Blount, Incorporated	59,365,074	7	0.47	41,860,033	7	0.49
Kaiser Foundation Hospital	57,695,066	8	0.46			
ROIC Oregon LLC	54,428,880	9	0.43			
Northwest Natural Gas	53,559,800	10	0.42	40,170,400	8	0.47
WH Portland Industrial LLC				35,781,422	10	0.41
Warn Bellevue Inc.				49,909,079	5	0.58
CH Realty III/Clackamas LLC				37,432,583	9	0.43
Total	<u>\$ 961,912,304</u>		<u>7.62 %</u>	<u>\$ 610,670,524</u>		<u>7.08 %</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 Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 4,428,044	\$ 4,195,481	94.7 %	\$ 124,822	\$ 4,320,303	97.6 %
2008	4,754,017	4,471,437	94.1	172,825	4,644,262	97.7
2009	5,031,319	4,687,127	93.2	237,579	4,924,706	97.9
2010	5,211,357	4,883,899	93.7	196,813	5,080,712	97.5
2011	5,330,887	4,991,388	93.6	190,932	5,182,320	97.2
2012	5,460,383	5,132,683	94.0	179,489	5,312,172	97.3
2013	5,552,565	5,236,985	94.3	158,730	5,395,716	97.2
2014	6,097,777	5,782,712	94.8	109,061	5,891,773	96.6
2015	6,387,502	6,068,477	95.0	73,181	6,141,658	96.2
2016	6,707,093	6,381,404	95.1	-	6,381,404	95.1

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 Year	Governmental Activities					Percentage of Personal Income	Per Capita
	Assessment Debt	Limited Tax Revenue Series 2000 Refunding Bonds	Full Faith & Credit Obligations Series 2008 Bonds	Full Faith & Credit Obligations Series 2010 Bonds	Total Primary Government		
2007	\$ -	\$ 6,725,000	\$ -	\$ -	\$ 6,725,000	0.17 %	\$ 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	0.29	121.12
2010	-	-	7,505,912	5,705,248	13,211,160	0.27	116.02
2011	-	-	7,200,012	5,411,095	12,611,107	0.25	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	0.21	99.22
2014	-	-	6,237,312	4,498,074	10,735,386	0.19	92.15
2015	-	-	5,891,413	4,147,400	10,038,813	N/A	85.75
2016	-	-	5,536,573	3,705,216	9,241,789	N/A	75.35

**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>
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
2016	-	9,322,186	9,322,186	(109,806)	9,212,380	0.07	75.11

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
**(A Component Unit of Clackamas County, Oregon)**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2016**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Debt repaid with property taxes:</b>			
Clackamas County	\$ 101,775,136	28.9542 %	\$ 29,468,176
Clackamas County Rural Fire Protection District #1	16,700,000	70.3968	11,756,266
Clackamas County School District #12 (North	306,389,340	96.7909	296,556,999
Clackamas County School District #62 (Oregon City)	81,569,276	7.9275	6,466,404
Clackamas County School District #115 (Gladstone)	49,095,891	4.9595	2,434,911
Clackamas Community College	62,061,012	39.4793	24,501,253
City of Happy Valley	3,530,000	100.0000	3,530,000
City of Milwaukie	4,938,244	99.1835	4,897,923
Metro	199,855,000	7.1029	14,195,501
Multnomah Cty SD 28J(Centennial)	24,641,858	1.4562	358,835
Mt Hood Community College	23,735,000	0.1385	32,873
Clackamas County Education Service District	425,637	30.3978	129,384
City of Gladstone	1,614,000	0.0017	27
<b>Other debt:</b>			
Clackamas County	1,400,000	28.9542	405,359
Oak Lodge Sanitary District #2	18,540,000	97.8239	18,136,551
Clackamas County Rural Fire Protection District #1	17,645,000	70.3968	12,421,515
Clackamas Community College	26,930,000	39.4793	10,631,775
City of Milwaukie	3,715,000	99.1835	3,684,667
Port of Portland	63,760,760	6.5316	4,164,598
Metro	28,835,000	7.1029	2,048,121
Multnomah Education Service District	29,870,000	0.0386	11,530
Mt Hood Community College	39,107,792	0.1385	54,164
Clackamas County Education Service District	22,535,000	30.3978	6,850,143
Subtotal overlapping debt			452,736,977
<b>District direct debt</b>			<u>9,322,186</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 462,059,163</u></u>

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
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
2016	15,927,771,309	13	2,070,610,270	9,322,186	2,061,288,084	0.45

**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 Income (thousands of dollars)	Per Capita Personal Income <sup>(1)</sup>	Clackamas County Unemployment Rate <sup>(5)</sup>
2007	93,500	\$ 4,052,197	\$ 43,339	4.6 %
2008 <sup>(2)</sup>	112,404	4,959,714	44,124	4.7
2009 <sup>(3)</sup>	113,742	4,777,846	42,006	8.4
2010 <sup>(4)</sup>	113,869	4,833,967	42,452	10.4
2011 <sup>(4)</sup>	113,869	5,064,893	44,480	9.5
2012	114,321	5,385,662	47,110	8.4
2013	114,251	5,375,852	47,053	7.5
2014	116,505	5,675,308	48,713	6.4
2015	117,064	N/A	N/A	5.6
2016	122,652	N/A	N/A	4.7

**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, 2016 AND NINE YEARS AGO**

Employer	2016			2007		
	Employees	Rank	Percentage of Total <sup>(2)</sup>	Employees	Rank	Percentage of Total <sup>(2)</sup>
Intel Corp.	18,600	1	.02 %	16,740	1	.02 %
Providence Health & Services	16,139	2	.01	14,639	2	.01
Oregon Health & Sciences University	14,963	3	.01	11,500	3	.01
Kaiser Permanente Northwest	11,898	4	.01	8,221	5	.01
Fred Meyer	10,813	5	.01	8,500	4	.01
Legacy Health System	8,700	6	.01	8,196	6	.01
Nike Inc.	8,500	7	.01	7,648	8	.01
Portland Public Schools	6,135	8	.01			
Multnomah County	5,995	9	.01			
City of Portland	5,481	10	.00	7,996	7	.01
State of Oregon				7,180	9	.01
Beaverton School District				5,000	10	.00
Total	<u>107,224</u>		<u>0.10 %</u>	<u>95,620</u>		<u>0.10 %</u>

Sources:

(1) Statistics are the latest available data published in the Portland Business Journal *Book of Lists 2016* and *Book of Lists 2007*. 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 Welfare</u>	<u>Culture and Recreation</u>	<u>Total</u>
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
2016	8.41	24.02	32.43

**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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Health and welfare:										
Social service units provided	15,277	13,783	16,657	15,675	6,006	6,186	6,718	6,647	5,264	8,216
Meals on Wheels and on-site meals served	73,777	75,821	72,850	66,903	66,903	65,752	66,299	70,966	69,756	70,341
One way rides, older adults and disabled	11,440	11,210	14,652	14,662	12,967	12,541	11,935	10,360	10,240	9,678
Culture and recreation:										
Recreation programs	53	67	66	69	66	80	95	97	60	58
Recreation class participants	2,273	3,083	3,486	3,419	3,355	4,281	4,443	4,483	3,381	2,580
Recreation classes	239	268	292	281	264	380	293	298	231	234
Swim lesson participants	4,292	4,347	4,306	4,481	4,593	5,303	4,247	4,253	4,488	4,739
Aquatic park total customers served <sup>(1)</sup>	238,703	251,056	246,857	245,905	312,909	271,638	250,863	262,812	253,086	243,907

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

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	2	2	2	2	2	2
Transportation vehicles (14, 16 & 20 passenger)	3	3	3	3	3	3	4	3	4	4
Culture and recreation:										
Acreage-maintained	101	498	520	523	505	517	592	596	501	501
Parks maintained	34	54	60	60	51	52	53	55	63	63
Play structures	26	26	29	30	30	30	30	32	33	33
Maintenance vehicles/equipment	14	20	21	22	25	30	30	31	32	33
Passenger van (Recmobile)	1	1	1	1	1	2	1	1	1	1
Aquatic Park (five pools, game room, activity rooms)	1	1	1	1	1	1	1	1	1	1
Sports fields:										
Baseball	5	5	9	11	11	11	11	11	11	11
Soccer	7	3	4	6	6	6	6	6	6	6
Tennis courts	3	3	3	3	3	3	3	3	3	3
Basketball	15	15	15	16	16	16	16	18	17	17
Volleyball courts	2	2	2	2	2	2	2	2	2	2
Sports programs	-	-	-	-	-	-	-	-	127	75
Sports program participants	-	-	-	-	-	-	-	-	7040	6769
Sports courses offered during the year	-	-	-	-	-	-	-	-	248	118

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

(This page intentionally left blank)

**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***



(This page intentionally left blank)

**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, 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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon November 8, 2016.

**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 purposes.

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

Eugene, Oregon  
November 8, 2016

**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, 2016, and have issued our report thereon dated November 8, 2016. 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 basic 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 2016 and 2017.
- 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, 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, prescribed by the Secretary of State, 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. Lazzarotto".

For Moss Adams LLP  
Eugene, Oregon  
November 8, 2016