



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020



NCPRD IS A SERVICE DISTRICT OF CLACKAMAS COUNTY, OREGON



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

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

Prepared by:

Clackamas County Department of Business & Community Services and Department of Finance
Kandi Ho, Acting Director, North Clackamas Parks and Recreation District
Elizabeth Gomez, Financial Operations Manager, North Clackamas Parks and Recreation
District
Elizabeth Comfort, Director of Finance
Christa Bosserman Wolfe, Deputy Director

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

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

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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	69
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INTRODUCTORY SECTION

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NORTH CLACKAMAS
PARKS & RECREATION DISTRICT
Administration

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

December 16, 2020

To the Honorable Chair Jim Bernard, Commissioner Paul Savas, Commissioner Martha Schrader, Commissioner Sonya Fischer, Commissioner Ken Humberston, 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 ending June 30, 2020.

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, 2020. 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 these should be read in conjunction with each other.

Profile of the Government

NCPRD (the District), created November 21, 1990, is located in the urbanized northwest portion of Clackamas County (the County), one of Oregon's fastest growing regions. As of July 1, 2020, the District includes a large unincorporated area of urban Clackamas County and the City of Milwaukie. It does not include the bordering cities of Happy Valley, Gladstone or Johnson City. Of the District's approximately 105,000 residents, roughly 3/4 live in the unincorporated area and 1/4 live in the City of Milwaukie. The District is bounded on the east by SE 177th 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, including 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 legally authorized 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 formed as a County Service District under Oregon Revised Statute Chapter 451, and is a component unit of Clackamas 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 plus five citizen members who reside within the District. The Budget Committee reviews and approves the budget annually. As of the writing of this letter, a nine-member citizen District Advisory Board (DAB) exists to make recommendations to the Board of Directors and Budget Committee. We are currently working on an update to the DAB Bylaws and plan to have them completed by the end of the year.

The District, a division within the County's Business and Community Services Department, provides a full range of park and recreation services to the community. These services include natural and developed parks; recreational and sports programming; community events; a full-service older adult community center providing social and recreational programs; a full-service indoor aquatic center with multiple pools, water recreation, and instruction programs; and a full-service outdoor sports complex with all-weather turf ball fields.

The Board is required to adopt a budget annually by June 30 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 Economic Condition and Outlook

According to the State of Oregon Office of Economic Analysis, the state of the economy overall is better than previously forecasted. However, the economic outlook in the years ahead is only predicted to improve modestly. The pandemic, wildfires, drought, protests and clashes of violence represent downside risks to the outlook. Telecommuting, increased remote work, and changing business practices counter those weaknesses.

The recovery cycle is expected to be faster than previously assumed, given the strong economy prior to the pandemic. Expectations are that Oregon's labor market will return to health by mid-2023. Even so, growth is likely to slow in the months ahead as the loss of federal support weighs more on consumers and concerns over the spread of the virus during the colder winter months increases.

Despite the sharp reduction in economic activity, Oregon's primary revenue instruments have continued to grow. Collections of personal income taxes and corporate taxes have both set record highs over the post-shutdown (March to September) period this year. State Economists note that

although unemployment numbers have risen due to the COVID-19 pandemic, personal income tax collections continue to be withheld from unemployment checks. This has helped to balance the state's revenue and is in step with previous revenue assumptions. Missing from the forecast was the positive impact of tax collection associated with federal aid for businesses. Forgivable loans associated with the Payroll Protection Program, in conjunction with larger industry bailouts for major corporations, have led to a surge in business tax liability. Another factor supporting strong tax collections is that high-income households have been relatively spared from economic losses to date. Given the widening economic inequality, high-income households have an increasingly disproportionate impact on aggregate economic indicators like spending and income. Although high-income households fared well to date, the 5% net job losses seen among high-wage industries are large enough to offset a portion of the higher tax collections. Finally, unexpected spillovers from the 2019 tax season have also boosted revenues in the current biennium, and the State of Oregon General Fund revenue outlook for the 2019-21 biennium is no different than it was before the recession hit.

If the September forecast proves accurate, not only is the General Fund in good shape for the current biennium, there will be additional revenues available to apply to 2021-23.¹

The Workforce and Economic Research Section of the Oregon Employment Department reported that Oregon's unemployment rate rose from 3.5 percent in March 2020 to 14.2 percent in April 2020, as COVID-19 business closures shut down a large part of the economy. Nearly 270,000 jobs were lost during March and April. One out of every eight jobs in Oregon was idled or lost in just two months. Fortunately, things are improving and for the past few months, Oregon's unemployment rate has closely mirrored the national unemployment rate, which fell from 7.9 percent to 6.9 percent between September and October. Oregon employers added jobs in each of the past six months, and the state has recovered 46 percent of the jobs lost in March and April.²

Leisure and hospitality continues to be the industry most impacted by the economic effects of the COVID-19 pandemic. Although its employment rebounded substantially in May and June, job gains have slowed over the past four months. As of October, employment in this industry was down 25% since its peak in February. During the last twelve months, component units of this industry have cut employment by more than a quarter. Arts, entertainment, and recreation is down by nearly half, and lodging is down by nearly a third. Additionally, most schools in Oregon were impacted by a combination of distance learning and declining enrollment this autumn, which resulted in job cuts at all levels of education. Since October 2019, education—from grade schools to colleges—have experienced job reductions. Local government education reduced employment to by 21,200 jobs, or 15 percent, and private education, which includes private grade schools and private universities, cut 7,400 jobs, or 20 percent, since October 2019.

Two major industries have expanded since October 2019. Over the month of October 2020, job gains were the largest in construction, with an increase of 6,100 jobs putting it close to its record levels during late 2019 through March 2020. Transportation, warehousing, and utilities added 1,200 jobs in October 2020 and have grown fast for most of the past few years, adding 5,800 jobs

¹ <https://www.oregon.gov/das/OEA/Documents/forecast0920.pdf> p. 1-2

² <https://oregonemployment.blogspot.com/>

over the past 12 months. The industry benefitted from rapid demand growth in online shopping and the resulting expansion of warehousing and distribution.³

Clackamas County is similar to the State when looking at its major industries and other economic indicators. Mirroring the State's unemployment rates, the County's unemployment rate increased to 13.8 percent in April 2020, from a low of 2.6 percent in December 2020, as a result of the COVID-19 pandemic. Between August and September 2020, the unemployment has fallen to 7.6 percent. Job growth was seen in local government jobs, health services, and wholesale trade.⁴

NCPRD is directly impacted by the construction industry and housing market with regards to the collection of Parks System Development Charges (PSDCs). While permit activity remains strong, it is not as robust as the past several years. During fiscal year 2019-2020, Clackamas County issued 123 residential and commercial permits for new construction in the unincorporated portion of the District. This is an increase from 88 permits issued in fiscal year 2018-2019. During the fiscal year 2019-2020 the City of Milwaukie issued 48 commercial and residential permits for new construction, which is more than a 50% increase from the 30 collected in fiscal year 2018-2019. Oregon and Clackamas County are expected to see slowed growth in the construction industry in the coming year.

As economic and revenue outlooks are never certain, it is important to identify and monitor potential economic threats and risks. Given the uncertainty about the path of the virus and public health, in addition to the relative changes in the temporary versus permanent economic damage still to come, the range of potential outcome scenarios is larger than usual. Key points on the path to recovery revolve around the timeline for a widely available medical treatment for COVID-19, and economic recovery from the wildfires.

The economic pain from the effects of the past year has yet to be fully reflected in Oregon's revenue data. It will take time for the shock of the sudden stop of economic activity to be realized and eventually be reflected on tax returns.

Despite these risks, economists project Oregon's economy will fare well relative to the rest of the country in the coming years. Oregon's General Fund is in good shape for the current biennium and an infusion of federal money has helped keep firms' and households' heads above water. The State of Oregon Economic forecast notes a number of reasons why the economy may recover more quickly than initially thought. First, the state had a solid economic foundation prior to the pandemic, which should aid in its recovery. Secondly, the response by businesses and consumers to the pandemic was better than first imagined. Finally, most encouraging is the strength in new business applications. Although it will take time to replace the lost businesses from the pandemic and the recession, start-up activity and entrepreneurship have not been similarly hit, and reports of openings and expansions are outweighing those of closures and reductions.⁵

³ <https://oregonemployment.blogspot.com/>

⁴ <https://www.qualityinfo.org/-/population-changes-in-clackamas-county>

⁵ <https://www.oregon.gov/das/OEA/Documents/forecast0920.pdf>

Long-term Financial Planning

In order to preserve a strong financial position, the District Board established a reserve/contingency policy for the District's General Fund. 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 each November.

The General Fund ending fund balance at June 30, 2019 was \$5.2 million and increased to \$6.9 million at the end of fiscal year 2019-2020. This increase can be largely attributed to a reduction in expenditures and a reduction in transfers to other funds.

The District finance team continues to enhance 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 Board, the District Budget Committee, and District residents 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 and 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 ensure 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.

Capital Improvement Plan

Over the past several years, the District has had an ambitious long-term capital improvement plan. Although the District's capital improvement plan has been somewhat curtailed by limited capital funding, the District completed Boardman Nature Park and Robert Kronberg Nature Park, and continues to move forward with the planning of several future District projects including Milwaukie Bay Park, Concord Property, and plans for District Ball Fields.

Milwaukie Bay Park

NCPRD staff is working in partnership with the City of Milwaukie to complete the final phase of Milwaukie Bay Park (previously known as Riverfront Park). Contingent on funding, the proposed elements in the final phase include a children's play area, event space, interactive fountain, pathways for pedestrians, and alignment of the Trolley Trail connection through the park.

Boardman Nature Park

The Boardman Wetland Natural Area was acquired by the Oak Lodge Water Services District to complete an underground sewer project. NCPRD joined as a partner on the project, to own and manage the site after the sewer project is complete. The project includes wetlands, boardwalks, nature play area, educational area, and a new parking area. Funds from a Metro Nature in

Neighborhoods grant, an Oregon Parks and Recreation grant and NCPRD System Development Charges funded the project.

Robert Kronberg Nature Park

This project, in partnership with the City of Milwaukie, completed implementation of the master plan of Robert Kronberg Nature Park, approved by the City and NCPRD in 2015. The nature park is a 4.5-acre site located adjacent to Kellogg Lake and McLoughlin Boulevard, just south of downtown Milwaukie. The City built a multi-use path and maintenance access. NCPRD built soft-surface pathways, experiential nodes, and habitat preservation and restoration areas.

Concord Master Plan

The District acquired three former elementary school facilities and grounds in fiscal year 2017-2018 in a strategic partnership with North Clackamas School District, including Concord Elementary School, located on SE Concord near McLoughlin Blvd. The acquisition of the Concord School was a high priority because of its potential uses as a park, community center, and library, as well as the high level of community interest in preservation of the school building. The District, in partnership with the Oak Lodge Library (another BCS division), is currently in the process of creating a master plan for the 6-acre Concord Property which will be complete in December 2020. The next phase of work for design and engineering will begin in January 2021 with an expected construction start date of May 2022.

Happy Valley Litigation/Withdrawal

In December 2019, the Clackamas County Board of Commissioners, acting as the Board of Directors for the North Clackamas Parks and Recreation District (NCPRD), and the Happy Valley City Council approved a settlement agreement that resolved a two-year legal dispute over parks and recreation services. Specifically, the agreement included:

- Clackamas County and Happy Valley jointly developed and supported legislation in the 2020 legislative session that withdrew Happy Valley from the District and allowed the City to become its own parks and recreation provider.
- Payment of \$14.3 million to the City of Happy Valley. The funds for this payment came from development fees generated in Happy Valley as well as a portion of the Hood View Park sale proceeds. This payment was completed April 2020.
- Transfer of the following parks to the City of Happy Valley as of June 30, 2020, relieving NCPRD of ongoing maintenance and management costs:
 - Southern Lites
 - Village Green
 - Ashley Meadows
 - District-owned properties adjacent to Mt. Talbert
 - Hidden Falls Nature Park
 - Scott Creek Trail

- Agreement from the City not to withdraw properties currently inside NCPRD boundaries if or when they annex to Happy Valley.

As of June 30, 2020, the City of Happy Valley has withdrawn from NCPRD and will become its own parks and recreation provider.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the twenty-fourth consecutive year the District 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 District and especially the District's 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 the District and to our citizen members who serve on both the Budget Committee and District Advisory Board.

Respectfully submitted,

Kandi Ho

Kandi Ho
Acting Director
North Clackamas Parks and Recreation District

Elizabeth Gomez

Elizabeth Gomez
Financial Operations Manager
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, 2019

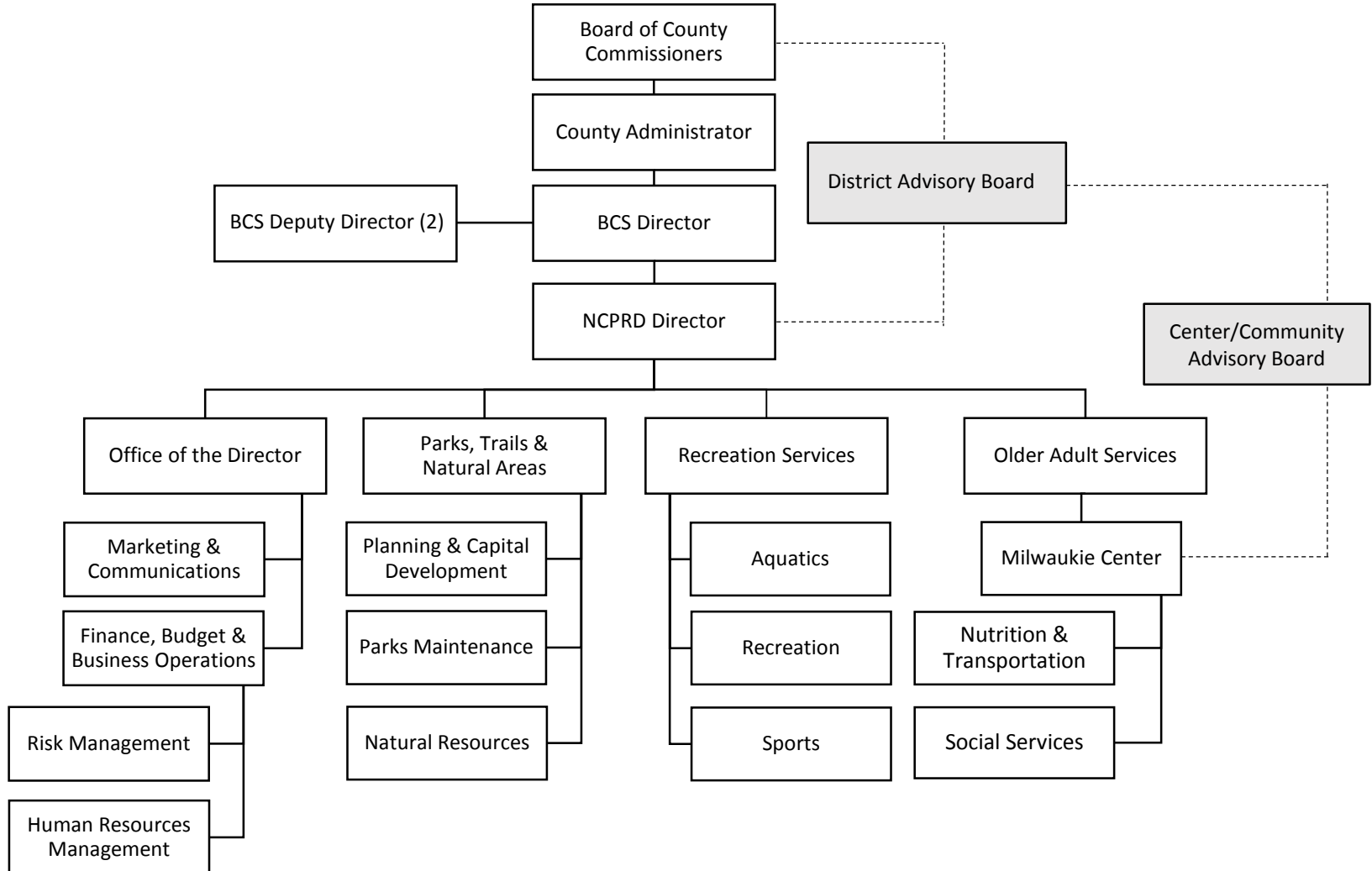
Christopher P. Morill

Executive Director/CEO



North Clackamas Parks and Recreation District

Organization Chart
Fiscal Year 2019-2020



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, 2020

<u>Name</u>	<u>Term Expires</u>
Jim Bernard, Chair Public Services Building	December 31, 2020
Sonya Fischer, Commissioner Public Services Building	December 31, 2022
Ken Humberston, Commissioner Public Services Building	December 31, 2020
Paul Savas, Commissioner Public Services Building	December 31, 2022
Martha Schrader, Commissioner Public Services Building	December 31, 2020



ACTING DIRECTOR

Kandi Ho

ADMINISTRATIVE OFFICES

Clackamas County, Oregon
2051 Kaen Road
Oregon City, Oregon 97045

LEGAL COUNSEL

Stephen Madkour
2051 Kaen Road
Oregon City, Oregon 97045

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FINANCIAL SECTION

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REPORT OF INDEPENDENT AUDITORS

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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, and the aggregate remaining fund information, and the respective budgetary comparisons of the General Fund, Nutrition and Transportation Fund, System Development Charges Zone 1 Fund, System Development Charges Zone 2 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, 2020, 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 entity'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, 2020, and the respective changes in financial position and in the respective budgetary comparisons for the of the General Fund, Nutrition and Transportation Fund, System Development Charges Zone 1 Fund, System Development Charges Zone 2 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 5 through 12 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 an opinion on the financial statements that collectively comprise the District's basic financial statements. The individual fund schedules on pages 39 through 41 and schedule of property tax transactions on page 43, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 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. Such 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 individual fund 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections 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 them.

Reports on 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 December 16, 2020 on our consideration of 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of District's 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 the District's internal control over financial reporting and compliance.

Other Reporting Required by *Oregon Minimum Standards*

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 16, 2020, 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.



James C. Lanzarotta, Partner for
Moss Adams, LLP
Eugene, Oregon
December 16, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020

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, 2020. 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 \$53,470,621. Of this amount, \$11,471,987 may be used to meet ongoing obligations.
- Net position decreased by \$14,585,657. The decrease is due in large part to the payment of \$14,300,000 and transfer of properties to the City of Happy Valley as dictated by the settlement agreement and withdrawal of the City from the District. Please see the Letter of Transmittal and Notes to Financial Statements for a detail of the settlement agreement with the City of Happy Valley.
- Governmental funds reported a combined ending fund balance of \$24,002,834, a decrease of \$13,398,070 from the 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 18 which reconciles the decrease in fund balances to the decrease in net position in detail.
- The District's total debt decreased by \$2,590,000 due the payment in full 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 the prior year. Net position is the difference between assets and liabilities and represents a measurement of financial health. Over time, increases or decreases in net position indicate whether financial health is improving or deteriorating.

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the net position of the District decreased over the prior year. The decrease arises from the excess of expenses over revenues, and is due in large part to the payment to the City of Happy Valley per the settlement agreement. This is shown 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, 2020 and June 30, 2019 follows:

	2020	2019
Assets:		
Current assets	\$ 25,787,707	\$ 39,820,173
Capital assets	28,709,906	33,137,372
Total assets	<u>54,497,613</u>	<u>72,957,545</u>
Deferred Outflows of Resources	<u>-</u>	<u>28,914</u>
Liabilities:		
Current liabilities	1,026,992	2,675,527
Liabilities due after one year	<u>-</u>	<u>2,254,654</u>
Total liabilities	<u>1,026,992</u>	<u>4,930,181</u>
Net position:		
Net investment in capital assets	28,709,906	30,487,718
Restricted for debt service	-	1,500,000
Restricted for acquisition and development	13,288,728	25,683,554
Unrestricted	<u>11,471,987</u>	<u>10,385,006</u>
Total net position	<u>\$ 53,470,621</u>	<u>\$ 68,056,278</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Total net position from governmental activities decreased by \$14,585,657 or -21.4%. Net investment in capital assets decreased by \$1,177,812 or -5.8%. This decrease can be attributed to the net effect of capital asset additions, deletions and depreciation expense during the fiscal year. The most significant capital asset deletion was the properties transferred to the City of Happy Valley as part of the settlement agreement. The most significant addition was the acquisition of Boardman Natural Park. Net position restricted for debt service decreased by \$1,500,000 or 100% because the debt was paid in full during fiscal year 2019-2020. Net position restricted for acquisition and development decreased by \$12,394,826 or -48.3%. These restricted assets are primarily system development charge revenues which are generated by commercial and residential development activity. The decrease reflects the payment of SDCs generated in the City of Happy Valley to the City as part of the settlement agreement.

Statement of Activities: The Statement of Activities for fiscal years ended June 30, 2020 and 2019 follows:

	2020	2019
Revenues		
Program revenues:		
Charges for services	\$ 1,658,571	\$ 2,371,103
Operating grants and contributions	1,399,788	1,416,146
Capital grants and contributions	2,833,282	2,273,696
Total program revenues	5,891,641	6,060,945
General revenues:		
Property taxes	7,839,539	5,917,835
Earnings on investments	727,519	949,549
Miscellaneous	99,500	126,529
Total general revenues	8,666,558	6,993,913
Total revenues	14,558,199	13,054,858
Expenses		
Culture and recreation	7,434,393	7,424,914
Health and welfare	2,377,903	2,475,727
Interest on long-term debt	49,448	128,732
Total expenses	9,861,744	10,029,373
Changes in net position before special item	4,696,455	3,025,485
Special Item		
Settlement agreement	(19,282,112)	-
Changes in net position	(14,585,657)	3,025,485
Net position, beginning of year	68,056,278	65,030,793
Net position, end of year	\$ 53,470,621	\$ 68,056,278

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

District program expenditure categories include culture, education and recreation, as well as 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, as well as recreation and education programs for older adults, with the majority of activities taking place at the Milwaukie Center.

District program revenues decreased by \$169,304 or -2.8%. The decrease can be attributed to the shutdown of NCPRD programs and facilities in response to the COVID-19 pandemic, beginning March 13, 2020.

District general revenues increased by \$1,672,645 or 23.9%, due in part to the property taxes collected from the residents in the City of Happy Valley in fiscal year 2019-2020. The District did not collect property taxes from the residents within the City of Happy Valley during fiscal year 2018-2019 while the City requested a withdrawal from the District. Subsequently, in February 2019, the Circuit Court ruled that the city relied on the wrong statute in its efforts to withdraw from the District and the property taxes from that area were budgeted and collected in fiscal year 2019-2020. In addition, earnings on investments decreased by \$222,030 due to a lower cash balance throughout the fiscal year.

While all programs experienced increases in wages and benefits expenses, overall program expenses decreased by \$167,629 or -1.7%, due to the restructuring of culture and recreation program offerings and a decrease in debt interest. 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 2020 by \$3,970,103 as compared to \$3,968,428 in the prior year. Property taxes collected within the District are used to fund this gap in funding. The change reflects the increase in wages and benefits mentioned above, as well as a restructuring of Culture and Recreation program offerings. In addition, capital expenses and depreciation expenses decreased compared to the prior year.

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020

FUND ANALYSIS

The primary fund of the District, the General Fund, ended the year with a fund balance of \$6,866,181 – an increase of \$1,639,967 from the prior year. A key factor contributing to this increase is the increase in property tax revenue from prior year.

The Nutrition and Transportation Fund ended the year with a fund balance of \$435,364, up \$126,448 from the prior year. The increase is primarily due to close monitoring of expenditures by staff and an increase of funding for the Nutrition program from Clackamas County Social Services in response to the increased need during the COVID-19 pandemic. To help offset a portion of the difference between revenues and expenditures, the General Fund transferred \$200,000 in fiscal year 2019-2020 to subsidize program expenditures.

The System Development Charges Fund (Zone 1) ended the year with a fund balance of \$3,940,686, an increase of \$1,372,015 and the System Development Charges Fund (Zone 2) ended the year with a fund balance of \$2,253,155, an increase of \$51,587 from the prior year. These increases are due primarily the growth in construction and system development charge fees collected in these areas.

The System Development Charges Fund (Zone 3) ended the year with a fund balance of \$2,322,729, a decrease of \$9,268,503 from the prior year. This decrease is due primarily to the payment of SDCs to the City of Happy Valley as per the settlement agreement.

The Debt Service Fund (Series 2010) ended the year with a fund balance of \$262,393, a decrease of \$1,424,256 from the prior year. NCPRD paid this debt obligation in full in fiscal year 2019-2020. The remaining balance will be transferred to the general fund (from which the payments were made) and this debt service fund will be closed.

The Capital Projects Fund ended the year with a fund balance of \$4,509,765, a decrease of \$4,812,318 from the prior year. The decrease is primarily due to the transfer of funds to the City of Happy Valley as per the settlement agreement.

The Capital Asset Replacement Fund ended the year with a fund balance of \$3,412,561, a decrease of \$1,083,010 from the prior year. This decrease was primarily due to the transfer of funds to the debt service fund to pay off the remaining 2010 debt issue. The remaining fund balance will carry forward for future repair and replacement needs.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020

General Fund Budgetary Highlights

When comparing the final budget to actual revenues, total actual General Fund revenues are lower than budgeted by \$617,336. This variance is largely due to the fees and charges revenue category, which was \$769,400 less than anticipated. NCPRD programs were cancelled and facilities were closed March 13, 2020 in response to the COVID-19 pandemic. Total expenditures (excluding contingency) in the General Fund Programs were under budget by \$1,938,277. This is primarily due to an intentional staff effort to examine and reduce expenditures where possible, as well as the reduction in part-time staff and reduced materials and services costs because of the closure of facilities due to the COVID-19 pandemic. 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, management continued a comprehensive review of District operations, capital assets and staffing levels.

CAPITAL ASSETS

As of June 30 of 2020 and 2019, the District had invested \$28,709,906 and \$33,137,372 respectively in capital assets, net of depreciation as reflected in the following table:

	2020	2019
Land	\$ 12,675,892	\$ 15,561,267
Construction in progress	812,143	1,394,515
Buildings	1,841,533	2,020,749
Office equipment	492,361	476,851
Improvements	12,776,634	13,551,110
Vehicles	111,343	132,880
	<u>\$ 28,709,906</u>	<u>\$ 33,137,372</u>

Overall, investment in capital assets decreased \$4,427,466 during the year. Decreases were realized in *Improvements* and *Land* due to the transfer of properties to the City of Happy Valley as per the settlement agreement. Please refer to Notes to Basic Financial Statements - Note 1 for capital asset policy, and Note 6 for a detailed summary of activity.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020

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 had a term of fifteen years and a variable interest rate between 2.5% and 4.0% per annum. In April 2020, this debt was paid in full.

The following condensed schedule compares year-end balances for 2020 and 2019. Please refer to Notes to Basic Financial Statements - Note 9 for additional detail.

	<u>2020</u>	<u>2019</u>
Full Faith and Credit Obligations	\$ -	\$ 2,590,000
	<u>\$ -</u>	<u>\$ 2,590,000</u>

ECONOMIC FACTORS

Property taxes represent a significant revenue source for the District's governmental funds, 58.1% and 49.8% of total revenues in 2020 and 2019, respectively. This increase in the percentage of property taxes in relation to total revenues is largely attributable to the property taxes collected in 2020 from the City of Happy Valley. Beginning July 1, 2020, the District will no longer collect property taxes from the residents in the City of Happy Valley per the settlement agreement. 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 Charge (SDC) 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 2018-2019, SDC revenue was \$1,073,696 and increased to \$2,205,769 in fiscal year 2019-2020. This increase is largely due to the increase in construction and collection of SDCs from zones 1 and 2, as previously noted. Since SDCs are one of the only revenue sources available to construct new capital assets, staff must monitor and forecast this revenue on a regular basis to ensure projections accurately reflect the economic climate of the County and surrounding Portland Metro area.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

FINANCIAL CONTACT

The District's financial statements are designed to present users (residents, 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 Financial Operations Manager at 150 Beavercreek Road, Oregon City, Oregon 97045. The District's telephone number is (503)742-4352. You can also reach us through our web page at www.ncprd.com.

BASIC FINANCIAL STATEMENTS

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
	<hr/>
ASSETS:	
Cash and investments	\$ 16,528,111
Property taxes receivable	216,434
Accounts receivable	30,260
Grants receivable	593,828
Prepaid expense	2,950
Restricted cash and investments	8,416,124
Capital assets	
Capital assets not being depreciated	13,488,035
Capital assets being depreciated, net	<hr/> 15,221,871
TOTAL ASSETS	<hr/> 54,497,613 <hr/>
LIABILITIES:	
Accounts payable	516,204
Due to Clackamas County	<hr/> 510,788
TOTAL LIABILITIES	<hr/> 1,026,992 <hr/>
NET POSITION:	
Net investment in capital assets	28,709,906
Restricted for acquisition and development	13,288,728
Unrestricted	<hr/> 11,471,987
TOTAL NET POSITION	<hr/> \$ 53,470,621 <hr/>

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 - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

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	\$ 7,434,393	\$ 1,343,443	\$ 1,130,720	\$ 2,833,282	\$ (2,126,948)
Health and welfare	2,377,903	315,128	269,068	-	(1,793,707)
Interest on long-term debt	49,448	-	-	-	(49,448)
Total	9,861,744	1,658,571	1,399,788	2,833,282	(3,970,103)
GENERAL REVENUES					
Property taxes levied for general purposes					7,839,539
Earnings on investments					727,519
Miscellaneous					99,500
TOTAL GENERAL REVENUES					8,666,558
SPECIAL ITEM					
Settlement agreement					(19,282,112)
CHANGE IN NET POSITION					(14,585,657)
NET POSITION, July 1, 2019					68,056,278
NET POSITION, June 30, 2020					<u>\$ 53,470,621</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, 2020

		Special Revenue Funds			Debt Service Fund	Capital Projects Funds			
			System Development Charges Zone 1 Fund	System Development Charges Zone 2 Fund	System Development Charges Zone 3 Fund	Series 2010 Debt Service Fund	Capital Projects Fund	Capital Asset Replacement Fund	Total
	General Fund	Nutrition and Transportation Fund							
ASSETS									
Cash and investments	\$ 7,520,316	\$ 416,624	\$ -	\$ -	\$ -	\$ 262,393	\$ 4,908,992	\$ 3,419,786	16,528,111
Taxes receivable	216,434	-	-	-	-	-	-	-	216,434
Accounts receivable	22,370	-	7,890	-	-	-	-	-	30,260
Grants receivable	285,340	51,694	-	-	-	-	256,794	-	593,828
Due from Clackamas County	-	30,621	235	73,343	18,978	-	-	-	123,177
Prepaid items	2,950	-	-	-	-	-	-	-	2,950
Restricted cash and investments	-	-	3,932,561	2,179,812	2,303,751	-	-	-	8,416,124
TOTAL ASSETS	\$ 8,047,410	\$ 498,939	\$ 3,940,686	\$ 2,253,155	\$ 2,322,729	\$ 262,393	\$ 5,165,786	\$ 3,419,786	\$ 25,910,884
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts payable and accrued liabilities	\$ 91,144	\$ 11,881	\$ -	\$ -	\$ -	\$ -	\$ 410,077	\$ 3,102	\$ 516,204
Due to Clackamas County	625,617	-	-	-	-	-	4,225	4,123	633,965
TOTAL LIABILITIES	716,761	11,881	-	-	-	-	414,302	7,225	1,150,169
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	464,468	51,694	-	-	-	-	241,719	-	757,881
TOTAL DEFERRED INFLOWS OF RESOURCES	464,468	51,694	-	-	-	-	241,719	-	757,881
FUND BALANCES									
Nonspendable	2,950	-	-	-	-	-	-	-	2,950
Restricted	-	-	3,940,686	2,253,155	2,322,729	262,393	4,509,765	-	13,288,728
Assigned	-	435,364	-	-	-	-	-	3,412,561	3,847,925
Unassigned	6,863,231	-	-	-	-	-	-	-	6,863,231
TOTAL FUND BALANCES	6,866,181	435,364	3,940,686	2,253,155	2,322,729	262,393	4,509,765	3,412,561	24,002,834
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 8,047,410	\$ 498,939	\$ 3,940,686	\$ 2,253,155	\$ 2,322,729	\$ 262,393	\$ 5,165,786	\$ 3,419,786	\$ 25,910,884

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, 2020

TOTAL FUND BALANCE	\$ 24,002,834
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.	
	28,709,906
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.	
	<u>757,881</u>
TOTAL NET POSITION	<u><u>\$ 53,470,621</u></u>

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds		
		System Development Charges Zone 1 Fund	System Development Charges Zone 2 Fund	System Development Charges Zone 3 Fund	Series 2010 Debt Service Fund	Capital Projects Fund	Capital Asset Replacement Fund	Total
	General Fund	Nutrition and Transportation Fund						
REVENUES:								
Property taxes	\$ 7,833,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,833,028
Licenses and permits	-	-	1,673,693	440,294	91,782	-	-	2,205,769
Interest	176,331	10,748	59,261	49,782	155,061	33,567	150,804	727,519
Intergovernmental	175,963	421,519	30,467	8,986	1,873	-	-	638,808
Charges for services	1,639,776	18,795	-	-	-	-	-	1,658,571
Interfund services provided	139,921	-	-	-	-	-	-	139,921
Donations/Grants	33,351	148,876	-	-	-	-	-	182,227
Miscellaneous	96,872	2,628	-	-	-	-	-	99,500
TOTAL REVENUES	10,095,242	602,566	1,763,421	499,062	248,716	33,567	150,804	13,485,343
EXPENDITURES:								
Current:								
Culture, education and recreation	6,284,506	-	159,406	16,897	4,944	385	-	6,467,811
Health and welfare	1,474,144	676,118	-	-	-	-	-	2,150,262
Capital outlay	-	-	-	-	-	837,975	423,302	1,261,277
Debt service:								
Principal	-	-	-	-	-	395,000	-	395,000
Bond defeasance	-	-	-	-	-	2,195,000	-	2,195,000
Interest and fiscal charges	-	-	-	-	-	114,063	-	114,063
TOTAL EXPENDITURES	7,758,650	676,118	159,406	16,897	4,944	2,704,448	837,975	12,583,413
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,336,592	(73,552)	1,604,015	482,165	243,772	(2,670,881)	(687,171)	901,930
OTHER FINANCING SOURCES (USES):								
Transfers in	-	200,000	-	-	-	1,246,625	805,323	2,251,948
Transfers out	(696,625)	-	(232,000)	(430,578)	(142,745)	-	(750,000)	(2,251,948)
TOTAL OTHER FINANCING SOURCES (USES)	(696,625)	200,000	(232,000)	(430,578)	(142,745)	1,246,625	805,323	-
SPECIAL ITEM								
Settlement agreement	-	-	-	-	(9,369,530)	-	(4,930,470)	(14,300,000)
NET CHANGE IN FUND BALANCE	1,639,967	126,448	1,372,015	51,587	(9,268,503)	(1,424,256)	(4,812,318)	(13,398,070)
FUND BALANCE, JUNE 30, 2019	5,226,214	308,916	2,568,671	2,201,568	11,591,232	1,686,649	9,322,083	37,400,904
FUND BALANCE, JUNE 30, 2020	\$ 6,866,181	\$ 435,364	\$ 3,940,686	\$ 2,253,155	\$ 2,322,729	\$ 262,393	\$ 4,509,765	\$ 24,002,834

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 THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

NET CHANGE IN FUND BALANCES \$ (13,398,070)

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	1,119,693	
Depreciation	(1,192,561)	
Assets transferred to another entity	(4,982,112)	(5,054,980)

Property developers often contribute land and improvements to local governments as part of agreements to develop the land. As capital assets are not recognized at the fund level, neither are the contributed capital items.

Contributed capital		627,513
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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		59,654
Amortization of deferred refunding		(28,913)
Payment of long-term debt principal		2,590,000

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.

33,875

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.

585,264

CHANGE IN NET POSITION		\$ (14,585,657)
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The notes to basic financial statements are an integral part of this statement.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	\$ 7,712,932	\$ 7,712,932	\$ 7,813,048	\$ 100,116
Fees and charges	2,295,176	2,409,176	1,639,776	(769,400)
Intergovernmental	172,150	172,150	175,963	3,813
Donations	33,000	33,000	33,351	351
Interest	130,000	130,000	176,331	46,331
Miscellaneous	95,419	95,419	96,872	1,453
TOTAL REVENUES	10,438,677	10,552,677	9,935,341	(617,336)
EXPENDITURES:				
Current:				
Administration	691,355	805,355	715,949	89,406
Parks maintenance	1,964,156	1,964,156	1,641,944	322,212
Recreation	540,099	540,099	401,575	138,524
Milwaukie Center	784,253	784,253	780,154	4,099
Aquatic Park	2,278,426	2,278,426	1,837,478	440,948
Marketing and communications	502,715	502,715	407,628	95,087
Planning and development	877,684	877,684	378,491	499,193
Natural Resources	502,437	502,437	425,829	76,608
Sports	1,440,802	1,440,802	1,169,602	271,200
Special Payments	1,000	1,000	-	1,000
Contingency	4,209,461	4,209,461	-	4,209,461
TOTAL EXPENDITURES	13,792,388	13,906,388	7,758,650	6,147,738
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,353,711)	(3,353,711)	2,176,691	5,530,402
OTHER FINANCING SOURCES (USES):				
Transfers in	211,022	211,022	139,921	(71,101)
Transfers out	(1,692,334)	(1,692,334)	(696,625)	995,709
TOTAL OTHER FINANCING SOURCES (USES)	(1,481,312)	(1,481,312)	(556,704)	924,608
NET CHANGE IN FUND BALANCE	(4,835,023)	(4,835,023)	1,619,987	6,455,010
FUND BALANCE, JUNE 30, 2019	4,835,023	4,835,023	5,208,888	373,865
FUND BALANCE, JUNE 30, 2020	\$ -	\$ -	\$ 6,828,875	\$ 6,828,875
ADJUSTMENT TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (U.S. GAAP BASIS):				
Property taxes susceptible to accrual recognized as revenue on the U.S. GAAP basis			37,306	
FUND BALANCE (U.S. GAAP BASIS) - June 30, 2020			\$ 6,866,181	
Revenue/Other Financing Sources reconciliation:				
Revenues, budgetary basis			9,935,341	
Property tax accrual adjustment (U.S. GAAP basis)			19,980	
Interfund services provided (U.S. GAAP Basis)			139,921	
Revenues (U.S. GAAP Basis)			<u>10,095,242</u>	
Other financing sources (uses), budgetary basis			(556,704)	
Interfund services provided			<u>(139,921)</u>	
Other financing sources (uses) (U.S. GAAP Basis)			<u>(696,625)</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)
NUTRITION AND TRANSPORTATION FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Charges for services	\$ 22,250	\$ 22,250	\$ 18,795	\$ (3,455)
Intergovernmental	315,400	453,385	421,519	(31,866)
Interest	2,500	2,500	10,748	8,248
Donations	137,000	137,000	148,876	11,876
Miscellaneous revenue	-	-	2,628	2,628
TOTAL REVENUES	477,150	615,135	602,566	(12,569)
EXPENDITURES:				
Current:				
Health and welfare				
Nutrition Division	607,415	795,400	529,248	266,152
Transportation Division	179,100	179,100	146,870	32,230
Special payments	1,000	1,000	-	1,000
Contingency	104,179	54,179	-	54,179
TOTAL EXPENDITURES	891,694	1,029,679	676,118	353,561
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(414,544)	(414,544)	(73,552)	340,992
OTHER FINANCING SOURCES (USES):				
Transfers in	200,000	200,000	200,000	-
NET CHANGE IN FUND BALANCE	(214,544)	(214,544)	126,448	340,992
FUND BALANCE, JUNE 30, 2019	214,544	214,544	308,916	94,372
FUND BALANCE, JUNE 30, 2020	\$ -	\$ -	\$ 435,364	\$ 435,364

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 1 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Licenses and permits	\$ 124,000	\$ 124,000	\$ 1,673,693	\$ 1,549,693
Intergovernmental	1,744	1,744	30,467	28,723
Interest	12,800	12,800	59,261	46,461
TOTAL REVENUES	138,544	138,544	1,763,421	1,624,877
EXPENDITURES:				
Current:				
Materials and services	1,744	43,744	30,467	13,277
Capital outlay	1,924,463	1,882,463	-	1,882,463
TOTAL EXPENDITURES	1,926,207	1,926,207	30,467	1,895,740
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,787,663)	(1,787,663)	1,732,954	3,520,617
OTHER FINANCING SOURCES (USES):				
Transfers out	(707,306)	(707,306)	(360,939)	346,367
NET CHANGE IN FUND BALANCE	(2,494,969)	(2,494,969)	1,372,015	3,866,984
FUND BALANCE, JUNE 30, 2019	2,494,969	2,494,969	2,568,671	73,702
FUND BALANCE, JUNE 30, 2020	\$ -	\$ -	\$ 3,940,686	\$ 3,940,686

Expenditures/Other Financing Uses reconciliation:

Expenditures, budgetary basis	\$ 30,467
Interfund services (U.S. GAAP Basis)	128,939
Expenditures (U.S. GAAP Basis)	<u>\$ 159,406</u>
Other financing uses, budgetary basis	\$ (360,939)
Interfund services	128,939
Other financing uses (U.S. GAAP Basis)	<u>\$ (232,000)</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 2 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Licenses and permits	\$ 325,000	\$ 325,000	\$ 440,294	\$ 115,294
Intergovernmental	6,500	6,500	8,986	2,486
Miscellaneous	-	-	-	-
Interest	9,800	9,800	49,782	39,982
TOTAL REVENUES	341,300	341,300	499,062	157,762
EXPENDITURES:				
Current:				
Materials and services	6,500	10,500	8,986	1,514
Capital outlay	1,609,951	1,355,951	-	1,355,951
TOTAL EXPENDITURES	1,616,451	1,366,451	8,986	1,357,465
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,275,151)	(1,025,151)	490,076	1,515,227
OTHER FINANCING SOURCES (USES):				
Transfers out	(250,979)	(500,979)	(438,489)	62,490
NET CHANGE IN FUND BALANCE	(1,526,130)	(1,526,130)	51,587	1,577,717
FUND BALANCE, JUNE 30, 2019	1,526,130	1,526,130	2,201,568	675,438
FUND BALANCE, JUNE 30, 2020	\$ -	\$ -	\$ 2,253,155	\$ 2,253,155

Expenditures/Other Financing Uses reconciliation:

Expenditures, budgetary basis	\$ 8,986
Interfund services (U.S. GAAP Basis)	7,911
Expenditures (U.S. GAAP Basis)	<u>\$ 16,897</u>
Other financing uses, budgetary basis	\$ (438,489)
Interfund services	7,911
Other financing uses (U.S. GAAP Basis)	<u>\$ (430,578)</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, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Licenses and permits	\$ 1,620,000	\$ 1,620,000	\$ 91,782	\$ (1,528,218)
Intergovernmental	2,400	2,400	1,873	(527)
Interest	84,000	84,000	155,061	71,061
TOTAL REVENUES	1,706,400	1,706,400	248,716	(1,457,684)
EXPENDITURES:				
Current:				
Materials and services	2,400	4,400	1,873	2,527
Capital outlay	8,680,783	2,221,914	-	2,221,914
Special payments	-	9,369,530	9,369,530	-
TOTAL EXPENDITURES	8,683,183	11,595,844	9,371,403	2,224,441
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,976,783)	(9,889,444)	(9,122,687)	766,757
OTHER FINANCING SOURCES (USES):				
Transfers out	(4,124,793)	(1,212,132)	(145,816)	1,066,316
NET CHANGE IN FUND BALANCE	(11,101,576)	(11,101,576)	(9,268,503)	1,833,073
FUND BALANCE, JUNE 30, 2019	11,101,576	11,101,576	11,591,232	489,656
FUND BALANCE, JUNE 30, 2020	\$ -	\$ -	\$ 2,322,729	\$ 2,322,729
Expenditures/Other Financing Uses reconciliation:				
Expenditures, budgetary basis			\$ 9,371,403	
Interfund services (U.S. GAAP Basis)			3,071	
Expenditures (U.S. GAAP Basis)			<u>\$ 9,374,474</u>	
Other financing uses, budgetary basis			\$ (145,816)	
Interfund services			3,071	
Other financing uses (U.S. GAAP Basis)			<u>\$ (142,745)</u>	

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

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NOTES TO BASIC FINANCIAL STATEMENT

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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, 2020

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 1 Fund is a special revenue fund, accounting for the system development fees on new residential and commercial development in Zone 1 of the District. The fund's resources are transferred to the Capital Projects Fund on a reimbursement basis for construction of specific capital projects in Zone 1's boundaries.

The System Development Charges Zone 2 Fund is a special revenue fund, accounting for the system development fees on new residential and commercial development in Zone 2 of the District. The fund's resources are transferred to the Capital Projects Fund on a reimbursement basis for construction of specific capital projects in Zone 2's boundaries.

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 unincorporated District area east of I-205. 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 Series 2010 Debt Service Fund is a debt service fund accounting for resources to pay the District's 2010 bonded debt.

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.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Measurement Focus and Basis of Accounting

Fund types (Continued):

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.

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.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (Continued)

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 externally enforceable legal restrictions, representing a spending constraint such as grants or contracts, fines and forfeitures, lender requirements, or laws and regulations of other governments.

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. 2019-67 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, 2020 were as follows:

	General Fund	Nutrition and Transportation Fund	System Development Charges Zone 1 Fund	System Development Charges Zone 2 Fund	Series 2010 Debt Service Fund	System Development Charges Zone 3 Fund	Capital Projects Fund	Capital Asset Replacement Fund	Total
Nonspendable:									
Prepays	\$ 2,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,950
Restricted for:									
Debt service reserve	-	-	-	-	-	-	-	-	-
Acquisition and development	-	-	3,940,686	2,253,155	2,322,729	262,393	4,509,765	-	13,288,728
Assigned to:									
Health and welfare	-	435,364	-	-	-	-	-	-	435,364
Acquisition and development	-	-	-	-	-	-	-	3,412,561	3,412,561
Unassigned:	6,863,231	-	-	-	-	-	-	-	6,863,231
Total fund balances	\$ 6,866,181	\$ 435,364	\$ 3,940,686	\$ 2,253,155	\$ 2,322,729	\$ 262,393	\$ 4,509,765	\$ 3,412,561	\$ 24,002,834

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2020.

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, 2020, 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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition 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. A substantial amount of County 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 – Administration, Parks Maintenance, Recreation, Sports, Milwaukie Center, Aquatic Park, Marketing & Communication, Planning, Natural Resources, special payments, transfers to other funds, and contingency. The Nutrition and Transportation Fund has appropriations made at the program level – Nutrition, Transportation, special payments, transfers to other funds, 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.
- Interfund services provided are recorded as transfers in and out rather than revenues and expenditures.

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY [BUDGET] (Continued)

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.

3. CASH AND INVESTMENTS

Cash and investments are comprised of the following:

Petty cash/change fund	\$ 3,560
Cash and cash equivalents with the County Treasurer	132,723
State of Oregon Treasurer's Local Government Investment Pool	<u>24,807,952</u>
	<u><u>\$24,944,235</u></u>

Investments with the County Treasurer represent the District's equity in pooled accounts maintained by the County Treasurer. Investments with a remaining maturity of more than one year, at the time of purchase, are stated at fair value, which approximates cost.

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.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

3. CASH AND INVESTMENTS (CONTINUED)

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, 2020 Comprehensive Annual Financial Report of Clackamas County for compliance with these statutes.

Investments in the LGIP are stated at fair value, which approximates cost. The Oregon State Treasury administers the LGIP. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local government in Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board, which is not registered with the U.S. Securities and Exchange Commission as an investment company. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. The Oregon Short-Term Fund financial statements and its portfolio rules can be obtained at www.ost.state.or.us. 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, 2020, are as follows:

<u>Accounts receivable</u>	<u>General Fund</u>	<u>System Development Charges Zone 1 Fund</u>	<u>Total</u>
Charges for services	\$ 22,370	\$ 7,890	\$ 30,260
Less: allowance for uncollectibles	-	-	-
Net total accounts receivable	<u>\$ 22,370</u>	<u>\$ 7,890</u>	<u>\$ 30,260</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Increases	Transfers	Deletions	Balance June 30, 2020
Capital assets not being depreciated:					
Land	\$ 15,561,267	\$ 627,513	\$ 18,140	\$ (3,531,028)	\$ 12,675,892
Construction in progress	1,394,515	800,273	(1,380,095)	(2,550)	812,143
Total capital assets not being depreciated	16,955,782	1,427,786	(1,361,955)	(3,533,578)	13,488,035
Capital assets being depreciated:					
Buildings	13,078,455	-	-	-	13,078,455
Office equipment	1,168,191	101,633	-	-	1,269,824
Improvements	20,118,663	217,788	1,361,955	(1,870,263)	19,828,143
Vehicles	643,354	-	-	-	643,354
Total capital assets being depreciated	35,008,663	319,421	1,361,955	(1,870,263)	34,819,776
Less accumulated depreciation for:					
Buildings	(11,057,706)	(179,216)	-	-	(11,236,922)
Office equipment	(691,340)	(86,123)	-	-	(777,463)
Improvements	(6,567,553)	(905,685)	-	421,729	(7,051,509)
Vehicles	(510,474)	(21,537)	-	-	(532,011)
Total accumulated depreciation	(18,827,073)	(1,192,561)	-	421,729	(19,597,905)
Total capital assets being depreciated, net	16,181,590	(873,140)	1,361,955	(1,448,534)	15,221,871
Total capital assets, net	\$ 33,137,372	\$ 554,646	\$ -	\$ (4,982,112)	\$ 28,709,906

Depreciation expense was charged as follows:

Culture and recreation	\$ 965,236
Health and welfare	227,325
	<u>\$ 1,192,561</u>

6. DUE TO/FROM CLACKAMAS COUNTY

\$510,788 is due to Clackamas County as of June 30, 2020 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, 2020

7. TRANSFERS TO/FROM OTHER FUNDS

Transfers to/from other funds for the year ended June 30, 2020, consisted of the following:

	Nutrition and Transportation Fund	Series 2010 Debt Service Fund	Capital Projects Fund	Total
Transfers from:				
General Fund	\$ 200,000	\$ 496,625	\$ -	\$ 696,625
System Development				
Charges Zone 1	-	-	232,000	232,000
System Development				
Charges Zone 2	-	-	430,578	430,578
System Development				
Charges Zone 3	-	-	142,745	142,745
Capital Asset				
Replacement	-	750,000	-	750,000
Other Governmental Funds	-	-	-	-
Total	<u>\$ 200,000</u>	<u>\$ 1,246,625</u>	<u>\$ 805,323</u>	<u>\$ 2,251,948</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 participates in the County's self-insurance program. 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.

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.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

9. LONG-TERM DEBT

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. This debt was retired in the fiscal year ended June 30, 2020.

Changes in long-term debt for the year ended June 30, 2020, are as follows:

	Interest Rates	Original Amount	Outstanding June 30, 2019	Increases	Decreases	Outstanding June 30, 2020
Full Faith and Credit Refunding Bonds Series 2010	2.50% - 4.00%	\$ 5,660,000	\$ 2,590,000	\$ -	\$ (2,590,000)	\$ -
			2,590,000	-	(2,590,000)	-
Premiums			59,654	-	(59,654)	-
			\$ 2,649,654	\$ -	\$ (2,649,654)	\$ -

10. TAX ABATEMENTS

The District has entered into no tax abatement programs. There is one tax abatement program entered into by another government reducing the District's property tax revenues for the year ended June 30, 2020.

Enterprise Zone:

The Oregon Enterprise-Zone program is a State of Oregon economic development program established under ORS section 285C.175, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor. The County is the local sponsor for the E-Zone program.

The E-Zone allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated during the Fiscal Year 2020</u>
Enterprise Zone	\$ 24,015

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

11. 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 (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.

12. 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 \$5,745,778 were paid to various County departments. At June 30, 2020, the District owed the County \$510,788 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.

13. SPECIAL ITEM

In December 2019, the Clackamas County Board of Commissioners, acting as the Board of Directors for the North Clackamas Parks and Recreation District (NCPRD), and the Happy Valley City Council approved a settlement agreement that resolved a two-year legal dispute over parks and recreation services. Specifically, the agreement included:

- Clackamas County and Happy Valley jointly developed and supported legislation in the 2020 legislative session that withdrew Happy Valley from the District and allowed the City to become its own parks and recreation provider.
- Payment of \$14.3 million to the City of Happy Valley. The funds for this payment came from development fees generated in Happy Valley as well as a portion of the Hood View Park sale proceeds. This payment was completed April 2020.
- Transfer of the following parks to the City of Happy Valley as of June 30, 2020, relieving NCPRD of ongoing maintenance and management costs:
 - Southern Lites
 - Village Green
 - Ashley Meadows
 - District-owned properties adjacent to Mt. Talbert
 - Hidden Falls Nature Park
 - Scott Creek Trail
- Agreement from the City not to withdraw properties currently inside NCPRD boundaries if or when they annex to Happy Valley.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

13. SPECIAL ITEM (CONTINUED)

As of June 30, 2020, the City of Happy Valley has withdrawn from NCPRD and will become its own parks and recreation provider.

14. COMMITMENTS AND CONTINGENCIES

The District has commitments under various contracts for approximately \$851,206 at June 30, 2020.

In January 2020, the United States reported its first confirmed case of the novel coronavirus (COVID-19). In response to local cases emerging here in the state of Oregon, the governor issued an executive order declaring a state of emergency on March 8, 2020, and issued an executive order to stay home on March 23, 2020. Clackamas County entered Phase I of reopening on May 23, 2020. To date, the County has not met requirements to move into Phase II. It is unknown at this time what the exact economic impact will be to the District in the coming fiscal year. It is possible that the delinquent rate for property tax assessments could rise, which would result in reduction in assessment revenue for the District and an increase in the balance outstanding as assessments receivable. In addition, it is also possible that revenues collected from fees and charges will decrease due to lack of in-person programming.

15. SUBSEQUENT EVENT

In September 2020 western Oregon saw unprecedented wildfires sparked by high winds and downed power lines. Elk Rock Island, owned by the City of Milwaukie but maintained by the District suffered substantial damage during these fires. Repairs will continue for years to come. The financial affect on the District has not been determined.

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SUPPLEMENTARY INFORMATION

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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, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Interest	\$ 18,000	\$ 18,000	\$ 33,567	\$ 15,567
EXPENDITURES:				
Current:				
Materials and services	12,500	12,500	385	12,115
Debt Service:				
Bond defeasance	2,428,077	2,428,077	2,195,000	233,077
Principal	395,000	395,000	395,000	-
Interest and fiscal charges	101,625	101,625	114,063	(12,438)
TOTAL EXPENDITURES	2,937,202	2,937,202	2,704,448	232,754
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,919,202)	(2,919,202)	(2,670,881)	248,321
OTHER FINANCING SOURCE:				
Transfers in	1,250,000	1,250,000	1,246,625	(3,375)
NET CHANGE IN FUND BALANCE	(1,669,202)	(1,669,202)	(1,424,256)	244,946
FUND BALANCE, JUNE 30, 2019	1,669,202	1,669,202	1,686,649	17,447
FUND BALANCE, JUNE 30, 2020	\$ -	\$ -	\$ 262,393	\$ 262,393

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, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Intergovernmental	\$ 480,610	\$ 480,610	\$ -	\$ (480,610)
Interest	-	-	150,804	150,804
TOTAL REVENUES	<u>480,610</u>	<u>480,610</u>	<u>150,804</u>	<u>(329,806)</u>
EXPENDITURES:				
Capital outlay	15,160,669	6,923,952	837,975	6,085,977
Special payments	-	4,930,470	4,930,470	-
TOTAL EXPENDITURES	<u>15,160,669</u>	<u>11,854,422</u>	<u>5,768,445</u>	<u>6,085,977</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(14,680,059)</u>	<u>(11,373,812)</u>	<u>(5,617,641)</u>	<u>5,756,171</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	4,964,390	2,301,729	805,323	(1,496,406)
Transfers out	-	(250,000)	-	250,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,964,390</u>	<u>2,051,729</u>	<u>805,323</u>	<u>(1,246,406)</u>
NET CHANGE IN FUND BALANCE	<u>(9,715,669)</u>	<u>(9,322,083)</u>	<u>(4,812,318)</u>	<u>4,509,765</u>
FUND BALANCE, JUNE 30, 2019	<u>9,715,669</u>	<u>9,322,083</u>	<u>9,322,083</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,509,765</u>	<u>\$ 4,509,765</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, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Grants	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Interest	45,000	45,000	91,965	46,965
TOTAL REVENUES	<u>70,000</u>	<u>70,000</u>	<u>91,965</u>	<u>21,965</u>
EXPENDITURES:				
Current:				
Materials and services	25,000	25,000	1,673	23,327
Special payments	5,000	5,000	-	5,000
Capital outlay	4,345,240	4,345,240	423,302	3,921,938
TOTAL EXPENDITURES	<u>4,375,240</u>	<u>4,375,240</u>	<u>424,975</u>	<u>3,950,265</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,305,240)</u>	<u>(4,305,240)</u>	<u>(333,010)</u>	<u>3,972,230</u>
OTHER FINANCING SOURCE:				
Transfers in	900,000	900,000	-	(900,000)
Transfers out	(750,000)	(750,000)	(750,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>150,000</u>	<u>150,000</u>	<u>(750,000)</u>	<u>(900,000)</u>
NET CHANGE IN FUND BALANCE	<u>(4,155,240)</u>	<u>(4,155,240)</u>	<u>(1,083,010)</u>	<u>3,072,230</u>
FUND BALANCE, JUNE 30, 2019	<u>4,155,240</u>	<u>4,155,240</u>	<u>4,495,571</u>	<u>340,331</u>
FUND BALANCE, JUNE 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,412,561</u>	<u>\$ 3,412,561</u>

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OTHER FINANCIAL SCHEDULE

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2020

Tax Year	Uncollected June 30, 2019	Levy as Extended by Assessor	Discounts Allowed	Interest	Adjustments	Collections	Uncollected June 30, 2020
2019-20		\$ 8,057,767	\$ 70	\$ 2,692	\$ (228,804)	\$ (7,702,870)	\$ 128,855
2018-19	89,399		8	4,075	(4,461)	(51,803)	37,218
2017-18	46,554		-	4,117	(2,566)	(22,006)	26,099
2016-17	25,375		-	4,893	(277)	(19,779)	10,212
2015-16	10,995		-	2,805	(182)	(10,679)	2,939
2014-15	3,486		-	259	(176)	(1,441)	2,128
2013-2014 and prior	14,134		-	(371)	(310)	(4,470)	8,983
	<u>\$ 189,943</u>	<u>\$ 8,057,767</u>	<u>\$ 78</u>	<u>\$ 18,470</u>	<u>\$ (236,776)</u>	<u>\$ (7,813,048)</u>	<u>\$ 216,434</u>

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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.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

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Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

52-56

Debt Capacity

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.

57-60

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

61-62

Operating Information

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.

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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>
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
2017	31,608,504	1,611,355	15,681,999	9,120,486	58,022,344
2018	27,320,530	1,500,000	25,855,807	10,354,456	65,030,793
2019	30,487,718	1,500,000	25,683,555	10,385,006	68,056,279
2020	28,709,906	-	13,288,728	11,471,987	53,470,621

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			
	2011 (Restated)	2012	2013	2014
Expenses:				
Culture, education and recreation	\$ 6,003,725	\$ 5,686,708	\$ 6,594,107	\$ 6,400,741
Health and welfare	2,429,902	2,282,523	2,653,230	2,557,450
Interest on long-term debt	475,573	430,037	409,488	462,994
Total expenses	<u>8,909,200</u>	<u>8,399,268</u>	<u>9,656,825</u>	<u>9,421,185</u>
Program Revenues:				
Charges for services:				
Culture, education and recreation	2,409,847	3,102,933	3,220,860	3,501,228
Health and welfare	1,082,685	1,206,696	1,315,563	1,390,998
Operating grants and contributions:				
Culture, education and recreation	780,870	383,558	328,305	650,916
Health and welfare	350,825	493,329	484,537	448,983
Capital grants and contributions:				
Culture, education and recreation	-	-	6,892,951	508,379
Total program revenues	<u>4,624,227</u>	<u>5,186,516</u>	<u>12,242,216</u>	<u>6,500,504</u>
Net Expense	<u>(4,284,973)</u>	<u>(3,212,752)</u>	<u>2,585,391</u>	<u>(2,920,681)</u>
General Revenues:				
Property taxes levied for general purposes	5,168,112	5,347,036	5,414,332	5,989,488
Earnings on investments	22,844	36,493	50,801	52,818
Interagency transfer in	-	-	-	-
Loss on disposal of capital assets	-	-	(10,782)	-
Miscellaneous	110,349	59,764	154,387	47,322
Total general revenues	<u>5,301,305</u>	<u>5,443,293</u>	<u>5,608,738</u>	<u>6,089,628</u>
Change In Net Position before Special Item	1,016,332	2,230,541	8,194,129	3,168,947
Special Item:				
Gain on capital asset disposal	-	-	-	-
(Loss) on settlement agreement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change In Net Position	1,016,332	2,230,541	8,194,129	3,168,947
Cumulative effect of correction of error	2,236,375	-	-	-
Total Change In Net Position	<u>\$ 3,252,707</u>	<u>\$ 2,230,541</u>	<u>\$ 8,194,129</u>	<u>\$ 3,168,947</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					
2015	2016	2017	2018	2019	2020
\$ 6,941,053	\$ 6,546,071	\$ 6,913,076	\$ 8,198,709	\$ 7,410,746	\$ 7,434,393
3,151,514	2,424,393	2,512,913	1,992,348	2,489,894	2,377,903
390,654	369,622	347,982	287,707	128,732	49,448
<u>10,483,221</u>	<u>9,340,086</u>	<u>9,773,971</u>	<u>10,478,764</u>	<u>10,029,372</u>	<u>9,861,744</u>
3,469,954	1,643,259	1,705,683	2,013,611	1,920,593	1,343,443
1,625,996	490,843	516,216	327,797	450,510	315,128
760,915	528,012	197,348	357,715	1,147,078	1,130,720
522,277	504,616	509,763	335,348	269,068	269,068
<u>3,590,561</u>	<u>3,847,875</u>	<u>3,925,943</u>	<u>2,338,138</u>	<u>2,273,696</u>	<u>2,833,282</u>
<u>9,969,703</u>	<u>7,014,605</u>	<u>6,854,953</u>	<u>5,372,609</u>	<u>6,060,945</u>	<u>5,891,641</u>
<u>(513,518)</u>	<u>(2,325,481)</u>	<u>(2,919,018)</u>	<u>(5,106,155)</u>	<u>(3,968,427)</u>	<u>(3,970,103)</u>
6,240,654	6,548,536	6,870,480	7,199,471	5,917,835	7,839,539
61,274	108,684	261,026	499,910	949,549	727,519
-	1,859,382	-	-	-	-
-	-	-	-	-	-
19,828	3,976	2,665	64,912	126,529	99,500
<u>6,321,756</u>	<u>8,520,578</u>	<u>7,134,171</u>	<u>7,764,293</u>	<u>6,993,913</u>	<u>8,666,558</u>
5,808,238	6,195,097	4,215,153	2,658,138	3,025,486	4,696,455
-	-	-	4,350,311	-	-
-	-	-	-	-	(19,282,112)
5,808,238	6,195,097	4,215,153	7,008,449	3,025,486	(14,585,657)
-	-	-	-	-	-
<u>\$ 5,808,238</u>	<u>\$ 6,195,097</u>	<u>\$ 4,215,153</u>	<u>\$ 7,008,449</u>	<u>\$ 3,025,486</u>	<u>\$ (14,585,657)</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			
		2011	2012	2013	2014
General Fund:					
Reserved for prepaid items		\$ -	\$ -	\$ -	\$ -
Unreserved		-	-	-	-
Nonspendable		840	1,640	12,530	1,582
Unassigned		3,369,492	2,719,137	2,993,589	3,397,971
Total General Fund		<u>\$ 3,370,332</u>	<u>\$ 2,720,777</u>	<u>\$ 3,006,119</u>	<u>\$ 3,399,553</u>
All Other Governmental Funds:					
Special revenue funds:					
Unreserved		\$ -	\$ -	\$ -	\$ -
Nonspendable		-	99	-	120
Restricted		1,590,255	2,596,596	2,324,381	3,221,523
Assigned		763,252	763,156	632,599	609,599
Capital project funds:					
Unreserved		-	-	-	-
Nonspendable		-	-	-	-
Restricted		393,982	1,036,967	2,866,465	2,666,554
Assigned		572,292	1,424,499	1,041,265	1,507,304
Debt service funds:					
Unreserved		-	-	-	-
Restricted		251	196,938	108,550	108,503
Assigned		83,092	-	95,741	99,285
Total All Other Governmental Funds		<u>\$ 3,403,124</u>	<u>\$ 6,018,255</u>	<u>\$ 7,069,001</u>	<u>\$ 8,212,888</u>

Notes:

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

Source: Clackamas County Finance Department

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
18,362	9,636	14,375	12,591	1,615	2,950
3,541,816	4,369,031	4,669,479	5,464,227	5,224,600	6,863,231
<u>\$ 3,560,178</u>	<u>\$ 4,378,667</u>	<u>\$ 4,683,854</u>	<u>\$ 5,476,818</u>	<u>\$ 5,226,215</u>	<u>\$ 6,866,181</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	342	-	-	-
7,427,707	12,174,247	15,161,252	16,140,167	16,361,472	8,516,570
352,593	336,917	299,756	275,112	308,916	435,364
-	-	-	-	-	-
32,400	-	-	-	-	-
1,752,943	501,452	520,747	9,715,640	9,322,083	4,509,765
2,187,916	2,720,531	3,618,905	4,193,490	4,495,571	3,412,561
-	-	-	-	-	-
108,956	1,609,806	1,611,355	1,500,000	1,500,000	262,393
104,528	106,709	121,676	147,027	186,649	-
<u>\$ 11,967,043</u>	<u>\$ 17,449,662</u>	<u>\$ 21,334,033</u>	<u>\$ 31,971,436</u>	<u>\$ 32,174,691</u>	<u>\$ 17,136,653</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			
	2011	2012	2013	2014
Revenues:				
Property taxes	\$ 5,190,484	\$ 5,292,033	\$ 5,414,738	\$ 5,978,500
Charges for services	1,403,186	1,733,102	1,982,668	2,307,795
Intergovernmental	22,844	749,943	883,538	741,117
Licenses and permits	891,019	2,576,527	2,483,299	1,720,686
Interest	2,089,346	36,493	50,801	52,817
Contributions	182,152	126,944	158,187	162,202
Grants	-	-	-	-
Miscellaneous	110,349	59,764	154,387	28,702
Total revenues	<u>9,889,380</u>	<u>10,574,806</u>	<u>11,127,618</u>	<u>10,991,819</u>
Expenditures:				
Culture and recreation	4,728,427	4,984,606	5,367,104	5,297,436
Health and welfare	1,945,635	2,008,466	2,158,197	2,104,611
Capital outlay	735,632	559,030	1,210,641	993,113
Debt service:				
Interest	457,391	427,128	410,588	394,338
Principal	600,000	630,000	645,000	665,000
Bond miscellaneous charges	-	-	-	-
Total expenditures	<u>8,467,085</u>	<u>8,609,230</u>	<u>9,791,530</u>	<u>9,454,498</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,422,295</u>	<u>1,965,576</u>	<u>1,336,088</u>	<u>1,537,321</u>
Special Item:				
Land sale proceeds	-	-	-	-
Settlement agreement	-	-	-	-
Net Change in Fund Balances	<u>\$ 1,422,295</u>	<u>\$ 1,965,576</u>	<u>\$ 1,336,088</u>	<u>\$ 1,537,321</u>
Debt service as a percentage of noncapital expenditures	13.7%	13.1%	12.3%	12.5%

Source: Clackamas County Finance Department

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 6,230,823	\$ 6,519,506	\$ 6,855,995	\$ 7,324,250	\$ 5,987,708	\$ 7,833,028
2,125,883	2,134,102	2,192,332	2,341,408	2,371,103	1,658,571
1,085,715	2,326,650	530,279	505,210	1,207,962	638,808
3,858,387	4,043,707	3,425,942	2,338,138	1,073,696	2,205,769
61,274	108,685	261,026	499,910	949,549	727,519
192,270	205,978	-	-	-	-
-	-	206,399	187,853	208,184	182,227
19,828	3,976	42,050	195,580	220,037	239,421
<u>13,574,180</u>	<u>15,342,604</u>	<u>13,514,023</u>	<u>13,392,349</u>	<u>12,018,239</u>	<u>13,485,343</u>
5,875,053	5,393,315	5,703,417	6,828,034	6,546,014	6,467,811
2,251,684	2,080,064	2,156,831	1,759,919	2,269,565	2,150,262
471,282	506,611	409,036	1,585,201	2,755,085	1,261,277
376,381	705,000	335,181	298,828	114,925	114,063
685,000	356,506	720,000	5,530,000	380,000	2,590,000
-	-	-	-	-	-
<u>9,659,400</u>	<u>9,041,496</u>	<u>9,324,465</u>	<u>16,001,982</u>	<u>12,065,589</u>	<u>12,583,413</u>
<u>3,914,780</u>	<u>6,301,108</u>	<u>4,189,558</u>	<u>(2,609,633)</u>	<u>(47,350)</u>	<u>901,930</u>
-	-	-	14,040,000	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,300,000)</u>
<u>\$ 3,914,780</u>	<u>\$ 6,301,108</u>	<u>\$ 4,189,558</u>	<u>\$ (2,609,633)</u>	<u>\$ (47,350)</u>	<u>\$ (13,398,070)</u>
11.6%	12.4%	11.8%	40.4%	5.3%	23.9%

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
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
2017	13,994,666,666	436,869,762	40,259,567	310,713,100	1,529,955,330
2018	14,685,919,772	447,170,936	46,090,839	324,431,754	1,561,948,261
2019	12,217,413,194	447,634,113	48,533,384	256,542,100	1,284,664,800
2020	16,146,206,741	499,450,522	54,827,567	308,225,600	1,755,199,374

(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
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
13,252,553,765	0.53	18,260,306,778	72.58
13,941,665,040	0.53	20,286,725,848	68.72
11,685,457,991	0.53	17,843,416,493	65.50
15,253,511,056	0.53	23,630,114,057	64.55

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 Valuation)

Year	North Clackamas Parks & Recreation District		Overlapping Rates ⁽³⁾							Total Direct & Overlapping	Total Direct & Overlapping Range
	General Operations	Total Direct ⁽²⁾ Rate	Clackamas County	County Component Units	Cities	Schools	College/ ESD	Fire	Other Special		
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
2017	0.53	0.53	2.97	0.84	1.13	7.16	1.09	2.47	0.55	16.74	15.42-20.83
2018	0.53	0.53	2.94	0.82	1.28	7.13	1.09	2.48	0.64	16.91	15.32-20.95
2019	0.53	0.53	3.09	0.97	0.84	7.32	1.10	2.46	0.72	17.04	15.26-21.01
2020	0.53	0.53	2.94	0.83	1.26	4.53	1.08	2.48	0.88	14.53	15.64-22.84

Notes:

- (1) Rates are summary for all Tax Code Areas where North Clackamas Parks and Recreation District taxes are assessed.
From Tax District Summary 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, 2020 AND NINE YEARS AGO

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Portland General Electric Company	\$ 887,218,000	1	5.82 %	\$ 67,644,000	5	0.64 %
General Growth Properties Inc.	275,386,368	2	1.81	210,052,231	1	1.99
Fred Meyer Store Inc #63	256,928,807	3	1.68	131,179,516	2	1.24
Shorenstein Properties LLC	220,451,021	4	1.45			
Northwest Natural Gas Company	209,321,000	5	1.37	50,132,600	7	0.47
PCC Structurals Inc.	176,412,487	6	1.16	74,408,034	4	0.70
Comcast Corporation	101,245,000	7	0.66	76,559,800	3	0.72
Meadows Road	92,677,063	8	0.61			
ROIC Oregon LLC	86,163,524	9	0.56			
CenturyLink	84,034,000	10	0.55			
Kaiser Foundation Hospital				47,689,985	8	0.45
Blount Inc.				64,047,836	6	0.61
CH Realty III/Clackamas LLC				42,204,045	10	0.40
Unified Western Grocers/United Grocers				46,936,699	9	0.44
Total	<u>\$ 2,389,837,270</u>		<u>15.67 %</u>	<u>\$ 743,210,746</u>		<u>7.66 %</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
2011	5,330,887	4,991,388	93.6	211,935	5,203,323	97.6 %
2012	5,460,383	5,132,683	94.0	202,067	5,334,750	97.7
2013	5,552,565	5,236,985	94.3	192,669	5,429,654	97.8
2014	6,097,777	5,782,712	94.8	163,783	5,946,495	97.5
2015	6,387,502	6,068,477	95.0	154,509	6,222,986	97.4
2016	6,707,093	6,381,404	95.1	138,718	6,520,122	97.2
2017	7,048,958	6,721,214	95.4	113,880	6,835,094	97.0
2018	7,398,202	7,046,634	95.2	108,161	7,154,795	96.7
2019	6,151,624	5,884,693	95.6	51,803	5,936,496	96.5
2020	8,057,767	7,702,870	95.6	-	7,702,870	95.6

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				Total Primary Government	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			
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	0.20	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	0.17	85.75
2016	-	-	5,535,513	3,786,673	9,322,186	0.15	76.01
2017	-	-	5,169,613	3,421,000	8,590,613	N/A	70.05
2018	-	-	-	3,040,327	3,040,327	N/A	24.92
2019	-	-	-	2,649,654	2,649,654	N/A	21.72
2020	-	-	-	-	-	N/A	0.00

Source: Clackamas County Finance Department

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

Fiscal Year	Limited Tax Revenue Refunding Bonds	Full Faith & Credit Obligation Bonds	Total General Bonded Debt	Less Amounts Restricted to Repaying Principal	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
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
2017	-	8,590,613	8,590,613	(111,355)	8,479,258	0.06	69.14
2018	-	3,040,327	3,040,327	-	3,040,327	0.02	24.92
2019	-	2,649,654	2,649,654	-	2,649,654	0.02	21.72
2020	-	-	-	-	-	0.00	0.00

Source: Clackamas County Finance Department

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
City of Gladstone	\$ 3,857,291	0.0012 %	\$ 46
City of Milwaukie	37,192,174	99.2275	36,904,864
Clackamas Community College	88,668,913	39.4507	34,980,507
Clackamas County	121,210,000	29.3011	35,515,863
Clackamas County Education Service District	20,636,690	30.4548	6,284,863
Clackamas County Rural Fire Protection District #1	28,155,960	64.1158	18,052,419
Clackamas County School District #115 (Gladstone)	35,488,599	4.9378	1,752,356
Clackamas County School District #12 (North Clackamas)	681,734,563	96.8161	660,028,816
Clackamas County School District #62 (Oregon City)	204,496,497	8.0947	16,553,378
Clackamas Soil & Water Conservation	6,494,000	29.3011	1,902,813
Metro	964,085,000	7.1712	69,136,464
Mt Hood Community College	20,510,000	0.4401	90,265
Multnomah Cty SD 10J(Gresham-Barlow)	334,402,433	0.2451	819,620
Multnomah Cty SD 28J(Centennial)	15,045,275	3.9004	586,826
Oak Lodge Water Service District	1,145,000	98.4943	1,127,759
Other debt:			
City of Milwaukie	2,920,000	99.2275	2,897,443
Clackamas Community College	21,590,000	39.4507	8,517,406
Clackamas County Rural Fire Protection District #1	13,885,000	64.1158	8,902,479
Clackamas County School District #12 (North Clackamas)	2,156,303	96.8161	2,087,648
Clackamas County School District #62 (Oregon City)	273,868	8.0947	22,169
Metro	15,660,000	7.1712	1,123,009
Mt Hood Community College	31,807,708	0.4401	139,985
Multnomah Education Service District	25,230,000	0.1055	30,781
Oak Lodge Water Services District	4,872,119		4,798,754
Port of Portland	56,255,000	6.4461	3,712,492
Subtotal overlapping debt			915,969,025
District direct debt			-
Total direct and overlapping debt			<u>\$ 915,969,025</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	
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	
2017	18,260,306,778	13	2,373,839,881	8,590,613	2,365,249,268	0.36	
2018	20,286,725,848	13	2,637,274,360	3,040,327	2,634,234,033	0.12	
2019	17,843,416,493	13	2,319,644,144	2,649,654	2,316,994,490	0.11	
2020	23,630,114,057	13	3,071,914,827	-	3,071,914,827	0.00	

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 ⁽¹⁾	Clackamas County Unemployment Rate ⁽⁴⁾
2011 ⁽³⁾	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	5,802,277	49,565	5.6
2016	122,652	6,301,737	51,379	4.7
2017	122,642	N/A	N/A	3.9
2018	122,000	N/A	N/A	3.7
2019	122,000	N/A	N/A	3.9
2020	105,000	N/A	N/A	5.8

Notes:

(1) Figures are for calendar year.

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

(3) From Claritas Software from Nielsen Corp.

(4) 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, 2020 AND NINE YEARS AGO

Employer	2020				2011		
	Employees	Rank	Percentage of Total		Employees	Rank	Percentage of Total
Intel Corp.	20,600	1	.02	%	15,228	1	.01
Providence Health & Services	18,885	2	.02		13,831	2	.01
Oregon Health & Sciences University	17,556	3	.01		13,283	3	.01
Nike Inc.	12,000	4	.01		6,000	8	.01
Legacy Health	11,404	5	.01		8,250	6	.01
Kaiser Permanente	11,243	6	.01		9,204	5	.01
Fred Meyer	9,777	7	.01		9,630	4	.01
City of Portland	7,376	8	.01		5,000	10	
Portland Public Schools	6,500	9	.01		5,101	9	.01
Beaverton School District	5,458	10	.00				
Multnomah County					6,310	7	.01
Total	<u>120,799</u>		<u>0.10</u>	<u>%</u>	<u>91,837</u>		<u>0.08</u>

Sources;

(1) Statistics are the latest available data published in the Portland Business Journal *Book of Lists 2020*, and *Book of Lists 2011*.

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>
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
2017	8.36	25.46	33.82
2018	7.34	28.36	35.70
2019	7.46	26.24	33.70
2020	7.46	27.93	35.39

Note:

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

Source: Clackamas County Finance Department.

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

Function	Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Health and welfare:										
Social service units provided	6,006	6,186	6,718	6,647	5,264	8,216	7,967	8,996	8,890	5,680
Meals on Wheels and on-site meals served	66,903	65,752	66,299	70,966	69,756	70,341	67,256	76,515	67,006	72,298
One way rides, older adults and disabled	12,967	12,541	11,935	10,360	10,240	9,678	8,357	9,887	8,570	5,794
Culture and recreation:										
Recreation programs	66	80	95	97	60	58	65	61	71	63
Recreation class participants	3,355	4,281	4,443	4,483	3,381	2,580	3,500	3,492	3,913	3,263
Recreation classes	264	380	293	298	231	234	238	217	271	195
Swim lesson participants ⁽²⁾	4,593	5,303	4,247	4,253	4,488	4,739	4,991	4,421	4,678	3,611
Aquatic park total customers served ⁽¹⁾	312,909	271,638	250,863	262,812	253,086	243,907	233,955	235,647	228,350	146,279

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

(2) New swim lesson program with lower ratios.

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

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

Function	Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	2	2	2	2	2	2	2	2	2	2
Transportation vehicles (14, 16 & 20 passenger)	3	3	4	3	4	4	4	4	4	4
Culture and recreation:										
Acreage-maintained	505	517	592	596	501	501	520	527	640	358
Parks maintained	51	52	53	55	63	63	64	64	64	60
Play structures	30	30	30	32	33	33	33	36	37	32
Maintenance vehicles/equipment	25	30	30	31	32	33	35	35	35	35
Passenger van (Recmobile)	1	2	1	1	1	1	1	1	2	2
Aquatic Park (five pools, game room, activity rooms)	1	1	1	1	1	1	1	1	1	1
Sports fields:										
Baseball	11	11	11	11	11	11	13	14	14	14
Soccer	6	6	6	6	6	6	6	8	8	8
Tennis courts	3	3	3	3	3	3	3	3	3	3
Basketball	16	16	16	18	17	17	17	19	19	16
Volleyball courts	2	2	2	2	2	2	2	2	2	2
Sports programs	-	-	-	-	127	75	70	21	24	31
Sports program participants	-	-	-	-	7,040	6,769	6,890	5885	5,952	5126
Sports courses offered during the year	-	-	-	-	248	118	87	94	98	70

2018 Note: Number of youth and adult programs are now reported as individual different programs, not total number of offerings for each program as in prior years.

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

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

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Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund, Nutrition and Transportation Fund, System Development Charges Zone 1 Fund, System Development Charges Zone 2 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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 16, 2020.

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) as a basis for designing 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 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Moss Adams, LLP

Eugene, Oregon
December 16, 2020

**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***

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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 the North Clackamas Parks and Recreation District (the District) as of and for the year ended June 30, 2020 and have issued our report thereon dated December 16, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the 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 of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-0000 to 162-10-0330, 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 year 2020 and 2021.
- 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 test disclosed no instances of noncompliance 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) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 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 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 *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James C. Lanzarotta, Partner for
Moss Adams, LLP
Eugene, Oregon
December 16, 2020