



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2022



NCPRD IS A COMPONENT UNIT OF CLACKAMAS COUNTY, OREGON



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

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022

Prepared by:

North Clackamas Parks and Recreation District and Clackamas County Department of Finance
Michael Bork, Director, North Clackamas Parks and Recreation District
Elizabeth Gomez, Financial Operations Manager, North Clackamas Parks and Recreation
District
Elizabeth Comfort, Director of Finance

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

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(A Component Unit of Clackamas County, Oregon)**

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INTRODUCTORY SECTION

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NORTH CLACKAMAS
PARKS & RECREATION DISTRICT

Administration

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

November 22, 2022

To the Honorable Chair Tootie Smith, Commissioner Paul Savas, Commissioner Martha Schrader, Commissioner Sonya Fischer, Commissioner Mark Shull, 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, 2022.

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, 2022. 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 4/5 live in the unincorporated area and 1/5 live in the City of Milwaukie. The District is bounded on the west by the Willamette River, by the Multnomah/Clackamas County boundary to the north, by Gladstone and the Clackamas River to the south, and roughly by the City of Happy Valley to the east. 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. An eleven-member citizen District Advisory Committee (DAC) exists to make recommendations to the Board of Directors and Budget Committee.

The District provides a full range of park and recreation services to the community. These services include natural and developed parks; recreational and sports programming; community events; a full-service community center providing social and recreational programs; a full-service indoor aquatic center with multiple pools, water recreation, and instructional programs; and a youth baseball/softball complex.

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 (OEA) as of September 2022, the state of the economy overall remains uncertain. The combination of slower economic growth, high inflation, and rising interest rates has historically been problematic. Despite that, the U.S. economy is unlikely to have entered a recession. Employment and industrial production continue to grow, and although personal income and consumer spending are rising, there is still a struggle to outpace the fastest inflation the U.S. has experienced in decades.¹

While this may be reassuring today, the risks to the outlook are real. Inflation is the key issue. Although headline inflation is predicted to slow in the months ahead, the underlying trend will likely remain above the Federal Reserve's target. OEA predicts that the risk of recession is uncomfortably high. The outlook is essentially a "coin flip" between a soft landing and a recession. For now, however, the OEA expects that the most probable outlook is a soft landing and continued economic expansion. Employment, income, and spending will continue to grow, but at a slower pace than assumed in previous forecasts. This slower growth is needed for inflation to subside.² The District will continue to feel the results of increased inflation, reflected especially in the investment of capital projects and capital repair and replacement. Capital projects have slowed the past few years due to supply chain issues and substantial price increases.

As of July 2022, Oregon's unemployment rate remained at 3.5 percent. Oregon's unemployment rate has tracked very closely with the national unemployment rate for the past two years, with both rates declining rapidly during May 2020 through early 2022 as the economies recovered. The labor market is tight, and people are getting back to work. As of July 2022, Oregon has regained 94 percent of jobs lost at the onset of the pandemic. The U.S. regained 100 percent. Oregon's private sector is close to full jobs recovery. However, Oregon's government sector has only regained 49% of the jobs lost during March through June 2020.³

¹<https://www.oregon.gov/das/OEA/Documents/executive.pdf>

²<https://www.oregon.gov/das/OEA/Documents/executive.pdf>

³ <https://www.qualityinfo.org/documents/10182/73818/Employment+in+Oregon?98820442-80ef-4a56-b0ba-70fccfea9228>

Oregon is projected to add 318,000 new jobs by 2030. This growth rate is higher than recent projections cycles and accounts for recovery from low employment levels in 2020 due to the pandemic. Private payrolls are expected to grow by 18 percent (284,000 jobs), while government employment will increase by 9 percent (26,000 jobs) and self-employment is projected to grow by 7 percent (8,000).⁴

Oregon's industrial structure is similar to the U.S. overall. Oregon's manufacturing industry is relatively larger and weighted more toward semiconductors and wood products, compared to the nation. However, timber and high-tech industries, which have historically been Oregon's strength, are now expected to grow the slowest moving forward. Other strong Oregon industries, such as management of companies, food and beverage manufacturing, software publishing, and some healthcare related firms are expected to do well in the coming decade. Challenges will come in industries in which Oregon is weaker, including consulting, computer system design, and financial development. Those industries are expected to grow quickly in the next decade, and Oregon may not be prepared to fully realize those gains.⁵

Low mortgage rates early in the pandemic, combined with strong household finances, meant that the Oregon housing market took off. However, with the recent increase in mortgage rates, housing is returning to a more normal level, with risks weighted toward a sharper decline than anticipated in the near-term. The primary reason for the sharp slowdown in the housing market is the increase in mortgage rates. At the end of 2021, the typical 30-year mortgage rate was 3 percent. In July 2022, mortgage rates increased to the high 5 percent range, which could result in increased payments of 30 to 40 percent. This drop in home ownership affordability could affect the net migration to Oregon, resulting in a smaller available workforce.

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 decreased to 3.5 percent in June 2022 from a high of 9 percent in July 2020.⁶ Real market value for 2020-2021 in Clackamas County grew 5%, continuing a growth trend that started in 2013, the growth rate for 2020 was at a slightly slower rate than in the past few years.⁷ Additionally, as of July 2022, the population of Clackamas County increased nearly 14 percent from 2010, to 422,537.⁸ Between 2010 and 2022, housing units in Clackamas County increased almost 15 percent to 180,445, with an average value of \$615,000.⁹

NCPRD is directly impacted by the construction industry and housing market with 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 2021-2022, Clackamas County issued a total of 76 residential and commercial permits for new construction in the unincorporated portion of the District. This decreased from 83 permits issued in fiscal year 2020-2021. During the fiscal year 2021-2022, the City of Milwaukie issued a total of 31 commercial and residential permits for new construction, a decrease from the 43 collected in fiscal year 2020-2021. Oregon and Clackamas County are expected to see continued slow growth in the construction industry in the coming year, coupled with supply chain and employment issues, which will continue to drive costs higher.

⁴ <https://www.qualityinfo.org/projections#1>

⁵ <https://www.oregon.gov/das/OEA/Documents/economic%20forecast.pdf>

⁶ https://ycharts.com/indicators/clackamas_county_or_unemployment_rate

⁷ <https://dochub.clackamas.us/documents/drupal/b52add40-b118-4271-8c21-b9b0cb8d961d>

⁸ <https://usafacts.org/data/topics/people-society/population-and-demographics/our-changing-population/state/oregon/county/clackamas-county>

⁹ <https://www.blueprintclackamas.com/demographicdata?id=2262§ionId=937>

As economic and revenue outlooks are never certain, it is important to identify and monitor potential economic threats and risks. Oregon economists predict a “soft landing” economic outlook. This doesn’t mean that the outlook is rosy, but it also doesn’t mean that it is disastrous. As incomes continue to grow and consumer spending increases, it is difficult for the economy to fall into a recession. Consumer spending is predicted to shift into services and away from goods. This overall rotation in spending will help slow inflation as well.¹⁰ However, should a recession arrive, economists warn that it could be deeper than supposed. NCPRD will continue to be cognizant of the changing economy and how deviations could affect the District.

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, 2021 was \$9.1 million and increased to \$10.3 million at the end of fiscal year 2021-2022. This increase can be largely attributed to a change in the chart of accounts, which combined NCPRD General Fund and the Nutrition/Transportation Fund for ease of reporting; a reduction in the amount of transfers to other funds; and an increase to revenue due to the District reopening facilities and operating programs after the COVID-10 pandemic.

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 Advisory Committee, the District Board, the District Budget Committee, and District residents with insight and knowledge of the District’s current and projected fiscal position. This enhanced reporting has enabled District staff to continually assess operations, set priorities, evaluate services and programs, and pursue new ways to deliver services more effectively and efficiently to District residents.

District staff completed their annual analysis 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 systematically determine the amount of funds to set aside each year to ensure that capital assets are replaced as needed and kept in good repair. The analysis and information have also been incorporated into the District’s Five-Year Forecast.

¹⁰ <https://www.oregon.gov/das/OEA/Documents/forecast0921.pdf> p. 6-7

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 continues to move forward with the planning of several future Districtwide projects, including Milwaukie Bay Park and Concord Property.

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 project approvals and 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.

At the time of this letter, there is uncertainty regarding the future relationship with the City of Milwaukie, which is considering withdrawal from the district. Because of this uncertainty, the Milwaukie Bay Park project has been placed on a 90-day pause. We will continue to evaluate this project until this has been resolved.

Concord Master Plan

NCPRD acquired the Concord School in 2017-2018 as 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 preserving the school building. The District, in partnership with the Oak Lodge Library (a BCS division), completed a master plan for the 6-acre Concord Property and began design and engineering. Construction estimates came in significantly higher than available funds, so NCPRD is moving forward with design and construction documents in 2022-2023 for priority infrastructure upgrades for the building instead of an extensive whole-building renovation. Anticipated construction for building improvements is expected to begin in 2023-2024. An IGA is needed between NCPRD and Clackamas County to better coordinate on the design development and construction of the park, library, and shared site improvements, scheduled to begin in 2023-2024.

System Development (SDC) Methodology

NCPRD staff is working with the public to develop a recommendation for an updated NCPRD Systems Development Methodology and Ordinance. This will update the 2007 SDC Methodology in both policy and underlying data, so that fees charged to developers and eligibility rates of projects are based on the most current data and policy consensus.

Due to the uncertainty with the district's relationship with the City of Milwaukie, this project will not be completed and ready for adoption until it is settled. We anticipate this methodology to be completed in 2023.

Long-range System Plan

NCPRD staff is beginning the process of launching the System Plan in 2022-2023 to determine the goals and objectives of District residents and provide a roadmap for the future. The process will include an equitable, inclusive, and diverse assessment of the system and public needs, spatial analysis to assist in public engagement and decision making, and a robust review of what level of growth can be supported in different financing models. The key outputs include a statistically-valid Needs Assessment to inform a System-wide Plan to identify long-term goals, priorities and actions; a Capital Improvement Plan (CIP) for medium-term capital project

priorities; and a trail system plan to provide greater planning detail for system-wide trail goals, priorities and actions. NCPRD anticipates completing the plan in 2024.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the twenty-seventh consecutive year the District received the award. To be awarded such a Certificate, the District has to publish an easily readable, efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year. We believe our current ACFR 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 appreciate 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 Committee.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Bork".

Michael Bork
Director
North Clackamas Parks and Recreation District

A handwritten signature in black ink, appearing to read "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**

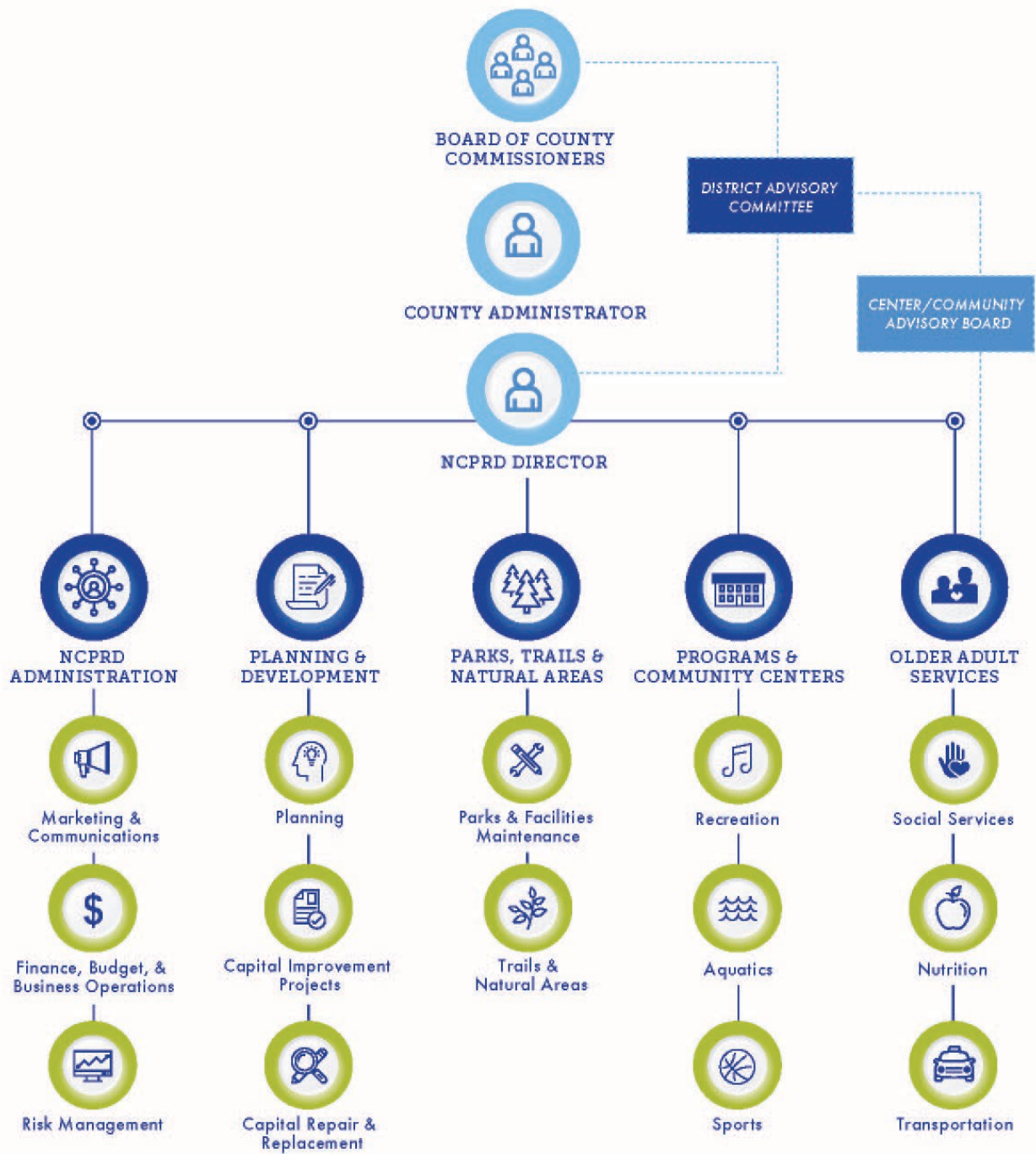
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Organizational Chart



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, 2022

<u>Name</u>	<u>Term Expires</u>
Tootie Smith, Chair Public Services Building	December 31, 2024
Sonya Fischer, Commissioner Public Services Building	December 31, 2022
Mark Shull, Commissioner Public Services Building	December 31, 2024
Paul Savas, Commissioner Public Services Building	December 31, 2022
Martha Schrader, Commissioner Public Services Building	December 31, 2024



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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons of the General Fund and System Development Charges Zone 1 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental, each major fund, and the aggregate remaining fund information of the District as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and System Development Charges Zone 1 Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the introductory section and statistical sections, each as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the 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 *Minimum Standards for Audits of Oregon Municipal Corporations*

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated November 22, 2022, on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "Ashley Oster". The signature is written in a cursive, flowing style.

For Moss Adams LLP
Portland, Oregon
November 22, 2022

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, 2022

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, 2022. 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 \$56,375,839. Of this amount, \$13,843,641 may be used to meet ongoing obligations.
- Net position increased by \$1,454,109. The increase is due to the District reopening facilities and operating programs after the COVID-19 pandemic.
- Governmental funds reported a combined ending fund balance of \$28,678,642, an increase of \$2,157,525 from the prior year. Please see the Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances to Statement of Activities on page 16, which reconciles the increase in fund balances to the increase in net position in detail.

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, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Statement of Net Position

A condensed version of the Statement of Net Position for fiscal years ended June 30, 2022 and June 30, 2021 follows:

	2022	2021
Assets:		
Current assets	\$ 35,160,902	\$ 28,531,897
Capital assets	27,716,291	28,193,991
Total assets	<u>62,877,193</u>	<u>56,725,888</u>
Liabilities:		
Current liabilities	6,350,862	1,804,158
Liabilities due after one year	150,492	-
Total liabilities	<u>6,501,354</u>	<u>1,804,158</u>
Net position:		
Net investment in capital assets	27,468,838	28,193,991
Restricted for acquisition and development	15,063,360	14,031,776
Unrestricted	13,843,641	12,695,963
Total net position	<u>\$ 56,375,839</u>	<u>\$ 54,921,730</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Total net position from governmental activities increased by \$1,454,109 or 2.7%. Net investment in capital assets decreased by \$725,153 or -2.6%. This decrease can be attributed to the net effect of capital asset additions, deletions and depreciation expenses during the fiscal year. There were no significant capital asset additions during the fiscal year, as the focus this year was on project planning and design. Net position restricted for acquisition and development increased by \$1,031,584 or 7.4%. These restricted assets are primarily system development charge revenues, which are generated by commercial and residential development activity.

Statement of Activities: The Statement of Activities for fiscal years ended June 30, 2022 and 2021 follows:

	2022	2021
Revenues		
Program revenues:		
Charges for services	\$ 2,516,940	\$ 598,171
Operating grants and contributions	494,709	1,424,961
Capital grants and contributions	1,452,371	1,379,654
Total program revenues	<u>4,464,020</u>	<u>3,402,786</u>
General revenues:		
Property taxes	6,613,648	6,466,047
Earnings on investments	141,868	177,743
Miscellaneous	2,250	85,635
Total general revenues	<u>6,757,766</u>	<u>6,729,425</u>
Total revenues	<u>11,221,786</u>	<u>10,132,211</u>
Expenses		
Culture, education and recreation	8,407,030	5,632,975
Health and welfare	1,360,201	3,048,127
Interest on lease payable	446	-
Total expenses	<u>9,767,677</u>	<u>8,681,102</u>
Changes in net position	1,454,109	1,451,109
Net position, beginning of year	<u>54,921,730</u>	<u>53,470,621</u>
Net position, end of year	<u><u>\$ 56,375,839</u></u>	<u><u>\$ 54,921,730</u></u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

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 social services, nutrition, transportation, as well as recreation and education programs for older adults, with the majority of activities taking place at the Milwaukie Community Center.

District program revenues increased by \$1,061,234 or 31.2%. The increase can be attributed to NCPRD programs and facilities reopening and operating at near full capacity after the COVID-19 pandemic.

District general revenues stayed relatively steady increasing slightly by \$28,341 or 0.4%. In addition, earnings of investments decreased \$35,875 due to a lower cash balance throughout the fiscal year.

Due in part to the District opening all facilities and operating all programs at near full levels after the COVID-19 pandemic, overall expenses increased by \$1,086,575 or 12.5% over the prior year. Additionally, all programs experienced increases in wages and benefits expenses. 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 2022 by \$5,303,657 as compared to \$5,278,316 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. Additionally, 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.

FUND ANALYSIS

The primary fund of the District, the General Fund, ended the year with a fund balance of \$10,293,263, an increase of \$1,181,069 from the prior year. A key factor contributing to this increase is the combining of fund 270 (Older Adult Services) with the General Fund. All other District revenues increased from the previous year, due to facilities and programs operating at near full capacity after the COVID-19 pandemic.

The System Development Charges Fund (Zone 1) ended the year with a fund balance of \$6,001,917, an increase of \$1,068,698. This increase is due primarily to the growth in construction and system development charge fees collected in these areas.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

FUND ANALYSIS (Continued)

The Capital Projects Fund ended the year with an ending fund balance of \$7,482,280, a decrease of \$258,101 from the prior year. The decrease is primarily due to the discontinuance of transferring General Fund dollars to the Capital Asset Fund.

General Fund Budgetary Highlights

When comparing the final budget to actual revenues, total actual General Fund revenues are higher than budgeted by \$1,087,188. This variance is largely due to the fees and charges revenue category, which was \$773,587 higher than anticipated. NCPRD programs and facilities opened and operated at near full capacity after closing in the prior year in response to the COVID-19 pandemic. Total expenditures (excluding contingency) in the General Fund Programs were under budget by \$2,139,314. 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 that lingered because of 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 2022 and 2021, the District had invested \$27,472,233 and \$28,193,991 respectively in capital assets, net of depreciation as reflected in the following table:

	2022	2021
Land	\$ 12,708,765	\$ 12,708,765
Construction in progress	1,970,132	1,477,266
Buildings	1,483,101	1,662,317
Office equipment	335,873	414,459
Improvements	10,882,369	11,838,139
Vehicles	91,993	93,045
	<u>\$ 27,472,233</u>	<u>\$ 28,193,991</u>

Overall, investment in capital assets decreased \$721,758 or 2.6% during the year. Decreases were realized in *Buildings*, *Improvements*, *Vehicles* and *Office Equipment* due to the depreciation expense on current assets. An increase was realized in *Construction in Progress* due to continued planning and design efforts for the Concord Property and Milwaukie Bay Park. Please refer to Notes to Basic Financial Statements - Note 1 for capital asset policy, and Note 5 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, 2022

ECONOMIC FACTORS

Property taxes represent a significant revenue source for the District's governmental funds, 58.9% and 59.9% of total revenues in 2022 and 2021, respectively. This decrease in the percentage of property taxes in relation to total revenues is largely attributable to an increase of charges for services. Programs were operated and facilities opened at near full capacity after the COVID-19 pandemic. 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 2020-2021, SDC revenue was \$1,379,654 and increased to \$1,452,371 in fiscal year 2021-2022. This increase is due to an increase of residential and commercial development in Zone 1. 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.

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 via the District's main telephone number, (503) 742-4348. 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, 2022

	<u>Governmental Activities</u>
ASSETS:	
Cash and investments	\$ 23,986,489
Property taxes receivable	240,460
Accounts receivable	31,738
Prepaid expense	102
Restricted cash and investments	10,902,113
Lease asset, net	244,058
Capital assets	
Capital assets not being depreciated	14,678,897
Capital assets being depreciated, net	<u>12,793,336</u>
TOTAL ASSETS	<u>62,877,193</u>
LIABILITIES:	
Accounts payable	192,876
Due to Clackamas County	2,792,882
Unearned revenue	<u>3,268,143</u>
Long-term liabilities:	
Portion due or payable within one year:	
Lease payable	96,961
Portion due or payable after one year:	
Lease payable	<u>150,492</u>
TOTAL LIABILITIES	<u>6,501,354</u>
NET POSITION:	
Net investment in capital assets	27,468,838
Restricted for acquisition and development	15,063,360
Unrestricted	<u>13,843,641</u>
TOTAL NET POSITION	<u><u>\$ 56,375,839</u></u>

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

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	\$ 8,407,030	\$ 1,761,858	\$ 346,296	\$ 1,452,371	\$ (4,846,505)
Health and welfare	1,360,201	755,082	148,413	-	(456,706)
Interest on lease payable	446	-	-	-	(446)
Total	9,767,677	2,516,940	494,709	1,452,371	(5,303,657)
GENERAL REVENUES					
Property taxes levied for general purposes					6,613,648
Earnings on investments					141,868
Miscellaneous					2,250
TOTAL GENERAL REVENUES					6,757,766
CHANGE IN NET POSITION					1,454,109
NET POSITION, July 1, 2021					54,921,730
NET POSITION, June 30, 2022					<u>\$ 56,375,839</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, 2022

		Special Revenue Fund	Capital Projects Fund		
		System Development Charges Zone 1 Fund	Capital Projects Fund	Other Governmental Funds	Total
	General Fund				
ASSETS					
Cash and investments	\$ 16,327,118	\$ -	\$ 7,659,371	\$ -	\$ 23,986,489
Taxes receivable	240,460	-	-	-	240,460
Accounts receivable	29,765	1,973	-	-	31,738
Due from Clackamas County	-	-	-	2,230	2,230
Prepaid items	102	-	-	-	102
Restricted cash and investments	-	6,002,175	-	4,899,938	10,902,113
TOTAL ASSETS	<u>\$ 16,597,445</u>	<u>\$ 6,004,148</u>	<u>\$ 7,659,371</u>	<u>\$ 4,902,168</u>	<u>\$ 35,163,132</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 72,884	\$ -	\$ 119,992	\$ -	\$ 192,876
Due to Clackamas County	2,734,796	2,231	57,099	986	2,795,112
Unearned revenue	3,268,143	-	-	-	3,268,143
TOTAL LIABILITIES	<u>6,075,823</u>	<u>2,231</u>	<u>177,091</u>	<u>986</u>	<u>6,256,131</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	228,359	-	-	-	228,359
FUND BALANCES					
Nonspendable	102	-	-	-	102
Restricted	-	6,001,917	4,160,261	4,901,182	15,063,360
Assigned	118,932	-	3,322,019	-	3,440,951
Unassigned	10,174,229	-	-	-	10,174,229
TOTAL FUND BALANCES	<u>10,293,263</u>	<u>6,001,917</u>	<u>7,482,280</u>	<u>4,901,182</u>	<u>28,678,642</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 16,597,445</u>	<u>\$ 6,004,148</u>	<u>\$ 7,659,371</u>	<u>\$ 4,902,168</u>	<u>\$ 35,163,132</u>

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

TOTAL FUND BALANCE	\$ 28,678,642
Total net position shown in the Statement of Net Position and the Statement of Activities are different because:	
Capital assets and lease assets are not financial resources for fund reporting purposes and therefore are not reported in the governmental funds.	
	27,716,291
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.	
	228,359
Long-term liabilities such as leases payable are not included in the governmental funds.	
	<u>(247,453)</u>
TOTAL NET POSITION	<u><u>\$ 56,375,839</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, 2022

	General Fund	Special Revenue Fund System Development Charges Zone 1 Fund	Capital Projects Fund Capital Projects Fund	Other Governmental Funds	Total
REVENUES:					
Property taxes	\$ 6,591,911	\$ -	\$ -	\$ -	\$ 6,591,911
Licenses and permits	-	1,299,830	-	152,541	1,452,371
Interest	63,744	24,037	33,148	20,939	141,868
Intergovernmental	232,113	4,344	5,000	3,113	244,570
Charges for services	2,516,940	-	-	-	2,516,940
Interfund services provided	44,054	-	-	-	44,054
Donations/Grants	206,085	-	-	-	206,085
Miscellaneous	2,250	-	-	-	2,250
TOTAL REVENUES	9,657,097	1,328,211	38,148	176,593	11,200,049
EXPENDITURES:					
Current:					
Culture, education and recreation	7,169,713	45,234	-	6,277	7,221,224
Health and welfare	1,167,163	-	-	-	1,167,163
Capital outlay	341,681	-	559,463	-	901,144
Debt service:					
Principal	94,228	-	-	-	94,228
Interest	446	-	-	-	446
TOTAL EXPENDITURES	8,773,231	45,234	559,463	6,277	9,384,205
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	883,866	1,282,977	(521,315)	170,316	1,815,844
OTHER FINANCING SOURCES (USES):					
Lease financing	341,681	-	-	-	341,681
Transfers in	-	-	263,214	-	263,214
Transfers out	(44,478)	(214,279)	-	(4,457)	(263,214)
TOTAL OTHER FINANCING SOURCES (USES)	297,203	(214,279)	263,214	(4,457)	341,681
NET CHANGE IN FUND BALANCE	1,181,069	1,068,698	(258,101)	165,859	2,157,525
FUND BALANCE, JUNE 30, 2021	9,112,194	4,933,219	7,740,381	4,735,323	26,521,117
FUND BALANCE, JUNE 30, 2022	\$ 10,293,263	\$ 6,001,917	\$ 7,482,280	\$ 4,901,182	\$ 28,678,642

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, 2022

NET CHANGE IN FUND BALANCES		\$ 2,157,525
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	527,537	
Depreciation	<u>(1,249,295)</u>	(721,758)
Governmental fund report leasing financing as expenditures; however in the Statement of Activities the cost of those assets is allocated over their useful lives and reported as amortization expense. This the amount by which amortization exceeded lease financing:		
Lease asset additions	341,681	
Amortization	<u>(97,623)</u>	244,058
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.		
		21,737
Commencing a lease to finance a leased asset provides current financial resources to governmental funds, while the repayment of the principal of leases consumes current financial resources. In the Statement of Net Position commencing a lease creates a lease payable, and the repayment reduces the liability. This is the amount by which the new lease payable exceeded repayment:		
Lease payable additions	(341,681)	
Reduction in lease payable	<u>94,228</u>	<u>(247,453)</u>
CHANGE IN NET POSITION		<u>\$ 1,454,109</u>

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	\$ 6,352,743	\$ 6,352,743	\$ 6,608,702	\$ 255,959
Fees and charges	1,743,353	1,743,353	2,516,940	773,587
Interest	100,000	100,000	63,744	(36,256)
Miscellaneous	5,500	5,500	2,250	(3,250)
Grants/local gov't support	199,050	199,050	232,113	33,063
Contributions & donations	142,000	142,000	206,085	64,085
TOTAL REVENUES	8,542,646	8,542,646	9,629,834	1,087,188
EXPENDITURES:				
Current:				
Administration	1,282,676	1,282,676	1,073,725	208,951
Recreation	4,009,696	4,009,696	3,230,248	779,448
Older adult services	1,329,282	1,329,282	1,222,325	106,957
Parks, trails & natural areas	3,177,470	3,177,470	2,625,718	551,752
Planning	770,740	770,740	279,534	491,206
Special Payments	1,000	1,000	-	1,000
Contingency	5,393,687	5,393,687	-	5,393,687
TOTAL EXPENDITURES	15,964,551	15,964,551	8,431,550	7,533,001
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(7,421,905)	(7,421,905)	1,198,284	8,620,189
OTHER FINANCING SOURCES (USES):				
Transfers in	200,716	200,716	44,054	(156,662)
Transfers out	(387,955)	(387,955)	(44,478)	343,477
TOTAL OTHER FINANCING				
SOURCES (USES)	(187,239)	(187,239)	(424)	186,815
NET CHANGE IN FUND BALANCE	(7,609,144)	(7,609,144)	1,197,860	8,807,004
FUND BALANCE, JUNE 30, 2021	7,609,144	7,609,144	9,083,302	1,474,158
FUND BALANCE, JUNE 30, 2022	\$ -	\$ -	\$ 10,281,162	\$ 10,281,162
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			\$ 12,101	
FUND BALANCE (U.S. GAAP BASIS) - June 30, 2022			\$ 10,293,263	
Expenditures				
As presented above			8,431,550	
Capital outlay			341,681	
Expenditures (US GAAP Basis)			8,773,231	
Revenue/Other Financing Sources reconciliation:				
Revenues, budgetary basis			\$ 9,629,834	
Property tax accrual adjustment (U.S. GAAP basis)			(16,791)	
Lease financing			341,681	
Interfund services provided (U.S. GAAP Basis)			44,054	
Revenues (U.S. GAAP Basis)			\$ 9,998,778	
Other financing sources (uses), budgetary basis			\$ (424)	
Interfund services provided			(44,054)	
Other financing sources (uses) (U.S. GAAP Basis)			\$ (44,478)	

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, 2022

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Licenses and permits	\$ 181,515	\$ 181,515	\$ 1,299,830	\$ 1,118,315
Intergovernmental	20,000	20,000	4,344	(15,656)
Interest	34,197	34,197	24,037	(10,160)
TOTAL REVENUES	235,712	235,712	1,328,211	1,092,499
EXPENDITURES:				
Current:				
Materials and services	20,000	20,000	4,344	15,656
Capital outlay	1,732,925	1,732,925	-	1,732,925
TOTAL EXPENDITURES	1,752,925	1,752,925	4,344	1,748,581
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,517,213)	(1,517,213)	1,323,867	2,841,080
OTHER FINANCING (USES):				
Transfers out	(1,893,994)	(1,893,994)	(255,169)	1,638,825
NET CHANGE IN FUND BALANCE	(3,411,207)	(3,411,207)	1,068,698	4,479,905
FUND BALANCE, JUNE 30, 2021	3,411,207	3,411,207	4,933,219	1,522,012
FUND BALANCE, JUNE 30, 2022	\$ -	\$ -	\$ 6,001,917	\$ 6,001,917

Expenditures/Other Financing Uses reconciliation:

Expenditures, budgetary basis	\$ 4,344
Interfund services (U.S. GAAP Basis)	40,890
Expenditures (U.S. GAAP Basis)	<u>\$ 45,234</u>
Other financing uses, budgetary basis	\$ (255,169)
Interfund services	40,890
Other financing uses (U.S. GAAP Basis)	<u>\$ (214,279)</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

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NOTES TO BASIC FINANCIAL STATEMENTS

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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; and a full-service aquatic center with multiple pools, water recreation, and instruction programs. Personnel of the Clackamas County Finance Department provide partial assistance to District 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, (b) operating grants and contributions and (c) capital 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 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 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 reports the following fund types:

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

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

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

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.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Fund Balances

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

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

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

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (Continued)

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, 2022 were as follows:

	General Fund	System Development Charges Zone 1 Fund	Capital Projects Fund	Other Governmental Fund	Total
Nonspendable:					
Prepays	\$ 102	\$ -	\$ -	\$ -	\$ 102
Restricted for:					
Acquisition and development	-	6,001,917	4,160,261	4,901,182	15,063,360
Assigned to:					
Health and welfare	118,932	-	-	-	118,932
Acquisition and development	-	-	3,322,019	-	3,322,019
Unassigned:	10,174,229	-	-	-	10,174,229
Total fund balances	<u>\$ 10,293,263</u>	<u>\$ 6,001,917</u>	<u>\$ 7,482,280</u>	<u>\$ 4,901,182</u>	<u>\$ 28,678,642</u>

Use of Estimates

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

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 Annual Comprehensive Financial Report for the year ended June 30, 2022.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2022, the District believes all accounts receivable are fully collectible and an allowance for uncollectible accounts is not warranted.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both government-wide and fund financial statements using the consumption method.

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 assets 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 assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The recorded balance is a portion of the District's revenue that is collected after year-end and meets the recognition in future periods requirement of deferred inflows of resources.

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.

Lease Assets

Lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Lease Payable

In the government-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

New Accounting Pronouncements

GASB Statement No. 87 – Leases became effective for fiscal year 2021-2022. The District's only material lease began on July 1, 2021, so no restatement to beginning balances was necessary due to the implementation of GASB Statement No. 87.

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, Recreation, Older Adult Services, Parks, Trails and Natural Areas, special payments, transfers to other funds, and contingency for the General Fund. 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 of appropriation transfers between object levels and require approval by the Board. The Board did not adopt any supplemental budgets during the year. Appropriations lapse as of fiscal year-end.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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	785,125
State of Oregon Treasurer's Local Government Investment Pool	<u>34,099,917</u>
	<u>\$34,888,602</u>

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

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

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

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

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

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

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

State statutes authorize the District to invest in general obligations of the U.S. Government and in its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements and bankers' acceptances, among others. Reference should be made to the June 30, 2022 Annual Comprehensive Financial Report of Clackamas County for compliance with these statutes.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

3. CASH AND INVESTMENTS (CONTINUED)

Investments in the LGIP are stated at fair value, which approximates cost. The Oregon State Treasury administers the LGIP. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local government in Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board, which is not registered with the U.S. Securities and Exchange Commission as an investment company. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. The Oregon Short-Term Fund financial statements and its portfolio rules can be obtained at www.ost.state.or.us. 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, 2022, are as follows:

Accounts receivable	General Fund	System Development Charges Zone 1 Fund	Total
Charges for services	\$ 29,765	\$ 1,973	\$ 31,738
Less: allowance for uncollectibles	-	-	-
Net total accounts receivable	<u>\$ 29,765</u>	<u>\$ 1,973</u>	<u>\$ 31,738</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Increases	Balance June 30, 2022
Capital assets not being depreciated:			
Land	\$ 12,708,765	\$ -	\$ 12,708,765
Construction in progress	1,477,266	492,866	1,970,132
Total capital assets not being depreciated	14,186,031	492,866	14,678,897
Capital assets being depreciated:			
Buildings	13,078,455	-	13,078,455
Office equipment	1,269,824	-	1,269,824
Improvements	19,862,987	17,571	19,880,558
Vehicles	643,354	17,100	660,454
Total capital assets being depreciated	34,854,620	34,671	34,889,291
Less accumulated depreciation for:			
Buildings	(11,416,138)	(179,216)	(11,595,354)
Office equipment	(855,365)	(78,586)	(933,951)
Improvements	(8,024,848)	(973,341)	(8,998,189)
Vehicles	(550,309)	(18,152)	(568,461)
Total accumulated depreciation	(20,846,660)	(1,249,295)	(22,095,955)
Total capital assets being depreciated, net	14,007,960	(1,214,624)	12,793,336
Total capital assets, net	<u>\$ 28,193,991</u>	<u>\$ (721,758)</u>	<u>\$ 27,472,233</u>

Depreciation expense was charged as follows:

Culture and recreation	\$ 1,074,394
Health and welfare	174,901
	<u>\$ 1,249,295</u>

6. LEASE ASSET

	Beginning Balance	Additions	Ending Balance
Leased Asset:			
Building	\$ -	\$ 341,681	\$ 341,681
Less accumulated amortization:			
Building	-	(97,623)	(97,623)
Total leased asset	<u>\$ -</u>	<u>\$ 244,058</u>	<u>\$ 244,058</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

7. TRANSFERS TO/FROM OTHER FUNDS

The District transfers resources to the Capital Projects Fund to accumulate resources for future capital acquisition. Transfers to/from other funds for the year ended June 30, 2022, consisted of the following:

	<u>Capital Projects Fund</u>
Transfers from:	
General Fund	\$ 44,478
System Development	
Charges Zone 1	214,279
Other Governmental	
Funds	4,457
Total	<u>\$ 263,214</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.

9. 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, 2022.

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.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

9. TAX ABATEMENTS (Continued)

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 2022</u>
Enterprise Zone	\$ 55,100

10. LEASES

The District has entered into one lease agreement as a lessee for office space beginning July 1, 2021.

	<u>Original Amount</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Office building lease; interest at 0.165%, monthly payments of principal and interest ranging from \$7,782 to \$8,448	<u>\$ 341,681</u>	<u>\$ -</u>	<u>\$ 341,681</u>	<u>\$ (94,228)</u>	<u>\$ 247,453</u>

Future maturities are as follows:

Lease Payable Future:	<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
	2023	\$ 96,961	\$ 336
	2024	99,828	173
	2025	50,664	24
		<u>\$ 247,453</u>	<u>\$ 533</u>

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.

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

11. RELATED-PARTY TRANSACTIONS

Labor and fringe benefit costs, administrative expenses for accounting, risk management, human resource management, technology services, public and government affairs, records management and other professional services totaling \$7,627,672 were paid to various County departments. At June 30, 2022, the District owed the County a net of \$2,792,882 for such services. Internal County departments allocate their expenses to all County departments including the District. Labor and fringe benefit costs for the District are based on actual costs and all other administrative costs are based on historical actual costs and allocated based on an activity-based costing methodology.

12. COMMITMENTS AND CONTINGENCIES

The District has commitments under various contracts for approximately \$3,606,077 at June 30, 2022.

13. SUBSEQUENT EVENT

On July 7, 2022, the City of Milwaukie (the City) filed legal action seeking a ruling from the Clackamas County Circuit Court that the City could be allowed to withdraw from the District without voter approval or other substantive process pursuant to the 2008 intergovernmental agreement between the parties. The filing seeks no monetary damages. The Milwaukie Bay Park and SDC Methodology projects have been paused because of this uncertainty.

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SUPPLEMENTARY INFORMATION

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2022

	System Development Charges Zone 2 Fund	System Development Charges Zone 3 Fund	Total
ASSETS			
Due from Clackamas County	\$ 2,230	\$ -	\$ 2,230
Restricted cash and investments	2,418,495	2,481,443	4,899,938
TOTAL ASSETS	<u>\$ 2,420,725</u>	<u>\$ 2,481,443</u>	<u>\$ 4,902,168</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Due to Clackamas County	\$ -	\$ 986	\$ 986
TOTAL LIABILITIES	<u>-</u>	<u>986</u>	<u>986</u>
FUND BALANCES			
Restricted	2,420,725	2,480,457	4,901,182
TOTAL FUND BALANCES	<u>2,420,725</u>	<u>2,480,457</u>	<u>4,901,182</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,420,725</u>	<u>\$ 2,481,443</u>	<u>\$ 4,902,168</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	System Development Charges Zone 2 Fund	System Development Charges Zone 3 Fund	Total
REVENUES:			
Licenses and permits	\$ 79,957	\$ 72,584	\$ 152,541
Interest	10,326	10,613	20,939
Intergovernmental	1,632	1,481	3,113
TOTAL REVENUES	<u>91,915</u>	<u>84,678</u>	<u>176,593</u>
EXPENDITURES:			
Current:			
Culture, education and recreation	<u>4,250</u>	<u>2,027</u>	<u>6,277</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>87,665</u>	<u>82,651</u>	<u>170,316</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(2,813)</u>	<u>(1,644)</u>	<u>(4,457)</u>
NET CHANGE IN FUND BALANCE	84,852	81,007	165,859
FUND BALANCE, JUNE 30, 2021	<u>2,335,873</u>	<u>2,399,450</u>	<u>4,735,323</u>
FUND BALANCE, JUNE 30, 2022	<u><u>\$ 2,420,725</u></u>	<u><u>\$ 2,480,457</u></u>	<u><u>\$ 4,901,182</u></u>

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, 2022

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Licenses and permits	\$ 346,875	\$ 346,875	\$ 79,957	\$ (266,918)
Intergovernmental	20,000	20,000	1,632	(18,368)
Interest	44,057	44,057	10,326	(33,731)
TOTAL REVENUES	410,932	410,932	91,915	(319,017)
EXPENDITURES:				
Current:				
Materials and services	20,000	20,000	1,632	18,368
Capital outlay	466,942	466,942	-	466,942
TOTAL EXPENDITURES	486,942	486,942	1,632	485,310
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(76,010)	(76,010)	90,283	166,293
OTHER FINANCING (USES):				
Transfers out	(2,478,146)	(2,478,146)	(5,431)	2,472,715
NET CHANGE IN FUND BALANCE	(2,554,156)	(2,554,156)	84,852	2,639,008
FUND BALANCE, JUNE 30, 2021	2,554,156	2,554,156	2,335,873	(218,283)
FUND BALANCE, JUNE 30, 2022	\$ -	\$ -	\$ 2,420,725	\$ 2,420,725

Expenditures/Other Financing Uses reconciliation:

Expenditures, budgetary basis	\$ 1,632
Interfund services (U.S. GAAP Basis)	2,618
Expenditures (U.S. GAAP Basis)	<u>\$ 4,250</u>
Other financing uses, budgetary basis	\$ (5,431)
Interfund services	2,618
Other financing uses (U.S. GAAP Basis)	<u>\$ (2,813)</u>

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
SYSTEM DEVELOPMENT CHARGES ZONE 3 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Licenses and permits	\$ 122,412	\$ 122,412	\$ 72,584	\$ (49,828)
Intergovernmental	20,000	20,000	1,481	(18,519)
Interest	24,170	24,170	10,613	(13,557)
TOTAL REVENUES	166,582	166,582	84,678	(81,904)
EXPENDITURES:				
Current:				
Materials and services	20,000	20,000	1,481	18,519
Capital outlay	2,509,267	2,509,267	-	2,509,267
TOTAL EXPENDITURES	2,529,267	2,529,267	1,481	2,527,786
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,362,685)	(2,362,685)	83,197	2,445,882
OTHER FINANCING (USES):				
Transfers out	(39,121)	(39,121)	(2,190)	36,931
NET CHANGE IN FUND BALANCE	(2,401,806)	(2,401,806)	81,007	2,482,813
FUND BALANCE, JUNE 30, 2021	2,401,806	2,401,806	2,399,450	(2,356)
FUND BALANCE, JUNE 30, 2022	\$ -	\$ -	\$ 2,480,457	\$ 2,480,457

Expenditures/Other Financing Uses reconciliation:

Expenditures, budgetary basis	\$ 1,481
Interfund services (U.S. GAAP Basis)	546
Expenditures (U.S. GAAP Basis)	<u>\$ 2,027</u>
Other financing uses, budgetary basis	\$ (2,190)
Interfund services	546
Other financing uses (U.S. GAAP Basis)	<u>\$ (1,644)</u>

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, 2022

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Intergovernmental	\$ 1,311,500	\$ 1,311,500	\$ 5,000	\$ (1,306,500)
Interest	30,000	30,000	33,148	3,148
Contributions & donations	250,000	250,000	-	(250,000)
TOTAL REVENUES	<u>1,591,500</u>	<u>1,591,500</u>	<u>38,148</u>	<u>(1,553,352)</u>
EXPENDITURES:				
Current:				
Materials and services	125,000	125,000	-	125,000
Capital outlay	12,694,044	12,694,044	559,463	12,134,581
Special payments	1,000	1,000	-	1,000
TOTAL EXPENDITURES	<u>12,820,044</u>	<u>12,820,044</u>	<u>559,463</u>	<u>12,260,581</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,228,544)	(11,228,544)	(521,315)	10,707,229
OTHER FINANCING SOURCES:				
Transfers in	4,598,500	4,598,500	263,214	(4,335,286)
NET CHANGE IN FUND BALANCE	(6,630,044)	(6,630,044)	(258,101)	6,371,943
FUND BALANCE, JUNE 30, 2021	<u>6,630,044</u>	<u>6,630,044</u>	<u>7,740,381</u>	<u>1,110,337</u>
FUND BALANCE, JUNE 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,482,280</u>	<u>\$ 7,482,280</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, 2022

Tax Year	Uncollected June 30, 2021	Levy as Extended by Assessor	Discounts Allowed	Interest	Adjustments	Collections	Uncollected June 30, 2022
2021-22		\$ 6,846,118	\$ 31	\$ 2,339	\$ (200,757)	\$ (6,511,527)	\$ 136,204
2020-21	100,786		30	4,224	(5,816)	(50,115)	49,109
2019-20	57,469		38	4,599	(2,580)	(25,970)	33,556
2018-19	16,973		21	3,387	(1,526)	(12,469)	6,386
2017-18	8,687		27	2,178	(1,115)	(6,664)	3,113
2016-17	2,911		-	408	(181)	(1,122)	2,016
2015-2016 and prior	11,851		-	1,444	(361)	(2,858)	10,076
	<u>\$ 198,677</u>	<u>\$ 6,846,118</u>	<u>\$ 147</u>	<u>\$ 18,579</u>	<u>\$ (212,336)</u>	<u>\$ (6,610,725)</u>	<u>\$ 240,460</u>

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STATISTICAL INFORMATION

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Statistical Section

This part of the District's Annual Comprehensive 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.

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the District's performance and well-being have changed over time.	41-44
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	46-50
<i>Debt Capacity</i>	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	51-54
<i>Demographic and Economic Information</i>	
These schedules off demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	55-56
<i>Operating Information</i>	
These schedules contain service and infrastructure data to help the reader understand how the informatin in the District's financial report relates to the services the District provides and the activities it performs.	57-59

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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>
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
2021	28,193,991	-	14,031,776	12,695,963	54,921,730
2022	27,468,838	-	15,063,360	13,843,641	56,375,839

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)

	2013	2014	2015	2016	Fiscal Year		2019	2020	2021	2022
					2017	2018				
Expenses:										
Culture, education and recreation	\$ 6,594,107	\$ 6,400,741	\$ 6,941,053	\$ 6,546,071	\$ 6,913,076	\$ 8,198,709	\$ 7,410,746	\$ 7,434,393	\$ 5,632,975	\$ 8,407,030
Health and welfare	2,653,230	2,557,450	3,151,514	2,424,393	2,512,913	1,992,348	2,489,894	2,377,903	3,048,127	1,360,201
Interest on long-term debt/lease payable	409,488	462,994	390,654	369,622	347,982	287,707	128,732	49,448	-	446
Total expenses	<u>9,656,825</u>	<u>9,421,185</u>	<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>	<u>8,681,102</u>	<u>9,767,677</u>
Program Revenues:										
Charges for services:										
Culture, education and recreation	3,220,860	3,501,228	3,469,954	1,643,259	1,705,683	2,013,611	1,920,593	1,343,443	418,720	1,761,858
Health and welfare	1,315,563	1,390,998	1,625,996	490,843	516,216	327,797	450,510	315,128	179,451	755,082
Operating grants and contributions:										
Culture, education and recreation	328,305	650,916	760,915	528,012	197,348	357,715	1,147,078	1,130,720	997,473	346,296
Health and welfare	484,537	448,983	522,277	504,616	509,763	335,348	269,068	269,068	427,488	148,413
Capital grants and contributions:										
Culture, education and recreation	6,892,951	508,379	3,590,561	3,847,875	3,925,943	2,338,138	2,273,696	2,833,282	1,379,654	1,452,371
Total program revenues	<u>12,242,216</u>	<u>6,500,504</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>3,402,786</u>	<u>4,464,020</u>
Net Expense	<u>2,585,391</u>	<u>(2,920,681)</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>	<u>(5,278,316)</u>	<u>(5,303,657)</u>
General Revenues:										
Property taxes levied for general purposes	5,414,332	5,989,488	6,240,654	6,548,536	6,870,480	7,199,471	5,917,835	7,839,539	6,466,047	6,613,648
Earnings on investments	50,801	52,818	61,274	108,684	261,026	499,910	949,549	727,519	177,743	141,868
Interagency transfer in	-	-	-	1,859,382	-	-	-	-	-	-
Loss on disposal of capital assets	(10,782)	-	-	-	-	-	-	-	-	-
Miscellaneous	154,387	47,322	19,828	3,976	2,665	64,912	126,529	99,500	85,635	2,250
Total general revenues	<u>5,608,738</u>	<u>6,089,628</u>	<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>	<u>6,729,425</u>	<u>6,757,766</u>
Change In Net Position before Special Item	8,194,129	3,168,947	5,808,238	6,195,097	4,215,153	2,658,138	3,025,486	4,696,455	1,451,109	1,454,109
Special Item:										
Gain on capital asset disposal	-	-	-	-	-	4,350,311	-	-	-	-
(Loss) on settlement agreement	-	-	-	-	-	-	-	(19,282,112)	-	-
Change In Net Position	8,194,129	3,168,947	5,808,238	6,195,097	4,215,153	7,008,449	3,025,486	(14,585,657)	1,451,109	1,454,109
Total Change In Net Position	<u>\$ 8,194,129</u>	<u>\$ 3,168,947</u>	<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>	<u>\$ 1,451,109</u>	<u>\$ 1,454,109</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

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									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:											
Nondisposable		\$ 12,530	\$ 1,582	\$ 18,362	\$ 9,636	\$ 14,375	\$ 12,591	\$ 1,615	\$ 2,950	\$ 10,395	\$ 102
Assigned		-	-	-	-	-	-	-	-	-	118,932
Unassigned		2,993,589	3,397,971	3,541,816	4,369,031	4,669,479	5,464,227	5,224,600	6,863,231	8,483,479	10,174,229
Total General Fund		<u>\$ 3,006,119</u>	<u>\$ 3,399,553</u>	<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>	<u>\$ 8,493,874</u>	<u>\$ 10,293,263</u>
All Other Governmental Funds:											
Special revenue funds:											
Nondisposable		\$ -	\$ 120	\$ -	\$ -	\$ 342	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted		2,324,381	3,221,523	7,427,707	12,174,247	15,161,252	16,140,167	16,361,472	8,516,570	9,668,542	10,903,099
Assigned		632,599	609,599	352,593	336,917	299,756	275,112	308,916	435,364	618,320	-
Capital project funds:											
Nondisposable		-	-	32,400	-	-	-	-	-	-	-
Restricted		2,866,465	2,666,554	1,752,943	501,452	520,747	9,715,640	9,322,083	4,509,765	4,363,234	4,160,261
Assigned		1,041,265	1,507,304	2,187,916	2,720,531	3,618,905	4,193,490	4,495,571	3,412,561	3,377,147	3,322,019
Debt service funds:											
Restricted		108,550	108,503	108,956	1,609,806	1,611,355	1,500,000	1,500,000	262,393	-	-
Assigned		95,741	99,285	104,528	106,709	121,676	147,027	186,649	-	-	-
Total All Other Governmental Funds		<u>\$ 7,069,001</u>	<u>\$ 8,212,888</u>	<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>	<u>\$ 18,027,243</u>	<u>\$ 18,385,379</u>

Source: Clackamas County Finance Department

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Property taxes	\$ 5,414,738	\$ 5,978,500	\$ 6,230,823	\$ 6,519,506	\$ 6,855,995	\$ 7,324,250	\$ 5,987,708	\$ 7,833,028	\$ 6,475,391	\$ 6,591,911
Charges for services	1,982,668	2,307,795	2,125,883	2,134,102	2,192,332	2,341,408	2,371,103	1,658,571	598,171	2,516,940
Intergovernmental	883,538	741,117	1,085,715	2,326,650	530,279	505,210	1,207,962	638,808	1,823,799	244,570
Licenses and permits	2,483,299	1,720,686	3,858,387	4,043,707	3,425,942	2,338,138	1,073,696	2,205,769	1,379,654	1,452,371
Interest	50,801	52,817	61,274	108,685	261,026	499,910	949,549	727,519	177,743	141,868
Contributions	158,187	162,202	192,270	205,978	-	-	-	-	-	-
Grants	-	-	-	-	206,399	187,853	208,184	182,227	150,915	206,085
Miscellaneous	154,387	28,702	19,828	3,976	42,050	195,580	220,037	239,421	192,892	46,304
Total revenues	<u>11,127,618</u>	<u>10,991,819</u>	<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>	<u>10,798,565</u>	<u>11,200,049</u>
Expenditures:										
Culture and recreation	5,367,104	5,297,436	5,875,053	5,393,315	5,703,417	6,828,034	6,546,014	6,467,811	4,803,234	7,169,713
Health and welfare	2,158,197	2,104,611	2,251,684	2,080,064	2,156,831	1,759,919	2,269,565	2,150,262	2,703,162	1,167,163
Capital outlay	1,210,641	993,113	471,282	506,611	409,036	1,585,201	2,755,085	1,261,277	773,886	901,144
Debt service:										
Interest	410,588	394,338	376,381	705,000	335,181	298,828	114,925	114,063	-	446
Principal	645,000	665,000	685,000	356,506	720,000	5,530,000	380,000	2,590,000	-	94,228
Bond miscellaneous charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>9,791,530</u>	<u>9,454,498</u>	<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>8,280,282</u>	<u>9,332,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,336,088</u>	<u>1,537,321</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>	<u>2,518,283</u>	<u>1,867,355</u>
Other Financing Sources:										
Lease financing	-	-	-	-	-	-	-	-	-	341,681
Special Item:										
Land sale proceeds	-	-	-	-	-	14,040,000	-	-	-	-
Settlement agreement	-	-	-	-	-	-	-	(14,300,000)	-	-
Net Change in Fund Balances	<u>\$ 1,336,088</u>	<u>\$ 1,537,321</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>	<u>\$ 2,518,283</u>	<u>\$ 2,209,036</u>
Debt service as a percentage of noncapital expenditures	12.3%	12.5%	11.6%	12.4%	11.8%	40.4%	5.3%	23.9%	-	1.1%

Source: Clackamas County Finance Department

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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
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
2021	19,164,218,336	448,201,076	67,163,350	273,988,747	7,296,546,976
2022	20,785,892,540	444,334,269	76,681,940	274,936,465	8,501,495,160

(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
10,989,170,542	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
12,657,024,533	0.53	19,953,571,509	63.43
13,080,350,054	0.53	21,581,845,214	60.61

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 Range
	General Operations	Total Direct ⁽²⁾ Rate	Clackamas County	County Component Units	Cities	Schools	College/ ESD	Fire	Other Special	Total Direct & Overlapping	
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
2021	0.53	0.53	3.06	0.99	0.89	4.30	1.10	2.40	0.84	14.11	15.49-22.56
2022	0.53	0.53	3.06	0.99	0.89	4.38	1.07	2.39	0.82	14.12	15.48-22.62

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, 2022 AND NINE YEARS AGO

Taxpayer	2022			2013		
	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	\$ 1,036,476,706	1	7.92 %	\$ 74,725,000	4	0.68 %
Fred Meyer Stores Inc.	296,191,151	2	2.26	115,905,458	2	1.05
General Growth Properties	292,157,387	3	2.23	206,270,722	1	1.88
Northwest Natural Gas Company	264,754,100	4	2.02	50,914,300	7	0.46
PCC Structurals Inc.	242,144,176	5	1.85	79,084,247	3	0.72
Shorenstien Properties	233,876,547	6	1.79			
Comcast Corporation	92,622,000	7	0.71	67,889,900	5	0.62
ROIC Oregon LLC	91,431,574	8	0.70			
Lumen Technologies	84,418,000	9	0.65			
Meadows Road LLC	76,385,959	10	0.58			
Kaiser Foundation Hosp				50,594,306	8	0.46
Blount, Inc				64,224,547	6	0.58
Marvin F Poer & Company				45,758,567	9	0.42
CH Realty III/Clackamas LLC				44,774,269	10	0.41
Total	<u>\$ 2,710,457,600</u>		<u>20.72 %</u>	<u>\$ 800,141,316</u>		<u>6.46 %</u>

Source: Clackamas County Department of Assessment and Taxation

Total Taxable Assessed Value 2022 from P. 47
13,080,350,054

Total Taxable Assessed Value 2013 from P. 47
10,989,170,542

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
2013	5,552,565	5,236,985	94.3	193,098	5,430,083	97.8
2014	6,097,777	5,782,712	94.8	164,461	5,947,174	97.5
2015	6,387,502	6,068,477	95.0	155,590	6,224,067	97.4
2016	6,707,093	6,381,404	95.1	140,592	6,521,996	97.2
2017	7,048,958	6,721,214	95.4	125,006	6,846,220	97.1
2018	7,398,202	7,046,634	95.2	135,902	7,182,537	97.1
2019	6,151,624	5,884,693	95.6	86,476	5,971,169	97.1
2020	8,057,767	7,702,870	95.6	96,995	7,799,865	96.8
2021	6,640,657	6,357,340	95.7	50,115	6,407,455	96.5
2022	6,846,117	6,511,527	95.1		6,511,527	95.1

Source: Clackamas County Department of Assessment and Taxation

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

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Full Faith & Credit Obligations Series 2008 Bonds	Full Faith & Credit Obligations Series 2010 Bonds			
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
2021	-	-	-	N/A	0.00
2022	-	-	-	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

<u>Fiscal Year</u>	<u>Full Faith & Credit Obligation Bonds</u>	<u>Total General Bonded Debt</u>	<u>Less Amounts Restricted to Repaying Principal</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
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
2021	-	-	-	-	0.00	0.00
2022	-	-	-	-	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, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
City of Milwaukie	33,677,535	99.28	33,433,575
Clackamas Community College	134,508,536	31.11	41,845,337
Clackamas County	115,525,000	22.90	26,456,958
Clackamas County Education Service District	21,902,000	23.82	5,216,662
Clackamas County Rural Fire Protection District #1	25,184,520	50.11	12,620,164
Clackamas County School District #115 (Gladstone)	26,684,090	5.30	1,413,403
Clackamas County School District #12 (North Clackamas)	667,644,451	77.09	514,704,466
Clackamas County School District #62 (Oregon City)	276,111,382	8.33	22,996,765
Clackamas Soil & Water Conservation	5,785,000	22.90	1,324,852
Metro	873,470,000	5.73	50,051,578
Oak Lodge Water Service District	783,000	98.46	770,967
Other debt:			
City of Milwaukie	2,345,000	99.28	2,328,116
Clackamas Community College	18,070,000	31.11	5,621,577
Clackamas County Rural Fire Protection District #1	11,155,000	50.11	5,589,771
Clackamas County School District #12 (North Clackamas)	1,610,378	77.09	1,241,440
Clackamas County School District #62 (Oregon City)	186,333	8.33	15,522
Metro	24,485,000	5.73	1,402,991
Oak Lodge Water Services District	4,109,130	98.46	4,045,849
Port of Portland	45,725,000	5.25	2,400,563
Subtotal overlapping debt			733,480,555
District direct debt			-
Total direct and overlapping debt			\$ 733,480,555

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
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
2021	19,953,571,509	13	2,593,964,296	-	2,593,964,296	0.00
2022	21,581,845,214	13	2,805,639,878	-	2,805,639,878	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 ⁽²⁾
2013	114,251	\$ 5,260,230	46,041	7.5
2014	116,505	\$ 5,539,813	47,550	6.4
2015	117,064	\$ 5,872,984	50,169	5.6
2016	122,652	\$ 6,301,737	51,379	4.7
2017	122,642	\$ 6,900,820	56,268	3.9
2018	122,000	\$ 7,186,166	58,903	3.7
2019	122,000	\$ 7,487,750	61,375	3.9
2020	105,000	\$ 6,803,055	64,791	5.8
2021	105,000	N/A	N/A	6.9
2022	105,000	N/A	N/A	3.8

Sources: Figures are for calendar year for Clackamas County from Bureau of Economic Analysis-U.S. Dept of
Commerce
Department of Human Resources, State of Oregon, Employment Division

Notes:

(1) Data is for calendar years for Clackamas County from Bureau of Economic Analysis

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

N/A: Not available

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
(A Component Unit of Clackamas County, Oregon)
PRINCIPAL EMPLOYERS (1)
JUNE 30, 2022 AND NINE YEARS AGO

Employer	2022			2013		
	Employees	Rank	Percentage of Total ⁽²⁾	Employees	Rank	Percentage of Total ⁽²⁾
Intel Corp.	21,000	1	.02 %	16,250	1	.01 %
Providence Health & Services	21,000	2	.02	14,389	2	.01
Oregon Health & Sciences University	18,048	3	.01	13,733	4	.01
Nike Inc.	13,964	4	.01	7,000	10	.01
Legacy Health	13,120	5	.01	9,662	6	.01
Kaiser Permanente	11,163	6	.01	9,195	7	.01
Fred Meyer	9,525	7	.01	10,389	5	.01
Portland Public Schools	6,847	8	.01			.00
City of Portland	6,635	9	.01	8,951	8	.01
Multhomah County	5,096	10	.00			.00
U.S. Federal Govt.				7,559	9	.01
State of Oregon				13,900	3	.01
Total	<u>126,398</u>		<u>0.10 %</u>	<u>111,028</u>		<u>0.10 %</u>

Sources:

(1) Statistics are the latest available data published in the Portland Business Journal *Book of Lists 2021* , and *Book of Lists 2012* .

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>
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
2021	7.51	27.88	35.39
2022	6.32	32.47	38.79

Note:

(1) Reported full-time equivalent employees are budgeted employees per final budgets at each year-end. Budget 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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Health and welfare:										
Social service units provided	6,718	6,647	5,264	8,216	7,967	8,996	8,890	5,680	4,250	5,280
Meals on Wheels and on-site meals served	66,299	70,966	69,756	70,341	67,256	76,515	67,006	72,298	72,060	74,058
One way rides, older adults and disabled	11,935	10,360	10,240	9,678	8,357	9,887	8,570	5,794	-	3,910
Culture and recreation:										
Recreation programs	95	97	60	58	65	61	71	63	27	48
Recreation class participants	4,443	4,483	3,381	2,580	3,500	3,492	3,913	3,263	926	2,294
Recreation classes	293	298	231	234	238	217	271	195	101	192
Swim lesson participants	4,247	4,253	4,488	4,739	4,991	4,421	4,678	3,611	-	2,202
Aquatic park total customers served	250,863	262,812	253,086	243,907	233,955	235,647	228,350	146,279	14,464	116,124

2015 Note: 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.

2015 Note: New swim lesson program with lower ratios.

2021 Note: NCPRD closed the majority of its operations mid-March 2020 due to the statewide shutdown caused by the COVID-19 pandemic. This is reflected in the lower number of programs and participants.

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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)	4	3	4	4	4	4	4	4	4	4
Culture and recreation:										
Acreage-maintained	592	596	501	501	520	527	640	358	358	276
Parks maintained	53	55	63	63	64	64	64	60	60	58
Play structures	30	32	33	33	33	36	37	32	32	31
Maintenance vehicles/equipment	30	31	32	33	35	35	35	35	35	36
Passenger van (Recmobile)	1	1	1	1	1	1	2	2	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	13	14	14	14	14	10
Soccer	6	6	6	6	6	8	8	8	8	7
Tennis courts	3	3	3	3	3	3	3	3	3	3
Basketball	16	18	17	17	17	19	19	16	19	19
Volleyball courts	2	2	2	2	2	2	2	2	2	2
Sports programs	-	-	127	75	70	21	24	31	14	23
Sports program participants	-	-	7,040	6,769	6,890	5,885	5,952	5,126	962	3,916
Sports courses offered during the year	-	-	248	118	87	94	98	70	49	98

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.

2021 Note: NCPRD closed the majority of its operations mid-March 2020 due to the statewide shutdown caused by the COVID-19 pandemic. This is reflected in the lower number of programs and participants.

2022 Note: NCPRD's partnership with North Clackamas School District to maintain the 36-acre Hood View sports complex ended in fiscal year 2022. Acreage maintained at the Mt. Talbert Nature Area was transferred to Metro as of the end of the fiscal year.

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 of the General Fund and System Development Charges Zone 1 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 22, 2022.

Report on 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 the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 or significant deficiencies may exist that were not identified.

Report on 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Portland, Oregon
November 22, 2022

REPORT OF INDEPENDENT AUDTORS REQUIRED BY OREGON STATE REGULATIONS

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Report of Independent Auditors Required by Oregon State Regulations

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 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, the respective budgetary comparisons of the General Fund and System Development Charges Zone 1 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 22, 2022.

Compliance

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, 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.

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

- Accounting records and internal control
- Public fund deposits
- Budget
- Insurance and fidelity bonds
- Programs funded from outside sources
- Investments
- Public contracts and purchasing

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations.

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 the District's internal control.

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

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

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

A handwritten signature in black ink that reads "Ashley Osten". The signature is written in a cursive, flowing style.

Ashley Osten, Partner, for
Moss Adams LLP
Portland, Oregon
November 22, 2022